

CPPGROUP PLC

HALF YEAR REPORT

FOR THE SIX MONTHS ENDED 30 JUNE 2010

HIGHLIGHTS

	Six months ended 30 June 2010	Six months ended 30 June 2009	Growth	
Revenue (£'m)	156.9	141.2	15.7	11%
Underlying operating profit (£'m)	24.0	20.0	4.0	20%
Profit before tax (£'m)				
- Reported	17.4	11.4	6.0	53%
- Underlying	22.7	16.5	6.2	38%
Profit after tax (£'m)				
- Reported	11.8	7.8	4.0	51%
- Underlying	15.6	11.5	4.1	36%
Basic earnings per share (pence)				
- Reported	7.3	5.1	2.2	43%
- Underlying	9.7	7.6	2.1	28%
Dividend per share (pence)	2.42	NA	NA	NA

Underlying Operating Profit is adjusted for legacy scheme share based payments of £2.2m (2009: £5.1m)
Underlying Profit before Tax is adjusted for the impact of legacy scheme share based payments of £2.2m (2009: £5.1m) and exceptional amortisation of loan issue costs of £3.1m (2009: nil). The tax effect of these adjustments is £1.5m (2009: £1.4m).

Operational Highlights

- UK business continues to grow strongly with the packaged account market gaining momentum
- Recently launched markets continue to develop well, with Turkey breaking even for the period, only three years after launch
- Broadly stable renewal rates despite economic pressures and product price rises
- First contract signed in China with Guangdong Development Bank
- Growing US business partner portfolio with the important addition of Sovereign Bank
- Identity Protection product piloted in Spain

Financial Highlights

- Group revenue growth of 11% to £156.9m
- Underlying operating profit up 20% to £24.0m, with the margin increased to 15.3% (30 June 2009: 14.1%)
- Operating profit up 47% to £21.8m
- Underlying EPS up 28% to 9.7p
- Strong cash generation with net cash from operating activities of £13.3m
- £25.7m raised in successful IPO contributing to reduction in net debt to £13.2m at 30 June 2010 from £48.8m at 31 December 2009
- First interim dividend proposed at 2.42p per share

Eric Woolley, Group Chief Executive commented:

“I am very pleased with the performance of CPP in the first half of 2010. We have delivered a good set of results in line with expectations and achieved a successful listing on the London Stock Exchange.”

“These results have been driven by an increase in new revenues and a steady renewal rate, evidence of the global demand for our products and the strength of our business model. In the UK our core business has grown and through successful initiatives such as packaged accounts we are expanding our existing product and channel offering. Internationally we are making real progress with our recently launched markets in Turkey, India and Mexico all showing good growth year on year.”

“CPP is a fast growing business with strong cash generation and a robust balance sheet. We are well positioned to build on this first set of results as a public company as we continue to execute on our proven growth strategy in the UK and internationally and so deliver sustainable profitable growth. Whilst recognising the global economic and financial sector uncertainties, I am still encouraged by our medium term pipeline of business opportunities and expect the momentum in the business that we have demonstrated since IPO to continue to deliver a year of growth for the Group in line with market expectations.”

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Notes to editors:

CPP is a fast-growing and leading international life assistance business with operations in 15 countries in both developed and emerging markets. CPP’s products and services are designed to meet consumer needs across a range of requirements, in particular relating to credit and debit card ownership, personal identity, mobile telephones, travel and the home. The Group primarily focuses on providing customer assistance during stressful life events such as losing or having a wallet, purse, mobile telephone or keys stolen, as well as support in the event of identity theft.

CHIEF EXECUTIVE OFFICER'S REPORT

OVERVIEW

I am pleased with the performance of CPP in the first half of 2010, our first as a listed company. It has been an important six month period for the business, where we have achieved a highly successful listing on the London Stock Exchange and these results are a milestone in our development as a public company.

The business is well positioned and has a focused strategy that is delivering growth in the UK and internationally. This established strategy is:

- Targeting new business partner relationships, driving growth in existing sales channels such as debit card activation and developing new sales channels, such as an online sales channel and self-service channels and capability
- Building our presence and experience in new sectors, such as the packaged account, travel and home emergency markets, where we can leverage our experience of providing life assistance products and services to end customers
- Rolling out new and existing products and services in CPP's current markets, coupled with product content-backed price increases to drive the Group's penetration in those markets and the profitability of existing products and services
- Continuing to expand internationally with an increased focus on key emerging markets such as Turkey, India, Mexico and China

We have grown Group Revenue by 11% and Underlying Group Operating Profit (see page 1) by 20% year on year. Underlying operating profit margin has increased to 15.3% from 14.1% at June 2009. This increase in Underlying Group Operating Profit and a reduction in legacy share based payments have generated Operating Profit growth of 47% year on year. Operating profit margins have benefited from lower commission due to mix effects and control of overheads.

We have increased New Assistance Income by 11% year on year to £42.4 million through product, channel and market diversification and roll out of higher priced product variants. Live policies have increased 7% from December 2009 to 10.7 million.

Our Annual Renewal Rate continues to be broadly stable at 76.8%. We believe this is evidence that our products are valued by our customers who have chosen to retain them despite disposable income coming under increased pressure. This is a blended rate including all of our geographies and reflects a slight increase in the UK renewal rate offset by a reduced rate in Spain, which we attribute to local economic conditions, and growth of the renewal base in our new territories, which are expected to show lower rates than established countries in the short to medium term.

I am pleased to announce that having led the sustained growth of Northern Europe, Stephen Kennedy will be moving to a new role of Group Chief Operating Officer, where he will focus on driving continuing growth across the Group. Our regional business units now report in to Stephen Kennedy. Currently Group Consumer Sales and Service Director, Mike Kneafsey will assume responsibility for management of our UK and Ireland operations, having joined CPP early in 2008.

In Southern Europe, we welcome Angel de Leon as Managing Director. Angel brings a wealth of experience of the Southern European market, including from his previous roles at Santander. He replaces Ignacio Mier who has now left CPP as notified in our IPO prospectus.

REGIONAL HIGHLIGHTS

Our Northern European market continues to perform well, having grown revenues by 16% and we have seen a pleasing performance from a number of initiatives that are driving growth. In particular our focus on the UK packaged accounts market is gaining momentum, as is our continued focus on the card activation sales channel, which has generated increased call volumes and provided a high-quality customer service on behalf of our business partners.

