CPPGROUP PLC

HALF YEAR REPORT

FOR THE SIX MONTHS ENDED 30 JUNE 2011

HIGHLIGHTS

	Six months ended 30 June 2011	Six months ended 30 June 2010	Growth	
Revenue (£ millions)	**172.1**	156.9	15.2	10%
Operating profit (£ millions)				
- Reported	**23.5**	21.8	1.6	7%
- Underlying	**24.3**	24.0	0.2	1%
Profit before tax (£ millions)				
- Reported	**23.1**	17.4	5.7	33%
- Underlying	**23.9**	22.7	1.2	5%
Profit after tax (£ millions)				
- Reported	**15.9**	11.8	4.1	35%
- Underlying	**16.5**	15.6	0.9	6%
Basic earnings per share (pence)				
- Reported	**9.34**	7.29	2.05	28%
- Underlying	**9.69**	9.65	0.04	Nil%
Interim dividend per share (pence)	**2.42**	2.42	Nil	Nil%

Underlying operating profit excludes legacy scheme share based payments of £0.8 million (2010: £2.2 million).
Underlying profit before tax excludes legacy scheme share based payments of £0.8 million (2010: £2.2 million) and exceptional amortisation of loan issue costs of £nil (2010: £3.1 million). The tax effect of these adjustments is £0.2 million (2009: £1.5 million).

- UK revenue growth of 11% led by continued good progress from Packaged Accounts and strong mobile phone insurance performance
- Rate of Northern Europe revenue growth slowed to 8% in Q2, from 17% in Q1, negatively impacted by our decision to suspend Identity Protection sales through our UK voice channels in response to FSA investigation
- FSA investigation is continuing, although timescale to completion remains uncertain
- Increased profits and growing renewal base in Turkey
- Resilient performance in Southern Europe despite difficult economic conditions
- Good progress in Mexico with two of the country's largest banks, and continued preparations well advanced for our planned launch in Brazil
- 24% revenue growth and 10% operating profit growth in North America
- India progressing well with good revenue growth and signing of tenth Business Partner, SBI Cards
- Retail campaigns with China Guangfa Bank, formerly known as Guangdong Development Bank, and Shenzhen Development Bank in China, following successful pilot programmes
- Annual renewal rate of 75.0% (December 2010: 75.9%), reflecting growth of newer markets and some reduction in the UK and Spain

Eric Woolley, Chief Executive Officer, commented:

“The Group delivered another good revenue performance in the first half of 2011, albeit that costs and lost revenues as a result of the ongoing FSA investigation in the UK have impacted profitability. Our international businesses continue to develop well, and it has been particularly pleasing to see such a strong performance in the US during the first half as we deepen important Business Partner relationships with the successful delivery of new campaigns. Our newer markets, which offer significant longer term potential for the Group, are also progressing very well and plans are well advanced for our launch in Brazil, a large and developing market that we believe holds substantial growth opportunities for CPP’s Life Assistance products.

“Whilst the continuing uncertainty resulting from the FSA investigation is unwelcome and the timeframe to conclusion remains unclear, I remain confident that we have excellent Life Assistance products, which fulfil a significant and growing need in our society, and a sound business model around which we aim to continue to grow both in the UK and internationally.”

FOR ENQUIRIES CONTACT

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NOTES TO EDITORS

CPPGroup Plc (CPP) is a fast-growing and leading international Life Assistance business with operations in 15 geographical markets in both developed and developing countries. Card Protection was the first product the Group introduced 30 years ago. Since then CPP has launched mobile phone insurance, Legal Assistance and identity theft protection. CPP is also prominent in the provision of Packaged Accounts where we source products and services to create a tailored 'package' for bank account customers. We also provide a range of travel support services such as translation and lost-and-found luggage services as well as access to airport lounges worldwide. Our joint venture with Mapfre Asistencia provides assistance for plumbing, drainage, gas, electrical and other home-related emergencies.

CHIEF EXECUTIVE OFFICER'S REPORT

I am pleased to report that CPP has grown revenues by 11% for the half year, excluding the impact of foreign exchange, with growth both in the UK and internationally. Growth has been led by our UK Packaged Accounts channel and our North American business. This has been achieved despite the uncertain and adverse economic environment which has particularly affected our Southern Europe and Latin America region and the impact on UK sales in the second quarter of the ongoing FSA investigation.

The business has continued to deliver on its growth strategy based on product, sector, channel and country expansion and we have grown underlying operating profit by 1% to £24.3 million, although operating profit margin has been impacted by the suspension of Identity Protection sales through our UK voice channels and additional professional costs of approximately £0.6m associated with the FSA investigation.

We have grown new assistance income by 5% year on year, excluding the impact of foreign exchange. Strong sales in North America, including a debit card rebranding and reissue activation campaign with Sovereign Bank, and good growth of our UK Packaged Accounts channel have enabled us to grow new revenues despite tough market conditions in Southern Europe and FSA-related restrictions on UK sales. Our live policy base is slightly down to 10.9 million from 11.2 million at December 2010, due to lower new retail policy acquisitions. Our Packaged Accounts policy base remains stable but revenues benefit from a greater revenue per policy due to changes in product mix.

We continue to develop new products, including eDefense launched with Wells Fargo Wachovia in North America and Identity Safe which is available in the UK through our web channel. New variants of existing products include a non-insured version of our Legal Assistance product with Findomestic in Italy, a premium Card Protection variant in India and Identity Protection with Santander in Mexico. Business Partner wins include Scotia Bank in Mexico, SBI Cards in India and Caixa Geral de Depósitos in Portugal.

Our renewal rate has reduced to 75.0% from 75.9% at December 2010, reflecting growth of our newer markets together with reductions in the rates in the UK and Spain. On a constant territory mix compared to December 2010 the renewal rate would be 75.4%. We expect our new territories to show a lower rate than established countries in the short to medium term, and are pleased to have seen strengthening rates in Turkey.

We have made progress in our new markets with Turkey increasingly profitable and good revenue growth in both Mexico and India. In China we are selling Card Protection with two Business Partners and our plans are well advanced for our next country launch in Brazil. We continue to invest in our Home 3 joint venture, as it develops its existing and pipeline business, having signed further new Business Partners in the period.

We continue to invest in our capability and have appointed Arnold Wagner as Group HR Director. Arnold was previously Group HR Director of Smiths Group plc and his appointment will enable us to further develop our global talent base.

Our financial position remains strong, with net debt of £7.2 million (December 2010: £2.2 million). Operating cash flows of £10.8 million have been utilised in capital expenditure and payment of our final dividend for 2010.

