

Preliminary Results

Good growth in the UK and increasing momentum in our International businesses



HomeServe



Group financial highlights

£ million	2011	2010	Change
Revenue ⁽¹⁾	467.1	369.0	+27%
Underlying revenue ⁽¹⁾	425.4	369.0	+15%
Adjusted operating profit ⁽²⁾	119.2	104.4	+14%
Adjusted profit before tax ⁽²⁾	117.1	100.6	+16%
Adjusted earnings per share ⁽³⁾	25.9p	22.2p	+17%
Dividend per share	10.3p	8.8p	+17%
Free cash flow	86.1	26.3	+£59.8m

- Underlying revenue growth of 15%
- Strong financial performance driven by:
 - 14% increase in customer numbers
 - 15% increase in policy numbers
 - high stable retention rates – global retention rate of 83.6% (2010: 83.6%)
- Significant increase in free cash flow

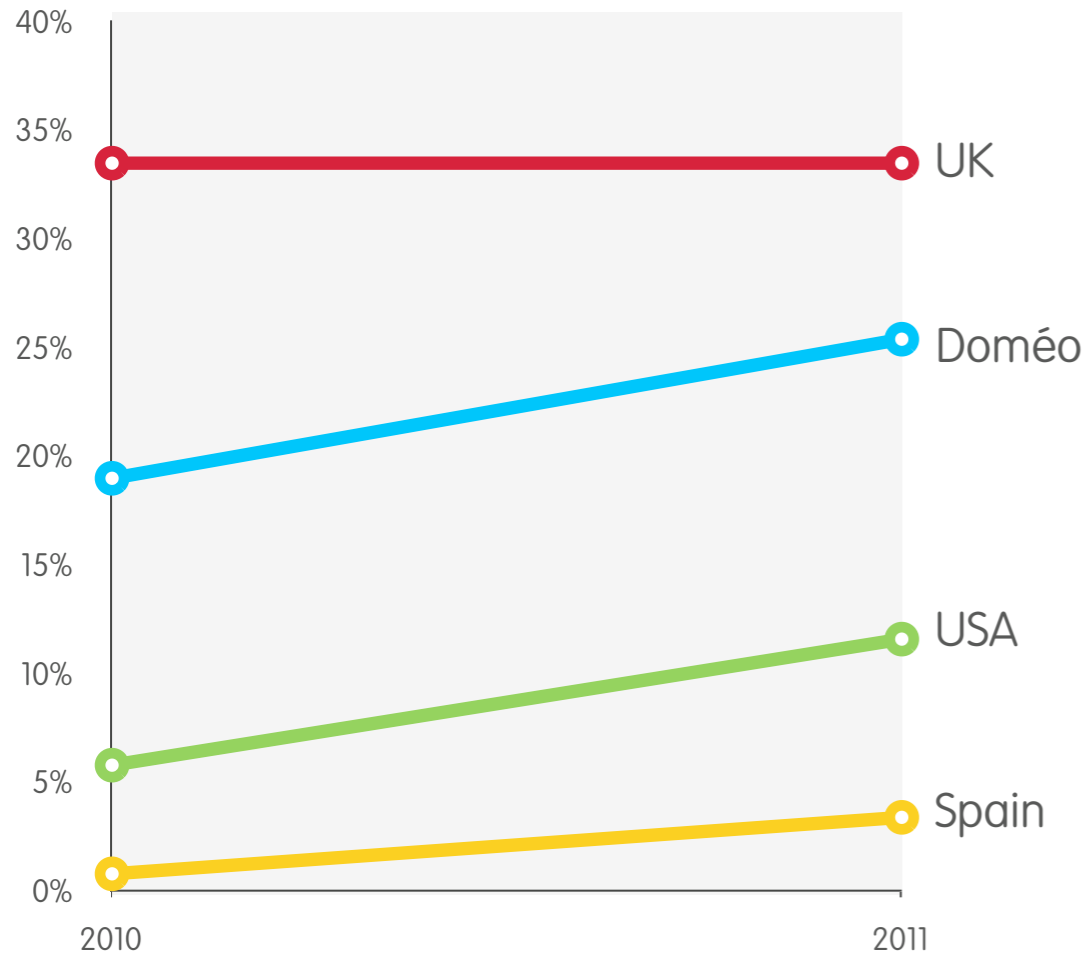
(1) Revenue includes £41.7m of income related to repairs undertaken by UK sub-contract engineers in 2011 (2010: nil) and excludes exceptional operating income of £10.2m in 2010. Underlying revenue is used to refer to revenue excluding the income related to repairs undertaken by UK sub-contract engineers and is also used together with adjusted operating profit⁽²⁾ to calculate the underlying operating margin.