In Southern Europe, we have delivered a robust performance in the face of difficult market conditions, particularly in Spain. Revenue increased by 1%, excluding the impact of foreign exchange. The

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foundations for an improved performance in the medium term are already in place. The pilot of Identity Protection in Spain is a core component of our growth strategy. The migration of payment cards to Chip and PIN in Spain presents a new business opportunity for activating payment cards on behalf of business partners including Banco Santander, despite investment in these campaigns having had a negative impact on margins in the short term.

Our North America business has delivered in line with our expectations. Whilst revenue growth of 3% excluding the impact of foreign exchange may be modest, profitability has been improved. Our portfolio of business partners has increased with the addition of Sovereign Bank, a Santander Group subsidiary. Our exclusive agreement to market Identity Protection across a wide range of channels is particularly encouraging as it includes card activation and in-branch sales for the first time. We have also launched a new card activation campaign with Wells Fargo Wachovia.

In Asia Pacific we have grown revenue by 19%, despite the impact of a new credit card tax in Malaysia which has reduced the number of credit cards in circulation in the market. As we establish ourselves in the region we continue to incur losses. Renewal volumes are not yet sufficiently large to offset the costs of acquiring new customers. However as expected, we made an important first small step into mainland China with Guangdong Development Bank to provide Card Protection to its premium cardholders. Importantly, the product is positioned as a key cardholder benefit, illustrating the inherent value placed on our card loss reporting services.

Our recently launched markets continue to develop, with revenues from Turkey, India and Mexico all growing year on year. The Turkey renewal book has grown to the point where Turkey has traded at break even for the half year. 2010 Indian revenue includes renewal income for the first time in line with our expectations. Mexico will begin to generate renewal revenues in the second half of the year, having commenced sales in July 2009.

FINANCIAL POSITION

In March we successfully completed our listing on the London Stock Exchange raising net proceeds of £25.7 million and refinanced our bank debt at a reduced level. Since IPO cash flows have remained strong and net debt has been reduced to £13.2 million at 30 June 2010 from £48.8 million at 31 December 2009.

OUTLOOK

We are well positioned to build on the first half year performance across the Group as we continue to execute on our established growth strategy. The card activation channel is expected to deliver significant new revenues across the Group, product and channel diversification is continuing. We are implementing a number of initiatives with new partners that will build our presence in existing and new market sectors and territories and deliver a healthy pipeline of business opportunities, but may put pressure on margins in the short term.

Although there continue to be economic uncertainties and challenges faced by our financial sector partners in a number of markets, our key financial metrics remain on track and we are on course to deliver a year of growth for the Group in line with market expectations.

OPERATING AND FINANCIAL REPORT

We have grown Group Revenue by 11% year on year to £156.9 million at 30 June 2010, led by existing and new products and channels in Northern Europe. Underlying Operating Profit has also grown, by 20% to £24.0 million. Operating Profit has grown by 47% to £21.8 million.

Underlying Profit after Tax has grown by 36% to £15.6 million. Profit after Tax has grown by 51% to £11.8 million.

We will pay our first interim dividend as a listed company of 2.42 pence per share in October 2010.

Our operations continue to be highly cash generative, with net cash from operating activities of £13.3 million and proceeds from our successful listing on the London Stock Exchange contributing to a reduction in net debt to £13.2 million at 30 June 2010.

KEY PERFORMANCE INDICATORS

	Six months ended 30 June 2010	Six months ended 30 June 2009	Year ended 31 December 2009
New Assistance Income (£ millions)	42.4	38.1	80.3
Annual Renewal Rate (moving annual total)	76.8%	77.7%	77.5%
Live Policies (millions)	10.7	9.8	10.0
Cost/ Income Ratio	50%	49%	48%
Operating Profit Margin	15.3%	14.1%	14.2%

New Assistance Income has grown by 11% year on year. Development of the packaged accounts channel, product diversification, including growth of Airport Angel, growth in new markets, and higher priced product variants all contribute to this achievement.

Annual Renewal Rates remain broadly stable. UK renewal rates have increased slightly. The growth of the renewal base in our newer territories has reduced the overall Group renewal rate. Newer territories are often expected to have lower renewal rates than established countries in the short to medium term. Southern Europe renewal rates have recently been lower, which we attribute to the economic situation.

Our Live Policies book has grown to 10.7 million policies at 30 June 2010, driven by the expansion of our packaged accounts channel in the UK.

Operating Profit Margin has grown year on year to 15.3%. Growth in gross profit margin and control of overheads in Northern Europe has outweighed short term direct costs supporting EMV (Europay, Mastercard and Visa) "Chip and PIN" card activation campaigns in Southern Europe. Operating Profit includes the cost of investment in new markets of £2.2 million in the period (H1 2009: £2.2 million).

Cost/ Income Ratio, which is expressed as a percentage of revenue, has increased year on year to 50%, reflecting the growth of our packaged accounts sales channels which do not incur business partner commissions and generally have a lower revenue per policy.

Northern Europe

- Revenue up 16% to £111.6 million (H1 2009: £96.5 million)
- Operating profit up by 43% to £17.0 million (H1 2009: £11.8 million)
- Expanded successful card activation sales channel with RBS and Santander
- UK core business has grown supported by good progress from packaged accounts
- Turkey at break even for the half year after only three years of activity

Northern Europe, which represents 71% of Group sales, has grown revenue by 16% to £111.6 million through the continued expansion of Identity Protection combined with roll out of higher priced product variants and development of the packaged accounts channel in the UK. These factors have generated growth in both new and renewal income. Northern Europe has grown operating profit by 43% to £17.0

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million, despite a challenging economic backdrop, through these increases in volumes, higher priced product variants and control of operating costs.

In the UK, our core business has grown, complemented by product and channel diversification. Our packaged accounts business has performed well launching a new premium account with Santander and providing a selection of mobile phone, gadget and handbag insurance product variants for the RBS group packaged accounts. We continue to see growth opportunities in new sectors and we have recently contracted with the AA to provide a range of products and services to their packaged account customers.

We have successfully integrated the Leapfrog business acquired in 2009, complementing our packaged accounts business by giving us an established presence in the travel sector via our Airport Angel product that is established in over 550 airport lounges and 300 airports worldwide.

In line with our strategy of driving growth in existing sales channels, the UK has expanded its successful card activation sales channel with RBS and Santander. This sales channel not only positions CPP strongly in new debit and credit card issuance programmes, but gives CPP incremental call volumes and builds a stronger relationship with business partners based on our proven service to sales competence. We have continued to roll out higher priced variants of Card Protection and Identity Protection. We have also renewed our contract with T-Mobile to provide mobile phone insurance. The risk associated with the merger of T-Mobile and Orange described in our IPO prospectus still remains.