FSA UPDATE

As previously announced on 28 March 2011, we decided to suspend new sales of Identity Protection through our UK voice channels in response to discussions with the FSA, and one of our Business Partners, Barclaycard, also suspended new sales to their customers through the call to confirm channel. Operating margins have also been adversely impacted by the associated costs and lost sales. We continue to work with the FSA in relation to its ongoing investigation, however the timeframe to conclusion of such discussions remains unclear.

We continue to work closely with our UK Business Partners towards launching our non-insured identity protection product, Identity Safe, which is already available through our web channel. As previously communicated, Identity Safe is a service product and as such revenues will be deferred over the one year term of the product. This contrasts with the revenue recognition of our previous insurance product where a large proportion of the price is accounted for as an introductory fee related to making insurance arrangements and is therefore recognised when the product is sold. Therefore, although there is no material impact on the cash or value received by the Group, Identity Safe will not immediately benefit revenues and profits when launched.

We continue to believe in the relevance and consumer appeal of this product, with CIFAS, the UK's fraud prevention service, reporting a further 10% increase in instances of UK identity fraud in the first half of 2011 compared to the second half of 2010. Identity fraud accounted for nearly half (46%) of the 111,500 frauds recorded by CIFAS Members in the first six months of 2011.

EXECUTION OF STRATEGY

We remain focused on our strategy of delivering growth through product, sector, channel and international expansion. The first half of 2011 has seen launches of enhanced and new products, and international roll outs. We are diversifying our channels, including strong growth in our UK Packaged Accounts channel during the half year. Our global reach is expanding, with retail campaigns now started in China where we launched in 2010, continued revenue growth in other recently launched markets, and preparations underway for launch in Brazil.

OUTLOOK

We anticipate continued year on year revenue growth for the second half, although revenues and margins for Northern Europe will continue to be impacted by the ongoing suspension of UK Identity Protection sales through CPP voice channels. We hope to start to roll out our newly developed non-insured identity product, Identity Safe, with our Business Partners in the second half of the year.

We are pleased to see good progress in both our established and developing markets, including product and channel diversification, and in our Business Partner base. Despite the temporary uncertainty caused by the current FSA investigation and the continued economic pressures faced by customers and partners in some of our markets, most notably Southern Europe, the Board remain confident in CPP's long term growth prospects.

OPERATING AND FINANCIAL REPORT

Group revenue has grown by 10% for the half year, 11% excluding the impact of foreign exchange. We have grown revenues in Northern Europe, North America and Asia Pacific. Revenues for our Southern Europe and Latin America business have declined, impacted by the economic and regulatory difficulties facing consumers and banks in Southern Europe. In addition to continued international revenue growth, we are pleased to have increased revenues in the UK by 11% for the half year despite our suspension of Identity Protection sales through our UK voice channels since 28 March following discussions with the FSA.

Operating profit has grown by 7% to £23.5 million. Underlying operating profit, which excludes share based payments associated with legacy share schemes pre-dating our 2010 listing on the London Stock Exchange, has grown 1% to £24.3 million, impacted in the second quarter by lost UK revenues and costs of approximately £0.6 million resulting from the FSA investigation.

Profit after tax has grown by 35% to £15.9 million. Underlying profit after tax, which excludes legacy scheme share based payments and accelerated amortisation of capitalised issue costs on refinancing of our previous bank debt at the time of our IPO, has grown by 6% to £16.5 million. Underlying earnings per share have been maintained at 9.69 pence (2010: 9.65 pence); basic earnings per share have increased by 28% to 9.34 pence.

We will pay an interim dividend for 2011 of 2.42 pence per share, in line with prior year and our established dividend policy.

Our financial position remains strong, with net debt of £7.2 million at 30 June 2011, increased from £2.2 million at 31 December 2010.

KEY PERFORMANCE INDICATORS

	Six months ended 30 June 2011	Six months ended 30 June 2010	Year ended 31 December 2010
New assistance income (£ millions)	**43.6**	42.4	88.0
Annual renewal rate (moving annual total)	**75.0%**	76.8%	75.9%
Live policies (millions)	**10.9**	10.7	11.2
Cost / income ratio	**54%**	50%	51%
Operating profit margin	**14.1%**	15.3%	15.0%

New assistance income for the half year has increased 3%, 5% excluding the impact of foreign exchange. Strong policy acquisitions in North America and growth of our Packaged Accounts revenues in the UK have been offset by second quarter restrictions on Identity Protection sales channels in the UK and lower new policy sales in Spain.

The Group annual renewal rate at 75.0%, calculated on a moving annual total basis, has decreased 0.9% since 31 December 2010. We expect lower renewal rates in the early years from our new territories, which form an increasing portion of the renewal base, with mix effects accounting for 0.5% of the reduction. Calculated on a constant territory mix to 31 December 2010, the renewal rate would be 75.4%, with reductions in the UK and Spanish rates since the year end.

Live policy base has reduced by 2% since December 2010, and reflects lower retail acquisition volumes in the UK and lower policy sales in our Spanish and Italian markets. Our Packaged Accounts policy base is stable compared to December 2010, with changes in mix resulting in an increase in revenue per policy. Overall revenues from our UK Packaged Accounts channel have doubled compared to the same period last year.

Operating profit margin of 14.1% for the half year is lower than in 2010, depressed by UK costs and lost revenues from April as a result of the ongoing FSA investigation, additional costs associated with growth of our North American business, further investment in the development of our Home 3 joint venture and investment to drive further growth in our global business. Growth in Turkish Card and UK Identity Protection renewal revenues has had a beneficial effect on margins. Southern Europe and Latin America has maintained its operating margins, despite difficult trading conditions in the region.

Cost / income ratio has increased from 50% to 54% for the half year due to the increase in revenue from our successful Packaged Accounts channel, which does not incur Business Partner commissions and accordingly has lower revenue and comparatively higher cost per policy, the suspension of UK Identity Protection sales and investment to support our growing business.

REGIONAL PERFORMANCE

Northern Europe

- Revenue up 12% excluding the impact of foreign exchange to £125.1 million (H1 2010: £111.6 million)
- Operating profit up 3% excluding the impact of foreign exchange to £17.4 million (H1 2010: £17.0 million)
- UK revenues grown 11% through Packaged Account sales and a strong mobile phone insurance performance
- New non-insured identity protection product, Identity Safe, developed for the UK market
- Turkey growing profits, investigating implementation of Identity Protection

Having achieved good growth during the first quarter of 2011, revenue and operating profits for Northern Europe have been adversely impacted in the second quarter by the FSA investigation, as identified in the table below:

	Six months ended 30 June 2011	Three months ended 31 March 2011	Three months ended 30 June 2011
Revenue growth	12%	17%	8%
Underlying operating profit growth	3%	24%	(12)%

Growth excludes the impact of foreign exchange.