(2) Excluding amortisation of acquisition intangibles, joint venture taxation and exceptional operating items.

(3) Excluding the amortisation of acquisition intangibles and exceptional operating items.

Recurring renewal revenues are driving higher margins

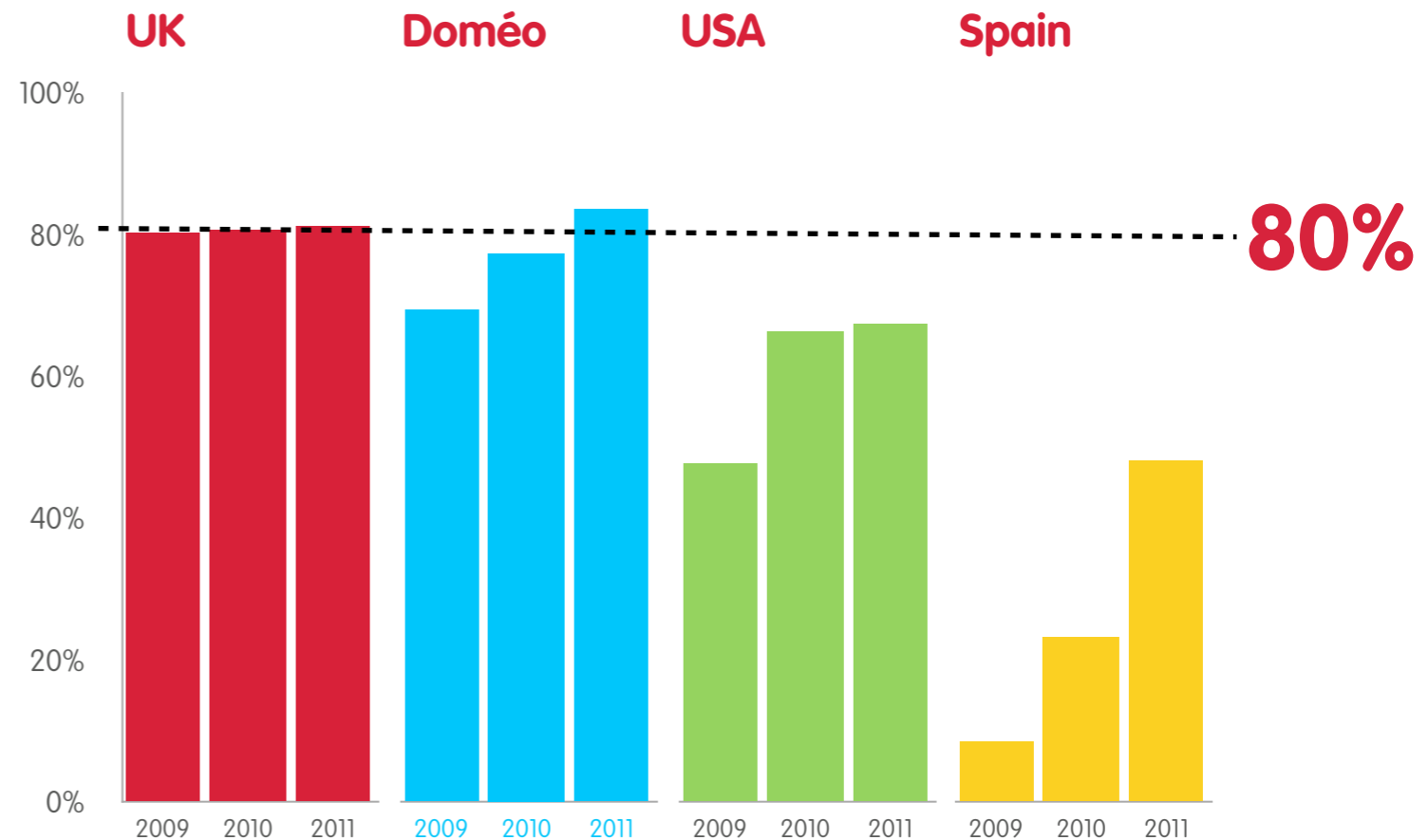
Increasing international operating margins



