

This announcement and the information contained herein is restricted and is not for publication, release or distribution in whole or in part in, or into, the United States of America, Canada, Australia, the Republic of South Africa, the Republic of Ireland or Japan.



15 November 2007

Abbey Protection plc Announces Intention to Float on AIM

Abbey Protection plc ("Abbey Protection" or the "Group") today announces its intention to seek admission to trading of its shares on the AIM Market of the London Stock Exchange plc ("Admission").

Admission

Admission is expected to take place in late November 2007. It is anticipated that the market capitalisation of Abbey Protection on Admission will be approximately £55 million.

PricewaterhouseCoopers has been appointed nominated adviser and Numis Securities Limited has been appointed as broker to Abbey Protection.

Abbey Protection

Abbey Protection is an integrated specialist insurance and consultancy group, and the UK's leading supplier of legal expenses and tax related professional fees insurance to small and medium sized enterprises ("SMEs"). The Group's principal products provide protection against costs incurred as a result of legal actions and HM Revenue & Customs ("HMRC") investigations.

Founded in 1992, the Group operates from offices in London, Rugby and Croydon and had 194 employees as at 30 June 2007. As it has expanded the Group has developed a range of complementary legal, professional and reinsurance products and services through the following trading divisions:

- *Abbey Legal Protection* ("ALP") and *Abbey Legal Services* ("ALS"), which provide commercial legal expenses insurance ("CLEI") to reimburse legal fees incurred by clients in the event of legal actions, and legal advice and related employment services
- *Abbey Tax Protection* ("ATP"), which provides professional fees insurance to reimburse fees incurred by taxpayers who undergo an HMRC investigation, and provides specialist tax advisory services
- *Abbey HR* ("AHR"), which provides HR consultancy services direct to businesses
- *Abbey After The Event Services* ("ATE"), which manages The Law Society's personal injury compensation scheme, Accident Line and its related ATE insurance policies

In addition Ibox, the Group's captive reinsurance subsidiary, provides quota share reinsurance to the Group's insurance partner, Brit Insurance, thus enabling the Group to share in the profits generated from its stable and profitable underwriting revenue.

Growth Strategy and Opportunities

Abbey Protection believes that an increasingly litigious society, a growing compliance burden faced by the SME market from higher levels of regulation and an increasing level of HMRC audit activity, will continue to drive growth in the demand for the Group's products and services.

The Group intends to take the opportunity to expand in the compliance consultancy market. Abbey Protection aims to be the partner of choice for solutions to a business's legal and taxation needs and exposures.

Abbey Protection's strategy is focused on delivering continued organic growth, developing opportunities for its consultancy divisions and broadening the product range through complementary acquisitions.

Key Strengths

- **Existing Market Leader** – in the supply of legal protection and tax related professional fee protection insurance to SMEs, a specialist sector where market leaders require a complementary advisory service which can be difficult to build or outsource
- **Consistent record of profitability** – operates in a non-cyclical sector of the insurance market and has historically had a stable and low claims ratio
- **Risk control** – underwriting risk of Ibox is mitigated by the fact that the Group provides its own advisory and representative services to its insurance clients, which assists in the control of costs and can avert claims arising
- **Diversified** – Abbey Protection comprises an insurance intermediary, an underwriting business and consultancy practices covering several product areas
- **Integrated** – Abbey Protection's trading divisions work together with the aim of capturing multiple revenue streams from a single product sale or distribution channel
- **Management** – experienced, stable and committed management team who have delivered Abbey Protection's strong organic growth
- **Staff** – experienced and appropriately trained and qualified staff (including Lawyers and ex-HMRC tax inspectors) working together in Abbey Protection's trading divisions, help facilitate a quick and cost effective understanding of the issues concerned
- **Distribution** – long standing relationships with a wide network of distribution channels including insurance brokers, insurance companies, accountants and affinity groups
- **Well positioned** – the Directors believe that Abbey Protection is well positioned to expand into the consulting suppliers market and benefit from the proposed de-regulation of the legal services industry

Colin Davison, Chief Executive Officer of Abbey Protection, commented:

“Abbey Protection has a track record of growth and underwriting profitability. Our commitment to high service levels and our integrated risk management systems have helped us become the market leader in our chosen sector. We aim to exploit opportunities presented by the increasing regulatory burden on businesses and the proposed de-regulation of legal services, and very much look forward to entering a new and exciting phase of the Group’s development.”

Enquiries:

Abbey Protection plc

Minorities House
2-5 Minorities
London
EC3N 1BJ

+44 (0) 845 217 8293

Colin Davison
Chris Ward

PricewaterhouseCoopers LLP

Simon Boadle
Andrew Perkin

+44 (0) 20 7583 5000

Financial Dynamics

Ed Gascoigne-Pees
Nick Henderson

+44 (0)20 7269 7132

+44 (0)20 7269 7114

Abbey Protection Board of Directors

Tony Shearer – Non Executive Chairman (aged 59)

Tony is Chairman of the Company, Chairman of the Nomination and Remuneration Committees and member of the Audit Committee. He is Non-Executive Chairman of Uruguay Mineral Exploration (the AIM listed gold mine and exploration company), of Jerrold Holdings (the secured lender to the residential and commercial sectors), of Yorkshire Investment Group Ltd. (the independent financial advisers), and of Caxton FX (the foreign exchange trader). He is also a Non- Executive Director and Chairman of the Audit Committee of AIM listed minerals trader Wogen plc.

Tony has held main board executive positions in listed companies M&G Group (1988 to 1996) and Singer & Friedlander Group (2003 to 2005, as Finance Director and Chief Executive). He has worked in investment management, banking, life assurance, general insurance and Lloyds of London.

