



NEWS RELEASE

24 May 2011

BARBON ANNOUNCES FINANCIAL RESULTS

Leading European property insurance broker reports second successive year of revenue growth

Rapidly expanding Barbon Insurance Group Limited (tel: 01420 488288 or visit www.barbon.com) – one of Europe's leading residential and commercial property insurance brokers – has announced its financial results for 2010 (before exceptional items).

The business is reporting a very satisfactory year with overall turnover rising to £53.5m (up by 4%) despite intense market competition in this sector. Overall costs have been managed well resulting in, after including the results of Maltese based Insurance company Propgen, an EBITDA pre exceptionals of £15.2m, up 18% on 2009.

In addition, continued focus on people development resulted in Barbon achieving increases in scores across staff and customer satisfaction surveys.

Property & Commercial Division

The Property & Commercial Division (P&C) has seen a marked increase in renewals emphasising the excellent customer loyalty Barbon has achieved against a background of margin pressure from Insurers, clients and increasingly active competitors. Income growth remains strong and an increased focus on targeted market activity will see further future expansion.

Lettings Division

Organic growth and acquisitions (Rentshield / October 2010) bring Barbon's market share to approximately 30% of the Lettings Agents referencing market. Strong year on year income growth of 5% and operational efficiencies have led to a 21% increase in underlying profitability.

Propgen

Strong underwriting results across the year have delivered a profit of £4.4m, 47% ahead of 2009. A focus on reducing the severity of Rent Guarantee claims has paid dividends and

Cont.../2

loss ratios have fallen despite the recessionary conditions facing Barbon's clients.

Barbon CEO Martin Oliver comments: "Despite tough market conditions, Barbon is delighted to report a second successive year of revenue growth.

"Most of Barbon's success came from organic growth across the Lettings Division where we have grown our market share of tenant referencing and also improved the rate of cross sell into ancillary insurance products. The acquisition of Rentshield helped and took our market share to around 30%. Benchmarking our three trading companies in this division has also brought significant improvements in processes.

Martin continues: "We have continued to empower each of our eight trading businesses with freedom to compete more effectively in their own niche markets, and for the most part they have responded well. In particular, Leadership Development has been top of our agenda. Staff morale is continually improving and feedback tells us that they are working for a company that communicates and rewards more effectively.

"Customer loyalty continues to improve and gives the Board some degree of confidence as we progress through 2011. However, margins remain under pressure from both customers and Insurers, but we are encouraged by improvements in our ability to trade and compete more aggressively.

"I would like to take this opportunity to thank our staff for their continued contribution and hard work against the backdrop of a recessionary environment," he concludes.

Barbon has offices located in Croydon, Bordon, Lincoln, Chelmsford, Bournemouth, London and Glasgow.

Barbon's market leading brands are Keelan Westall, Cadogan Keelan Westall, Deacon, Cadogan Hanover Park (SaifInsure, TruckInsure, Plastech, Performance Media and CareAssured), HomeLet, Rentshield, Letsure, Zennor, BIBALet and Farr.

ENDS

About Barbon Insurance Group:

Barbon Insurance Group Limited is authorised and regulated by the Financial Services Authority. It has a gross written premium of more than £150 million and is committed to delivering innovative insurance solutions, as well as risk management and consultancy services. It has built an impressive reputation through knowledge, experience and a commitment to understanding its customers' businesses.

Barbon Insurance Group Limited is wholly owned, through Caley Limited, by leading banks HSBC and Lloyds Banking Group.

For press information or images please contact: Emma Hulse, ELH Communications, Red Cottage, Dorney Wood Road, Burnham, Berks SL1 8PT tel: 01628 665593 mob: 07801 869938 email: emmahulse@copperstream.co.uk