- High retention and increasing renewal revenue is driving up international margins
- UK underlying margin is stable

Renewal revenues

As a % of total policy revenues



- Renewal revenue is increasing as a % of total policy revenues as we grow customers and policies
- Over 80% of UK policy revenue is driven by renewals revenue

UK customer numbers up 4%, driven by:

- **Core utility campaign**
– continuing to deliver new customers



- **Landlords**
– successful off the page advertising



- **Internet**
– growing source of new customers



- **Manufacturer warranties**
– new partners

dyson

ferroli

- **Financial Services**
– successful outbound tele-marketing

 **Santander**

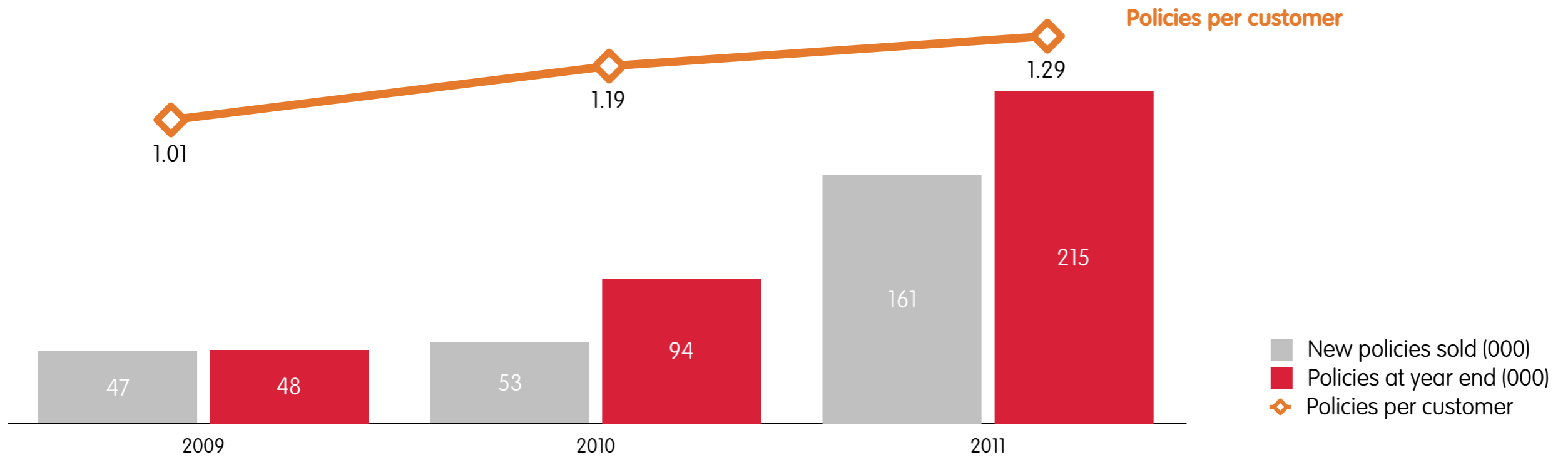
- **One Contact (Pay on use service)**
– growing job numbers



TV advertising in Granada region



Customer and policy numbers more than doubled in Spain



	2010	2011	Change
Customers ('000)	79	167	+110%
Policies ('000)			
Water	10	30	
Electrics	57	107	
Other (Including 'Club')	27	78	
Total Policies	94	215	+127%
Policies per customer	1.19	1.29	+0.1



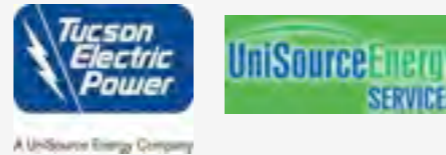
Organic and acquisitive partner growth is gaining momentum

