



Final Results for the 12
months ended 30 June 2010

01 October 2010



Presenting Team



Martin Ward
Group Managing Director

Martin joined Helphire Group plc in August 2005 as Managing Director of its subsidiary business, Albany Assistance Limited. In February 2009, Martin became Managing Director of the Group's combined Accident Management business, and in the same year was appointed to the Board as Group Managing Director. Martin has extensive insurance industry experience, having jointly founded the Rarrigini & Rosso Group in 1994, a leading wholesaler of commercial insurance and risk management solutions distributed through a network of 500 leading insurance brokers. This business was acquired by an AIM listed plc in 2003. Martin has an MBA from Durham University.



Ian Wardle
Chief Financial Officer

Ian joined Helphire Group plc in May 2009 from Camden Group Services, a Barclays Private Equity sponsored business where he was Chief Executive. Ian is a Chartered Management Accountant and has held a number of senior finance and general management roles within various business sectors. Prior to Camden Group Services, Ian was Chief Operating Officer of Vanguard EMEA (operators and franchisor of the Alamo Rent a Car, National Car Rental and the Guy Salmon rent a car businesses in Europe, Middle East and Africa) having joined as Senior Vice President of Finance for International Operations. Vanguard EMEA was successfully grown and subsequently sold to the Europcar Group having been acquired as part of Vanguard Rental Group by funds of Cerberus Capital Management. Prior to that he was Director of Group Financial Control for Lex Service and Director of Finance and Deputy MD for Avis Rent a Car UK.

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Operational Highlights

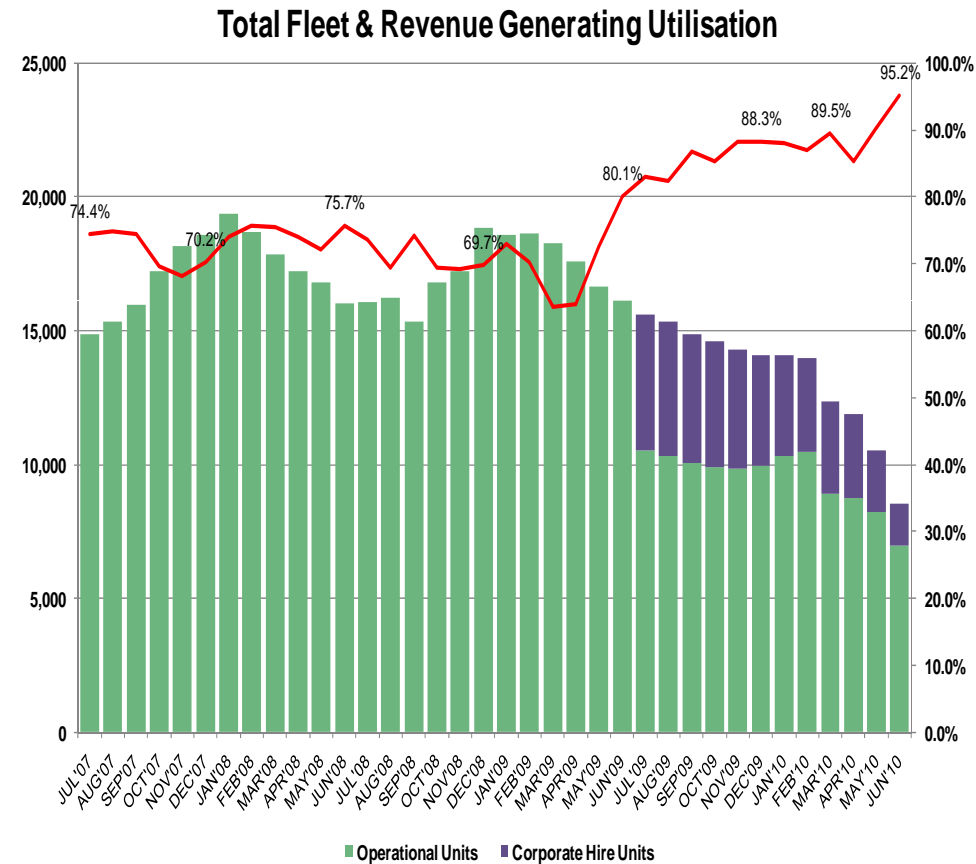
- Successful implementation of restructuring plan
 - Overhead reduction of 34%
 - Productivity improvement of 20%
 - Two core operating centres based in the North East and North West
- Protocol agreements with at fault insurers increased to 20% of claims market
- Substantial closure of open cases from 109,000 to 79,000
- New major brand referrer relationship commencing in Q4 2010