Northern Europe, which accounts for 73% of Group sales, has grown revenue by 12% for the half year, excluding foreign exchange, to £125.1 million. Prior to our decision to suspend sales of Identity Protection through our UK voice channels in response to the ongoing FSA investigation, Northern Europe had grown revenues by 17% for the first quarter. Operating profit since April has also been adversely affected by lost sales and other associated costs, although the region has grown operating profit by 3% for the half year to £17.4 million.

In the UK, revenue growth of 11% has been driven by continued sector, product and channel diversification. Our Packaged Accounts business has continued to perform well with CPP supporting Santander's Premium, Reward and Student Current Account customers with a wide range of benefits. Building on this success, we will be integrating our expanding Airport Angel lounge access service and identity fraud protection into RBS group Packaged Accounts. We continue to focus on new sectors and our dedicated division, CPP Travel Services, is expanding our range of travel support services including Airport Angel that provides customers with access to more than 570 airport lounges in more than 332 airports worldwide.

Our strategy continues to include driving growth of our assistance products in existing sales channels and we continue to develop our product portfolio, including a new non-insured version of our Identity Protection product, Identity Safe.

Growth in our mobile business is supported by the market moving to higher value handsets where insurance is considered more intrinsic to the purchase. Similarly our product development is currently being influenced by the proliferation and value of personal data held on mobile handsets.

Although Ireland continues to be a difficult economy for our business, revenues have been maintained and we have expanded our mobile phone insurance product with both Meteor and E-Mobile, now covering higher value handsets.

In Turkey our business has continued to grow and increase profits in line with our expectations. We have continued to increase the penetration of Card Protection with Denizbank. Our partnership with Akbank has delivered profitable growth, however Akbank have indicated that new sales of card protection to their customers will cease when our current contract expires during August, however we will continue to renew existing policies. We are pleased to report our Turkish business is increasingly profitable as the renewal book grows and renewal rates improve. Having successfully launched Card Protection we are currently investigating the implementation of Identity Protection for the Turkish market.

In Germany we have concentrated on growing revenue and live policies, particularly through our card safe receipt channel. This channel has been successfully piloted with Commerz Finanz. In addition, DZ Bank and WGZ Bank, amongst other Business Partners, continue to work with us to increase the penetration of our core products and services.

Southern Europe and Latin America

- Revenue down 8% excluding the impact of foreign exchange to £22.8 million (H1 2010: £24.3 million)
- Operating profit down 3% excluding the impact of foreign exchange to £5.9 million (H1 2010: £5.9 million), although profits have increased in Spain
- Continued good progress in Mexico two years after operations commenced
- Planned new country launch in Brazil represents a significant opportunity for the region

Southern Europe and Latin America, which represents 13% of Group revenues, has seen revenue decrease 8% excluding the impact of foreign currency movements. Operating profit in this region is 3% lower than in the first half of 2010, impacted by lower renewal revenues in Italy and investment in our planned Brazilian launch.

We are encouraged by our resilient performance in Spain despite the well publicised economic conditions. However revenue was down 11% on a constant currency basis, depressed by difficult economic and banking sector conditions. Operating profit increased as lower customer acquisition costs were incurred. Cetelem, one of our Business Partners, has terminated its contract with CPP Spain and will internalise the sale of card protection products to new customers whilst we continue to renew existing customers.

Despite the fragile economic situation in Portugal, revenues have grown strongly. We have entered into a new relationship with Caixa Geral de Depósitos, a state owned banking corporation and the largest bank in Portugal with more than 3.8 million card holders. Sales commenced in July complementing our existing Business Partner relationships.

In Italy, our focus has been on adapting our sales strategy to accommodate new sales regulations. We have continued to maximise our performance with existing Business Partners and launched a new card activation sales channel with Diners International. Product development remains pivotal and we are pleased to report we have launched Legal Assistance, a new non-insurance version of our legal advisory service, with Findomestic in May. In this difficult market revenue has decreased.

In France our performance is in line with our expectations for the first half of the year, however our existing contract with Cetelem is scheduled to end in April 2012.

We continue to make good progress in Mexico since our launch in July 2009, with a new wholesale contract signed with Banco Santander for Identity Protection and a new relationship with Scotia Bank for Card Protection signed in April. Both relationships are significant as these are two of the largest banks in this rapidly developing market.

Consistent with our strategy for future growth, we have laid the foundations for our sixth geographical market in this region, and our second in Latin America, with the planned launch of Brazil. We believe Brazil presents us with a sustainable and significant growth opportunity with a bankable population of 132 million people.

North America

- Revenue up 24% excluding the impact of foreign exchange to £21.1 million (H1 2010: £18.2 million)
- Operating profit up 10% excluding the impact of foreign exchange to £2.9 million (H1 2010: £2.8 million)
- Good underlying revenue growth boosted by a debit card rebranding and reissue activation campaign with Sovereign Bank
- Wells Fargo Wachovia relationship delivering a strong performance and new eDefence product launched

North America, which represents 12% of Group revenue, has increased revenue by 24% excluding foreign exchange movements to £21.1 million. This has been driven by new customer enrolments and price increases. Operating profit has risen by 10% to £2.9 million, lower than the rate of revenue growth due to costs of acquiring new customers and developing our business.

In 2011 our relationship with Sovereign Bank, a Santander Group subsidiary, has matured benefiting both parties. Central to their debit card rebranding and reissue programme, we utilised our ‘service-to-sales’ competency in our card activation channel to present Identity Protection, which resulted in strong policy acquisition and revenue growth.

Regional growth has also been delivered through the introduction of new product variants at Wells Fargo Wachovia, helped by more opportunities to market our products to their customers and an improved telemarketing performance. We have launched our new eDefense product with Wells Fargo Wachovia and have recently signed a contract to manage a concierge programme with this important Business Partner.

Our Centre of Excellence launched in 2010 to develop best practice across customer service, retention strategies and acquisition processes has continued to grow and enabled us to improve management of our outsourced telemarketing partners to help them achieve improved conversion rates.

Asia Pacific

- Revenue up 17% excluding the impact of foreign exchange to £3.1 million (H1 2010: £2.7 million)
- Operating loss increased 2% excluding the impact of foreign exchange to £1.2 million (H1 2010: £1.3 million)
- Retail campaigns in China with China Guangfa Bank and Shenzhen Development Bank, following successful pilot programmes
- New contract signed with SBI Cards in India, our tenth Business Partner since country launch in 2008

Our Asia Pacific business, which represents 2% of Group revenues, has delivered 17% revenue growth in the first six months of the year. Our level of operating loss increased 2% as we continue to invest in the region and as we cover the costs of increased acquisition volumes.

