

CPPGroup Plc
15 May 2014

CPPGroup Plc – Interim Management Statement

CPPGroup Plc (CPP or the Group) is an international assistance business operating in the UK and overseas within the financial services, telecommunications and travel sectors.

CPP today publishes its Interim Management Statement (IMS), for the period from 1 January 2014 to the date of publication. Unless stated otherwise, comparative references are to the equivalent period in 2013 on a continuing operations basis and exclude the impact of foreign exchange.

Brent Escott, Chief Executive Officer, commented:

“We continue to make good progress. Our priority is to strengthen the Group as we develop our longer term strategy for growth and move forward with a more stable foundation. We are focused on completing the process to review claims and, where appropriate, pay redress, managing our costs and continuing to make the improvements and changes required as we rebuild, improve, modernise and evolve.”

Performance review

The Group's performance during the period has been consistent with the trends outlined in the Group's full year results announcement on 24 April 2014. As expected, Group revenue from continuing operations has declined, down 41% compared to the same period in 2013, primarily due to the performance of the UK business. The Group remains focused on costs and, as previously announced, the significant cost saving measures identified in 2013 are expected to realise annualised savings of approximately £15.0 million.

The annual renewal rate is 69.5%. As noted in the Group's full year announcement, cancellations through the Scheme of Arrangement (Scheme) are not included in the reported renewal rate. Live policies are 0.6 million lower than reported at 31 December 2013, mainly reflecting the expected reduction in policyholders in the UK.

As previously announced, a review of existing activities will result in the planned exit from France and Singapore and during the period the Group completed the sale of its shareholding in Home3 Assistance Ltd to Mapfre Abraxas Software Limited.

Customer redress

The Group is committed to achieving a fair and reasonable outcome for customers that may have been affected by historical issues in the UK business, in and before 2011. Scheme claims continue to track broadly within our expectations and the total cost provided to date remains unchanged at £69.8 million. Redress payments have been made to date totalling £19.3 million.

Financial position

The Group's net funds position at 30 April is £26.7 million. This position represents a decrease of £17.6 million from the year end, due principally to the funding of the Scheme.

The Group has worked to ensure it has sufficient financial resources to complete the Scheme, although until the Scheme is completed there continues to be risk in this area. The Group total cash balance will continue to reduce in 2014 due to further redress payments.

Outlook

The Group is moving forward with a clear short term plan and objectives and continues to make encouraging progress. As previously outlined, the Group's immediate focus is to complete the Scheme and the required changes to its operating environment and IT infrastructure. Material uncertainties remain, however, particularly in relation to the Scheme and levels of redress, liquidity, the execution and delivery of the business and operational plans. As a result, the outlook continues to reflect the significant challenges and risks ahead and performance in 2014 will continue to be constrained.

Enquiries

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Notes to Editors

CPPGroup Plc (CPP or the Group) is an international assistance business operating in the UK and overseas within the financial services, telecommunications and travel sectors. CPP primarily operates a business-to-business-to-consumer (B2B2C) business model providing services and retail, wholesale and packaged products to customers through Business Partners and direct to consumer. The Group's core assistance and travel service products help to provide security and enhance the experience of travel for customers worldwide, designed to make everyday life easier to manage.

For more information on CPP visit www.cppgroupplc.com

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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.