Admiral Group plc results for the six months ended 30 June 2015
19 August 2015

H1 2015 Group Results

- Group profit before tax[*1] increased 1% to £186.1 million (H1 2014: £184.9 million)
- Earnings per share up 4% to 54.8 pence (H1 2014: 52.7 pence)
- Interim dividend up 3% to 51.0 pence per share (2014 interim: 49.4 pence per share)
- Return on equity 50% (H1 2014: 54%)
- Group turnover up 2% to £1,057.5 million (H1 2014: £1,037.1 million)
- Group customers up 6% to 4.19 million (H1 2014: 3.94 million)
- UK Car Insurance profit up 6% to £219.2 million (H1 2014: £207.7 million) mainly as a result of higher reserve releases
- International Car Insurance loss reduced to £11.2 million (H1 2014: £15.5 million)
- Price comparison loss[*1] of £4.0 million (H1 2014: profit of £5.9 million) resulting from increased investment in compare.com and lower profit from Confused.com
- Over 7,700 employees eligible to participate in the Group's Employee Share Scheme which will award the maximum £1,800[*2] of shares, based on the H1 2015 result
- Named 4th Best Large Workplace in the UK by the Great Place to Work Institute

[*1] Profit or loss figures represent Group's share of profit or loss before tax excluding minority interests
[*2] Full time equivalent award

Henry Engelhardt, Chief Executive Officer, commented:
"A good start to a challenging year. Profits are up, customer numbers are up, earnings per share is up, the dividend is up ... you might say it was a pretty 'up' first half!

"In particular I'd like to point out the profits in our Italian business, ConTe. Not only did it deliver an accounting profit for the half year, but improved loss ratio projections show that the operation was profitable in 2012 on a written basis. And the operation is growing, having just gone past the 300,000 customer mark.

"The UK business turned in a very solid result helped by positive claims cost development, with modest growth accompanying price increases.

"Overall I'd say, it has been a good first half."

Directorate change

At the end of August Manfred Aldag will retire from the Board having served as a director of the company since 2003.

Following receipt of regulatory approval, Owen Clarke will join the Board with effect from 19th August 2015. Owen is currently the Chief Investment Officer of Equistone (formerly Barclays Private Equity 'BPE'): he served as a director of Admiral from 1999 – 2004 when it was a private company having led BPE's participation in the MBO of Admiral in 1999.

Alastair Lyons, Chairman, commented:

"Manfred has made an enormous contribution to Admiral's success over the many years he has served on our Board and he will be much missed, both as a colleague and a friend: he takes our best wishes with him into retirement.

"We are delighted that Owen is now able to rejoin the Board of Admiral: he has an excellent understanding of our business and a great commercial record, and we look forward to once again benefiting from his wise counsel."

Management presentation

Analysts and investors will be able to access the Admiral Group management presentation, which commences at 9.00am on Wednesday 19 August 2015, by dialling +44 203 059 8125.

A copy of the presentation slides and webcast, along with a PDF version of this interim results announcement, will be available at www.admiralgroup.co.uk.

Group key performance indicators

	H1 2013	H1 2014	H1 2015	FY 2014
Turnover*1	£1,089.1m	£1,037.1m	£1,057.5m	£1,971.0m
Net revenue	£454.8m	£444.6m	£447.7m	£884.6m
Number of customers	3.60m	3.94m	4.19m	4.05m
Loss ratio*2, *3	68.8%	67.1%	60.8%	67.8%
Expense ratio*2, *3	18.6%	18.0%	21.9%	18.7%
Combined ratio*2, *3	87.4%	85.1%	82.7%	86.5%
Profit before tax*4	£181.6m	£184.9m	£186.1m	£356.5m
Earnings per share	50.1p	52.7p	54.8p	103.0p
Dividend per share	48.9p	49.4p	51.0p	98.4p
Return on equity	57%	54%	50%	52%

[*1] Turnover comprises total premiums written and other revenue.

[*2] Loss ratio restated to exclude releases on business that was originally ceded under quota share reinsurance contracts. Result in H1 2015 including releases from commuted reinsurance contracts would have been a loss ratio of 42.0% and combined ratio of 63.9%. Refer below for details.

[*3] Loss and expense ratios exclude the impact of reinsurer cap accruals, prior period expense ratios restated. Refer to note 12b and 12c.

[*4] Profit before tax adjusted to exclude minority interests' share.

Group Results

Admiral Group's share of pre-tax profit in the first half of 2015 was £186.1 million, up 1% on H1 2014 (£184.9 million). A reconciliation of pre-tax profit is included in Note 12.

Group turnover of £1,057.5 million increased by 2% compared to the first half of 2014 (£1,037.1 million). This was mainly driven by increased turnover in both the UK and International Car Insurance businesses. During H1 2015, the Group increased its customer base to 4.19 million with year-on-year growth of over 250,000 customers (6%).

The Group loss ratio improved to 60.8% (H1 2014: 67.1%), primarily due to very positive UK claims development leading to higher reserve releases. The Group expense ratio increased to 21.9% (H1 2014: 18.0%). The main reason for this increase is that 2014 benefited from a one-off adjustment to expenses as a result of the change in approach to accounting for UK Car Insurance levies. In addition to this, the expense ratio is also impacted by a reduction in the UK car insurance average earned premium.

Further details by segment are set out below.

Earnings per share

Earnings per share increased by 4% to 54.8 pence (H1 2014: 52.7 pence). The increase is higher than the increase in pre-tax profit due to the lower effective tax rate.

Dividends

The Directors have declared an interim dividend for the financial year of 51.0 pence per share, which is 3% higher than the interim payment in 2014. It is equal to 93% of earnings per share.

The dividend is made up of a 25.1 pence normal element, based on the stated dividend policy of distributing 45% of post-tax profits, and a further special element of 25.9 pence. The special dividend is calculated with reference to distributable reserves after considering capital that is required to be held a) for regulatory purposes; b) to fund expansion activities; and c) as a further prudent buffer.

The payment date is 9 October 2015, ex-dividend date 10 September 2015 and record date 11 September 2015.

Return on capital

Admiral's capital efficient and highly profitable business model led to return on equity of 50% (H1 2014: 54%).

A key part of the business model is the extensive use of co- and reinsurance across the Group which provides both loss protection and capital relief. Admiral has UK reinsurance arrangements in place covering 35% of the UK car insurance business until at least the end of 2016, while the UK agreement with Munich Re (covering 40%) will run to at least the end of 2018.

Divisional Performance Highlights

- UK Car Insurance profit increased by 6% to £219.2 million (H1 2014: £207.7 million).
- International Car Insurance losses totalled £11.2 million (H1 2014: £15.5 million).
- Admiral Group's share of Price Comparison loss totalled £4.0 million (H1 2014: profit of £5.9 million) reflecting the investment in compare.com.
- Admiral Group's share of Other Group Items, including employee share schemes and net debt financing charges, amounted to a cost of £17.6 million (H1 2014: £12.9 million).

Admiral's strategy in its core UK Car Insurance market is unchanged. The Group aims to grow profitably its share of the UK private motor insurance market and in the six months to 30 June 2015 Admiral continued to grow, resulting in a total customer base of 3.18 million (H1 2014: 3.15 million). During this period Admiral implemented a number of premium increases. The improvement in pre-tax profit was mainly due to an improvement in the Combined Ratio to 73.1% (H1 2014: 76.8%).

Admiral's International Car Insurance businesses also continued to grow, delivering an overall increase in turnover of 6% to £110.3 million (H1 2014: £104.3 million) and insuring 14% more vehicles at 30 June 2015 compared with a year earlier. During the first half of 2015, the International Car Insurance businesses made losses of £11.2 million compared to £15.5 million in the first half of 2014. The lower loss was driven by a number of factors including continued positive results from the Group's Italian car insurance operation, ConTe. The overall international insurance loss equated to 6% of the Group's profit before tax for the period (H1 2014: 8%).

Admiral's Price Comparison businesses made a combined loss of £4.0 million (H1 2014: profit of £5.9 million). This was due to both International price comparison, where an investment in compare.com of £10.4 million offset profits from the Group's European price comparison operations, Rastreator and LeLynx, and a lower profit from the Group's UK price comparison business Confused.com.

Employees

At the core of Admiral's success is a skilled and motivated workforce and the Group invests significant time and money in four key areas to underpin this: communication; equality; reward and recognition; and fun. During the first half of 2015 the Group received numerous awards in recognition of this investment:

- Fourth Best Large Place to Work in the UK
- European Business Awards 2015 - National Champion – UK (Employer of the Year)
- Fourth Great Place to Work Best Workplaces in Spain
- Ninth Great Place to Work Best Workplaces in Italy
- Nova Scotia's Top Employers 2015

At 30 June 2015 the Group employed over 7,700 members of staff, of which over 5,500 are employed in the UK.

Investments and Cash

Investment Strategy

The Group continues to maintain a low risk investment strategy and continues to invest in the same asset classes as in previous years. A shift in allocation of funds, which commenced in 2014, has continued during 2015 with a greater proportion invested in fixed income and other short dated securities (and less in money market funds and deposits). This change was made in order to increase yield without materially increasing risk. As a result of these changes, the proportion of the Group's cash and investments held in fixed income and short-dated securities was 54% at 30 June 2015, up from 37% a year earlier.

The Group performs regular reviews of this strategy to ensure it remains appropriate.

Cash and investments analysis

	30 June 2015				
	UK Car Insurance £m	International Car Insurance £m	Price Comparison £m	Other £m	Total £m
Fixed income and short-dated securities	1,122.6	-	-	201.7	1,324.3
Money market funds	568.7	87.3	-	15.0	671.0
Cash deposits	244.5	3.0	-	-	247.5
Cash	124.7	43.1	28.7	19.5	216.0
Total	**2,060.5**	**133.4**	**28.7**	**236.2**	**2,458.8**

	31 December 2014				
	UK Car Insurance £m	International Car Insurance £m	Price Comparison £m	Other £m	Total £m
Fixed income and short-dated securities	822.7	-	-	199.1	1,021.8
Money market funds	808.6	96.5	-	4.1	909.2
Cash deposits	261.0	2.1	-	-	263.1
Cash	101.8	38.6	49.0	66.5	255.9
Total	**1,994.1**	**137.2**	**49.0**	**269.7**	**2,450.0**

	30 June 2014				
	UK Car Insurance £m	International Car Insurance £m	Price Comparison £m	Other £m	Total £m
Fixed income and short-dated securities	802.8	-	-	-	802.8
Money market funds	725.1	93.2	-	42.0	860.3
Cash deposits	259.7	2.9	-	-	262.6
Cash	149.0	42.0	43.9	12.8	247.7
Total	**1,936.6**	**138.1**	**43.9**	**54.8**	**2,173.4**

Investment return and interest income totalled £9.6 million in H1 2015, up 43% compared to a year earlier (H1 2014: £6.7 million). The increase was higher due to higher average balances along with the increased allocation of funds to fixed income and other short dated securities that took place across 2014. The increase would have been greater but was partially offset by an adjustment (of £5.1 million) relating to notional investment income being accrued on quota share reinsurance funds withheld arrangements. The cumulative accrual at 30 June 2015 was £13.4 million (H1 2014: £1.8 million)

The underlying rate of return (excluding the notional investment income accrual) on the Group's cash and investments was 1.2% (H1 2014: 0.8%).

Capital Structure and Financial Position

The Group continues to manage its capital to ensure that all entities within the Group are able to continue as going concerns and also to ensure that regulated entities, as well as the Group, comfortably meet regulatory capital requirements. Excess capital above these levels within subsidiaries is paid up to the Group holding company in the form of dividends on a regular basis.

In July 2014, the Group completed the issue of £200 million of 10 year dated subordinated bonds. The rate of interest is fixed at 5.5% and the maturity date is in July 2024. The bonds qualify as lower tier two capital under the current regulatory capital regime and are expected to qualify as tier two capital under Solvency II.

The majority of the Group's current capital requirement is derived from its European insurance operations, Admiral Insurance (Gibraltar) Limited (AIGL) and Admiral Insurance Company Limited (AICL). The surplus position at the end of H1 2015 for those companies, along with the overall Group position was as follows:

£m	**AIGL**	**AICL**	**Group**
Net assets less goodwill[*1]	204	82	584
Minimum capital requirement	72	27	120
Surplus over minimum requirement	**132**	**55**	**464**

[*1] Before accounting for the 2015 Interim Dividend of £140 million. Comprises tangible equity plus the element of the Group's debt that is eligible as lower tier two capital under the Insurance Groups Directive (IGD) rules.