One of the drivers of consumer behaviour is the prevalence and awareness of identity fraud. In the first quarter of 2010, incidences of identity fraud in the UK increased 14 per cent¹ (compared with the same period in 2009), demonstrating that our comprehensive identity protection product is both relevant and addresses real and growing consumer needs.

In Ireland, despite well publicised economic difficulties, our business has performed well. Growth has been delivered largely via an increase in Card Protection revenues. We are also increasing the size of our mobile phone insurance book through our contract with Meteor Mobile.

Consistent with our strategy of expanding internationally into growth markets, Turkey has made good progress, with increased sales of Card Protection driving new assistance revenue with partners including Akbank, DenizBank and Bank Asya. New Card Protection product variants have been introduced to support price increases and drive the appeal, penetration and profitability of Card Protection. Following losses in its first three years of trading as we have invested in the business we are pleased to report that Turkey has operated at break even for the half year.

In Germany we have grown revenues and with Commerz Finanz we have replicated our safe receipt sales channel, where customers call in to inform their card issuer that they have safely received their card, to receive security information and allowing us the opportunity to offer our Card Protection product.

Southern Europe

- Revenue up 1% to £24.3 million excluding the impact of foreign exchange
- Operating profit down 13% to £5.9 million (H1 2009: £6.8 million)
- Robust performance with revenue stable in challenging economic conditions
- Pursuing significant new sales opportunities in Spain following launch of Chip and PIN cards
- Good progress in Mexico following June 2009 launch

Southern Europe, which represents 16% of Group revenues, has grown by 1% excluding the impact of foreign currency movements, in challenging economic conditions. Southern Europe Operating Profit of £5.9 million is 13% lower than the first half of 2009, impacted by costs of EMV card activation sales campaigns in Spain.

The launch of Chip and PIN cards in Spain has presented us with new sales opportunities. The migration of customers to EMV has now commenced and we are already activating cards on behalf of Caja de Ahorros de Navarra, Openbank and Banco Santander. This is expected to generate growth in the medium term, but has had a negative impact on margins and operating profit in the short term which will continue in the second half of the year. We have also commenced new sales of Card Protection with Banc Sabadell.

¹ CIFAS – The UK's Fraud Prevention Service

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We piloted Identity Protection in Spain, incorporating a comprehensive suite of prevention, detection and resolution services.

Consistent with our growth strategy to penetrate new sectors outside financial services, Spain launched a new campaign outside its core market with Planeta DeAgostini. The provision of Legal Protection with this Spanish media company demonstrates our products have consumer appeal outside our traditional markets.

We have made steady progress in Portugal. We are currently implementing new campaigns with key business partners including Montepio Geral and Banco Santander Totta. Our conversion rates for these campaigns are amongst the best in our Southern Europe region, demonstrating that our acquisition channels are effective in marketing our assistance products.

In France, our focus has been on maximising benefit from our relationship with Cetelem, and we have increased revenues year on year.

Mexico is managed as part of our Southern Europe region to capitalise on business partner, language and cultural similarities. In Mexico, despite only launching in July 2009, we have continued to make good progress and we believe the expected growth in the bankable population and use of plastic cards presents us with a sustainable and significant growth opportunity. Since launch we have implemented new campaigns with HSBC. Selling through two business partners, we expect to increase the penetration of Card Protection in this market.

North America

- Revenue up 3% to £18.2 million excluding the impact of foreign exchange
- Operating profit up 7% to £2.8 million (H1 2009: £2.6 million)
- Major contract with Sovereign Bank added to business partner portfolio
- New card activation campaign with Wells Fargo Wachovia
- New version of Identity Protection launched with Alliance Data

North America which represents 12% of Group revenue, has increased Operating Profit by 7% to £2.8 million, driven by existing member revenues and more efficient acquisition costs on new sales. Revenues have risen by 3% excluding the impact of foreign currency movements.

During this period key accomplishments include securing Sovereign Bank, a Santander Group subsidiary, to add to our portfolio of major business partners that also includes Alliance Data, Wells Fargo, and HSBC. The contract with Sovereign Bank gives CPP an exclusive agreement to cross-sell Identity Protection during debit card activation, in-branch, customer service, outbound telemarketing and e-mail campaigns.

We have launched a new card activation campaign with Wells Fargo Wachovia, including a voice response card activation channel.

We have also launched a new version of Identity Protection with Alliance Data, our largest business partner, at a higher monthly premium of \$14.99.

Asia Pacific

- Revenue up 19% to £2.7 million (H1 2009: £2.3 million)
- Operating loss up 29% to £1.3 million (H1 2009: loss of £1.0 million)
- First contract signed in China with Guangdong Development Bank
- Total new business partners in India up to nine after signing Barclays, Deutsche Bank and Life Insurance Corporation of India

Our Asia Pacific business, which represents 2% of Group revenues, has delivered 19% revenue growth to £2.7 million in the first six months of 2010, despite the impact of a new credit card tax in Malaysia introduced at the beginning of the year that negatively impacted the number of credit cards in circulation.

Having already established in Hong Kong, Singapore, Malaysia and India we continued to expand internationally with an important first step into mainland China, partnering with Guangdong Development Bank to provide Card Assistance services to its premium cardholders on a wholesale basis.

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In Hong Kong, the Privacy Commissioner for Personal Data is investigating the transfer of personal data to third parties for marketing purposes. This has resulted from apparent issues with the way Octopus has transferred personal data to its partners, including CPP. As a result there is a temporary suspension of all third party marketing in Hong Kong which impacts our telemarketing channel. Sales by our partner banks are unaffected so there will continue to be some sales of our Card Protection product, mainly by Citi, however this issue has a significant impact on new income in Hong Kong. There is currently no indication as to when this temporary suspension will be lifted.

In India we continue to build our business through expansion of our business partner base and addition of new channels. In the first half of the year we signed three new business partners: Barclays, Deutsche Bank and Life Insurance Corporation of India. This now takes the total number of business partners to nine since we launched in December 2008. Indian revenues in 2010 now include renewals from existing customers. Indian renewal rates are in line with our expectations for a newly established territory. Two card activation campaigns have been launched and web-based acquisition and ATM marketing have also been deployed.

With a large bankable population across Asia Pacific, new business partners and channels we believe we are well positioned to develop long-term mutually beneficial relationships with our business partners and end customers.

Home 3

We continue to invest in Home 3, our joint venture with Mapfre Asistencia, and continue to work on developing business opportunities.

Financing and operating items

We are pleased to report year on year Underlying Operating Profit growth of 20%. This growth includes costs associated with operating as a listed company and charges from new share options issued subsequent to our IPO which we have absorbed.

