

**Direct Line Insurance Group plc**  
**Consolidated income statement**

**Total Group**

	Quarter ended 31 Mar 2012 £m (unaudited)	Year ended 31 Dec 2012 £m (audited)
Gross earned premium	1,020.7	4,048.5
Reinsurance premium ceded	(81.4)	(326.5)
<b>Net earned premium</b>	<b>939.3</b>	<b>3,722.0</b>
Investment return	91.5	281.8
Instalment income	31.3	125.4
Other operating income	19.4	73.3
<b>Total income</b>	<b>1,081.5</b>	<b>4,202.5</b>
Insurance claims	(727.2)	(2,875.3)
Insurance claims recoverable from reinsurers	79.2	451.0
<b>Net insurance claims</b>	<b>(648.0)</b>	<b>(2,424.3)</b>
Commission expenses	(108.7)	(452.9)
Operating expenses	(259.2)	(1,047.5)
<b>Total expenses</b>	<b>(367.9)</b>	<b>(1,500.4)</b>
<b>Operating profit</b>	<b>65.6</b>	<b>277.8</b>
Finance costs	(1.5)	(28.7)
<b>Profit before tax</b>	<b>64.1</b>	<b>249.1</b>
Tax charge	(7.4)	(64.8)
<b>Profit attributable to the Owners of the Company</b>	<b>56.7</b>	<b>184.3</b>

Earnings per share:

Basic (pence)	3.8	12.3
Diluted (pence)	3.8	12.3

**Gross written premium**

	£m (unaudited)	£m (audited)
Motor	432.8	1,623.5
Home	245.9	989.0
Rescue and other personal lines	95.4	389.8
Commercial	107.1	435.6
International	171.3	522.7
<b>Total ongoing operations</b>	<b>1,052.5</b>	<b>3,990.6</b>
Run-off	2.6	10.8
<b>Total Group</b>	<b>1,055.1</b>	<b>4,001.4</b>

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**Ongoing operations**

	Quarter ended 31 Mar 2012 £m (unaudited)	Year ended 31 Dec 2012 £m (audited)
Gross earned premium	1,013.4	4,029.0
Reinsurance premium ceded	(79.8)	(320.3)
<b>Net earned premium</b>	<b>933.6</b>	<b>3,708.7</b>
Investment return	72.4	234.7
Instalment and other operating income	50.9	198.3
<b>Total income</b>	<b>1,056.9</b>	<b>4,141.7</b>
Insurance claims	(731.8)	(2,823.7)
Insurance claims recoverable from reinsurers	74.3	335.5
<b>Net insurance claims</b>	<b>(657.5)</b>	<b>(2,488.2)</b>
Commission expenses	(82.3)	(337.5)
Operating expenses	(236.2)	(854.8)
<b>Total expenses</b>	<b>(318.5)</b>	<b>(1,192.3)</b>
<b>Operating profit</b>	<b>80.9</b>	<b>461.2</b>
Loss ratio	70.4%	67.1%
Commission ratio	8.8%	9.1%
Expense ratio	25.3%	23.0%
<b>Combined operating ratio</b>	<b>104.5%</b>	<b>99.2%</b>

**Reconciliation of operating profit**

	£m (unaudited)	£m (audited)
Ongoing operations	80.9	461.2
Run-off	6.6	6.1
Restructuring and other one-off costs	(21.9)	(189.5)
<b>Total Group</b>	<b>65.6</b>	<b>277.8</b>

**Statutory results**

The information for the year ended 31 December 2012 does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. A copy of the statutory accounts for the Group for that year is available at the following website: <http://ara2012.directlinegroup.com/>. The auditor's report on those accounts was not qualified, did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying the report and did not contain statements under section 498 (2) or (3) of the Companies Act 2006.