During 2015, the Group's capital requirement is assessed under the ICAS regime in the UK with Individual Capital Guidance (ICG) applied by the Prudential Regulatory Authority (PRA) as appropriate. The Group's surplus position after accounting for the 2015 interim dividend is in excess of £300m and is at a similar level to the position at 31 December 2014. The Group expects to hold a significant surplus throughout the remainder of 2015.

Solvency II

The Group continues to make good progress towards full compliance with the requirements of the Solvency II regime in advance of it taking effect in January 2016 and expects to be fully compliant from that date.

Admiral is developing an internal economic capital model which will be used to calculate regulatory capital requirements following approvals from the Group's regulators in the UK and Gibraltar. Such approval is not likely to be sought or granted before 2017.

The Group's regulatory capital from January 2016 will, therefore, be based on the Solvency II Standard Formula, with a capital add-on agreed by the PRA to reflect recognised limitations in the Standard Formula with regards to Admiral Group's business (predominantly in respect of profit commission arrangements in co- and reinsurance agreements and risks arising from actual and potential Periodic Payment Order (PPO) claims).

The level of capital add-on and resulting Group capital requirement from January 2016 is expected to be confirmed by the PRA in the final quarter of 2015.

Taxation

The tax charge reported in the income statement is £33.4 million (H1 2014: £38.9 million) which equates to 18.4% (H1 2014: 21.2%) of profit before tax. The lower effective rate of taxation compared to 2014 results from both a reduction in the rate of UK corporation tax in 2015 and also deferred tax movements relating to losses incurred in the Group's US businesses. The average rate of UK corporation tax in 2015 is 20.25% (2014: 21.5%).

The Group's results are presented in three key segments – UK Car Insurance, International Car Insurance and Price Comparison. Other Group items are summarised in a fourth section.

UK Car Insurance

Non-GAAP[*1] format income statement

£m	**H1 2013**	**H1 2014**	**H1 2015**	**FY 2014**
Turnover[*2]	924.5	849.8	857.9	1,602.7
Total premiums written[*3]	851.7	776.0	779.0	1,453.1
Net insurance premium revenue	214.6	197.9	188.9	394.3
Investment income	5.6	6.0	6.3	11.5
Net insurance claims	(125.2)	(92.6)	(69.3)	(198.3)
Net insurance expenses	(26.3)	(21.7)	(26.2)	(44.6)
Underwriting profit	**68.7**	**89.6**	**99.7**	**162.9**
Profit commission	40.4	35.8	44.2	71.8
Underwriting profit plus profit commission	**109.1**	**125.4**	**143.9**	**234.7**
Net other income	71.2	71.2	63.3	140.7
Instalment income	12.4	11.1	12.0	22.6
UK Car Insurance profit before tax	**192.7**	**207.7**	**219.2**	**398.0**

[*1] GAAP = Generally Accepted Accounting Practice

[*2] Turnover (a non-GAAP measure) comprises Total Premiums Written and Other Revenue. Refer to Note 12 for a reconciliation to financial statement line items

[*3] Total premiums written (non-GAAP) includes premium underwritten by co-insurers

Split of underwriting profit

£m	H1 2013	H1 2014	H1 2015	FY 2014
Motor	65.0	80.0	91.5	144.2
Additional products	3.7	9.6	8.2	18.7
Underwriting profit	**68.7**	**89.6**	**99.7**	**162.9**

Key performance indicators

	H1 2013	H1 2014	H1 2015	FY 2014
Reported motor loss ratio[*1]	67.2%	66.0%	58.2%	68.6%
Reported motor expense ratio[*2]	15.0%	14.2%	17.4%	14.4%
Reported motor combined ratio	82.2%	80.2%	75.6%	83.0%
Written basis motor expense ratio	13.7%	15.2%	16.2%	16.0%
Reported total combined ratio[*3]	81.1%	76.8%	73.1%	79.5%
Claims reserve releases – original net share[*4]	£29.7m	£35.4m	£50.0m	£66.8m
Claims reserve releases – commuted reinsurance[*5]	£22.5m	£37.7m	£42.6m	£70.6m
Total claims reserve releases	£52.2m	£73.1m	£92.6m	£137.4m
Vehicles insured at period-end	3.02m	3.15m	3.18m	3.15m
Other Revenue per vehicle	£73	£67	£64	£67

[*1] Motor loss ratio adjusted to exclude impact of reserve releases on commuted reinsurance contracts. Reconciliation in Note 12b.

[*2] Motor expense ratio is calculated by including claims handling expenses that are reported within claims costs in the Income Statement. Reconciliation in Note 12c.

[*3] Reported total combined ratio includes additional products underwritten by Admiral.

[*4] Original net share shows reserve releases on the proportion of the portfolio that Admiral wrote on a net basis at the start of the underwriting year in question.

[*5] Commuted reinsurance shows releases on the proportion of the account that was originally ceded under quota share reinsurance contracts but has since been commuted and hence reported through the underwriting result and not profit commission.

UK Car Insurance Financial Performance

The first half of 2015 saw indications of small price increases in the UK Car Insurance market, following three successive years of premium rate reductions.

Admiral's response to the competitive environment experienced in recent years was to prioritise margin protection rather than focus on material market share growth. This focus has been maintained in the first six months of 2015 with a modest increase in vehicle numbers to 3.18 million (H1 2014: 3.15 million).

Profit from UK Car Insurance increased by 6% to £219.2 million (H1 2014: £207.7 million). Profit from underwriting and profit commission increased by 15% to £143.9 million (H1 2014: £125.4 million) driven by an improved combined ratio. Profit from Other Revenue decreased by 9% to £75.3 million (H1 2014: £82.3 million) due to a number of factors, referred to below.

UK turnover of £857.9 million increased by 1% (H1 2014: £849.8 million) whilst total premiums written remained broadly stable at £779.0 million (H1 2014: £776.0 million). Premium increases implemented during 2014 offset earlier lower premiums, thereby resulting in the level of written premiums remaining stable. During the first half of 2015 Admiral continued to implement rate increases but portfolio shifts (in particular in favour of renewal business over new business) reduced average written premium by 3% to £481 (H1 2014: £495).

There was an improvement in the reported motor combined ratio, which reduced to 75.6% from 80.2% (both figures exclude the impact of reserve releases from commuted reinsurance contracts – refer below). The combined ratio improvement was largely due to higher reserve release that resulted from positive claims development.

The reported motor loss ratio decreased to 58.2% from 66.0% due to higher reserve releases of £50.0 million (H1 2014: £35.4 million). These figures exclude reserve releases from commuted reinsurance contracts which total £42.6 million (H1 2014: £37.7 million).

These higher releases were due to positive claims cost development in the first half of 2015, which led to very significant improvements in projected ultimate claims costs on business earned to the end of 2014 (and in particular for the 2011 to 2013 underwriting years). Despite the higher reserve releases, Admiral continues to hold a material margin in reserves due to the level of uncertainty in the ultimate costs of claims. This margin expressed as a percentage of actuarial best estimate was slightly higher at 30 June 2015 compared to the end of 2014. If claims develop as expected, there is likely to be scope for continued reserve releases in the future.

Excluding reserve releases, the motor loss ratio increased to 86.8% (H1 2014: 85.3%). The higher ratio reflects a larger margin over the actuarial best estimate for business earned in the current six month period compared to the prior period.

The earned motor expense ratio increased to 17.4% from 14.2% due to 2014 benefitting from a one-off adjustment to levy costs (excluding this adjustment the earned motor expense ratio for H1 2014 would have been 16.0%) and lower average premiums. The latter point was also the main reason the written basis expense ratio increased to 16.2% from 15.2%.

The most recent projection of the ultimate combined ratio for Admiral for the 2014 accident year is 93%, compared to 79% for 2013 (the increase was largely due to falling premium rates between 2013 and 2014). The reported combined ratio for the UK market for 2014, excluding reserve releases, was 111%.

Profit Commission
Admiral is potentially able to earn material amounts of profit commission revenue from co- and reinsurance partners, depending on the profitability of the business. Revenue is recognised in the income statement in line with the booked loss ratios on Admiral's retained underwriting.

In H1 2015 Admiral recognised profit commission revenue of £44.2 million, up from £35.8 million in H1 2014. The increase came as a result of material improvements in the loss ratios.

When a quota share reinsurance contract is commuted (typically after two or three years from the start of an underwriting year), further improvement or deterioration in claims costs are reported within net claims. If the contracts were not commuted, the movement would be reported in profit commission.

If releases, from business that was originally ceded under quota share reinsurance contracts that have since been commuted, are added to profit commission, the total for H1 2015 rises to £86.8 million compared to £73.5 million in H1 2014, an increase of 18%.

Other Revenue
Admiral generates Other Revenue from a portfolio of insurance products that complement the core car insurance product, and also fees generated over the life of the policy.

The most material contributors to net Other Revenue are:

- Revenue earned from motor policy upgrade products underwritten by Admiral, including breakdown, car hire and personal injury covers
- Revenue from other insurance products, not underwritten by Admiral
- Vehicle commission earned from Admiral's panel of co- and reinsurance partners
- Fees such as administration fees and referral income
- Interest charged to customers paying for cover in instalments

Contribution from Other Revenue decreased by 9% to £75.3 million (H1 2014: £82.3 million). The reduction was due to a number of impacts, most notably a change to reinsurer vehicle commissions (the change reallocates revenue to profit commission, albeit with a time lag in recognition of approximately a year) and higher loss ratios on add-on products underwritten by the Group (as a result of enhancements to product features to benefit customers).

Other revenue per vehicle was £64, a decrease of 4% (H1 2014: £67). Net of costs, Other Revenue per vehicle was £55 (H1 2014: £58).

UK Car Insurance Other Revenue - analysis of contribution:

£m	H1 2013	H1 2014	H1 2015	FY 2014
Contribution from additional products and fees	86.2	89.6	84.6	177.8
Contribution from additional products underwritten by Admiral[*1]	3.7	9.6	8.2	18.7
Instalment income	12.4	11.1	12.0	22.6
Other Revenue	**102.3**	**110.3**	**104.8**	**219.1**
Internal costs	(15.0)	(18.4)	(21.3)	(37.1)
Net Other Revenue	**87.3**	**91.9**	**83.5**	**182.0**
Other Revenue per vehicle[*2]	**£73**	**£67**	**£64**	**£67**
Other Revenue per vehicle net of internal costs	£62	£58	£55	£58

[*1] Included in underwriting profit in income statement but re-allocated to Other Revenue for purpose of KPIs.
[*2] Other Revenue (before internal costs) divided by average active vehicles, rolling twelve month basis.

Instalment Income

Instalment income is interest charged to customers paying for cover in instalments. During the first half of 2015 Admiral earned £12.0 million, up £0.9 million on the prior period (H1 2014: £11.1 million) from instalment income. Instalment charges are calculated as a percentage of premium.

Additional products underwritten by Admiral

There are a number of products that are core to providing car insurance to customers (including personal injury insurance, breakdown cover and car hire cover). Contribution from these products underwritten by Admiral during the first half of 2015 was £8.2 million (H1 2014: £9.6 million) and this is included in underwriting profit in the income statement, but reallocated to Other Revenue for the purpose of management key performance indicators.

International Car Insurance

Non-GAAP format income statement

£m	H1 2013	H1 2014	H1 2015	FY 2014
Turnover	95.5	104.3	110.3	206.2
Total premiums written	85.5	94.1	101.0	185.4
Net insurance premium revenue	26.4	27.8	29.7	58.1
Investment income	-	0.1	-	0.2
Net insurance claims	(23.3)	(27.6)	(25.4)	(50.5)
Net insurance expenses	(16.9)	(18.9)	(18.9)	(34.0)
Underwriting result	**(13.8)**	**(18.6)**	**(14.6)**	**(26.2)**
Net other income	2.9	3.0	3.2	6.3
Other revenue and charges	0.1	0.1	0.2	-
International Car Insurance loss before tax	**(10.8)**	**(15.5)**	**(11.2)**	**(19.9)**

Key Performance Indicators

	H1 2013	H1 2014	H1 2015	FY 2014
Adjusted loss ratio[*1]	88%	92%	82%	77%
Adjusted expense ratio[*1]	49%	47%	55%	50%
Adjusted combined ratio[*2]	**137%**	**139%**	**137%**	**127%**
Adjusted combined ratio, net of Other Revenue[*3]	126%	128%	126%	116%
Vehicles insured at period-end	481,400	555,600	631,700	592,600

[*1] Adjusted reported loss ratio and adjusted reported expense ratio have been adjusted to remove the impact of reinsurer caps so the underlying performance of the business is transparent.