Net finance costs have fallen by £2.1 million, excluding accelerated amortisation of £3.1 million of capitalised loan issue costs. These costs were expensed when our previous loan facilities were repaid and new bank debt taken out at the time of our IPO. Our new revolving credit facility has benefited from both a lower balance outstanding and a lower effective interest rate than our previous facilities. Finance costs of £0.6 million in the period arise from our new debt facilities and £4.0 million from our previous facilities.

Our effective tax rate has increased year on year to 32.0% from 31.6% due to taxable losses arising from new territories which cannot be offset against taxable profits elsewhere in the Group.

Financial position and cash flows

Our financial position is strong, with net debt reducing to £13.2 million at 30 June 2009 from £48.8 million at 31 December 2009.

Profit after Tax of £11.8 million has generated positive operating cash flows of £13.3 million. Financing activities have generated £26.1 million of net listing proceeds and £8.5 million from employee exercises of share options vesting following our IPO.

We continue to invest in the development of our business and have invested £8.6 million acquiring tangible and intangible non-current assets during the first half of 2010. Acquisition of intangible assets includes £5.2 million of investment in business partner intangibles and £3.1 million of investment in our IT systems.

Our working capital is in line with expectations, and reflects seasonal and short term timing factors and one-off payments arising from our legacy share options.

Dividends

In accordance with the Group's dividend policy, the directors have approved an interim dividend of 2.42 pence per share (£4.1 million). The dividend will be paid on 13 October 2010 with an ex dividend date of 15 September 2010.

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Related party transactions

Related party transactions are disclosed in note 12 to the Condensed Financial Statements. There have been no material changes to the related party transactions described in the 2009 Annual Report of CPP Group plc.

Risks and uncertainties

There are a number of potential risks and uncertainties which could have a material impact on the Group's performance over the remaining six months of the financial year and could cause actual results to differ materially from expected and historical results. The directors do not consider the principal risks and uncertainties listed below to have changed since publication of the Annual Report of CPP Group plc for the year ended 31 December 2009. Further details of risk factors for the Group can be found on pages 12 to 25 of our IPO prospectus. These documents are available at www.cppgroupplc.com.

Geographic markets

The Group operates in several geographic markets with varying levels of business maturity in terms of size, operating model and product base.

Regulation

The Group has a number of regulated subsidiaries and as such the risks of non-compliance with current regulation, continuance of the Group's 'licence to trade' in any given territory, or future changes to regulatory frameworks, are ever present.

Business partner relationships

The Group mainly operates a B2B2C model and as such a relatively high proportion of the Group's revenue is attributable to relationships with its business partners. As a result of this, Group revenues could be impacted by business partners delaying the implementation of sales campaigns.

Reliance on technology

The nature of the Group's products, sales channels and delivery models mean that its reputation, cash flows or operations could be adversely affected by failures of the Group's own IT systems or those provided by third parties.

Fraud

The risk of fraud, both external and internal, is ever present in a business of this size.

Financial risks

The Group's operations expose it to financial risks including foreign exchange, interest rate, liquidity, credit and insurance risks.

Going concern

As stated in note 2 to the Condensed Financial Statements, the directors are satisfied that that the Group has sufficient resources to continue in operation for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the Condensed Financial Statements.

On behalf of the Board

Eric Woolley
Chief Executive Officer

Shaun Parker
Chief Financial Officer

25 August 2010

CONDENSED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

	6 months ended 30 June 2010 £'000 (Unaudited)	6 months ended 30 June 2009 £'000 (Unaudited)	Year ended 31 December 2009 £'000 (Audited)
CONTINUING OPERATIONS			
Revenue	156,920	141,216	292,102
Cost of sales	(90,550)	(82,035)	(167,882)
GROSS PROFIT	66,370	59,181	124,220
ADMINISTRATIVE EXPENSES			
Legacy scheme share based payments	(2,199)	(5,102)	(10,391)
Other administrative expenses	(41,937)	(38,913)	(82,013)
TOTAL ADMINISTRATIVE EXPENSES	(44,136)	(44,015)	(92,404)
Share of loss of joint venture	(387)	(286)	(695)
OPERATING PROFIT			
Operating profit before legacy scheme share based payments	24,046	19,982	41,512
Operating profit after legacy scheme share based payments	21,847	14,880	31,121
Investment revenues	120	455	706
Finance costs - derivative instruments	-	(879)	(1,641)
Finance costs - non-derivative instruments	(4,609)	(3,065)	(5,342)
PROFIT BEFORE TAXATION	17,358	11,391	24,844
Taxation	(5,555)	(3,600)	(7,851)
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	11,803	7,791	16,993
BASIC AND DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS:	Pence	Pence	Pence
Basic earnings per share	7.29	5.14	11.21
Diluted earnings per share	7.12	5.03	11.10

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	6 months ended 30 June 2010 £'000 (Unaudited)	6 months ended 30 June 2009 £'000 (Unaudited)	Year ended 31 December 2009 £'000 (Audited)
PROFIT FOR THE PERIOD	11,803	7,791	16,993
OTHER COMPREHENSIVE INCOME AND EXPENSES			
Exchange differences on translation of foreign operations	830	(2,745)	(2,110)
OTHER COMPREHENSIVE INCOME/ (EXPENSES) FOR THE PERIOD NET OF TAXATION	830	(2,745)	(2,110)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	12,633	5,046	14,883