In China, building on our 2010 entry into this market when we secured two Business Partners, China Guangfa Bank and Shenzhen Development Bank, we have launched retail campaigns following the successful completion of retail pilots with both partners. Higher priced retail variants of Card Protection are now being sold within the banks’ own call centres.

In India, we continue to build our Business Partner base and have signed a contract to work with SBI Cards, a joint venture between the State Bank of India, Indian’s largest bank, and GE Money. This brings to ten the total number of Business Partner relationships since we launched in December 2008. Revenue in India is showing good growth.

We have launched our Card Protection product with ICICI debit card customers and continue to evaluate other acquisition channels including positive option, branch sales and safe receipt. Our renewal rates in India are in line with our expectations and as well as introducing a higher priced premium Card Protection product variant with all our Business Partners, we have rolled out price increases for existing variants.

In Hong Kong, most third-party marketing remains suspended following heightened local concerns over transfer of personal data, which continues to postpone our telemarketing activities. In response financial organisations are now asking their customers to complete new forms giving permission to transfer data to third parties for marketing purposes. We continue to maintain stable renewal rates showing that our policyholders value our products and have chosen to retain them.

Elsewhere in the region, our performance in Malaysia is down slightly, but in Singapore we are seeing strong growth boosted by an outbound telemarketing campaign with OCBC launched in December 2010.

NEW MARKETS

Underlying operating profit includes £2.6 million (H1 2010: £2.2 million) of start up losses as we continue to invest in new markets. For these purposes we consider the following markets to be developing: Hong Kong, Singapore, Home 3, India, Mexico, China and Brazil.

We continue to make progress with Home 3, our joint venture with Mapfre Asistencia. Home 3 has signed further new Business Partners in the half year and continues to develop its sub-contractor network. Further sales propositions are being developed with Home 3's existing and pipeline partners. The Group's investment in Home 3 for the half year, representing the Group's share of its losses, amounts to £0.7 million (H1 2010: £0.4 million).

TAXATION

Our effective tax rate has reduced to 31.0% (H1 2010: 32.0%), with the benefit of lower UK Corporation Tax rates being partially offset by an increase in deferred tax charges on share options, a result of the decrease in our share price during the period.

FINANCING AND CASH FLOWS

Net finance costs for the half year have fallen by £4.1 million to £0.4 million. This reflects the lower cost of the Revolving Credit Facility taken out at the time of our IPO in March 2010, together with the 2010 half year including £3.1 million of accelerated amortisation of capitalised loan issue costs from early repayment of our previous bank debt as a result of the IPO.

Our financial position remains strong, with net debt of £7.2 million at 30 June 2010, up from £2.2 million at 31 December 2010. Working capital has increased by £15.0 million (H1 2010: £8.0 million) during the period, reflecting growth and timing of receipts from Business Partners associated with our UK Packaged Accounts and mobile phone businesses, together with other fluctuations. Operating cash inflows of £10.8 million have been offset by payment of our final dividend for 2010 of £8.8 million and investment in our IT capabilities and Business Partner intangibles.

We have continued ongoing investment of £2.7m (H1 2010: £3.2m) in our IT capabilities, upgrading servers and data storage and supporting development of our Packaged Accounts channel, new products and new markets. We invested £2.7 million (H1 2010: £5.4 million) in our Business Partner intangible. This is lower than 2010 when we also spent £2.7 million in two one-off investments with Business Partners.

DIVIDENDS

In accordance with the Group's dividend policy, the directors have approved an interim dividend for 2011 of 2.42 pence per share (£4.1 million). The dividend will be paid on 12 October 2011 with an ex dividend date of 14 September 2011.

FOREIGN EXCHANGE

The Group operates in a number of territories, and as such results are affected by changes in foreign exchange rates. Average rates applied in translation of the results of overseas operations include the following:

	Six months ended 30 June 2011	Six months ended 30 June 2010	Year ended 31 December 2010
USD	**1.62**	1.52	1.54
Euro	**1.14**	1.16	1.17

RELATED PARTY TRANSACTIONS

Related party transactions, comprising transactions with our Home 3 joint venture and remuneration of key management personnel, are disclosed in note 12 to the condensed financial statements. There have been no material changes to the related party transactions described in our 2010 Annual Report and Accounts.

RISKS AND UNCERTAINTIES

There are a number of potential risks and uncertainties which could have a material impact on the Group's performance over the remaining six months of the financial year and could cause actual results to differ materially from expected and historical results.

The principal risks and uncertainties of the Group were detailed in the Annual Report and Accounts for the year ended 31 December 2010, available at www.cppgroupplc.com. The areas listed below summarise the principal risks and uncertainties including any change since publication of the aforementioned document.

Geographic markets
The Group has existing and proposed operations in several geographic markets with varying levels of business maturity in terms of size, operating model and product base. Given its significance in the corporate structure, the Group's operating results are at risk to fluctuations in performance of the UK business. Ongoing difficult economic and banking sector conditions in Spain continue to prevail in this part of the Group's business.

Regulation
The Group has a number of regulated subsidiaries and products and as such the risks of non-compliance with current regulation, continuance of the Group's authorisations in any given territory, or future changes to regulatory frameworks, are ever present.

FSA Investigation
The FSA initiated an investigation into the Group's sales processes in the UK during March 2011, focussed on sales of insurance products in voice channels operated directly by the Group, and predominantly involves sales of Identity Protection Alert ("IPA"), although Card Protection is also in scope as previously reported on 28 March 2011.

The Group's decision to suspend sales of IPA through its UK voice channels announced on 28 March 2011 was in response to the initiation of the FSA investigation. The Group continues to renew IPA with existing customers when their current policy expires.

The FSA investigation continues and there is currently no certainty as to when it will be concluded or its outcome.

There are a number of potential outcomes, some of which could have a material adverse impact on the Group's financial position. The range of possible outcomes includes:

- The FSA determining that no action will be taken;
- A fine;
- A requirement that the Group modifies the process by which IPA is renewed in the UK;
- A past business review which may include paying refunds to customers who have purchased the IPA product in the UK if customer redress is required;
- Similar outcomes in respect of Card Protection; or
- A combination of these outcomes.

It is not currently possible to assess the likelihood of any of these potential outcomes and accordingly no provision has been recognised at this stage. Provision may be required in future periods.

Depending on the outcome of the investigation the Group may suffer reputational damage which may have an impact on the take up of its products with its customers and on its ability to contract with its Business Partners. This could lead to reduced sales levels for the Group's products.

Business Partner relationships
The Group mainly operates a 'Business to Business to Consumer' model and as such a relatively high proportion of the Group's revenue is attributable to relationships with its Business Partners. As a result of this, Group revenues could be impacted by deterioration of existing, or failure to develop new, Business Partner relationships. The reaction of Business Partners to any potential action by the FSA, and the resultant impact on our reputation, is unclear.