Organic



Water utility in California
Households – 55k
Announcing today

Millennium Energy



Gas and Electric utility
in Arizona
Households – 600k
March 2011



Gas utility in
California
Households – 5m
April 2010

Acquisitions



Water utility in New
Jersey and Delaware
Acquired: 10k policies
Households – 90k
Announcing today



Gas utility in
South Jersey
Acquired: 135k policies
Households – 300k
March 2011



Electric and Gas utility
in New York
Acquired: 340k policies
Households – 5m
August 2010

Increasing investment in 'New Markets'



New countries

- Opened our Italian operation
- Continue to research new geographies

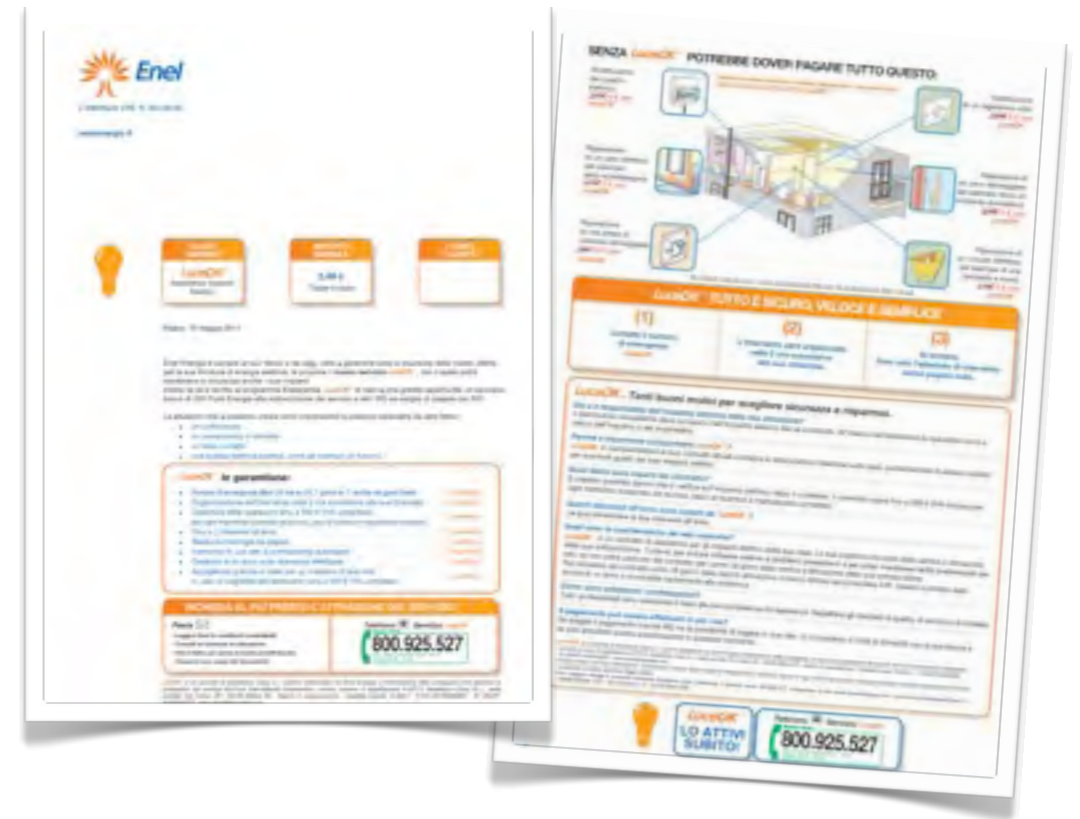


New partners



Test marketing

- Rolling out manufacturer warranties in France
- Test campaigns in Italy for:
 - Plumbing & Drains
 - Gas Supply pipe
 - Electrical wiring



Our achievements in 2011

We promised to deliver

We delivered

UK

- 3-4% customer growth
- Retention rate of at least 82%

- 4%
- 82.7%

France

- 0.5m gross new policy sales

- 0.5m gross new policies sold

Spain

- Double customer and policy numbers

- Customers up 110%
- Policies up 127%

USA

- £6m operating profit
- Strong organic and acquisitive growth

- £6.1m
- Gross new sales up 55%
- 6 new partners

New Markets

- Start test marketing in Italy
- Start to roll out manufacturer warranties

- Marketing underway
- Testing with Indesit