[*2] Adjusted reported combined ratio is calculated on Admiral's net share of premiums and excludes Other Revenue. It has been adjusted to remove the impact of reinsurer caps. Including the impact of reinsurer caps the reported combined ratio would be H1 2013: 152%; H1 2014: 167%; H1 2015: 149%; FY 2014: 145%.

[*3] Reported combined ratio, net of Other Revenue is calculated on Admiral's net share of premiums and includes Other Revenue. Including the impact of reinsurer caps the reported combined ratio, net of Other Revenue would be H1 2013: 141%; H1 2014: 156%; H1 2015: 138%; FY 2014: 134%.

Geographical Analysis

H1 2015

	Spain	Italy	France	USA	Total
Customers insured	168,750	298,000	43,450	121,500	**631,700**
Turnover (£m)[*1]	20.0	38.9	9.8	41.6	**110.3**

FY 2014

	Spain	Italy	France	USA	Total
Customers insured	164,400	285,100	34,200	108,900	**592,600**
Turnover (£m)[*1]	43.8	81.9	14.2	66.3	**206.2**

H1 2014

	Spain	Italy	France	USA	Total
Customers insured	151,300	278,550	31,000	94,750	**555,600**
Turnover (£m)[*1]	21.5	43.0	7.1	32.7	**104.3**

[*1] Turnover includes total premium written and income generated by the sale of additional products and services and fees

International Car Insurance Financial Performance

The Group has car insurance businesses in four markets outside the UK – in Spain (Admiral Seguros), Italy (ConTe), the USA (Elephant Auto) and France (L'olivier assurance auto). The operations were launched between 2006 and 2010 and are at different stages in their development.

Each operation continues to progress towards the Group's strategic aim of establishing growing, sustainable, profitable car insurance businesses outside the UK. As these operations develop, it is expected that they will make losses until appropriate scale has been achieved (generally expected to occur 6-10 years after launch, though subject to market conditions).

The combined operations insured 631,700 vehicles at 30 June 2015 – 14% higher than a year earlier (H1 2014: 555,600). Turnover was £110.3 million, up 6% compared to H1 2014. Customers and turnover from outside the UK represent 15% and 10% of the Group totals respectively, up from 14% and 10% in H1 2014.

The total International Insurance loss for the period was £11.2 million, down from £15.5 million in H1 2014, mainly due to the impact of the profit generated by ConTe in the first half of 2015 compared with a loss for H1 2014. The loss ratio decreased to 82% (H1 2014: 92%), whilst the expense ratio increased to 55% (H1 2014: 47%). The combined ratio therefore decreased to 137% (H1 2014: 139%).

Admiral Seguros (Spain) was launched in 2006 and is the oldest of Admiral's international operations. It trades via the Balumba and Qualitas Auto brands. The business insured 168,750 customers at 30 June 2015, 12% higher than a year earlier.

The Group's largest international operation is ConTe in Italy with nearly 300,000 vehicles insured at the end of June 2015 (7% higher than a year earlier). In 2014, ConTe enjoyed positive development of projected ultimate claims on its back years and was able to record its first small profit on the back of strong reserve releases. During the first half of 2015, ConTe continued to see positive development in the projected ultimate outcomes of most underwriting years allowing further reserve releases in H1

2015. ConTe holds a prudent margin in its claims reserves above actuarial best estimate. The margin remained consistent with FY 2014.

Admiral's youngest and smallest international insurance business is L'olivier assurance auto, launched in 2010 in France. L'olivier insured 43,450 vehicles at the end of June 2015, up 40% on a year earlier and nearly 30% since the end of 2014. L'olivier was established with a different start-up business model to Admiral's other international operations, with certain functions outsourced in order to keep expenses low in the initial phases of development, but during 2014 these functions were brought in-house. 2015 has seen material growth in customer numbers following this restructure.

The consolidated result of Admiral's insurance operations in Spain, Italy and France was a loss of £3.2 million compared to £9.5 million in H1 2014. The combined ratio improved to 115% from 123% primarily due to an improvement in claims performance.

In the USA, Admiral underwrites motor insurance in four states (Virginia, Maryland, Illinois and Texas) through its Elephant Auto business, which launched in 2009. At the end of June 2015, Elephant insured over 121,000 vehicles, up over 28% year-on-year. Elephant's result for the period was a loss of £8.0 million, compared to £6.1 million in H1 2014. The written combined ratio for Elephant is stable at 143% (H1 2014: 141%).

Price Comparison

Non-GAAP format income statement

£m	**H1 2013**	**H1 2014**	**H1 2015**	**FY 2014**
Revenue:				
Motor	45.3	43.2	42.6	81.0
Other	12.2	13.9	12.6	26.5
Total	**57.5**	**57.1**	**55.2**	107.5
Operating expenses	(47.6)	(53.1)	(63.8)	(110.3)
Operating profit/(loss)	**9.9**	**4.0**	**(8.6)**	**(2.8)**
Confused.com profit	**10.2**	**9.1**	**4.8**	**15.8**
International Price Comparison result	**(0.3)**	**(5.1)**	**(13.4)**	**(18.6)**
	9.9	**4.0**	**(8.6)**	**(2.8)**
Group share of operating profit/(loss):[*1]				
Confused.com profit	**10.2**	**9.1**	**4.8**	**15.8**
International Price Comparison result[*1]	**(0.2)**	**(3.2)**	**(8.8)**	**(12.2)**
	10.0	**5.9**	**(4.0)**	**3.6**

[*1] Represents the Group's share of Price Comparison profit/ (loss) and excludes the impact of Minority Interests.

UK Price Comparison – Confused.com

Confused.com faced continuing challenging market conditions and saw revenue reduce by 12% to £38.9 million (H1 2014: £44.4 million). Profit also fell to £4.8 million (H1 2014: £9.1 million). The results were also impacted by limited overall growth in the price comparison market and investment in the current marketing campaign.

Revenue from other products decreased to 24% of total revenue. Confused.com's operating margin reduced to 12% (H1 2014: 20%).

International Price Comparison

The Group operates three price comparison businesses outside the UK; in Spain (Rastreator), France (LeLynx) and USA (compare.com).

The combined revenue from the European operations in H1 2015 increased by 16% to £12.3 million (H1 2014: £10.6 million) and 30% more quotes were provided to users of the websites. Combined revenue in local currency increased by 30% reflecting increased quote volumes and improved conversion rates. Both Rastreator and LeLynx have market-leading positions and strong brand recognition in their respective markets. The Group's share of the combined result for Rastreator and LeLynx was a profit of £1.6 million (H1 2014: £1.9 million) with the decrease mainly due to exchange rate fluctuations.

Admiral Group owns 75% of Rastreator, with the remaining 25% owned by Mapfre.

Following the launch in March 2013 of compare.com, our US comparison operation, the Group has continued to invest in the operation. During H1 2015 Admiral's share of compare.com's loss was £10.4 million before tax (H1 2014: £5.1 million). Due to the ongoing investment in compare.com, the Group's share of compare.com's losses for 2015 will be in the range of £20 million and £30 million.

The Group's share of the combined result for International Price Comparison was therefore a loss of £8.8 million (H1 2014: loss of £3.2 million) – the profit from Rastreator and LeLynx offset by investment in compare.com.

Other Group Items

£m	H1 2013	H1 2014	H1 2015	FY 2014
UK Household Insurance result	(0.2)	0.5	0.6	(0.1)
UK Commercial Vehicle operating profit	1.4	1.5	1.0	2.2
Other interest and investment income	1.1	0.6	3.3	3.7
Share scheme charges	(10.5)	(12.5)	(11.9)	(21.2)
Business development costs	(0.6)	(0.2)	(0.5)	(0.7)
Other central overheads and charges	(1.6)	(2.8)	(4.7)	(3.9)
Finance charges	-	-	(5.5)	(4.6)

UK Household Insurance

The Group's UK Household Insurance business was launched in December 2012. The product is underwritten within the Group and common with other businesses it is supported by proportional reinsurance covering 70% of the underwriting risk.

UK Commercial Vehicle
The Group operates a commercial vehicle insurance broker (Gladiator) offering van insurance and associated products, typically to small businesses. Gladiator has been impacted by a very competitive environment and as a result operating profit has reduced to £1.0 million (H1 2014: £1.5 million), though the number of customers increased by 4% to 143,000 (H1 2014: 137,000).

Other central overheads and charges
Other central overheads include Group Directors' remuneration and other Group central costs. The increase in costs in the period is due to a number of one-off charges.

Finance charges
Finance charges of £5.5 million (H1 2014: £Nil) represent interest on the £200 million subordinated loan notes issued in July 2014.

Proposed change of Auditor
In August 2015, the Board approved the proposed appointment of Deloitte as auditor to the Company and its subsidiaries. Deloitte will replace KPMG with effect from the 2016 financial year. The appointment is subject to approval by shareholders at the next Annual General Meeting in April 2016 and follows a tender process carried out by the Audit Committee during the first half of 2015. Further details of the process will be provided in the 2015 Annual Report.

Condensed consolidated income statement

	Note:	6 months ended: 30 June 2015 £m	6 months ended: 30 June 2014 £m	Year ended: 31 December 2014 £m
Insurance premium revenue		549.6	544.2	1,099.7
Insurance premium ceded to reinsurers		(320.7)	(312.5)	(634.8)
Net insurance premium revenue	5	**228.9**	**231.7**	**464.9**
Other revenue	7	165.0	170.4	332.5
Profit commission	5	44.2	35.8	71.8
Investment and interest income	6	9.6	6.7	15.4
Net revenue		**447.7**	**444.6**	**884.6**
Insurance claims and claims handling expenses		(352.3)	(390.4)	(794.5)
Insurance claims and claims handling expenses recoverable from reinsurers		250.9	265.9	535.4
Net insurance claims		**(101.4)**	**(124.5)**	**(259.1)**
Operating expenses and share scheme charges	3, 8	(279.0)	(239.9)	(501.8)
Operating expenses and share scheme charges recoverable from co- and reinsurers	3, 8	119.9	103.1	231.6
Net operating expenses and share scheme charges		**(159.1)**	**(136.8)**	**(270.2)**
Total expenses		**(260.5)**	**(261.3)**	**(529.3)**
Operating profit		**187.2**	**183.3**	**355.3**
Finance costs	6	(5.5)	-	(4.6)
Profit before tax		**181.7**	**183.3**	**350.7**
Taxation expense	9	(33.4)	(38.9)	(69.1)
Profit after tax		**148.3**	**144.4**	**281.6**
Profit after tax attributable to:				
Equity holders of the parent		152.9	145.7	285.2
Non-controlling interests		(4.6)	(1.3)	(3.6)
		148.3	**144.4**	**281.6**
Earnings per share:				
Basic	11	54.8p	52.7p	103.0p
Diluted	11	54.7p	52.7p	102.8p

Dividends declared and paid (total)	11	134.4	138.3	273.5
Dividends declared and paid (per share)	11	49.0p	50.6p	100.0p

Condensed consolidated statement of comprehensive income

	6 months ended: 30 June 2015 £m	6 months ended: 30 June 2014 £m	Year ended: 31 December 2014 £m
Profit for the period	**148.3**	**144.4**	**281.6**
Other comprehensive income			
Items that are or may be reclassified to profit or loss			
Movements in fair value reserve	(8.8)	(1.8)	10.9
Exchange differences on translation of foreign operations	(1.3)	(2.3)	3.0
Other comprehensive income for the period, net of income tax	**(10.1)**	**(4.1)**	**13.9**
Total comprehensive income for the period	**138.2**	**140.3**	**295.5**
Total comprehensive income for the period attributable to:			
Equity holders of the parent	142.8	141.8	298.6
Non-controlling interests	(4.6)	(1.5)	(3.1)
	138.2	**140.3**	**295.5**