Sales channel management
The Group uses a selected number of sales channels to take its products to market, giving a risk to revenue growth if existing channels cease to be available or viable and the Group is not able to identify and exploit alternative channels.

Reliance on technology
The nature of the Group's products, sales channels and delivery models mean that its reputation, cash flows or operations could be adversely affected by failures of the Group's own IT systems or those provided by third parties.

Fraud
The risk of fraud, both external and internal, is ever present in a business of this size.

Financial risks
The Group's operations expose it to financial risks including foreign exchange, interest rate, liquidity, credit and insurance risks.

GOING CONCERN

As stated in note 2 to the condensed financial statements, the Directors have considered the Group's business activities and financial resources, together with the principal risks, uncertainties and other factors likely to affect its future development, performance and position. These matters considered include a range of potential outcomes from the ongoing FSA investigation. Having taken account of these factors the Directors have, at the time of approving the condensed financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the condensed financial statements.

On behalf of the Board

Eric Woolley Chief Executive Officer	Shaun Parker Chief Financial Officer

22 August 2011

CONDENSED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

	Note	**6 months ended 30 June 2011 £'000 (Unaudited)**	6 months ended 30 June 2010 £'000 (Unaudited)	Year ended 31 December 2010 £'000 (Audited)
Revenue		**172,101**	156,920	325,803
Cost of sales		**(100,461)**	(90,550)	(189,077)
Gross profit		**71,640**	66,370	136,726
Administrative expenses				
Legacy scheme share based payments		**(802)**	(2,199)	(3,841)
Other administrative expenses		**(46,652)**	(41,937)	(87,147)
Total administrative expenses		**(47,454)**	(44,136)	(90,988)
Share of loss of joint venture		**(724)**	(387)	(843)
Operating profit				
Operating profit before legacy scheme share based payments		**24,264**	24,046	48,736
Operating profit after legacy scheme share based payments		**23,462**	21,847	44,895
Investment revenues		**264**	120	341
Finance costs		**(638)**	(4,609)	(5,482)
Profit before taxation		**23,088**	17,358	39,754
Taxation	4	**(7,147)**	(5,555)	(12,604)
Profit for the period from continuing operations		**15,941**	11,803	27,150
Attributable to:				
Equity holders of the Company		**15,969**	11,803	27,150
Non-controlling interests		**(28)**	-	-
		15,941	11,803	27,150
Basic and diluted earnings per share from continuing operations:		**Pence**	Pence	Pence
Basic earnings per share	6	**9.34**	7.29	16.33
Diluted earnings per share	6	**9.23**	7.12	16.03

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	6 months ended 30 June 2011 £'000 (Unaudited)	6 months ended 30 June 2010 £'000 (Unaudited)	Year ended 31 December 2010 £'000 (Audited)
Profit for the period	**15,941**	11,803	27,150
Other comprehensive income and expenses			
Exchange differences on translation of foreign operations	**(784)**	830	341
Other comprehensive (expenses) / income for the period net of taxation	**(784)**	830	341
Total comprehensive income for the period	**15,157**	12,633	27,491
Attributable to:			
Equity holders of the Company	**15,185**	12,633	27,491
Non-controlling interests	**(28)**	-	-
	15,157	12,633	27,491

CONSOLIDATED BALANCE SHEET

	Note	**30 June 2011 £'000 (Unaudited)**	30 June 2010 £'000 (Unaudited)	31 December 2010 £'000 (Audited)
Non-current assets				
Goodwill	7	**16,056**	16,854	16,536
Other intangible assets	7	**22,513**	19,380	22,055
Property, plant and equipment	7	**14,589**	13,969	15,389
Investment in joint venture		**-**	-	184
Deferred tax asset		**2,929**	3,197	3,809
		56,087	53,400	57,973
Current assets				
Insurance assets		**24,207**	17,290	21,493
Income tax receivable		**57**	-	96
Inventories		**302**	243	289
Trade and other receivables		**40,340**	27,580	30,275
Cash and cash equivalents		**35,642**	28,749	25,040
		100,548	73,862	77,193
Total assets		**156,635**	127,262	135,166
Current liabilities				
Insurance liabilities		**(8,714)**	(9,609)	(10,417)
Income tax liabilities		**(8,558)**	(6,283)	(6,266)
Trade and other payables		**(67,172)**	(61,592)	(69,321)
Provisions		**(863)**	(745)	(860)
		(85,307)	(78,229)	(86,864)
Net current assets / (liabilities)		**15,241**	(4,367)	(9,671)
Non-current liabilities				
Bank loans	8	**(42,858)**	(41,944)	(27,199)
Deferred tax liabilities		**(534)**	-	(459)
Provisions		**-**	(745)	(859)
		(43,392)	(42,689)	(28,517)
Total liabilities		**(128,699)**	(120,918)	(115,381)
Net assets		**27,936**	6,344	19,785
Equity				
Share capital	10	**17,104**	17,016	17,024
Share premium account		**33,289**	32,253	32,301
Merger reserve		**(100,399)**	(100,399)	(100,399)
Translation reserve		**1,552**	2,825	2,336
Equalisation reserve		**6,935**	5,466	6,196
ESOP reserve		**11,103**	7,599	9,599
Retained earnings		**58,380**	41,584	52,728
Total equity attributable to equity holders of the company		**27,964**	6,344	19,785
Non-controlling interests		**(28)**	-	-
Total equity		**27,936**	6,344	19,785