Financial Highlights

- Adjusted operating profit of £21.4m (2009: £4.7m)
- Direct operating cash inflow of £12.0m (2009: £18.7m outflow)
- Debtor days further reduced to 219 days (2009: 226)
- Fleet utilisation at record high of 87.1%
- Operating working capital reduced by £125.8m since February 2009
- Net debt reduced by £77.5m to £162.0m (2009: £239.5m)

Helphire Developments

- Business restructuring largely complete
 - Simplified organisational and operational structure
 - Two operating centres reduced from four
 - One IT platform reduced from five
 - Significantly improved productivity ratios up 20%
 - Lower cost base down by 34%
- Right-sized fleet with record high utilisation
- Protocol arrangements with at-fault Insurers increased
- Strong operational management team with in-depth experience
- Non-legacy claims recovery performing in line with expectations

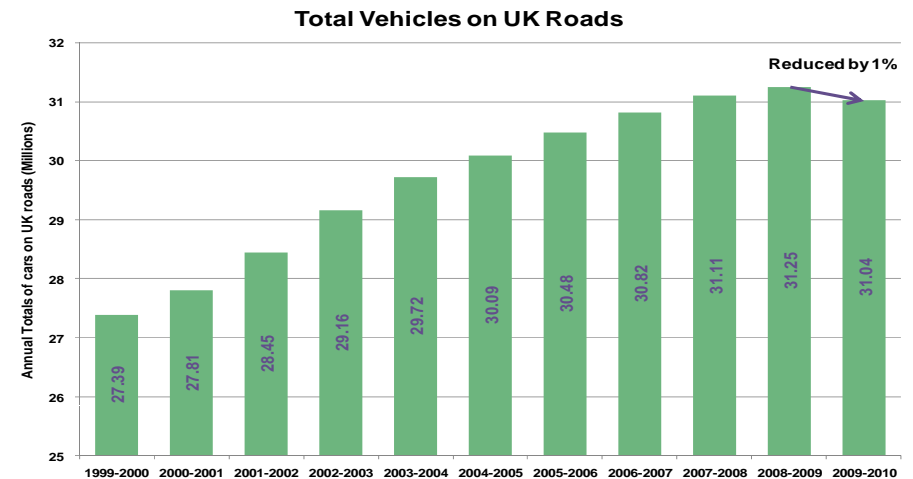


Market Developments

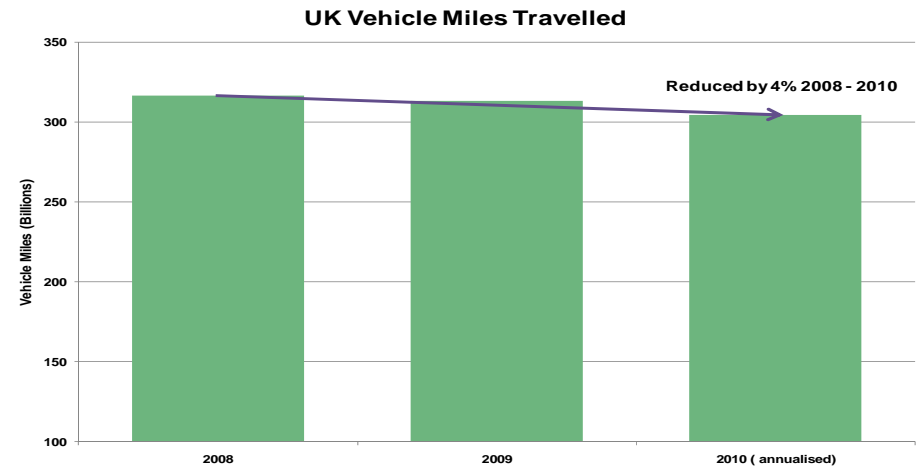
- Insurer relationships improving – car hire and repair recovery less in focus as Bodily Injury costs soar
- Market for standard services possibly reaching maturity but stable
- New entrant competing on price but lacks in-depth experience
- Shifting market distribution for car insurance
 - Non-fault claims income – significant factor to insurer motor rate competitiveness
- Helphire only main market public listed company in sector
 - Competitors facing challenges – Helphire in strong position

