

CPPGROUP PLC
28 OCTOBER 2010
INTERIM MANAGEMENT STATEMENT

CPPGroup Plc (“CPP” or the “Group”) today publishes its Interim Management Statement (“IMS”), for the period since 30 June 2010 to the date of publication. Comparative references are to the same period in 2009.

Summary

Overall trading has been consistent with expectations at the time of the half year results announcement at the end of August. Group revenue is up 10% year to date after a 1% negative impact from exchange rate movements. We have continued to grow our business through initiatives developing existing and new business partner relationships. Implementation of these will build our presence in existing and new markets, but is likely to result in the full year margin being below that of the first half but ahead of prior year. The Annual Renewal Rate is 76.2% with the trend broadly consistent with that reported in August. This reflects a UK rate that is consistent with prior period, reduced rates in Southern Europe and the mix effect of an increasing renewal base in our newer territories. New Assistance Income continues the growth trend seen in the first half.

Northern Europe

Our Northern European business has continued to perform well.

In the UK we continue to see good revenue growth from our packaged accounts channel, in particular from our programmes with Santander and the RBS group. We have continued a successful roll out of improved product variants of our Card Protection and Identity Protection products. In the UK we are also developing our Phonesafe Mobile Phone Insurance business, increasing policy volumes.

Turkey continues to grow its renewing policy base and we expect to achieve full year profits for the first time since launch in 2007.

Home3, our joint venture with Mapfre Asistencia has recently contracted to support the AA with part of the claims fulfilment of their Home Emergency Response product and continues to develop further business opportunities, signing contracts to pilot its home emergency product with BUDGET Insurance, Homebase and Insurance Dialogue.

Southern Europe

Revenue in our Southern Europe region continues to be stable despite being impacted by the ongoing difficult economic conditions in the region. In Spain we continue extensive EMV “Chip and PIN” card activation campaigns with our partners although conversion rates and renewal rates remain under pressure. Our Italy business has signed a contract with Compass to market Card Protection.

North America

Our North America region continues to deliver year on year revenue growth. Our new campaigns with Sovereign Bank and Wells Fargo Wachovia continue to generate attractive new policy sales.

Asia Pacific

Our Asia Pacific region continues to grow revenues. Increasing new revenues and the first year of renewal income in India have offset the impact of the new credit card tax in Malaysia and the temporary suspension of all third party marketing in Hong Kong highlighted in our Half Year Report.

In China we have signed our first Card Protection retail contract with Shenzhen Development Bank and have commenced pilot sales, adding to our previously announced first wholesale contract with Guangdong Development Bank.

Financial position

There has been no significant change in CPP's financial position during the period and the Group continues to be strongly cash generative with relatively low net debt.

Eric Woolley, Group Chief Executive commented,

"Through the dedicated efforts of our people together with the strength of our existing product and service offering CPP has continued to grow and develop its businesses. Successful UK initiatives such as packaged accounts have helped us as we continue to expand our existing product and channel offerings. Internationally we are making encouraging progress, particularly in our recently launched markets of Turkey, India, Mexico and China.

"Whilst recognising the global economic and financial sector uncertainties our outlook for the full year remains unchanged, and we continue to look forward to delivering another year of growth. CPP has a proven growth strategy in the UK and internationally and an encouraging medium term pipeline of opportunities as existing markets continue to develop and new markets open up.

"CPP is a fast growing business with the right skills to develop our business partner relationships and, with our strong cash generation and robust balance sheet, we are well placed to continue to execute our stated strategy."

A conference call for analysts will be held on 28 October 2010 at 8am, dial-in details for which are as follows:

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CPP is a fast-growing and leading international life assistance business with operations in 15 countries in both developed and developing markets. CPP's products and services are designed to meet consumer needs across a range of requirements, in particular relating to credit and debit card ownership, personal identity, mobile telephones, travel and the home. The Group primarily focuses on providing customer assistance during stressful life events such as losing or having a wallet, purse, mobile telephone or keys stolen, as well as support in the event of identity theft.

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 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.