Condensed consolidated statement of financial position

		As at:		
		30 June 2015	30 June 2014	31 December 2014
	Note:	£m	£m	£m
ASSETS				
Property and equipment	10	32.3	28.4	32.3
Intangible assets	10	119.3	98.6	107.2
Deferred income tax	9	29.5	19.8	22.9
Reinsurance assets	5	720.5	697.6	829.8
Insurance and other receivables	6, 10	499.3	498.4	435.3
Financial investments	6	2,242.8	1,925.7	2,194.1
Cash and cash equivalents	6	216.0	247.7	255.9
Total assets		**3,859.7**	**3,516.2**	**3,877.5**
EQUITY				
Share capital	11	0.3	0.3	0.3
Share premium account		13.1	13.1	13.1
Fair value reserve		2.1	(1.8)	10.9
Foreign exchange reserve		1.0	(2.3)	2.3
Retained profit and loss		574.2	527.0	540.6
Total equity attributable to equity holders of the parent		**590.7**	**536.3**	**567.2**
Non-controlling interests		8.9	10.8	13.7
Total equity		**599.6**	**547.1**	**580.9**
LIABILITIES				
Insurance contracts	5	2,148.3	2,010.0	2,097.4
Subordinated liabilities	6	203.8	-	203.8
Trade and other payables	6, 10	876.2	925.6	965.8
Current tax liabilities		31.8	33.5	29.6
Total liabilities		**3,260.1**	**2,969.1**	**3,296.6**
Total equity and total liabilities		**3,859.7**	**3,516.2**	**3,877.5**

Condensed consolidated cash flow statement

	Note:	6 months ended: 30 June 2015 £m	6 months ended: 30 June 2014 £m	Year ended: 31 December 2014 £m
Profit after tax		**148.3**	**144.4**	**281.6**
Adjustments for non-cash items:				
- Depreciation	10	3.9	3.2	7.1
- Amortisation of software	10	2.6	2.0	4.6
- Change in unrealised gains on investments		-	3.2	-
- Other gains and losses		0.3	-	(0.2)
- Share scheme charges	8	12.9	14.2	23.2
- Investment income on gilts		(3.0)	-	(2.6)
- Finance costs	6	5.5	-	4.6
Change in gross insurance contract liabilities		50.9	108.7	196.1
Change in reinsurance assets		109.3	123.6	(8.6)
Change in trade and other receivables, including from policyholders		(64.2)	(55.2)	14.7
Change in trade and other payables, including tax and social security		(88.5)	(88.5)	(49.4)
Taxation expense	9	33.4	38.9	69.1
Cash flows from operating activities, before movements in investments		**211.4**	**294.5**	**540.2**
Net cash flow into investments		(57.5)	(33.8)	(286.3)
Cash flows from operating activities, net of movements in investments		153.9	260.7	253.9
Taxation payments		(35.6)	(40.1)	(77.0)
Net cash flow from operating activities		**118.3**	**220.6**	**176.9**
Cash flows from investing activities:				
Purchases of property, equipment and software	10	(18.9)	(24.6)	(50.6)
Interest and investment income received		3.1	-	3.1
Net cash used in investing activities		**(15.8)**	**(24.6)**	**(47.5)**
Cash flows from financing activities:				
Non-controlling interest capital contribution		(0.2)	4.0	8.5
Proceeds on issue of subordinated liabilities		-	-	200.0
Transactions costs on issue of subordinated liabilities		-	-	(0.8)
Finance costs paid		(5.5)	-	-
Capital element of new finance lease liabilities		-	1.0	-
Repayment of finance lease liabilities		(1.0)	(0.6)	1.4
Equity dividends paid	11	(134.4)	(138.3)	(273.5)
Net cash used in financing activities		**(141.1)**	**(133.9)**	**(64.4)**
Net (decrease)/ increase in cash and cash equivalents		**(38.6)**	**62.1**	**65.0**
Cash and cash equivalents at 1 January		255.9	187.9	187.9
Effects of changes in foreign exchange rates		(1.3)	(2.3)	3.0
Cash and cash equivalents at end of period	6	**216.0**	**247.7**	**255.9**

Consolidated statement of changes in equity

	Share capital £m	Share premium account £m	Fair value reserve £m	Foreign exchange reserve £m	Retained profit and loss £m	**Total £m**	NCI[*1] £m	**Total equity £m**
	Attributable to the owners of the company							
At 1 January 2014	0.3	13.1	-	(0.2)	502.6	**515.8**	8.3	**524.1**
Profit for the period	-	-	-	-	145.7	**145.7**	(1.3)	**144.4**
Other comprehensive income								
Movements in fair value reserve	-	-	(1.8)	-	-	**(1.8)**	-	**(1.8)**
Currency translation differences	-	-	-	(2.1)	-	**(2.1)**	(0.2)	**(2.3)**
Total comprehensive income for the period	-	-	(1.8)	(2.1)	145.7	**141.8**	(1.5)	**140.3**
Transactions with equity-holders								
Dividends	-	-	-	-	(138.3)	**(138.3)**	-	**(138.3)**
Share scheme credit	-	-	-	-	14.2	**14.2**	-	**14.2**
Deferred tax credit on share scheme credit	-	-	-	-	2.8	**2.8**	-	**2.8**
Contributions by NCIs	-	-	-	-	-	**-**	4.0	**4.0**
Total transactions with equity-holders	-	-	-	-	(121.3)	**(121.3)**	4.0	**(117.3)**
As at 30 June 2014	**0.3**	**13.1**	**(1.8)**	**(2.3)**	**527.0**	**536.3**	**10.8**	**547.1**
At 1 January 2014	0.3	13.1	-	(0.2)	502.6	**515.8**	8.3	**524.1**
Profit for the period	-	-	-	-	285.2	**285.2**	(3.6)	**281.6**
Other comprehensive income								
Movements in fair value reserve	-	-	10.9	-	-	**10.9**	-	**10.9**
Currency translation differences	-	-	-	2.5	-	**2.5**	0.5	**3.0**
Total comprehensive income for the period	-	-	10.9	2.5	285.2	**298.6**	(3.1)	**295.5**
Transactions with equity-holders								
Dividends	-	-	-	-	(273.5)	**(273.5)**	-	**(273.5)**
Share scheme credit	-	-	-	-	23.2	**23.2**	-	**23.2**
Deferred tax credit on share scheme credit	-	-	-	-	3.1	**3.1**	-	**3.1**
Contributions by NCIs	-	-	-	-	-	**-**	8.5	**8.5**
Total transactions with equity-holders	-	-	-	-	(247.2)	**(247.2)**	8.5	**(238.7)**
As at 31 December 2014	**0.3**	**13.1**	**10.9**	**2.3**	**540.6**	**567.2**	**13.7**	**580.9**

	Share capital £m	Share premium account £m	Fair value reserve £m	Foreign exchange reserve £m	Retained profit and loss £m	**Total £m**	NCI[*1] £m	**Total equity £m**
	Attributable to the owners of the company							
At 1 January 2015	0.3	13.1	10.9	2.3	540.6	**567.2**	13.7	**580.9**
Profit for the period	-	-	-	-	152.9	**152.9**	(4.6)	**148.3**
Other comprehensive income								
Movements in fair value reserve	-	-	(8.8)	-	-	**(8.8)**	-	**(8.8)**
Currency translation differences	-	-	-	(1.3)	-	**(1.3)**	-	**(1.3)**
Total comprehensive income for the period	-	-	(8.8)	(1.3)	152.9	**142.8**	(4.6)	**138.2**
Transactions with equity-holders								
Dividends	-	-	-	-	(134.4)	**(134.4)**	-	**(134.4)**
Share scheme credit	-	-	-	-	12.9	**12.9**	-	**12.9**
Deferred tax credit on share scheme credit	-	-	-	-	2.2	**2.2**	-	**2.2**
Contributions by NCIs	-	-	-	-	-	**-**	(0.2)	**(0.2)**
Total transactions with equity-holders	-	-	-	-	(119.3)	**(119.3)**	(0.2)	**(119.5)**
As at 30 June 2015	**0.3**	**13.1**	**2.1**	**1.0**	**574.2**	**590.7**	**8.9**	**599.6**

[*1] Non-controlling interests

Notes to the financial statements

1. General information

Admiral Group plc is a Company incorporated in England and Wales. Its registered office is at Tŷ Admiral, David Street, Cardiff CF10 2EH and its shares are listed on the London Stock Exchange.

The condensed interim financial statements comprise the results and balances of the Company and its subsidiaries (the Group) for the six-month period ended 30 June 2015 and the comparative periods for the six-months ended 30 June 2014 and the year ended 31 December 2014. This condensed set of financial statements has been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the EU.

As required by the FCA's Disclosure and Transparency Rules, the condensed set of financial statements has been prepared applying the accounting policies and presentation that were applied in the preparation of the Company's published consolidated financial statements for the year ended 31 December 2014.

The financial statements of the Company's subsidiaries are consolidated in the Group financial statements. In accordance with IAS 24, transactions or balances between Group companies that have been eliminated on consolidation are not reported as related party transactions.

The comparative figures for the financial year ended 31 December 2014 are not the Company's statutory accounts for that financial year. Those accounts have been reported on by the Company's auditors and delivered to the registrar of companies. The report of the auditors was:

i. unqualified;
ii. did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report; and
iii. did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

The accounts have been prepared on a going concern basis. In considering the appropriateness of this assumption, the Board have reviewed the Group's projections for the next twelve months and beyond. Further information is given in the Basis of preparation below.

2. Basis of preparation

The condensed set of interim financial statements have been prepared applying the accounting policies and presentation that were applied in the preparation of the Company's published consolidated financial statements for the year ended 31 December 2014. A number of other IFRS and interpretations have been endorsed by the EU in the period to 30 June 2015 and although they have been adopted by the Group, none of them has had a material impact on the Group's financial statements.

Under Provision C.1.3 of the 2014 UK Corporate Governance Code, the Board is required to report on whether the business is a going concern. In considering this requirement, the Directors have taken into account the following:

- The Group's projections for the next 12 months and beyond, in particular the profit and cash flows forecasts, and economic capital surpluses.

- The Group’s additional sources of liquidity including the £200 million raised in the bond placement in 2014 and a revolving credit facility.
- The risks included on the Group’s risk register that could impact on the Group’s liquidity and solvency over the next 12 months.
- The risks on the Group’s risk register that could be a threat to the Group’s business model and capital adequacy.

The Group’s business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report within the Group’s 2014 Annual Report. Note 14 to this report also includes the Group’s principal risks and uncertainties.

Following consideration of the issues above, the Directors have reasonable expectation that the Group has adequate resources to continue in operating for the foreseeable future and that it is therefore appropriate to adopt the Going Concern basis in preparing the financial statements.

3. Critical accounting judgements and estimates

The Group’s 2014 Annual Report provides full details of significant judgements and estimates used in the application of the Group’s accounting policies. There have been no significant changes to these judgements and estimates during the period.

Estimation techniques used in calculation of claims provisions and profit commission:

Estimation techniques are used in the calculation of the provisions for claims outstanding, which represent a projection of the ultimate cost of settling claims that have occurred prior to the balance sheet date and remain unsettled at the balance sheet date.

The key area where these techniques are used relates to the ultimate cost of reported claims. A secondary area relates to the emergence of claims that occurred prior to the balance sheet date, but had not been reported at that date.

The estimates of the ultimate cost of reported claims are based on the setting of claim provisions on a case-by-case basis, for all but the simplest of claims.

The sum of these provisions are compared with projected ultimate costs using a variety of different projection techniques (including incurred and paid chain ladder and an average cost of claim approach) to allow an actuarial assessment of their potential outcome. They include allowance for unreported claims.

The most significant sensitivity in the use of the projection techniques arises from any future step change in claims costs, which would cause future claim cost inflation to deviate from historic trends. This is most likely to arise from a change in the regulatory or judicial regime that leads to an increase in awards or legal costs for bodily injury claims that is significantly above or below the historical trend.

The Group’s independent actuarial advisors project best estimate claims reserves using a variety of recognised actuarial techniques. The Group’s reserving policy requires management to reserve within a range of potential outcomes above the projected best estimate outcome, to allow for unforeseen adverse claims development.

For further detail on objectives, policies and procedures for managing insurance risk, refer to note 5 of the financial statements in the Group's 2014 Annual Report.

Future changes in claims reserves also impact profit commission income, as the measurement of this income is dependent on the loss ratio booked in the financial statements, and cash receivable is dependent on actuarial projections of ultimate loss ratios.

