

Domestic & General Group Holdings Limited
Summary mid-year update for the six months ended 30 September 2009

The Directors of Domestic & General Group Holdings Limited (D&G) present their summary mid-year update for the Group for the six months ended 30 September 2009. The information is extracted from the unaudited management accounts.

Trading update

Domestic & General is the leading specialist provider of breakdown protection on domestic appliances in the UK with fast growing international operations.

Whilst the UK market for new appliance sales is down year on year, the contribution of our new business initiatives and strong renewals of existing plans has supported strong business growth. Furthermore we are actively increasing our ability to capture data on appliances sold and we are progressing all routes to market, e.g. Repair +1.*

Internationally, whilst there are similar economic conditions, our penetration of the extended warranty market is low, and the development of clients provides significant opportunities to grow.

The Group saw strong growth in the six months to September with total group revenue up 15% on the same period last year. UK warranty revenues were up 9% as initiatives targeted at obtaining higher volumes of data and improving conversion and renewal rates continue to bear fruit. We have continued to make further progress on improving the penetration of payments by direct debit which will help support future renewals. International warranty revenue has shown significant growth with a 99% increase on prior year driven by Germany, Spain and Australia.

Outlook

Whilst the overall economic environment still continues to be challenging and is likely to remain so into 2010, we believe that we are well positioned to meet these challenges and will continue to make good progress in all areas of our operations. We will provide a further update to performance with our annual report and accounts for 2010.

* - Repair +1 is a product whereby a customer who has decided to repair rather than replace a faulty product is offered the opportunity to purchase an extended warranty.