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital £'000	Share premium account £'000	Merger reserve £'000	Translation reserve £'000	Equalisation reserve £'000	ESOP reserve £'000	Retained earnings £'000	Total £'000	Non-controlling interest £'000	Total equity £'000
6 months ended 30 June 2011 (Unaudited)										
At 1 January 2011	**17,024**	**32,301**	**(100,399)**	**2,336**	**6,196**	**9,599**	**52,728**	**19,785**	**-**	**19,785**
Total comprehensive income	**-**	**-**	**-**	**(784)**	**-**	**-**	**15,969**	**15,185**	**(28)**	**15,157**
Movement on equalisation reserve	**-**	**-**	**-**	**-**	**739**	**-**	**(739)**	**-**	**-**	**-**
Current tax charge on equalisation reserve movement	**-**	**-**	**-**	**-**	**-**	**-**	**196**	**196**	**-**	**196**
Equity settled share based payment charge	**-**	**-**	**-**	**-**	**-**	**1,657**	**-**	**1,657**	**-**	**1,657**
Deferred tax on share based payment charge	**-**	**-**	**-**	**-**	**-**	**-**	**(998)**	**(998)**	**-**	**(998)**
Exercise of share options	**80**	**988**	**-**	**-**	**-**	**(153)**	**-**	**915**	**-**	**915**
Dividends (note 5)	**-**	**-**	**-**	**-**	**-**	**-**	**(8,776)**	**(8,776)**	**-**	**(8,776)**
At 30 June 2011	**17,104**	**33,289**	**(100,399)**	**1,552**	**6,935**	**11,103**	**58,380**	**27,964**	**(28)**	**27,936**
6 months ended 30 June 2010 (Unaudited)										
At 1 January 2010	15,152	-	(100,399)	1,995	4,913	5,783	29,552	(43,004)	-	(43,004)
Total comprehensive income	-	-	-	830	-	-	11,803	12,633	-	12,633
Movement on equalisation reserve	-	-	-	-	553	-	(553)	-	-	-
Current tax charge on equalisation reserve movement	-	-	-	-	-	-	155	155	-	155
Equity settled share based payment	-	-	-	-	-	2,217	-	2,217	-	2,217
Current tax on share based payment	-	-	-	-	-	-	880	880	-	880
Deferred tax on share based payment	-	-	-	-	-	-	(253)	(253)	-	(253)
Exercise of share options	574	7,878	-	-	-	(401)	-	8,051	-	8,051
Other ordinary share issues	1,290	24,375	-	-	-	-	-	25,665	-	25,665
At 30 June 2010	17,016	32,253	(100,399)	2,825	5,466	7,599	41,584	6,344	-	6,344
Year ended 31 December 2010 (Audited)										
At 1 January 2010	15,152	-	(100,399)	1,995	4,913	5,783	29,552	(43,004)	-	(43,004)
Total comprehensive income	-	-	-	341	-	-	27,150	27,491	-	27,491
Movement on equalisation reserve	-	-	-	-	1,283	-	(1,283)	-	-	-
Current tax charge on equalisation reserve movement	-	-	-	-	-	-	358	358	-	358
Equity settled share based payment charge	-	-	-	-	-	4,216	-	4,216	-	4,216
Deferred tax on share based payment charge	-	-	-	-	-	-	1,078	1,078	-	1,078
Exercise of share options	583	7,991	-	-	-	(400)	-	8,174	-	8,174
Other ordinary share issues	1,289	24,310	-	-	-	-	-	25,599	-	25,599
Dividends (note 5)	-	-	-	-	-	-	(4,127)	(4,127)	-	(4,127)
At 31 December 2010	17,024	32,301	(100,399)	2,336	6,196	9,599	52,728	19,785	-	19,785

CONSOLIDATED CASH FLOW STATEMENT

	Note	**6 months ended 30 June 2011 £'000 (Unaudited)**	6 months ended 30 June 2010 £'000 (Unaudited)	Year ended 31 December 2010 £'000 (Audited)
Net cash from operating activities	11	**10,802**	13,324	38,362
Investing activities				
Interest received		**264**	120	341
Purchases of property, plant and equipment		**(2,023)**	(800)	(3,719)
Purchases of intangible assets		**(5,548)**	(6,862)	(12,241)
Acquisition of subsidiary, net of cash acquired		-	-	340
Investment in joint venture		-	(338)	(977)
Net cash used in investing activities		**(7,307)**	(7,880)	(16,256)
Financing activities				
Dividends paid	5	**(8,776)**	-	(4,127)
Repayment of bank loans		**(1,500)**	(121,383)	(143,383)
Proceeds from new bank loans		**17,000**	59,700	66,700
Interest paid		**(468)**	(973)	(1,709)
Cost of refinancing		**-**	(1,080)	(1,080)
Issue of ordinary share capital		**1,068**	34,521	34,173
Net cash generated by / (used in) financing activities		**7,324**	(29,215)	(49,426)
Net increase / (decrease) in cash and cash equivalents		**10,819**	(23,771)	(27,320)
Effect of foreign exchange rate changes		**(217)**	141	(19)
Cash and cash equivalents at start of period		**25,040**	52,379	52,379
Cash and cash equivalents at end of period		**35,642**	28,749	25,040

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

1 General information

The information for the year ended 31 December 2010 does not constitute statutory accounts as defined under Section 434 of the Companies Act 2006. A copy of the 2010 statutory financial statements prepared under IFRS as adopted by the European Union has been delivered to the Registrar of Companies. The auditors reported on those accounts: their report was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under Section 498(2) or (3) of the Companies Act 2006.

2 Accounting policies

Basis of preparation

The annual consolidated financial statements of the Group are prepared in accordance with IFRS as adopted in the European Union. The condensed financial statements included in this Half Year Report have been prepared in accordance with IAS 34 "Interim Financial Reporting", as adopted by the European Union.

The same accounting policies, presentation and methods of computation are followed in the condensed financial statements as applied to the Group's latest annual audited consolidated financial statements, except for adoption of the following Standards and Interpretations. These are mandatory from 1 January 2011 and their adoption has not had any material impact on the Group:

- IAS24 (Revised November 2009)	Related Party Disclosures
- Amendment to IAS 32 (October 2009)	Classification of Rights Isssues
- Amendment to IFRIC 14 (November 2009)	Prepayments of a Minimum Funding Requirement
- IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments
- Amendments to IFRS 1 (January 2010)	Limited exemption from comparative IFRS 7 disclosures for first time adoption

Going concern

The Directors have considered the Group's business activities and financial resources, together with the principal risks, uncertainties and other factors likely to affect its future development, performance and position. These matters considered include a range of potential outcomes from the ongoing FSA investigation. Having taken account of these factors the Directors have, at the time of approving the condensed financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the condensed financial statements.

3 Segmental analysis

Segment revenues and performance for the current and comparative periods have been as follows:

Six months ended 30 June 2011 (Unaudited)	**Northern Europe £'000**	**Southern Europe £'000**	**North America £'000**	**Asia Pacific £'000**	**Total £'000**
Revenue - external sales	**125,082**	**22,829**	**21,078**	**3,112**	**172,101**
Regional operating profit / (loss) before legacy scheme share based payments and joint ventures	**17,443**	**5,857**	**2,890**	**(1,202)**	**24,988**
Legacy scheme share based payments					**(802)**
Share of loss of joint venture					**(724)**
Operating profit after legacy scheme share based payments					**23,462**
Investment revenues					**264**
Finance costs					**(638)**
Profit before taxation					**23,088**

Six months ended 30 June 2010 (Unaudited)	Northern Europe £'000	Southern Europe £'000	North America £'000	Asia Pacific £'000	Total £'000
Revenue - external sales	111,631	24,340	18,216	2,733	156,920
Regional operating profit / (loss) before legacy scheme share based payments and joint ventures	16,975	5,923	2,797	(1,262)	24,433
Legacy scheme share based payments					(2,199)
Share of loss of joint venture					(387)
Operating profit after legacy scheme share based payments					21,847
Investment revenues					120
Finance costs					(4,609)
Profit before taxation					17,358