4. Operating segments

The Group has four reportable segments, as described below. These segments represent the principal split of business that is regularly reported to the Group's Board of Directors, which is considered to be the Group's chief operating decision maker in line with IFRS 8 *Operating Segments*.

UK Car Insurance

The segment consists of the underwriting of car insurance and other products that supplement the car insurance policy. It also includes the generation of revenue from additional products and fees from underwriting car insurance in the UK. The Directors consider the results of these activities to be reportable as one segment as the activities carried out in generating the revenue are not independent of each other and are performed as one business. This mirrors the approach taken in management reporting.

International Car Insurance

The segment consists of the underwriting of car insurance and the generation of revenue from additional products and fees, from underwriting car insurance outside of the UK. It specifically covers the Group operations Admiral Seguros in Spain, ConTe in Italy, L'olivier assurance auto in France and Elephant Auto in the USA. None of these operations are reportable on an individual basis, based on the threshold requirements in IFRS 8.

Price Comparison

The segment relates to the Group's price comparison websites; Confused.com in the UK, Rastreator in Spain, LeLynx in France and compare.com in the USA. Each of the Price Comparison businesses are operating in individual geographical segments but are grouped into one reporting segment as Rastreator, LeLynx and compare.com do not individually meet the threshold requirements in IFRS 8.

Other

The 'Other' segment is designed to be comprised of all other operating segments that do not meet the threshold requirements for individual reporting. It includes UK household insurance, the Group's commercial van insurance broker, Gladiator, and commercial van insurance.

Taxes are not allocated across the segments and, as with the corporate activities, are included in the reconciliation to the Consolidated Income Statement and Consolidated Statement of Financial Position.

Segment income, results and other information

An analysis of the Group's revenue and results for the period ended 30 June 2015, by reportable segment are shown below. The accounting policies of the reportable segments are consistent with those presented in the notes to the 2014 Group financial statements.

	UK Car Insurance £m	International Car Insurance £m	Price Comparison £m	Other £m	Eliminations £m	30 June 2015 Segment total £m
Turnover[*1]	857.9	110.3	55.2	34.1	-	1,057.5
Net insurance premium revenue	188.9	31.8	-	8.2	-	228.9
Other revenue and profit commission	140.8	4.0	55.2	9.2	-	209.2
Investment and interest income	6.3	-	-	-	-	6.3
Net revenue	336.0	35.8	55.2	17.4	-	444.4
Net insurance claims	(69.3)	(25.6)	-	(6.5)	-	(101.4)
Expenses	(47.5)	(21.4)	(63.8)	(9.3)	-	(142.0)
Segment profit / (loss) before tax	**219.2**	**(11.2)**	**(8.6)**	**1.6**	**-**	**201.0**
Other central revenue and expenses, including share scheme charges						(17.1)
Interest and investment income						3.3
Finance costs						(5.5)
Consolidated profit before tax						**181.7**
Taxation expense						(33.4)
Consolidated profit after tax						**148.3**

[*1] Turnover is a non-GAAP measure and consists of total premiums written (including co-insurers share) and Other revenue. Refer to note 12 for further information.

Revenue and results for the corresponding reportable segments for the period ended 30 June 2014 are shown below.

	UK Car Insurance £m	International Car Insurance £m	Price Comparison £m	Other £m	Eliminations £m	30 June 2014 Segment total £m
Turnover[*1]	849.8	104.3	57.1	25.9	-	1,037.1
Net insurance premium revenue	197.9	27.8	-	6.0	-	231.7
Other revenue and profit commission	136.5	3.5	57.1	9.1	-	206.2
Investment and interest income	6.0	0.1	-	-	-	6.1
Net revenue	340.4	31.4	57.1	15.1	-	444.0
Net insurance claims	(92.6)	(27.6)	-	(4.3)	-	(124.5)
Expenses	(40.1)	(19.3)	(53.1)	(8.7)	-	(121.2)
Segment profit / (loss) before tax	**207.7**	**(15.5)**	**4.0**	**2.1**	**-**	**198.3**
Other central revenue and expenses, including share scheme charges						(15.6)
Interest income						0.6
Finance costs						-
Consolidated profit before tax						**183.3**
Taxation expense						(38.9)
Consolidated profit after tax						**144.4**

Revenue and results for the corresponding reportable segments for the year ended 31 December 2014 are shown below.

						31 December 2014
	UK Car Insurance £m	International Car Insurance £m	Price Comparison £m	Other £m	Eliminations £m	Segment total £m
Turnover*1	1,602.7	206.2	107.5	54.6	-	1,971.0
Net insurance premium revenue	394.3	58.1	-	12.5	-	464.9
Other revenue and profit commission	272.2	7.1	107.5	17.5	-	404.3
Investment and interest income	11.5	0.2	-	-	-	11.7
Net revenue	678.0	65.4	107.5	30.0	-	880.9
Net insurance claims	(198.3)	(50.5)	-	(10.3)	-	(259.1)
Expenses	(81.7)	(34.8)	(110.3)	(17.6)	-	(244.4)
Segment profit / (loss) before tax	**398.0**	**(19.9)**	**(2.8)**	**2.1**	**-**	**377.4**
Other central revenue and expenses, including share scheme charges						(25.8)
Interest and investment income						3.7
Finance costs						(4.6)
Consolidated profit before tax						**350.7**
Taxation expense						(69.1)
Consolidated profit after tax						**281.6**

Segment revenues

The UK and International Car Insurance reportable segments derive all insurance premium income from external policyholders. Revenue within these segments is not derived from an individual policyholder that represents 10% or more of the Group's total revenue.

The total of Price Comparison revenues from transactions with other reportable segments is £7.2 million (H1 2014: £5.7 million, FY 2014: £9.5 million). These amounts have not been eliminated on consolidation as the Directors consider that not doing so results in a better overall presentation of the financial statements. The impact on the financial statements in the current and prior period is not material. There are no other transactions between reportable segments.

Within the UK Car Insurance segment, transactions between the Group's intermediary and the Group's insurance companies relating to vehicle commission totalling £5.2 million (H1 2014: £7.0 million, FY 2014: £13.3 million) have been eliminated (from the insurance expenses and Other revenue lines in the income statement) on the basis that the non-elimination would have materially distorted the presentation of key performance indicators.

Revenues from external customers for products and services is consistent with the split of reportable segment revenues as shown above.

Information about geographical locations

All material revenues from external customers, and net assets attributed to a foreign country relating to car insurance are shown within the International Car Insurance reportable segment shown above. The revenue and results of the three International Price Comparison businesses; Rastreator, LeLynx and compare.com are not yet material enough to be presented as a separate segment.

5. Premium, Claims and Profit Commissions

5a. Net insurance premium revenue

	30 June 2015 £m	30 June 2014 £m	31 December 2014 £m
Total motor insurance premiums before co-insurance	904.9	886.9	1,675.6
Group gross premiums written after co-insurance	597.9	577.6	1,102.1
Outwards reinsurance premiums	(351.2)	(336.0)	(644.9)
Net insurance premiums written	246.7	241.6	457.2
Change in gross unearned premium provision	(48.3)	(33.4)	(2.4)
Change in reinsurers' share of unearned premium provision	30.5	23.5	10.1
Net insurance premium revenue	**228.9**	**231.7**	**464.9**

The Group's share of the car insurance business was underwritten by Admiral Insurance (Gibraltar) Limited, Admiral Insurance Company Limited and Elephant Insurance Company. All contracts are short-term in duration, lasting for 10 or 12 months.

5b. Profit commission

	30 June 2015 £m	30 June 2014 £m	31 December 2014 £m
Underwriting year:			
2010 & prior	2.9	6.4	19.1
2011	12.1	20.9	27.8
2012	19.0	8.5	24.9
2013	10.2	-	-
Total profit commission	**44.2**	**35.8**	**71.8**

5c. Reinsurance assets and insurance contract liabilities

(i) Analysis of recognised amounts:

	30 June 2015 £m	30 June 2014 £m	31 December 2014 £m
Gross:			
Claims outstanding	1,603.9	1,478.4	1,596.0
Unearned premium provision	544.4	531.6	501.4
Total gross insurance liabilities	**2,148.3**	**2,010.0**	**2,097.4**
Recoverable from reinsurers:			
Claims outstanding	403.5	392.2	538.2
Unearned premium provision	317.0	305.4	291.6
Total reinsurers' share of insurance liabilities	**720.5**	**697.6**	**829.8**
Net:			
Claims outstanding[*1]	1,200.4	1,086.2	1,057.8
Unearned premium provision	227.4	226.2	209.8
Total insurance liabilities – net	**1,427.8**	**1,312.4**	**1,267.6**

[*1] Admiral typically commutes quota share reinsurance contracts in its UK Car Insurance business 24-36 months following the start of the underwriting year. After commutation, claims outstanding from these contracts are included in Admiral's net claims outstanding balance. Refer to Note (iii) below.

(ii) Analysis of net claims reserve releases:

The following table analyses the impact of movements in prior year claims provisions, in terms of their net value, and their impact on the reported loss ratio. This data is presented on an underwriting year basis.

	30 June 2015 £m	30 June 2014 £m	31 December 2014 £m
Underwriting year:			
2010 & prior	4.7	11.3	28.1
2011	22.4	38.2	51.4
2012	35.3	19.9	50.2
2013	23.5	3.7	7.7
2014	6.7	-	-
Total net release (UK Car Insurance)	**92.6**	**73.1**	**137.4**
Total net release (International Car Insurance)	2.8	-	6.3
Total net release	**95.4**	**73.1**	**143.7**
Net releases on Admiral's net share	50.0	35.4	66.8
Releases on commuted quota share reinsurance contracts	42.6	37.7	70.6
Total net release (UK Car Insurance) as above	**92.6**	**73.1**	**137.4**

Releases on commuted quota share contracts are analysed by underwriting year as follows:

	30 June 2015 £m	30 June 2014 £m	31 December 2014 £m
Underwriting year:			
2010 & prior	2.4	5.4	13.6
2011	12.1	20.7	27.9
2012	20.6	11.6	29.1
2013	7.5	-	-
Total releases on commuted quota share reinsurance contracts	**42.6**	**37.7**	**70.6**

Profit commission is analysed in note 5b.

(iii) Reconciliation of movement in net claims provision:

	30 June 2015 £m	30 June 2014 £m	31 December 2014 £m
Net claims reserve at start of period	1,057.8	863.0	863.0
Net claims incurred (excluding releases)	192.1	192.8	392.9
Net reserve releases	(95.4)	(73.1)	(143.7)
Movement in net claims provision due to commutation	233.8	280.7	280.7
Net claims paid and other movements	(187.9)	(177.2)	(335.1)
Net claims reserve at end of period[*1]	**1,200.4**	**1,086.2**	**1,057.8**

[*1] The increase in net claims reserve from £1,057.8 million at 31 December 2014 to £1,200.4 million is primarily due to the impact of commutations of reinsurance contracts in the UK Car Insurance business.

(iv) Reconciliation of movement in net unearned premium provision:

	30 June 2015 £m	30 June 2014 £m	31 December 2014 £m
Net unearned premium provision at start of period	209.8	217.1	217.1
Written in the period	246.7	241.6	457.2
Earned in the period	(229.1)	(232.5)	(464.5)
Net unearned premium provision at end of period	**227.4**	**226.2**	**209.8**

6. Investments

6a. Investment and interest income

	30 June 2015 £m	30 June 2014 £m	31 December 2014 £m
Investment income:			
Investment return on money market funds	1.9	2.9	5.4
Interest income on available for sale debt securities	7.3	2.3	9.4
Interest income on term deposits with credit institutions	2.2	2.7	5.2
Interest income on held to maturity gilt assets	3.0	-	2.6
Net investment return	**14.4**	**7.9**	**22.6**
Unwind of discount on gilts	(0.4)	-	(0.4)
Notional accrual for reinsurers' share of investment return	(5.1)	(1.8)	(8.3)
	8.9	**6.1**	**13.9**
Interest receivable on cash and cash equivalents	0.7	0.6	1.5
Total investment and interest income	**9.6**	**6.7**	**15.4**

6b. Finance costs

	30 June 2015 £m	30 June 2014 £m	31 December 2014 £m
Interest payable	5.5	-	4.6
Total finance costs	**5.5**	**-**	**4.6**

6c. Financial assets and liabilities

The Group's financial instruments can be analysed as follows:

	30 June 2015 £m	30 June 2014 £m	31 December 2014 £m
Investments held at fair value through profit and loss:			
Money market funds	671.0	860.3	909.2
Investments classified as available for sale:			
Available for sale debt securities	1,122.6	802.8	822.7
Investments classified as held to maturity:			
Term deposits with credit institutions	247.5	262.6	263.1
UK government gilts	201.7	-	199.1
Total financial investments	**2,242.8**	**1,925.7**	**2,194.1**
Insurance and other receivables:			
Amounts owed by policyholders	398.3	407.2	353.3
Trade and other receivables	101.0	91.2	82.0
Cash and cash equivalents	216.0	247.7	255.9
Total financial assets	**2,958.1**	**2,671.8**	**2,885.3**

	30 June 2015 £m	30 June 2014 £m	31 December 2014 £m
Financial liabilities:			
Subordinated notes	203.8	-	203.8
Trade and other payables	876.2	925.6	965.8
Total financial liabilities	**1,080.0**	**925.6**	**1,169.6**

All investments held at fair value at the end of the period are invested in AAA-rated money market liquidity funds.