Current Macro Economic Effects

- UK on-road vehicle parc fell in 2009/10
- Road miles travelled down on last year by 3% (4% over two years)
- Accident frequency rates anecdotally lower than last year
- Used car market seasonally weak across the summer period



Source: Department for Transport, Transport Statistics Bulletin, Road Traffic and Congestion in Great Britain 2010 Q2



Source: SMMT Motor Industry Facts 2010

Future Developments – what's next?

- Recovery plan is focussed on three phases: *Focus*, *Drive* and *Broaden*
- *Focus* phase is now largely implemented
- *Drive* phase – Maximising current market business value – well positioned to develop the right opportunities
- *Broaden* phase – Includes potential development of adjacent and complementary products and revenues

Summary Profit & Loss – 6 month track

- 2H Revenues stable driven by longer hire length up 14%/2.9 day
- 2H Gross Margin 0.9pts weaker due to additional fleet cross hire costs to serve additional hire days, partially offset by record revenue generating fleet utilisation in excess of 88%
- Overhead reduction continuing, underlying run rate below £60.0m pa; 1,200FTE (40%) reduction since 12/08, further reductions planned through 12/10
- Operating Margin “repaired” at +7.5%

		2H FY10 6 mths 30/06/10	1H FY10 6 mths 31/12/09	2H FY09 6 mths 30/06/09	1H FY09 6 mths 31/12/08
Accident Management	£m	107.5	108.1	120.8	144.3
Credit Repair	£m	44.2	44.4	48.0	61.0
Adj Revenues	£m	151.7	152.5	168.8	205.3
Adj Gross Profit	£m	42.6	44.2	44.1	59.9
% Gross Margin		28.1%	29.0%	26.1%	29.2%
Overheads	£m	31.2	34.2	48.3	51.0
Adj Operating Profit	£m	11.4	10.0	-4.2	8.9
% Operating Margin		7.5%	6.6%	-2.5%	4.3%
KPIs					
Hire Cases '000s		72.0	77.5	88.2	98.8
Hire Days '000s		1657.1	1557.2	1799.2	2187.7
Hire Length		23.0	20.1	20.4	22.1
% Fleet Holding Cost to Hire Revenue		22.4%	19.0%	23.9%	28.5%
% Revenue Utilisation		88.8%	85.7%	70.2%	72.0%

Operating Working Capital / Net Debt

- Operating Working Capital reduced by £36.1m since 12/09 (£61.4m since 06/09) principally driven by right-sizing of Fleet
- Fleet NBV will rise as aged fleet renewed with new purchases in 2H10/1H11
- Receivable DSOs down 15 days since 12/09, further improvement driven by outcome of legal cases (40% of open cases, 30% of net receivables) and development of protocols
- Net Debt reduced by £46.8m since 12/09, £10.7m ahead of movement in Operating Working Capital.

