

Highlights

- Worldwide core membership operations:
 - 8% revenue growth to £284m
 - 22% growth in operating profit¹ to £92.3m
 - 9.2m policies (2008: 8.1m) and 4.3m customers (2008: 4.0m)
 - access to 56m households
- Resilient UK Membership business with 1.83m gross new policy sales, 83% retention rate and 18% growth in income per customer
- International operating profit¹ of £5.1m (2008: loss of £0.5m)
- 14% growth in both earnings per share² and dividend
- Highly cash generative with strong cash conversion of 98%
- Strong balance sheet with low levels of net debt and significant headroom on lending facilities
- Decision to exit Emergency Services following successful reorganisation of UK networks resulting in an impairment charge of £97m and a statutory loss before tax of £21.7m

Reported results explanatory note

The reported results and the results contained within this statement reflect the new structure of the Group after the transfer of the claims management and policy repair networks from UK Emergency Services into UK Membership. The financial impact of this new structure on both divisions is set out in the Financial Review section of this statement to enable a full comparison of these results to the previous Group structure. Within this new structure the UK Emergency Services division is shown as a non-core operation following the Board's decision to exit this business.

"Group" includes both core and non-core operations.

"Core membership operations" includes the policy membership business: UK Membership, Europe and USA.

"Non-core operations" is the Emergency Services division.

1 Excluding amortisation of acquisition intangibles, impairment charge, joint venture taxation and exceptional operating costs, see Financial review and notes 5 and 14.

2 Excluding amortisation of acquisition intangibles, impairment charge and exceptional operating costs, see Financial review and notes 5 and 14.