The measurement of these investments is based on active quoted market values (level 1).

Available for sale debt securities include holdings in fixed income and other debt securities, and are held at fair value with interest income recognised in the income statement and unrealised movements in fair value taken through other comprehensive income.

Investments classified as held to maturity are comprised of term deposits and UK government gilts, and are held in the Condensed Consolidated Statement of Financial Position at amortised cost.

Term deposits are held with well rated institutions and as such the fair value of these investments is considered to approximate to the carrying value as impairment of the capital is not expected. There is no quoted market for these holdings and as such a level 2 valuation is used. The carrying value of term deposits is £247.5 million (H1 2014: £262.6 million, FY 2014: £263.1 million).

The fair value of the holding of UK government gilts at 30 June 2015 is £209.7m (level one valuation) (H1 2014: £nil, FY 2014: £216.2m). The fair value of subordinated notes (level one valuation) at 30 June 2015 is £198.8m (H1 2014: £nil, FY 2014: £211.2m).

Insurance and other receivables are also valued at amortised cost in the Condensed consolidated statement of financial position. This carrying value is a reasonable approximation of fair value.

6d. Cash and cash equivalents

	30 June 2015 £m	30 June 2014 £m	31 December 2014 £m
Cash at bank and in hand	216.0	247.7	255.9
Total cash and cash equivalents	**216.0**	**247.7**	**255.9**

Cash and cash equivalents includes cash in hand, deposits held at call with banks, and other short term deposits with original maturities of three months or less.

7. Other Revenue

7a. Contribution from additional products and fees and other revenue

	30 June 2015 £m	30 June 2014 £m	31 December 2014 £m
Contribution from additional products and fees	89.0	93.6	185.6
Price Comparison revenue	55.2	57.1	107.5
Other revenue	20.8	19.7	39.4
Total other revenue	**165.0**	**170.4**	**332.5**

8. Expenses

8a. Operating expenses and share scheme charges

	Gross	Recoverable from co- and reinsurers	30 June 2015 Net
	£m	£m	£m
Acquisition of insurance contracts	44.5	(27.3)	17.2
Administration and other marketing costs (insurance contracts)	117.3	(85.1)	32.2
Insurance contract expenses	**161.8**	**(112.4)**	**49.4**
Administration and other marketing costs (Other)	97.8	-	97.8
Share scheme charges	19.4	(7.5)	11.9
Total expenses and share scheme charges	**279.0**	**(119.9)**	**159.1**

	Gross	Recoverable from co- and reinsurers	30 June 2014 Net
	£m	£m	£m
Acquisition of insurance contracts	45.6	(27.1)	18.5
Administration and other marketing costs (insurance contracts)	92.5	(68.3)	24.2
Insurance contract expenses	**138.1**	**(95.4)**	**42.7**
Administration and other marketing costs (Other)	81.6	-	81.6
Share scheme charges	20.2	(7.7)	12.5
Total expenses and share scheme charges	**239.9**	**(103.1)**	**136.8**

	31 December 2014		
	Gross	Recoverable from co- and reinsurers	Net
	£m	£m	£m
Acquisition of insurance contracts	91.9	(56.7)	35.2
Administration and other marketing costs (insurance contracts)	209.5	(162.0)	47.5
Insurance contract expenses	**301.4**	**(218.7)**	**82.7**
Administration and other marketing costs (Other)	166.3	-	166.3
Share scheme charges	34.1	(12.9)	21.2
Total expenses and share scheme charges	**501.8**	**(231.6)**	**270.2**

The £32.2 million (H1 2014: £24.2 million, FY 2014: £47.5 million) administration and marketing costs allocated to insurance contracts is principally made up of salary costs.

Analysis of other administration and other marketing costs

	30 June 2015	30 June 2014	31 December 2014
	£m	£m	£m
Expenses relating to additional products and fees	21.9	18.8	37.9
Price Comparison operating expenses	63.8	53.1	110.3
Other expenses	12.1	9.7	18.1
Total	**97.8**	**81.6**	**166.3**

Refer to note 12 for a reconciliation between insurance contract expenses and the reported expense ratio.

8b. Staff share schemes

Analysis of share scheme costs (per income statement):

	30 June 2015	30 June 2014	31 December 2014
	£m	£m	£m
Share Incentive Plan (SIP) charge	4.7	4.5	8.6
Discretionary Free Share Scheme (DFSS) charge	7.2	8.0	12.6
Total share scheme charges	**11.9**	**12.5**	**21.2**

The share scheme charges reported above are net of the co- and reinsurers share of the cost and therefore differ from the gross charge reported in the gross credit to reserves reported in the consolidated statement of changes in equity (H1 2015: £12.9 million, H1 2014: £14.2 million, FY 2014: £23.2 million).

The consolidated cash flow statement also shows the gross charge in the reconciliation between 'profit after tax' and 'cash flows from operating activities'. The co-insurance share of the charge is included in the 'change in trade and other payables' line.

9. Taxation

9a. Taxation

	30 June 2015 £m	30 June 2014 £m	31 December 2014 £m
UK Corporation tax			
Current charge at 20.25% (2014: 21.5%)	37.9	36.4	72.2
(Over) provision relating to prior periods – corporation tax	-	-	(0.4)
Current tax charge	37.9	36.4	71.8
Deferred tax			
Current period deferred taxation movement	(4.5)	2.5	(1.8)
(Over) provision relating to prior periods – deferred tax	-	-	(0.9)
Total tax charge per income statement	**33.4**	**38.9**	**69.1**

Factors affecting the total tax charge are:

	30 June 2015 £m	30 June 2014 £m	31 December 2014 £m
Profit before taxation	181.7	183.3	350.7
Corporation tax thereon at 20.25% (2014: 21.50%)	36.8	39.4	75.4
Expenses and provisions not deductible for tax purposes	-	-	(0.9)
Adjustments relating to prior periods	-	-	(1.3)
Impact of different overseas tax rates	(6.0)	(3.3)	(11.2)
Unrecognised deferred tax	2.4	-	7.1
Other differences	0.2	2.8	-
Tax charge for the period as above	**33.4**	**38.9**	**69.1**

9b. Deferred income tax (asset)

Analysis of deferred tax (asset)	Tax treatment of share schemes	Capital allowances	Carried forward losses	Other differences	Total
	£m	£m	£m	£m	£m
Balance brought forward at 1 January 2014	(4.1)	(3.3)	(7.8)	(1.8)	(17.0)
Tax treatment of share scheme charges through income or expense	2.7	-	-	-	2.7
Tax treatment of share scheme charges through reserves	(2.8)	-	-	-	(2.8)
Capital allowances	-	0.4	-	-	0.4
Carried forward losses	-	-	(2.8)	-	(2.8)
Other difference	-	-	-	(0.3)	(0.3)
Balance carried forward 30 June 2014	**(4.2)**	**(2.9)**	**(10.6)**	**(2.1)**	**(19.8)**
Balance brought forward at 1 January 2014	(4.1)	(3.3)	(7.8)	(1.8)	(17.0)
Tax treatment of share scheme charges through income or expense	2.4	-	-	-	2.4
Tax treatment of share scheme charges through reserves	(3.1)	-	-	-	(3.1)
Capital allowances	-	(1.3)	-	-	(1.3)
Carried forward losses	-	-	(5.6)	-	(5.6)
Other difference	-	-	-	1.7	1.7
Balance carried forward 31 December 2014	**(4.8)**	**(4.6)**	**(13.4)**	**(0.1)**	**(22.9)**
Tax treatment of share scheme charges through income or expense	(0.7)	-	-	-	(0.7)
Tax treatment of share scheme charges through reserves	(2.2)	-	-	-	(2.2)
Capital allowances	-	1.3	-	-	1.3
Carried forward losses	-	-	(4.0)	-	(4.0)
Other difference	-	-	-	(1.0)	(1.0)
Balance carried forward 30 June 2015	**(7.7)**	**(3.3)**	**(17.4)**	**(1.1)**	**(29.5)**

The UK corporation tax rate reduced from 21% to 20% on 1 April 2015. The average effective rate of tax for 2015 is 20.25% (2014: 21.5%). Deferred tax has therefore been calculated at 20% where the temporary difference is expected to reverse after this date.

The deferred tax asset relating to carried forward losses of £17.4 million (H1 2014: £10.6 million, FY 2014: £13.4 million) relates to losses incurred in the Group's US businesses Elephant Auto and compare.com and is calculated at the local US rate of tax (35%).

Elephant Auto (asset recognised: £7.6 million; remaining unused losses: £30 million) – the asset is expected to be recovered over the next seven years. The recognised asset has been limited to the amount supported by forecast cash flows over the next seven years. Whilst profits are expected to be available after 2022, the Group considers these longer term forecasts to be more uncertain and has therefore not recognised an asset that would only be supported by profits beyond the seven year period.

compare.com (asset recognised: £9.8 million; remaining unused losses: £15 million) – the asset is expected to be recovered over the next five years. The recognised asset has been limited to the amount supported by forecast cash flows over the next five years after the application of appropriate stress and scenario tests to both revenue and profits. The forecasts and underlying assumptions have been reviewed and approved by the Board.

The Group considers full recovery of the assets to be probable in both cases.

At 30 June 2015 the Group had unused tax losses amounting to £45 million (H1 2014: £nil, FY 2014: £33 million), relating to these businesses, for which no deferred tax asset has been recognised.

10. Other assets and other liabilities

10a. Property and equipment

	Improvements to short leasehold buildings £m	Computer equipment £m	Office equipment £m	Furniture and fittings £m	Total £m
Cost					
At 1 January 2014	8.5	32.8	13.0	5.3	59.6
Additions	14.4	3.2	0.9	0.7	19.2
Disposals	(0.3)	-	-	-	(0.3)
At 30 June 2014	22.6	36.0	13.9	6.0	78.5
Depreciation					
At 1 January 2014	6.3	26.1	10.4	4.4	47.2
Charge for the year	0.4	2.1	0.4	0.3	3.2
Disposals	(0.3)	-	-	-	(0.3)
At 30 June 2014	6.4	28.2	10.8	4.7	50.1
Net book amount					
At 30 June 2014	**16.2**	**7.8**	**3.1**	**1.3**	**28.4**
Cost					
At 1 January 2014	8.5	32.8	13.0	5.3	59.6
Additions	16.9	6.8	1.0	2.5	27.2
Disposals	(0.5)	(0.1)	-	-	(0.6)
At 31 December 2014	24.9	39.5	14.0	7.8	86.2
Depreciation					
At 1 January 2014	6.3	26.1	10.4	4.4	47.2
Charge for the year	1.7	3.6	1.2	0.6	7.1
Disposals	(0.4)	-	-	-	(0.4)
At 31 December 2014	7.6	29.7	11.6	5.0	53.9
Net book amount					
At 31 December 2014	**17.3**	**9.8**	**2.4**	**2.8**	**32.3**
Cost					
At 1 January 2015	24.9	39.5	14.0	7.8	86.2
Additions	0.3	3.8	0.2	-	4.3
Disposals	-	(0.5)	-	-	(0.5)
At 30 June 2015	25.2	42.8	14.2	7.8	90.0
Depreciation					
At 1 January 2015	7.6	29.7	11.6	5.0	53.9
Charge for the year	1.1	2.1	0.3	0.4	3.9
Disposals	-	(0.1)	-	-	(0.1)
At 30 June 2015	8.7	31.7	11.9	5.4	57.7
Net book amount					
At 30 June 2015	**16.5**	**11.1**	**2.3**	**2.4**	**32.3**

10b. Intangible assets

	Goodwill	Deferred acquisition costs	Software	Total
	£m	£m	£m	£m
Carrying amount:				
At 1 January 2014	62.3	19.2	11.3	92.8
Additions	-	37.1	5.4	42.5
Amortisation charge	-	(34.7)	(2.0)	(36.7)
Disposals	-	-	-	-
At 30 June 2014	**62.3**	**21.6**	**14.7**	**98.6**
At 1 January 2014	62.3	19.2	11.3	92.8
Additions[*1]	-	38.3	23.4	61.7
Amortisation charge	-	(42.7)	(4.6)	(47.3)
Disposals	-	-	-	-
At 31 December 2014	**62.3**	**14.8**	**30.1**	**107.2**
Additions[*1]	-	28.1	14.6	42.7
Amortisation charge	-	(27.9)	(2.6)	(30.5)
Disposals	-	-	(0.1)	(0.1)
At 30 June 2015	**62.3**	**15.0**	**42.0**	**119.3**

Goodwill relates to the acquisition of Group subsidiary EUI Limited (formerly Admiral Insurance Services Limited) in November 1999. It is allocated solely to the UK Car Insurance segment. The amortisation of this asset ceased on transition to IFRS on 1 January 2004. All annual impairment reviews since the transition date have indicated that the estimated recoverable value of the asset is greater than the carrying amount and therefore no impairment losses have been recognised. Refer to the accounting policy for goodwill in the 2014 financial statements for further information.