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CONSOLIDATED BALANCE SHEET

		30 June 2010 £'000	30 June 2009 £'000 (As restated) (Unaudited)	31 December 2009 £'000 (As restated) (Audited)
	Note	(Unaudited)	(Unaudited)	(Audited)
NON-CURRENT ASSETS				
Goodwill	8	16,854	13,196	16,053
Other intangible assets	8	19,380	8,794	15,726
Property, plant and equipment	8	13,969	14,180	13,864
Investment in joint venture		-	207	50
Deferred tax asset		3,197	3,327	3,418
		<u>53,400</u>	<u>39,704</u>	<u>49,111</u>
CURRENT ASSETS				
Insurance assets		17,290	13,570	14,052
Inventories		243	138	159
Trade and other receivables		27,580	20,506	23,906
Cash and cash equivalents		28,749	46,200	52,379
		<u>73,862</u>	<u>80,414</u>	<u>90,496</u>
TOTAL ASSETS		<u>127,262</u>	<u>120,118</u>	<u>139,607</u>
CURRENT LIABILITIES				
Insurance liabilities		(9,609)	(8,044)	(8,997)
Income tax liabilities		(6,283)	(4,934)	(4,191)
Trade and other payables		(61,592)	(50,215)	(65,152)
Bank loans	9	-	(11,558)	(12,021)
Provisions		(745)	-	(1,524)
		<u>(78,229)</u>	<u>(74,751)</u>	<u>(91,885)</u>
NET CURRENT LIABILITIES		<u>(4,367)</u>	<u>5,663</u>	<u>(1,389)</u>
NON-CURRENT LIABILITIES				
Bank loans	9	(41,944)	(93,596)	(89,202)
Derivative financial instruments		-	(3,655)	-
Provisions		(745)	-	(1,524)
		<u>(42,689)</u>	<u>(97,251)</u>	<u>(90,726)</u>
TOTAL LIABILITIES		<u>(120,918)</u>	<u>(172,002)</u>	<u>(182,611)</u>
NET ASSETS/ (LIABILITIES)		<u>6,344</u>	<u>(51,884)</u>	<u>(43,004)</u>
EQUITY				
Share Capital	10	17,016	15,152	15,152
Share Premium		32,253	-	-
Merger Reserve		(100,399)	(100,399)	(100,399)
Translation Reserve		2,825	1,360	1,995
Equalisation Reserve		5,466	4,416	4,913
Share Based Payment Reserve		7,599	6,816	5,783
Retained Earnings		41,584	20,771	29,552
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		<u>6,344</u>	<u>(51,884)</u>	<u>(43,004)</u>

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Note	Share Capital £'000	Share Premium £'000	Merger Reserve £'000	Translation Reserve £'000	Equalisation Reserve £'000	Share Based Payment Reserve £'000	Retained Earnings £'000	Total £'000
SIX MONTHS ENDED 30 JUNE 2010									
(Unaudited)									
At 1 January 2010		15,152	-	(100,399)	1,995	4,913	5,783	29,552	(43,004)
Total comprehensive income		-	-	-	830	-	-	11,803	12,633
Movement on equalisation reserve		-	-	-	-	553	-	(553)	-
Current tax charge on equalisation reserve movement		-	-	-	-	-	-	155	155
Equity settled share based payment charge		-	-	-	-	-	2,217	-	2,217
Current tax on share based payment charge		-	-	-	-	-	-	880	880
Deferred tax on share based payment charge		-	-	-	-	-	-	(253)	(253)
Exercise of share options	11	574	7,878	-	-	-	(401)	-	8,051
Other ordinary share issues	10	1,290	24,375	-	-	-	-	-	25,665
At 30 June 2010		17,016	32,253	(100,399)	2,825	5,466	7,599	41,584	6,344
SIX MONTHS ENDED 30 JUNE 2009									
(As restated, Unaudited)									
At 1 January 2009		15,152	-	(100,399)	4,105	3,941	1,714	13,386	(62,101)
Total comprehensive income		-	-	-	(2,745)	-	-	7,791	5,046
Movement on equalisation reserve		-	-	-	-	475	-	(475)	-
Current tax charge on equalisation reserve movement		-	-	-	-	-	-	133	133
Equity settled share based payment		-	-	-	-	-	5,102	-	5,102
Deferred tax on share based payment		-	-	-	-	-	-	(64)	(64)
At 30 June 2009		15,152	-	(100,399)	1,360	4,416	6,816	20,771	(51,884)
YEAR ENDED 31 DECEMBER 2009									
(As restated, Audited)									
At 1 January 2009		15,152	-	(100,399)	4,105	3,941	1,714	13,386	(62,101)
Total comprehensive income		-	-	-	(2,110)	-	-	16,993	14,883
Movement on equalisation reserve		-	-	-	-	972	-	(972)	-
Current tax charge on equalisation reserve movement		-	-	-	-	-	-	272	272
Equity settled share based payment charge		-	-	-	-	-	10,391	-	10,391
Exercise of share options		-	-	-	-	-	(6,322)	-	(6,322)
Deferred tax on share based payment charge		-	-	-	-	-	-	(127)	(127)
At 31 December 2009		15,152	-	(100,399)	1,995	4,913	5,783	29,552	(43,004)

CPPGroup plc
 HALF YEAR REPORT
 FOR THE SIX MONTHS ENDED 30 JUNE 2010

CONSOLIDATED CASH FLOW STATEMENT

	6 months ended 30 June 2010 £'000 (Unaudited)	6 months ended 30 June 2009 £'000 (Unaudited)	Year ended 31 December 2009 £'000 (Audited)
NET CASH FROM OPERATING ACTIVITIES	13,324	17,370	45,457
INVESTING ACTIVITIES			
Interest received	120	455	706
Purchases of property, plant and equipment	(800)	(634)	(2,165)
Purchases of intangible assets	(6,862)	(1,557)	(8,649)
Acquisition of subsidiary, net of cash acquired	-	-	(3,149)
Investment in joint venture	(338)	(588)	(840)
NET CASH USED IN INVESTING ACTIVITIES	(7,880)	(2,324)	(14,097)
FINANCING ACTIVITIES			
Repayment of bank loans	(121,383)	(6,863)	(11,567)
Proceeds from new bank loans	59,700	-	-
Interest paid	(973)	(2,320)	(3,854)
Cash outflows on derivative financial instruments	-	(1,306)	(5,724)
Cost of refinancing	(1,080)	-	-
Issue of ordinary share capital	34,521	-	-
NET CASH USED IN FINANCING ACTIVITIES	(29,215)	(10,489)	(21,145)
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS	(23,771)	4,557	10,215
Effect of foreign exchange rate changes	141	(1,598)	(926)
CASH AND CASH EQUIVALENTS AT START OF PERIOD	52,379	43,241	43,241
CASH AND CASH EQUIVALENTS AT END OF PERIOD	28,749	46,200	52,530

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

The Company was incorporated on 9 February 2010 and acquired the entire issued share capital of CPP Group plc (the previous ultimate holding company of the CPP group) on 24 March 2010 as part of a group reconstruction. The reconstruction did not change either the identity or relative rights of the ultimate shareholders of CPP Group plc and, therefore, has been reflected in the Condensed Financial Statements using the principles of merger accounting for group reconstructions.

The information for the year ended 31 December 2009 does not constitute statutory accounts as defined under Section 434 of the Companies Act 2006. A copy of the 2009 statutory financial statements of CPP Group plc prepared under IFRS as adopted by the European Union has been delivered to the Registrar of Companies. The auditors reported on those accounts: their report was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under Section 498(2) or (3) of the Companies Act 2006.

2 ACCOUNTING POLICIES

Basis of preparation

The directors will prepare consolidated annual financial statements for the year ended 31 December 2010 in accordance with IFRS as adopted in the European Union. The Condensed Financial Statements included in this Half Year Report have been prepared in accordance with IAS 34 "Interim Financial Reporting", as adopted by the European Union.