Year ended 31 December 2010 (Audited)	Northern Europe £'000	Southern Europe £'000	North America £'000	Asia Pacific £'000	Total £'000
Revenue - external sales	234,945	46,718	38,479	5,661	325,803
Regional operating profit / (loss) before legacy scheme share based payments and joint ventures	35,562	10,460	5,867	(2,310)	49,579
Legacy scheme share based payments					(3,841)
Share of loss of joint venture					(843)
Operating profit after legacy scheme share based payments					44,895
Investment revenues					341
Finance costs					(5,482)
Profit before taxation					39,754

3 Segmental analysis (continued)

Segmental assets

	30 June 2011 £'000 (Unaudited)	30 June 2010 £'000 (Unaudited)	31 December 2010 £'000 (Audited)
Northern Europe	**112,927**	84,580	91,543
Southern Europe and Latin America	**9,031**	9,524	8,379
North America	**13,578**	11,364	12,557
Asia Pacific	**2,114**	1,743	2,158
Total segment assets	**137,650**	107,211	114,637
Unallocated assets	**18,985**	20,051	20,529
Consolidated total assets	**156,635**	127,262	135,166

Goodwill, deferred tax and investments in joint ventures are not allocated to segments.

Revenues from major products

	6 months ended 30 June 2011 £'000 (Unaudited)	6 months ended 30 June 2010 £'000 (Unaudited)	Year ended 31 December 2010 £'000 (Audited)
Assistance products	**147,355**	139,330	286,796
Insurance products	**24,746**	17,590	39,007
Consolidated revenue	**172,101**	156,920	325,803

Major product streams are disclosed on the basis monitored by the Board of Directors. For the purpose of this product analysis, "assistance products" are those which are predominantly insurance backed but contain a bundle of insurance, assistance and other benefits; "insurance products" are those which cover a single insurance risk.

3 Segmental analysis (continued)

Geographical information

The Group operates across a wide number of territories, of which the UK, USA and Spain are considered individually material. Revenue from external customers and non-current assets (excluding investments in joint ventures and deferred tax) by geographical location are detailed below.

	External revenues			Non-current assets		
	6 months ended 30 June 2011 £'000 (Unaudited)	6 months ended 30 June 2010 £'000 (Unaudited)	Year ended 31 December 2010 £'000 (Audited)	**6 months ended 30 June 2011 £'000 (Unaudited)**	6 months ended 30 June 2010 £'000 (Unaudited)	Year ended 31 December 2010 £'000 (Audited)
UK	**116,928**	105,524	221,474	**38,950**	35,551	39,609
USA	**21,078**	18,216	38,479	**12,681**	13,322	12,988
Spain	**14,366**	15,951	29,802	**434**	517	497
Other	**19,729**	17,229	36,048	**1,093**	813	886
	172,101	156,920	325,803	**53,158**	50,203	53,980

4 Taxation

Tax for the six month period is charged at 31.0% (six months ended 30 June 2010: 32.0%; year ended 31 December 2010: 31.7%), representing the best estimate of the average effective tax rate expected for the full year, applied to the pre-tax income of the six month period.

5 Dividends

	6 months ended 30 June 2011 £'000 (Unaudited)	6 months ended 30 June 2010 £'000 (Unaudited)	Year ended 31 December 2010 £'000 (Audited)
Interim dividend for the year ended 31 December 2010 of 2.42 pence	**-**	-	4,127
Final dividend for the year ended 31 December 2010 of 5.12 pence (2009: nil)	**8,776**	-	-
Amounts recognised as distributions to equity holders in the period	**8,776**	-	4,127

After 30 June 2011 the directors have approved an interim dividend of 2.42 pence per share for 2011, which has not been accrued as a liability as at 30 June 2011 in accordance with IAS 8. This dividend will be paid on 12 October 2011 with an ex-dividend date of 14 September 2011 and a record date of 16 September 2011.

6 Earnings per share

Basic and diluted earnings per share have been calculated in accordance with IAS 33 "Earnings per Share". Underlying earnings per share have also been presented in order to give a better understanding of the performance of the business.

	6 months ended 30 June 2011 (Unaudited)	6 months ended 30 June 2010 (Unaudited)	Year ended 31 December 2010 (Audited)
Earnings	**£'000**	£'000	£'000
Earnings for the purposes of basic and diluted earnings per share	**15,969**	11,803	27,150
Legacy scheme share based payments (net of tax)	**592**	1,583	2,766
Exceptional amortisation of capitalised loan issue costs (net of tax)	**-**	2,246	2,246
Earnings for the purposes of underlying basic and diluted earnings per share	**16,561**	15,632	32,162
Number of shares	**Number (thousands)**	Number (thousands)	Number (thousands)
Weighted average number of ordinary shares for the purposes of basic earnings per share	**170,990**	161,945	166,278
Effect of dilutive potential ordinary shares: share options	**1,959**	3,786	3,114
Weighted average number of ordinary shares for the purposes of diluted earnings per share	**172,949**	165,731	169,392
Earnings per share	**Pence (Unaudited)**	Pence (Unaudited)	Pence (Audited)
Basic and diluted earnings per share from continuing operations:			
Basic shares	**9.34**	7.29	16.33
Diluted shares	**9.23**	7.12	16.03
Basic and diluted underlying earnings per share from continuing operations:			
Basic shares	**9.69**	9.65	19.34
Diluted shares	**9.58**	9.43	18.99

7 Tangible and intangible assets

	Goodwill	Other intangible assets	Property, plant and equipment	Total
	£'000	£'000	£'000	£'000
Six months ended 30 June 2011 (Unaudited)				
Carrying amount at 1 January 2011	**16,536**	**22,055**	**15,389**	**53,980**
Additions	**-**	**4,560**	**833**	**5,393**
Depreciation / amortisation	**-**	**(4,109)**	**(1,645)**	**(5,754)**
Exchange adjustments	**(480)**	**7**	**12**	**(461)**
Carrying amount at 30 June 2011	**16,056**	**22,513**	**14,589**	**53,158**
Six months ended 30 June 2010 (Unaudited)				
Carrying amount at 1 January 2010	16,053	15,726	13,864	45,643
Arising on acquisition of a subsidiary	156	-	-	156
Additions	-	6,863	1,744	8,607
Depreciation / amortisation	-	(3,191)	(1,563)	(4,754)
Exchange adjustments	645	(18)	(76)	551
Carrying amount at 30 June 2010	16,854	19,380	13,969	50,203
Year ended 31 December 2010 (Audited)				
Carrying amount at 1 January 2010	16,053	15,726	13,864	45,643
Arising on acquisition of a subsidiary	156	-	-	156
Additions	-	13,274	4,971	18,245
Depreciation / amortisation	-	(6,929)	(3,233)	(10,162)
Exchange adjustments	327	(16)	(213)	98
Carrying amount at 31 December 2010	16,536	22,055	15,389	53,980

8 Bank loans

	30 June 2011	30 June 2010	31 December 2010
	£'000 (Unaudited)	£'000 (Unaudited)	£'000 (Audited)
Repayments due in more than one year	**43,500**	43,000	28,000
Less: unamortised issue costs	**(642)**	(1,056)	(801)
Bank loans due in more than one year	**42,858**	41,944	27,199

The Group's bank debt is in the form of a Revolving Credit Facility. The Group is entitled to roll over amounts drawn down, subject to all amounts outstanding falling due for repayment on expiry of the facility in March 2013. The Group has continued to vary the amount drawn down during the period to ensure sufficient cash has been held to meet short term funding requirements.

