

CPPGROUP PLC
25 OCTOBER 2011
INTERIM MANAGEMENT STATEMENT

CPPGroup Plc (“CPP” or the “Group”) today publishes its Interim Management Statement (“IMS”), for the period since 30 June 2011 to the date of publication. Unless stated otherwise, comparative references are to the equivalent period in 2010 and exclude the impact of foreign exchange.

Group summary

We have continued the revenue growth shown in our half year results announcement, with Group revenue growing by 6% for the period.

Renewal rates have increased 0.2% from the half year at 75.2% while our live policy base has increased by 1% to 11.0 million. Year to date underlying operating profit margin at 13.8% is 0.9% lower than the same period in 2010. Costs and lost revenues associated with the ongoing FSA investigation have had a negative impact on margins, as has ongoing investment in the future growth of our business, the impact of which is partially offset by higher UK Identity Protection and Turkish Card renewals.

Northern Europe

Northern Europe revenue increased by 5% compared to the same period in 2010. This includes growth of 4% in the UK, led by our Packaged Accounts channel and mobile phone insurance business, where we have extended our contract with Santander to support their full retail banking packaged current accounts book until October 2013. Revenue growth has been achieved despite the ongoing suspension of new sales of our insured Identity Protection product through our UK voice channels. Operating profit for the region continues to be adversely impacted by associated costs and lost sales.

Southern Europe and Latin America

Southern Europe continues to be impacted by well publicised challenging economic and regulatory conditions, and revenues have decreased by 6%, which is a slight improvement on the first half trend. We are maintaining operating margins in the region despite market conditions and investment in our preparations for launch in Brazil.

North America

North America has continued to exceed our expectations, and sustain the strong growth achieved in the first half of 2011. Revenues have increased by 26% for the period from expanded activity with our existing business partners and price increases implemented over the last year.

Asia Pacific

India and China continue to drive revenue growth in Asia Pacific of 21%. With bankable populations of 748 million and 1,062 million respectively, we believe there is significant growth potential in these markets.

Home 3

Development of our Home 3 joint venture continues, including signing a contract to service part of ScottishPower’s HomeComfort customer base, with a number of customers transferring to Home 3 in September. This contract builds on previous Home 3 business partner wins, such as the AA.

Financial position

Our financial position has improved since the half year and the Group has a net cash position of £9.9 million at 30 September 2011, compared to net debt of £7.5 million at 30 June 2011. Cash flows from trading performance during the quarter have been augmented by the anticipated reversal of timing related working capital increases reported at the half year.

FSA investigation

On 28 March 2011 CPP announced that it was in discussions with the FSA in relation to certain issues surrounding the sale of the Group’s Card Protection and Identity Protection products. Since that date the

Group has worked constructively with the FSA in relation to its investigation, however, the discussions are ongoing and the timescale to resolution remains uncertain.

Following the withdrawal of the insured variant of our Identity Protection product from CPP channels, we introduced our new UK non-insured Identity Safe product and we are in discussions with our UK business partners as we seek to gain their agreement to a full launch.

Outlook

We anticipate continued positive Group revenue growth for the final quarter, albeit that revenues and margins for Northern Europe continue to be negatively impacted by the ongoing suspension of UK Identity Protection sales through CPP channels.

The UK FSA investigation has created uncertainty around our UK Identity Protection and Card Protection products. Whilst this uncertainty, together with the macroeconomic backdrop in Southern Europe, is challenging, the Board remains positive about the Group's overall prospects as we continue to focus on our strategy of product, sector, sales channel and international expansion. We believe that the consumer appeal of our products remains strong. Meanwhile the Group's long-term international prospects continue to look promising, with launch in Brazil approaching and robust revenue growth in North America and Asia Pacific, where the large bankable populations offer potential for further market penetration.

Shaun Parker, Chief Financial Officer, commented on the results:

"CPP has continued to make good progress into the second half of the year, growing revenue by 6% for the period. Our international businesses continue to develop very well, with further strong performance in the US as we expand our existing business partner relationships. Our newer markets, which offer significant longer term potential for the Group, are also progressing very well and in line with expectations."

Paul Stobart, Group Chief Executive, commented:

"I am delighted to join CPP at an exciting stage in its development with clear and significant growth opportunities across its markets. We are very focused on growing the business by providing the very best products and services to our customers, and I am excited about the Group's prospects."

A conference call for analysts will be held on 25 October 2011 at 8:00 a.m., dial-in details for which are as follows:

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Note 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.

Cautionary statement

This IMS 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 IMS should not be relied on by any other party or for any other purpose.

The IMS 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 IMS 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 IMS.