Tony is a chartered accountant, having spent over 20 years with Deloitte Haskins & Sells, of which 8 years were as a partner specialising in financial services.

Colin Davison - Chief Executive Officer (aged 47)

Colin Davison founded ATP in December 1996 as a sister company to ALP. Colin was Managing Director of ATP until December 2004 when ATP became a trading division of Abbey Protection. In January 2004, Colin was appointed Chief Executive Officer of Abbey Protection Group, following a management buy out of the majority shareholding in the Group.

Colin has overseen the growth of ATP to the £11.5 million sales business it is today and has been responsible for the introduction of its new products. He has also

arranged several bespoke insurances for 'one off' tax solution arrangements which have generated fees in excess of £300,000 for the Group.

Prior to joining ATP, Colin worked for the Inland Revenue for six years, then spent a further six years working for IRPC (now Croner Consulting, a competitor fee protection provider).

Chris Ward – Group Managing Director (aged 47)

Chris Ward joined ALP in 1993 as Business Development Director. He became its Managing Director in 1996 and joined the Group board in 2002. Chris is responsible for all aspects of the Group's legal business divisions with sales in excess of £20 million and has overseen the development of the ALS and ATE divisions, as well as the establishment of the Group's captive reinsurer, Ibex.

Having worked in the insurance industry since 1979 Chris has had underwriting, sales and marketing responsibilities, largely with the Prudential, where, prior to leaving in 1992, he was Casualty Account Manager for the London Market with responsibility for the professional indemnity and contingency counts.

Adrian Green - Group Finance Director (aged 42)

Adrian Green joined Abbey Protection Group at the end of 2006. He has experience in general insurance covering both underwriting and broking. Following seven years with Fortis Insurance in various positions, he joined Folgate Insurance Company Ltd in 1997 and was promoted to Finance Director in 2002. Following the sale of Folgate Insurance Company Ltd to Towergate Group, he managed the run-off of the Folgate business before being appointed Regional Finance Director for Towergate.

John Acornley - Non-Executive Director (aged 53)

John Acornley is a non-executive director of Abbey Protection plc. He is chairman of the Audit Committee and a member of the Remuneration and Nomination Committees.

He is also a senior non-executive Director of NWF Group plc, Chairman of Rainford EMC Holdings Limited and non-executive Director of Ore.an Limited. John was Group Finance Director of Baxi plc from 1997 to 2000.

Abbey Protection plc (company number 06352358) is a company which has been incorporated with the intended purpose of acquiring the entire issued share capital of Abbey Protection Group Ltd (company number 04959808) pursuant to a share for share exchange which it is intended will take place before the intended flotation on AIM.

This announcement has been issued by, and is the sole responsibility of, Abbey Protection plc (the "Company") and has been approved as a financial promotion solely for purposes of section 21(2)(b) of the Financial Services and Markets Act 2000, as amended, by the UK firm of PricewaterhouseCoopers LLP, 1 Embankment Place London WC2N 6RH.

PricewaterhouseCoopers LLP, which is authorised and regulated by the Financial Services Authority, is acting for the Company and no one else in connection with the Admission and any related placing and will not be responsible to anyone other than the Company for providing the protections afforded to their respective customers or

for providing advice in relation to Admission, any related placing, the contents of this announcement or any other matter referred to herein.

Numis Securities Limited, which is authorised and regulated by the Financial Services Authority, is acting for the Company and no one else in connection with the Admission and any related placing and will not be responsible to anyone other than the Company for providing the protections afforded to their respective customers or for providing advice in relation to Admission, any related placing, the contents of this announcement or any other matter referred to herein.

This announcement is for background information purposes only and does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities, nor shall it (or any part of it) or the fact of its distribution, form the basis of, or be relied on in connection with, any contract thereof. Any subscription or purchase of securities which may be sold or issued in connection with Admission should only be made on the basis of information contained in the admission document of the Company to be issued in due course, and any supplements thereto. The information contained in this announcement does not purport to be full or complete and the admission document will contain certain detailed information about the Company and its management, as well as financial statements and other financial data.

The offer and the distribution of this announcement and other information in connection with Admission and any related placing may be restricted by law in certain jurisdictions and persons into whose possession this announcement or any document or other information referred to herein comes should inform themselves about, and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. Neither this announcement nor any copy of it may be made or transmitted into the United States of America, its territories or possessions or distributed, directly or indirectly, in the United States of America, its territories or possessions. Neither this announcement nor any copy of it may be taken or transmitted into Australia, Canada, Japan or the Republic of South Africa or to any persons in any of those jurisdictions. Any failure to comply with this restriction may constitute a violation of United States of America, Australian, Canadian, Japanese or South African securities laws. The securities which may be offered or sold in connection with Admission have not been and will not be registered under the applicable securities laws of the United States, Canada, Australia, the Republic of Ireland, Japan or the Republic of South Africa and, subject to certain exceptions, may not be offered or sold within the United States of America, Canada, Australia, the Republic of Ireland, Japan or the Republic of South Africa or to any national, resident or citizen of Canada, Australia, Japan or the Republic of South Africa. In particular, this announcement is not an offer for sale of, or a solicitation to purchase or subscribe for, any securities in the United States of America.

This announcement includes statements which are, or may be deemed to be, "forward-looking statements". All statements other than statements of historical facts included in this announcement including, without limitation, those regarding the Group's financial position, business strategy, and plans and objectives of management for current or future operations are forward-looking statements. By their nature, such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of the Group to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. These factors include but are not limited to those described in the formal admission document to be issued in connection with Admission.

Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements in this announcement speak only as at the date of

this announcement and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Group's operations, results of operations, growth strategy and liquidity. Subject to any legal or regulatory requirements, the Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained in this announcement to reflect any changes in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.