9 Incorporation of subsidiary

On 30 March 2011, i-Deal Promotions Limited ("i-Deal Promotions") was incorporated as a subsidiary of the Group, with 51% of the issued share capital being held by the Group and the non-controlling interest being held by members of its management team. i-Deal Promotions has been established to provide current and new Business Partners with promotions, incentive and loyalty programmes.

10 Share capital

Share capital at 30 June 2011 amounted to £17,104,000, having increased from £17,024,000 at 31 December 2010. During the period the Company issued 798,354 ordinary shares for cash consideration of £1,068,000 to option holders under its share option schemes.

11 Reconciliation of operating cash flows

	6 months ended 30 June 2011 £'000 (Unaudited)	6 months ended 30 June 2010 £'000 (Unaudited)	Year ended 31 December 2010 £'000 (Audited)
Profit for the period	**15,941**	11,803	27,150
Adjustment for:			
Depreciation and amortisation	**5,754**	4,759	10,162
Equity settled share based payment expense	**1,657**	2,260	4,279
Share of loss of joint venture	**724**	387	843
Investment revenues	**(264)**	(120)	(341)
Finance costs	**638**	4,609	5,482
Income tax expense	**7,147**	5,555	12,604
Operating cash flows before movement in working capital	**31,597**	29,253	60,179
Increase in inventories	**(13)**	(82)	(130)
Increase in receivables	**(9,982)**	(4,092)	(7,134)
Increase in insurance assets	**(2,714)**	(3,238)	(7,441)
(Decrease) / increase in payables	**(662)**	(1,435)	5,655
(Decrease) / increase in insurance liabilities	**(1,703)**	612	1,420
Increase in provisions	**38**	234	464
Cash generated by operations	**16,561**	21,252	53,013
Exercise of share options	**(1,047)**	(5,468)	(5,530)
Income taxes paid	**(4,712)**	(2,460)	(9,121)
Net cash from operating activities	**10,802**	13,324	38,362

12 Related party transactions

Transactions with associated undertakings

The Group has undertaken the following transactions with its joint venture entity, Home 3 Assistance Limited (“Home 3”):

	6 months ended 30 June 2011 £'000 (Unaudited)	6 months ended 30 June 2010 £'000 (Unaudited)	Year ended 31 December 2010 £'000 (Audited)
Costs rechargeable to Home 3 incurred by the Group	**139**	107	366
Balance receivable from Home 3	**450**	184	27

Amounts receivable from Home 3 are under a committed subordinated borrowing facility of £500,000 made available by the Group.

Remuneration of key management personnel

The remuneration of the Directors and Senior Management Team, who are the key management personnel of the Group, is set out below:

	6 months ended 30 June 2011 £'000 (Unaudited)	6 months ended 30 June 2010 £'000 (Unaudited)	Year ended 31 December 2010 £'000 (Audited)
Short term employee benefits	**1,713**	1,916	3,986
Post employment benefits	**103**	106	161
Termination benefits	**140**	242	240
Share based payments	**879**	1,632	2,871
	2,835	3,896	7,258

DIRECTORS' RESPONSIBILITIES STATEMENT

We confirm that to the best of our knowledge:

a) The condensed financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting"

b) The Chief Executive Officer's report and operating and financial report together include a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and

c) The operating and financial report includes a fair review of the information required by DTR 4.2.8R (disclosure of related parties' transactions and changes therein).

By order of the Board

Eric Woolley Chief Executive Officer	Shaun Parker Chief Financial Officer

22 August 2011

CAUTIONARY STATEMENT

This Half Year Report has been prepared solely to provide additional information to shareholders as a body to meet the relevant requirements of the UK Listing Authority's Disclosure and Transparency Rules. The Half Year Report should not be relied on by any other party or for any other purpose.

The Half Year Report contains certain forward-looking statements. These statements are made by the directors in good faith based on the information available to them up to the time of approval of the Half Year Report but such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward-looking information. Subject to the requirements of the UK Listing Authority's Disclosure and Transparency Rules and Listing Rules, CPP undertakes no obligation to update these forward-looking statements and it will not publicly release any revisions it may make to these forward-looking statements that may result from events or circumstances arising after the date of this Half Year Report.

The Half Year Report has been prepared for the Group as a whole and therefore gives greater emphasis to those matters which are significant to CPPGroup Plc and its subsidiary undertakings when viewed as a whole.

INDEPENDENT REVIEW REPORT TO CPPGROUP PLC

We have been engaged by the Company to review the condensed financial statements in the Half Year Report for the six months ended 30 June 2011 which comprise the consolidated income statement, the consolidated statement of comprehensive income, the consolidated balance sheet, the consolidated statement of changes in equity, the consolidated cash flow statement and the related notes 1 to 12. We have read the other information contained in the Half Year Report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed financial statements.

This report is made solely to the company 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. Our work has been undertaken so that we might state to the Company those matters we are required to state to them in an independent review 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 formed.

Directors' responsibilities
The Half Year Report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the Half Year Report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

As disclosed in note 2, the annual financial statements of the Group are prepared in accordance with IFRS as adopted by the European Union. The condensed financial statements included in this Half Year Report have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting," as adopted by the European Union.

Our responsibility
Our responsibility is to express to the Company a conclusion on the condensed financial statements in the Half Year 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 United Kingdom. A review of interim financial information consists of making inquiries, 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 financial statements in the Half Year Report for the six months ended 30 June 2011 are not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

Deloitte LLP
Chartered Accountants and Statutory Auditor
Leeds, United Kingdom
22 August 2011

CORPORATE INFORMATION

ENQUIRIES

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This half year report is available for download at www.cppgroupplc.com.

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FINANCIAL CALENDAR

Interim ex-dividend date	14 September 2011
Interim dividend record date	16 September 2011
Interim dividend payment	12 October 2011