Under IFRS the group reconstruction during the period is treated as a common control transaction, for which there is no specific accounting guidance. Consequently the directors have had regard to the guidance in IAS8 "Accounting Policies, Changes in Accounting Estimates and Errors" on the selection of accounting policies and have adopted merger accounting in accordance with the provisions of Financial Reporting Standard 6 in the United Kingdom.

The adoption of merger accounting presents the Company as if it had always been the parent undertaking of the Group, and therefore no adjustments to the book values of the assets and liabilities were required at the date of the reconstruction. As the Company was not incorporated until 9 February 2010, the results and details of the financial position prior to this date reflect those presented previously as the results and financial position of CPP Group plc, the former parent of the Group, except that they have been restated in that the share capital of CPP Group plc has been reclassified to the merger reserve and the share capital for prior periods reflects the Company's shares issued as part of the reconstruction.

The same accounting policies, presentation and methods of computation are followed in the Condensed Financial Statements as applied to CPP Group plc's latest annual audited consolidated financial statements, except for adoption of the following Standards and Interpretations. These are mandatory from 1 January 2010 and their adoption has not had any material impact on the Group:

- IFRS 3 (revised January 2008)	Business Combinations
- Amendment to IAS 27 (January 2008)	Consolidated and Separate Financial Statements
- Amendment to IAS 39 (July 2008)	Eligible Hedged Items
- IFRS 1 (revised November 2008)	First Time Adoption of International Financial Reporting Standards
- Amendment to IFRS 1 (July 2009)	Additional Exemptions for First Time Adopters
- Amendment to IFRS 2 (June 2009)	Group Cash-settled Share-based Payment Transactions
- IFRIC 17	Distributions of Non-cash Assets to Owners
- IFRIC 18	Transfers of Assets from Customers

Going concern

The directors have, at the time of approving the Half Year Report, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the Condensed Financial Statements.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS
 (continued)

3 SEGMENTAL ANALYSIS

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Board of Directors to allocate resources to the segments and to assess their performance. There has been no change in the basis or segmentation or in the basis of measurement of segment profit or loss in the period.

Segment revenues and performance for the current and comparative periods have been as follows:

	Northern Europe £'000	Southern Europe £'000	North America £'000	Asia Pacific £'000	Total £'000
Six months ended 30 June 2010 (Unaudited)					
Revenue - external sales	111,631	24,340	18,216	2,733	156,920
Regional operating profit before legacy scheme share based payments and joint ventures	16,975	5,923	2,797	(1,262)	24,433
Legacy scheme share based payments					(2,199)
Share of operating loss of joint venture					(387)
Operating profit after legacy scheme share based payments					21,847
Investment revenues					120
Finance costs - non-derivative instruments					(4,609)
Profit on ordinary activities before taxation					17,358
Six months ended 30 June 2009 (Unaudited)					
Revenue - external sales	96,473	24,583	17,857	2,303	141,216
Regional operating profit before legacy scheme share based payments and joint ventures	11,835	6,790	2,619	(976)	20,268
Legacy scheme share based payments					(5,102)
Share of operating loss of joint venture					(286)
Operating profit after legacy scheme share based payments					14,880
Investment income					455
Finance costs - derivative instruments					(879)
Finance costs - non-derivative instruments					(3,065)
Profit on ordinary activities before taxation					11,391
Year ended 31 December 2009 (Audited)					
Revenue - external sales	204,878	47,507	34,784	4,933	292,102
Regional operating profit before legacy scheme share based payments and joint ventures	27,762	11,249	5,178	(1,982)	42,207
Legacy scheme share based payments					(10,391)
Share of operating loss of joint venture					(695)
Operating profit after legacy scheme share based payments					31,121
Investment income					706
Finance costs - derivative instruments					(1,641)
Finance costs - non-derivative instruments					(5,342)
Profit on ordinary activities before taxation					24,844

NOTES TO THE CONDENSED FINANCIAL STATEMENTS
 (continued)

3 SEGMENTAL ANALYSIS (continued)

Segment assets

For the purposes of monitoring segment performance and allocating resources between segments, the Board of Directors monitors the tangible and financial assets attributable to each segment. Goodwill, deferred tax and investments in joint ventures are not allocated to segments.

	30 June 2010 £'000 (Unaudited)	30 June 2009 £'000 (Unaudited)	31 December 2009 £'000 (Audited)
Northern Europe	84,580	81,630	97,010
Southern Europe	9,524	7,973	8,599
North America	11,364	12,368	12,925
Asia Pacific	1,743	1,417	1,552
Total segment assets	107,211	103,388	120,086
Unallocated assets	20,051	16,730	19,521
Consolidated total assets	127,262	120,118	139,607

Revenues from major products

Major product streams are disclosed on the basis monitored by the Board of Directors. For the purpose of this product analysis, "Assistance Products" are those which are predominantly insurance backed but contain a bundle of insurance, assistance and other benefits; "Insurance products" are those which cover a single insurance risk.

The Group's revenues from its major products are as follows:

	6 months ended 30 June 2010 £'000 (Unaudited)	6 months ended 30 June 2009 £'000 (Unaudited)	Year ended 31 December 2009 £'000 (Audited)
Assistance products	139,330	125,880	261,932
Insurance products	17,590	15,336	30,170
Total revenue	156,920	141,216	292,102

4 FINANCE COSTS - NON-DERIVATIVE INSTRUMENTS

	6 months ended 30 June 2010 £'000 (Unaudited)	6 months ended 30 June 2009 £'000 (Unaudited)	Year ended 31 December 2009 £'000 (Audited)
Bank loan interest	1,045	2,122	3,540
Amortisation of capitalised loan issue costs	3,522	745	1,488
Other	42	198	314
	4,609	3,065	5,342

On 24 March 2010 the Group repaid its existing bank loans early, using funds including proceeds from its Initial Public Offering and listing on the London Stock Exchange ("IPO"), the exercise of share options and new bank debt taken out during the period. This early settlement resulted in accelerated amortisation of the then remaining capitalised issue costs of £3,119,000 on the existing bank loans.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS
 (continued)

5 TAXATION

Tax for the six month period is charged at 32.0% (six months ended 30 June 2009: 31.6%; year ended 31 December 2009: 31.6%), representing the best estimate of the average effective tax rate expected for the full year, applied to the pre-tax income of the six month period.

6 EARNINGS PER SHARE

Basic and diluted earnings per share have been calculated in accordance with IAS 33 "Earnings per Share". Underlying earnings per share have also been presented in order to give a better understanding of the performance of the business.