	<u>30/06/10</u>	<u>31/12/09</u>	vs 6M	<u>30/06/09</u>	vs 12M
	£m	£m		£m	
Goodwill/Intangibles	44.6	44.9		45.2	
Fixed Assets exc Fleet	14.0	15.8		19.5	
Other/Deferred Tax	<u>3.3</u>	<u>2.1</u>		<u>2.1</u>	
Total Non-Current exc Fleet	61.9	62.8		66.8	
Fleet	77.3	109.7	-32.4	132.2	-54.9
Receivables	190.5	198.6	-8.1	202.8	-12.3
<i>DSOs</i>	<i>219</i>	<i>234</i>	<i>-15</i>	<i>226</i>	<i>-7</i>
<i>£m of ABI Debt in Legal</i>	<i>58.0</i>	<i>47.5</i>	<i>10.5</i>	<i>47.1</i>	<i>10.9</i>
<i>% of ABI Cases in Legal</i>	<i>40.0%</i>	<i>26.4%</i>	<i>14%</i>	<i>25.1%</i>	<i>15%</i>
Trade Payables/Accruals	<u>-65.4</u>	<u>-69.8</u>	4.4	<u>-71.2</u>	5.8
Operating Working Capital	202.4	238.5	-36.1	263.8	-61.4
Other Assets/Liabilities	-10.7	-4.6		-2.3	
Total Assets/Liabilities	253.6	296.7		328.3	
Net Debt exc unamortised fees	165.3	212.1	-46.8	242.8	-77.5
Net Assets	88.3	84.6		85.5	

Cash Flow

- 98.6% conversion of Operating Profit into Operating Cash Flow of £21.1m
- Exceptionals Cash Outflow of £9.1m will reduce in current financial year and leverage up Net Direct Operating Cash Inflow
- £12.0m Net Direct Operating Cash Inflow, £30.7m turnaround versus prior year
- Group has/is restructuring corporate entities/operations to maximise usage of £57.3m available tax losses, recognised deferred tax asset for FY11 taxable earnings
- £2.8m Free Cash Flow

	£m
Adj Operating Profit	21.4
Adj Direct Operating Cash Inflow	21.1
Conversion	98.6%
Exceptionals Cash Outflow	<u>-9.1</u>
Net Direct Operating Cash Inflow <i>(FY09 Prior Year £18.7m Outflow)</i>	12.0
Non-Operating Flows	
Bank/Non-Fleet Interest Paid	-7.5
Tax Refund Received	4.6
ESOP Shares Sold	<u>1.3</u>
Net Cash Flow	10.4
Term Debt Amortisation	<u>-7.6</u>
Free Cash Flow	2.8

Net Debt/Corporate Facilities

- Net Debt reduced by £46.8m since 12/09 (£77.5m since 06/09) principally through fleet related debt, £35.5m, plus a positive operating cash flow contributing to £11.3m other debt reduction since 12/09 (£16.5m since 09/09)
- Corporate Bank Facilities of £132.2m at 30/06/10 committed through April 2012; £40.1m unutilised at 30/06/10
- 1H2011 current timing to refinance Corporate Facilities; improved credit metrics (EBITDA/debt etc) expected to produce lower borrowing margins

	30/06/10 £m	31/12/09 £m	30/06/09 £m
Cash/Cash Equivalents	9.2	1.0	11.5
Corporate Debt Due <1 Yr	-9.8	-8.7	-7.8
Asset Finance Debt Due <1 Yr	<u>-53.3</u>	<u>-65.6</u>	<u>-71.9</u>
Net Current Debt	-63.1	-74.3	-79.7
Mix	36.2%	34.9%	31.3%
Corporate Debt >1 Yr	-91.5	-103.6	-117.9
Asset Finance Debt Due >1 Yr	<u>-19.9</u>	<u>-35.2</u>	<u>-56.7</u>
Net Non-Current Debt	-111.4	-138.8	-174.6
Mix	63.8%	65.1%	68.7%
Total Net Debt exc unamortised	-165.3	-212.1	-242.8
<i>Fleet Asset Related</i>	81.1	116.6	142.1
<i>Non-Fleet Related</i>	84.2	95.5	100.7

Summary & Outlook

- Business stable and well positioned
- Competitor position presents opportunities
- Cautious outlook given prevailing market conditions