[*1] The increase in additions since H1 2015 relates to the internal development of software.

10c. Insurance and other receivables

	30 June 2015	30 June 2014	31 December 2014
	£m	£m	£m
Insurance receivables- amounts owed by policyholders	398.3	407.2	353.3
Trade receivables	89.1	87.2	78.4
Prepayments and accrued income	11.9	4.0	3.6
Total insurance and other receivables	**499.3**	**498.4**	**435.3**

10d. Trade and other payables

	30 June 2015 £m	30 June 2014 £m	31 December 2014 £m
Trade payables	22.8	18.0	24.6
Amounts owed to co-insurers and reinsurers	632.9	687.8	756.5
Finance leases due within 12 months	0.4	0.4	1.4
Other taxation and social security liabilities	25.7	26.9	20.9
Other payables	117.2	127.1	82.2
Accruals and deferred income	77.2	65.4	80.2
Total trade and other payables	**876.2**	**925.6**	**965.8**

Of amounts owed to co-insurers and reinsurers, £475.6 million (H1 2014: £513.1 million, FY 2014: £585.7 million) is held under funds withheld arrangements.

10e. Contingent liabilities

The Group is, from time to time, engaged in legal matters or disputes (including, but not limited to, employment, regulatory matters and data protection) which might result in an outflow of benefits from the Group. Where the Group is able to reliably estimate probable losses, provision is made. The Group has not disclosed estimates of the potential financial effect of contingent liabilities arising from matters where the impact is highly unlikely to be material, or where it is not practicable to do so, or, in cases where it is practicable, where disclosure could prejudice conduct of the matters.

In particular, the Group's US insurance operation is subject to legal action in relation to alleged breach of consumer protection legislation. At the balance sheet date, the outcome and duration of the legal action is highly uncertain and it is not possible to make a reliable estimate of the outcome.

11. Share capital

11a. Dividends

Dividends were declared and paid as follows.

	30 June 2015 £m	30 June 2014 £m	31 December 2014 £m
March 2014 (50.6p per share, paid May 2014)	-	138.3	138.3
August 2014 (49.4p per share, paid October 2014)	-	-	135.2
March 2015 (49.0p per share, paid May 2015)	134.4	-	-
Total dividends	**134.4**	**138.3**	**273.5**

The dividend declared in March 2014 represented the final dividend paid in respect of the 2013 financial year (August 2014 - interim dividend for 2014). The dividend declared in March 2015 was the final dividend paid in respect of the 2014 financial year.

An interim dividend of 51.0 pence per share (£140 million) has been declared in respect of the 2015 financial year.

11b. Earnings per share

	30 June 2015 £m	30 June 2014 £m	31 December 2014 £m
Profit for the period after taxation attributable to equity share-holders (£m)	152.9	145.7	285.2
Weighted average number of shares – basic	278,930,161	276,328,882	276,885,828
Unadjusted earnings per share – basic	**54.8p**	**52.7p**	**103.0p**
Weighted average number of shares – diluted	279,399,127	276,749,298	277,334,765
Unadjusted earnings per share – diluted	**54.7p**	**52.7p**	**102.8p**

The difference between the basic and diluted number of shares at the end the period (being 468,966; H1 2014: 420,416, FY 2014: 448,937) relates to awards committed, but not yet issued under the Group's share schemes.

11c. Share capital

	30 June 2015 £m	30 June 2014 £m	31 December 2014 £m
Authorised:			
500,000,000 ordinary shares of 0.1p	**0.5**	**0.5**	**0.5**
Issued, called up and fully paid:			
276,474,064 ordinary shares of 0.1p	-	0.3	-
278,689,742 ordinary shares of 0.1p	-	-	0.3
279,108,163 ordinary shares of 0.1p	0.3	-	-
	0.3	**0.3**	**0.3**

During the first half of 2015 418,421 (H1 2014: 332,632) new ordinary shares of 0.1p were issued to the trusts administering the Group's share schemes.

418,421 (H1 2014: 332,632) of these were issued to the Admiral Group Share Incentive Plan Trust for the purposes of this share scheme to give a closing number at H1 2015 of 7,650,815 (H1 2014: 6,816,716). These shares are entitled to receive dividends.

No shares (H1 2014: nil) were issued to the Admiral Group Employee Benefit Trust for the purposes of the Discretionary Free Share Scheme to give a closing number at H1 2015 of 12,861,948 (H1 2014:

11,061,948). The Trustees have waived the right to dividend payments, other than to the extent of 0.001p per share, unless and to the extent otherwise directed by the Company from time to time.

The number of shares in issue at flotation was 258,595,400.

11d. Objectives, policies and procedures for managing capital

The Group manages its capital to ensure that all entities within the Group are able to continue as going concerns and also to ensure that regulated entities comfortably meet regulatory requirements. Excess capital above these levels within subsidiaries is paid up to the Group holding company in the form of dividends on a regular basis.

The Group's dividend policy is to make distributions after taking into account capital that is required to be held a) for regulatory purposes; b) to fund expansion activities; and c) as a further prudent buffer against unforeseen events. This policy gives the Directors flexibility in managing the Group's capital.

Refer to the business review for further information about the Group's capital structure and financial position.

11e. Related party transactions

Details relating to the remuneration and shareholdings of key management personnel are set out in the Directors' Remuneration Report within the Group's 2014 Annual Report. Key management personnel are able to obtain discounted motor insurance at the same rates as all other Group staff, typically at a reduction of 15%.

The Board considers that only Executive Directors of Admiral Group plc are key management personnel. Aggregate compensation for the Executive Directors is disclosed in the Directors' Remuneration Report in the 2014 Annual Report.

12. Reconciliations

The following tables reconcile significant KPIs and non-GAAP measures included in the financial review above to items included in the financial statements.

12a. Reconciliation of turnover to reported total premiums written and Other revenue as per the financial statements

	30 June 2015 £m	30 June 2014 £m	31 December 2014 £m
Total Premiums Written before co-insurance arrangements per note 5a of financial statements	904.9	886.9	1,675.6
Other revenue per note 7a of financial statements	165.0	170.4	332.5
	1,069.9	1,057.3	2,008.1
UK vehicle commission [*1]	(17.7)	(26.9)	(50.8)
Other [*2]	5.3	6.7	13.7
Turnover as per note 4 of financial statements	**1,057.5**	**1,037.1**	**1,971.0**

[*1] During 2012 Admiral ceased earning other revenue from the sale of legal protection policies. At the same point, the Group began charging its panel of co- and reinsurers a vehicle commission. The substance of these changes meant that the total premiums written increased by the amount of revenue that was previously earned from the sale of legal protection policies. The vehicle commission included within Other revenue is therefore eliminated from the Turnover measure to avoid double-counting.

[*2] Other reconciling items represent co-insurer and reinsurer shares of Other revenue in the Group's International Car Insurance businesses.

12b. Reconciliation of claims incurred to reported Group loss ratio, excluding releases on commuted reinsurance

	30 June 2015		30 June 2014		31 December 2014	
	UK motor	Group	UK motor	Group	UK motor	Group
	£m	£m	£m	£m	£m	£m
Net insurance claims	64.0	101.4	88.3	124.5	188.9	259.1
Net claims handling expenses	(4.8)	(4.8)	(4.8)	(4.8)	(8.9)	(8.9)
Reinsurer cap impact	-	(1.1)	-	(2.0)	-	(5.8)
Reserve releases on commuted reinsurance	42.6	42.6	37.7	37.7	70.6	70.6
Other adjustment[*1]	-	(0.1)	-	-	-	-
Adjusted net claims	101.8	138.0	121.2	155.4	250.6	315.0
Net insurance premium revenue	174.9	228.9	183.5	231.7	365.1	464.9
Other adjustment[*1]	-	(2.1)	-	-	-	-
Adjusted net insurance premium revenue	174.9	226.8	183.5	231.7	365.1	464.9
Reported loss ratio	**58.2%**	**60.8%**	**66.0%**	**67.1%**	**68.6%**	**67.8%**

[*1] Other adjustments relate to additional products underwritten in the Group's international car insurance businesses. The contribution from these products is reported as ancillary income and as such the amounts are excluded for the purpose of calculation of loss and expense ratios. No equivalent adjustments have been made to prior period ratios as the equivalent adjustments are insignificant.

12c. Reconciliation of expenses related to insurance contracts to reported Group expense ratio

	30 June 2015		30 June 2014		31 December 2014	
	UK motor	Group	UK motor	Group	UK motor	Group
	£m	£m	£m	£m	£m	£m
Net insurance expenses	25.7	49.4	21.2	42.7	43.5	82.7
Net claims handling expenses	4.8	4.8	4.8	4.8	8.9	8.9
Reinsurer cap impacts	-	(2.6)	-	(5.8)	-	(4.7)
Other adjustment[*1]	-	(2.0)	-	-	-	-
Adjusted net expenses	30.5	49.6	26.0	41.7	52.4	86.9
Net insurance premium revenue	174.9	228.9	183.5	231.7	365.1	464.9
Other adjustment[*1]	-	(2.1)	-	-	-	-
Adjusted net insurance premium revenue	174.9	226.8	183.5	231.7	365.1	464.9
Reported expense ratio	**17.4%**	**21.9%**	**14.2%**	**18.0%**	**14.4%**	**18.7%**

[*1] Other adjustments relate to additional products underwritten in the Group's international car insurance businesses. The contribution from these products is reported as ancillary income and as such the amounts are excluded for the purpose of calculation of loss and expense ratios. No equivalent adjustments have been made to prior period ratios as the equivalent adjustments are insignificant.

12d. Reconciliation of reported profit before tax to adjusted profit before tax

	30 June 2015 £m	30 June 2014 £m	31 December 2014 £m
Reported profit before tax per the condensed consolidated income statement	181.7	183.3	350.7
Minority interest share of profit before tax	4.4	1.6	5.8
Adjusted profit before tax	**186.1**	**184.9**	**356.5**

13. Statutory information

The financial information set out above does not constitute the company's statutory accounts. Statutory accounts for 2014 have been delivered to the registrar of companies, and those for 2015 will be delivered in due course. The auditors have reported on those accounts; their reports were (i) unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

14. Principal risks and uncertainties

The table below sets out the principal risks Admiral has identified through its Enterprise Risk Management Framework (ERMF) as having the potential for a material adverse affect on Admiral's profitability and solvency. The report on Corporate Governance in the Group's 2014 Annual Report describes the risk management framework in place throughout the Group.