	6 months ended 30 June 2010 (Unaudited) £'000	6 months ended 30 June 2009 (Unaudited) £'000	Year ended 31 December 2009 (Audited) £'000
Earnings			
Earnings for the purposes of basic and diluted earnings per share	11,803	7,791	16,993
Legacy scheme share based payments (net of tax)	1,583	3,673	7,482
Exceptional amortisation of capitalised loan issue costs (net of tax)	2,246	-	-
Earnings for the purposes of underlying basic and diluted earnings per share	<u>15,632</u>	<u>11,464</u>	<u>24,475</u>
Number of shares			
Weighted average number of ordinary shares for the purposes of basic earnings per share:	161,945	151,521	151,521
Effect of dilutive potential ordinary shares:			
Employee share options	3,786	3,377	1,546
Weighted average number of ordinary shares for the purposes of diluted earnings per share:	<u>165,731</u>	<u>154,898</u>	<u>153,067</u>

The number of shares disclosed above follows the principles of merger accounting, whereby the number of shares is based on the Company always having been the parent company of the CPP group of Companies.

	6 months ended 30 June 2010 Pence (Unaudited)	6 months ended 30 June 2009 Pence (Unaudited)	Year ended 31 December 2009 Pence (Audited)
Basic and diluted earnings per share from continuing operations:			
Basic shares	7.29	5.14	11.21
Diluted shares	7.12	5.03	11.10
Basic and diluted underlying earnings per share from continuing operations:			
Basic	9.65	7.57	16.15
Diluted	<u>9.43</u>	<u>7.40</u>	<u>15.99</u>

7 DIVIDENDS

No dividends have been paid or proposed during the six months ended 30 June 2010 or the comparative periods. After 30 June 2010, the directors have approved an interim dividend of 2.42 pence per share, which has not been accrued as a liability as at 30 June 2010 in accordance with IAS 8. This dividend will be paid on 13 October 2010 with an ex-dividend date of 15 September 2010 and a record date of 17 September 2010.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS
 (continued)

8 TANGIBLE AND INTANGIBLE ASSETS

	Goodwill £'000	Other intangible assets £'000	Property, plant and equipment £'000	Total £'000
Six months ended 30 June 2010 (Unaudited)				
Carrying amount at 1 January 2010	16,053	15,726	13,864	45,643
Additions	156	6,863	1,744	8,763
Depreciation/ amortisation	-	(3,191)	(1,563)	(4,754)
Exchange adjustments	645	(18)	(76)	551
Carrying amount at 30 June 2010	16,854	19,380	13,969	50,203
Six months ended 30 June 2009 (Unaudited)				
Carrying amount at 1 January 2009	14,811	9,228	15,643	39,682
Additions	-	1,577	656	2,233
Disposals	-	(2)	(25)	(27)
Depreciation/ amortisation	-	(1,996)	(1,860)	(3,856)
Exchange adjustments	(1,615)	(13)	(234)	(1,862)
Carrying amount at 30 June 2009	13,196	8,794	14,180	36,170
Year ended 31 December 2009 (Audited)				
Carrying amount at 1 January 2009	14,811	9,228	15,643	39,682
Arising on acquisition of a subsidiary	2,414	2,383	82	4,879
Additions	-	8,649	2,165	10,814
Disposals	-	-	(20)	(20)
Depreciation/ amortisation	-	(4,543)	(3,837)	(8,380)
Exchange adjustments	(1,172)	9	(169)	(1,332)
Carrying amount at 31 December 2009	16,053	15,726	13,864	45,643

9 BANK LOANS

The carrying value of the Group's financial liabilities, for short-term borrowings and long-term borrowings, are as follows:

	30 June 2010 £'000 (Unaudited)	30 June 2009 £'000 (Unaudited)	31 December 2009 £'000 (Audited)
Repayments due within one year	-	12,929	13,372
Less: unamortised issue costs	-	(1,371)	(1,351)
Bank loans due within one year	-	11,558	12,021
Repayments due outside of one year	43,000	96,457	91,311
Less: unamortised issue costs	(1,056)	(2,861)	(2,109)
Bank loans due outside of one year	41,944	93,596	89,202
Total bank loans	41,944	105,154	101,223

On 24 March 2010 the Group repaid its existing bank loans early, using funds including proceeds from its IPO, the exercise of share options and new bank debt taken out during the period.

The new bank debt is in the form of a Revolving Credit Facility ("RCF"). The Group is entitled to roll over repayment of amounts drawn down, subject to all amounts outstanding falling due for repayment on expiry of the facility in March 2013.

The RCF bears interest at a variable rate of LIBOR plus a variable margin dependant on the net debt to EBITDA ratio of the Group. It is secured by fixed and floating charges on certain assets of the Group. The financial covenants of the RCF are based on the interest cover and leverage of the Group. The Group has been in compliance with these covenants since inception of the RCF.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS
 (continued)

10 SHARE CAPITAL

The Company was incorporated on 9 February 2010, and issued 500,000 ordinary shares on 11 February 2010 for consideration of £13,000.

On 24 March 2010, as part of the group reconstruction, the Company issued 151,520,832 10p ordinary shares to the shareholders of CPP Group plc in exchange for 100% of the issued share capital of CPP Group plc, without change to the identity or relative rights of the ultimate shareholders of CPP Group plc. In accordance with the principles of merger accounting, the Condensed Financial Statements present the Group as if these shares had been issued throughout the current and comparative periods.

On 24 March 2010 the Company also issued 12,765,957 10p ordinary shares for cash consideration of £30,000,000 via the IPO. Costs of the share issue of £4,348,000 have been charged to the Share Premium Account.

The IPO offering represented a trigger event for vesting of the Group's legacy 2005 and 2008 ESOP arrangements. Consequently, 5,741,228 10p ordinary shares were issued to option holders for total consideration of £9,482,000 during the period. Further details relating to share options are provided in note 11.

Net proceeds from issue of ordinary shares in the Cash Flow Statement of £34,521,000 represent £26,071,000 from the IPO and £8,450,000 from the exercise of share options.

11 SHARE BASED PAYMENTS

Legacy schemes

Legacy scheme share based payments in the Income Statement of £2,199,000 (six months ended 30 June 2009: £5,102,000; year ended 31 December 2009: £10,391,000) arise from the Group's 2005 and 2008 ESOP Schemes and share-based loan notes, which had been implemented in previous years to incentivise certain employees.

Details of share options outstanding during the period under the legacy schemes are as follows:

	Six months ended 30 June 2010 (Unaudited)		Six months ended 30 June 2009 (Unaudited)		Year ended 31 December 2009 (Audited)	
	Number of share options (thousands)	Weighted average exercise price (£)	Number of share options (thousands)	Weighted average exercise price (£)	Number of share options (thousands)	Weighted average exercise price (£)
2005 ESOP Scheme*						
Outstanding at start of period	6,561	1.88	7,465	0.82	7,465	0.82
Granted during the period	-	-	-	-	4,763	2.28
Forfeited during the period	(55)	0.82	(904)	0.82	(904)	0.82
Exercised during the period	(2,821)	1.87	-	-	(4,763)	0.82
Outstanding at end of period	3,685	1.92	6,561	0.82	6,561	1.88
2008 ESOP Scheme*						
Outstanding at start of period	7,388	1.66	6,336	1.79	6,336	1.79
Granted during the period	168	1.80	1,300	1.02	1,300	1.02
Forfeited during the period	-	-	(248)	1.79	(248)	1.79
Exercised during the period	(2,920)	1.45	-	-	-	-
Outstanding at end of period	4,636	1.80	7,388	1.66	7,388	1.66

* As part of the Group reconstruction, each option over 1 share of CPP Group plc was rolled over into an option over 16 shares in the Company, with equivalent terms to the option it replaced. Option numbers and prices in the table above have been restated to reflect the rolled over amounts.

The Initial Public Offering during the period represented a trigger event for vesting of options in the 2005 and 2008 Schemes. Consequently 50% of the options outstanding at the time of the IPO vested immediately. Some vested options have been exercised by employees during the period. The remaining options under these schemes vest in 2011 and 2012, subject to option holders remaining in employment of the Group.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS
 (continued)

11 SHARE BASED PAYMENTS (continued)

Post IPO plans

Other Administrative Expenses include £295,000 of charges (Six months ended 30 June 2009: £nil; Year ended 31 December 2009: £nil) arising from the Long Term Incentive Plan ("LTIP") and the Restricted Stock Plan ("RSP").

Details of share options outstanding during the period under the these plans are as follows:

	<u>LTIP</u>	<u>RSP</u>
	Number of share options (thousands)	Number of share options (thousands)
Six months ended 30 June 2010 (unaudited)		
Outstanding at start of period	-	-
Granted during the period	1,323	146
Forfeited during the period	-	(6)
Outstanding at end of period	<u>1,323</u>	<u>140</u>

Nil-cost options granted during the period under the LTIP vest after three years, lapse if not exercised within ten years of grant and may lapse if option holders cease to be employed by the Group. Vesting of LTIP options is also subject to achievement of performance criteria including Earnings per Share growth and Total Shareholder Return over a three year period.

Nil-cost options granted during the period under the RSP become unrestricted after three years but may be withheld if holders cease to be employed by the Group before the shares become unrestricted.

The principal assumptions underlying the valuation of the LTIP and RSP options at the date of grant are as follows:

	<u>LTIP</u>	<u>RSP</u>
Weighted average share price	£2.62	£2.62
Weighted average exercise price	£nil	£nil
Expected volatility	33.67%	33.67%
Expected life	3 years	3 years
Risk free rate	1.94%	1.94%

The aggregate estimated fair value of the options and shares granted under the LTIP and RSP is £3,538,000.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS
 (continued)

12 RELATED PARTY TRANSACTIONS

The following material related party transactions have been entered into during the period.

Transactions with associated undertakings

Transactions between the Group and its joint venture represent related party transactions.

The Group has undertaken the following transactions with its joint venture entity, Home 3 Assistance Limited:

	6 months ended 30 June 2010 £'000 (Unaudited)	6 months ended 30 June 2009 £'000 (Unaudited)	Year ended 31 December 2009 £'000 (Audited)
Costs rechargeable to Home 3 incurred by the Group	107	222	364
Balance receivable from Home 3	184	125	215

Remuneration of key management personnel

The remuneration of the Directors and Senior Management Team, who are the key management personnel of the Group, is set out below:

	6 months ended 30 June 2010 £'000 (Unaudited)	6 months ended 30 June 2009 £'000 (Unaudited)	Year ended 31 December 2009 £'000 (Audited)
Short term employee benefits	1,916	2,094	4,021
Post employment benefits	106	98	190
Termination benefits	242	178	178
Share-based payments	1,632	3,453	6,764
	3,896	5,823	11,153

Directors' responsibilities statement

We confirm that to the best of our knowledge:

- a) The Condensed Financial Statements have been prepared in accordance with IAS 34 "Interim Financial Reporting"
- b) The Chief Executive Officer's Report and Operating and Financial Report together include a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and
- c) The Operating and Financial Report includes a fair review of the information required by DTR 4.2.8R (disclosure of related parties' transactions and changes therein).

By order of the Board

Eric Woolley
Chief Executive Officer

Shaun Parker
Chief Financial Officer

25 August 2010

Cautionary statement

This Half Year Report 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 Half Year Report should not be relied on by any other party or for any other purpose.

The Half Year Report 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 Half Year Report 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 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 Half Year Report.

Independent Review Report to CPPGroup plc

We have been engaged by the Company to review the Condensed Financial Statements in the Half -Yearly Report for the six months ended 30 June 2010 which comprises the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Balance Sheet, the Consolidated Statement of Changes in Equity, the Consolidated Cash Flow Statement and related notes 1 to 12. We have read the other information contained in the Half Yearly Report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the Condensed Financial Statements.

This report is made solely to the company in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. Our work has been undertaken so that we might state to the Company those matters we are required to state to them in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our review work, for this report, or for the conclusions we have formed.

Directors' responsibilities

The Half Year Report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the Half Year Report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

As disclosed in note 2, the annual financial statements of the Group are prepared in accordance with IFRS as adopted by the European Union. The Condensed Financial Statements included in this Half Year Report have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting," as adopted by the European Union.

Our responsibility

Our responsibility is to express to the Company a conclusion on the Condensed Financial Statements in the Half Year Report based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the Condensed Financial Statements in the Half Year Report for the six months ended 30 June 2010 are not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

Deloitte LLP

Chartered Accountants and Statutory Auditors
Leeds, United Kingdom
25 August 2010

Corporate Information

Enquiries

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Registered number: 07151159

Share price information

The Company's share price can be found on the Company's website at www.cppgroupplc.com.

Auditors

Deloitte LLP
1 City Square
Leeds
LS1 2AL

Financial Calendar

Interim ex-dividend date	15 September 2010
Interim dividend record date	17 September 2010
Interim dividend payment	13 October 2010