Insurance Risk		
Risk	**Impact**	**Mitigating Factors**
Reserving risk in UK and International Insurance Admiral is exposed to reserving risk through its underwriting of motor and household insurance policies. Claims reserves in the financial statements may prove inadequate to cover the ultimate cost of earned claims which are by nature uncertain.	Adverse run-off leading to higher claims costs in the financial statements. Also, resultant loss of profit commission from proportional co-insurance and reinsurance arrangements.	Admiral has a conservative reserving policy and continues to hold a material margin in its financial statement claims reserves above actuarially determined best estimates. Best estimate reserves are estimated both internally and externally by an independent actuary. Many of the potential causes of claims shocks are outside the control of Admiral (for example legislative changes or changes in the Ogden discount rate) and the focus is, therefore, on how to prepare for and react to the occurrence of such events. Admiral holds a margin in booked reserves to cover significant legislative changes impacting earned claims. Furthermore, Admiral continues to hold an additional margin in its reserves in excess of the projected ultimate outcomes to cover other potential claim shocks. The Group continues to make material investments in staff and systems to work on the identification and prevention of claims fraud. For very large claims Admiral purchases excess of loss reinsurance, which mitigates the loss to the selected deductible amount.

<table>
<tr><td>Periodical Payment Orders (PPOs) are increasingly used to settle large bodily injury claims.

PPOs provide for a regular payment over an extended time to the claimant, rather than a single lump sum payment.</td><td>Increased uncertainty of the cost of significant claims over a longer term. A requirement to match investment returns to meet these payments over an extended term.</td><td>Admiral's investment portfolio is the result of a structured, disciplined and transparent investment process which considers the future cashflow implications of PPOs.

There are regular reviews of both PPO cases and those claims that could potentially settle as PPOs.

Admiral has a conservative reserving policy and continues to hold a material margin in its financial statement claims reserves above actuarially determined best estimates.</td></tr>
<tr><td>Underwriting risk in UK and International Insurance

The Group is exposed to the risk that claims costs on business written and earned in the future is higher than expected.

This might arise due to very large or catastrophic man-made or natural individual or multiple claims.</td><td>Higher claims costs and loss ratios, reducing profitability or resulting in underwriting losses. Also, resultant loss of profit commission from proportional co-insurance and reinsurance arrangements.</td><td>There are a number of aspects which contribute to Admiral's strong UK underwriting results, including:

• Experienced and focused senior management and teams in key business areas including pricing and claims management;
• Highly data-driven and analytical approach to regular monitoring of claims and underwriting performance;
• Capability to identify and resolve underperformance promptly through changes to key performance drivers, particularly pricing; and
• Continuous appraisal of and investment in staff, systems and processes.

Admiral purchases excess of loss reinsurance, designed to mitigate the impact of very large individual or catastrophe event claims.

The Group continues to work to establish similar capability and expertise in its newer UK and international businesses.</td></tr>
</table>

Reduced availability of co-insurance and reinsurance arrangements Admiral uses proportional co-insurance and reinsurance across its insurance businesses to reduce its own capital needs (and increase return on the capital it does hold) and to mitigate the cost and risk of establishing new operations. There is a risk that support will not be available in the future if the results and/or future prospects of either the UK business or (more realistically) one or more of the newer operations are not satisfactory to the co- and/or reinsurers.	A potential need to raise additional capital to support underwriting. This could be in the form of equity or debt. Return on equity might reduce compared to current levels.	Admiral mitigates the risk to its reinsurance arrangements by ensuring that it has a diverse range of financially secure partners. Admiral has enjoyed a long-term relationship with one of the world's largest reinsurers, Munich Re, which has supported Admiral since 2000. Admiral also has relationships with a number of other reinsurers, including Amlin Re, Hannover Re, Mapfre Re, New Re and Swiss Re. In the UK, reinsurance arrangements have been agreed until at least the end of 2016, reflecting confidence in the Admiral UK Car Insurance business. The long-term co-insurance agreement with Munich Re (covering 40% of the UK Car Insurance business) will remain in place until at least the end of 2018. Long-term arrangements are also in place for international and household businesses.

Strategic Risk		
Risk	**Impact**	**Mitigating Factors**
Erosion of competitive advantage in UK Car Insurance Admiral typically maintains a significant combined ratio advantage over the UK market. This advantage and/or the level of underwriting profit (and associated profit commission) could be eroded. This risk could be exacerbated by irrational competitor pricing.	A worse UK Car Insurance result and lower return on equity. A sustained and uncorrected erosion of competitive advantage could affect the ability of Admiral to extend its reinsurance arrangements, which might in turn require Admiral to hold more capital.	Admiral's focus remains on the wide range of factors that contribute to Admiral's combined ratio outperformance of the UK market. Some are set out on pages 49 and 50, but in addition: • Track record of innovation and ability to react quickly to market conditions and developments; and • Keen focus on maintaining a low-cost infrastructure and efficient acquisition costs.

Failure of geographic and/or product expansion Admiral continues to develop and support the UK household and overseas operations. One or more of the operations could fail to become a sustainable, profitable long-term business. Product expansion into new areas could lead to unprofitable business and increased regulatory risk.	Higher than planned losses (and potentially closure costs) and distraction of key management. A collective failure of these businesses would threaten Admiral's objective to diversify its earnings by expanding into new markets and products.	Admiral's approach to expansion and product development remains conservative, applying the 'test and learn' philosophy that has proven successful for previous operations. International insurance businesses have executed cautious launch strategies and are all backed by proportional reinsurance support which provides substantial mitigation against start-up losses in the early years. New price comparison businesses have aligned their marketing investment with the extent of improvement in key performance indicators such as average cost per quote and conversion ratio. The Group also accepts partial disposals of equity to share start-up losses with partners. The Directors are mindful of management stretch and regularly assess the suitability of the management structure in place for Admiral's new UK and international operations. The UK Household Insurance business is backed by proportional reinsurance support which provides mitigation against start-up losses and excess of loss reinsurance which mitigates potential losses from catastrophe events.

Group Risk		
Risk	**Impact**	**Mitigating Factors**
Potential diminution of other revenue Admiral earns other revenue from a portfolio of products and other sources. The level of this revenue could diminish due to regulatory or legal changes, customer behaviour or market forces.	Lower profits from insurance operations and lower return on equity.	Admiral continuously assesses the value to its customer of the products it offers, and makes changes to ensure the products continue to meet customer needs and offer good value. Admiral seeks to minimise reliance on any single source by earning revenue from a range of products. This would mitigate the impact of a regulatory change which might affect a particular product or income stream.

Competition in UK Price Comparison Admiral is dependent on the four main UK price comparison websites as an important source of new business and growth. Growth in this distribution channel could slow, cease or reverse, or Admiral could lose one or more of the websites as a source of customers.	A potentially material reduction in UK Car Insurance new business volumes. The impact on Confused.com of higher levels of competition in the price comparison market, either through the aggressive activities of existing players or the entry of significant new participants would be to lower profits. However, a more competitive market might benefit the car insurance business through lower acquisition costs.	Admiral's ownership of Confused.com (one of the leading UK price comparison websites which operates independently of the UK Car Insurance business) helps to mitigate the risk of over-reliance on this distribution channel. Admiral also contributes materially to the revenues of other price comparison businesses and therefore it is not considered probable that a material source of new business would be lost. The management of Confused.com maintain a very keen awareness of the risks of continued competition.

Credit Risk		
Risk	**Impact**	**Mitigating Factors**
Credit risk of significant counterparties Admiral is primarily exposed to credit risk in the form of a) default of reinsurer; b) failure of banking or investment counterparty. One or more counterparties suffer significant losses leading to a credit default.	Additional capital may need to be raised as a result of a major credit event, dependent on its nature and severity. Admiral would also need to ensure that it had sufficient liquid assets to meet its claims and other liabilities as they fell due.	Admiral only conducts business with reinsurers of appropriate financial strength. In addition, most reinsurance contracts are operated on a funds withheld basis, which substantially reduces credit risk, as Admiral holds the cash received as collateral. With respect to investment counterparties, there are no specific concentrations of credit risk due to the structure of the liquidity funds which invest in a wide range of short duration, high quality securities. Cash balances and deposits are placed only with highly rated credit institutions. Some long term investments are held in Government bonds to further mitigate the exposure to credit risk. Admiral considers counterparty exposure frequently and in significant detail, and has in place appropriate triggers and limits, to mitigate exposure to individual investment counterparties.

Conduct Risk		
Risk	**Impact**	**Mitigating Factors**
Failure of products, processes or service to meet customer and regulator expectations and failure to address customer complaints promptly or appropriately.	Potential customer detriment and/or potential regulatory censure/ enforcement and/or reputational damage as a result of Admiral's action.	Admiral operates the three lines of defence model for overseeing its products, processes and service. At each stage of the customer journey customer outcomes are monitored, managed and reported in order to mitigate customer detriment. Further detail on how Admiral interacts with its customers is set out on page 17 of the 2014 Annual Report and in the Corporate Social Responsibility (CSR) Report available online.

Operational Risk		
Risk	**Impact**	**Mitigating Factors**
People risk Failure to recruit, develop and retain suitable talent. In addition, the risk of project failure. More specifically, projects relating to system upgrades and Solvency II.	Unable to successfully carry out Admiral Group strategy and achieve goals. Failure of projects would most likely result in additional costs for the Group.	Strong Company culture underpinned by communication, equality, reward, recognition and fun. • Objectives & personal development plans • Understanding gained through staff surveys and team meetings • Succession and graduate plans • Sponsorship programme designed to give staff benefits and develop pride in brand(s) • Employee share ownership scheme. Further detail on how Admiral interacts with its employees is set out of page 18 of the 2014 Annual Report and in the CSR Report available online.
IT risk Failure to invest in, or successfully implement appropriate technology (particularly Guidewire implementation in the UK) to support the Group's future business development.	Unable to support the required growth and development essential for future business success, maintaining competitor advantage and developing the Group's business model.	Regular review of the effectiveness of the Groups IT capability by Executive Management and the Board. Strong project governance and oversight of new systems implementations with external specialist review and assurance where required.
Cyber Risk Financial loss, disruption or damage to the reputation of the Group from a deliberate attack on its IT systems.	Unable to operate the business for an indeterminate period, depending upon the severity of the attack. Potential for data breaches or loss of intellectual property. Data breaches may result in significant reputational damage as well as regulator sanctions	Physical and IT Security are in place to prevent unauthorised access to data. All staff receive mandatory training around IT Security and Data Protection. Compliance to Data Security policies is monitored.

Regulatory Risk		
Risk	**Impact**	**Mitigating Factors**
Failure to comply with regulatory requirements and/or changes. In particular, the risk of non-compliance with Solvency II requirements ahead of 1st January 2016.	Exposure to regulatory intervention and/or censure and/or enforcement action through fines and other tools available to the regulator.	Mitigated by regular review of the Group's compliance with current and proposed requirements and interaction with regulators by Executive Management and the Board. There has been a significant investment in resources in preparation for Solvency II implementation and the ongoing requirements. The project has regular communication with both the Board and the Regulators on progress against the agreed project plan.

Responsibility statement of the directors in respect of the half-yearly financial report

We confirm that to the best of our knowledge:

- the condensed set of financial statements has been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the EU;

- the interim management report includes a fair review of the information required by:

  a) DTR 4.2.7R of the *Disclosure and Transparency Rules*, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and

  b) DTR 4.2.8R of the *Disclosure and Transparency Rules*, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

By order of the Board,

Geraint Jones
Chief Financial Officer

18 August 2015

INDEPENDENT REVIEW REPORT TO ADMIRAL GROUP PLC

Introduction

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2015 which comprises the Condensed consolidated income statement, the Condensed consolidated statement of comprehensive income, the Condensed consolidated statement of financial position, the Condensed consolidated statement of cash flows, the Condensed consolidated statement of changes in equity and the related explanatory notes. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with the terms of our engagement to assist the company in meeting the requirements of the Disclosure and Transparency Rules ("the DTR") of the UK's Financial Conduct Authority ("the UK FCA"). Our review has been undertaken so that we might state to the company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company for our review work, for this report, or for the conclusions we have reached.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the DTR of the UK FCA.

The annual financial statements of the group are prepared in accordance with IFRSs as adopted by the EU. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the EU.

Our responsibility

Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Auditing Practices Board for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2015 is not prepared, in all material respects, in accordance with IAS 34 as adopted by the EU and the DTR of the UK FCA.

Salim Tharani
for and on behalf of KPMG LLP
Chartered Accountants

3 Assembly Square
Britannia Quay
Cardiff
CF10 4AX

18 August 2015