

PRESS RELEASE

9th August 2005
For immediate release
Canopus Group Ltd

[St Peter Port, Guernsey, Channel Islands].... Canopus Group Ltd, the holding company of Canopus Managing Agents Ltd, the specialist Lloyd's underwriting group, announces results for the year ended 31 December 2004.

Key highlights:

- Very satisfactory first year's trading in 2004 and a strong start to 2005.
- Gross premiums written of £228m in 2004, with a small (2.2%) increase in rates. 2005 is only slightly down at the half year (-0.3%).
- £14.4m profit after tax reflected the favourable dynamics of the Management Buy-Out ("MBO") deal.
- Leading underwriters, Joyce Webb, and Michael Manning joined as heads of Cargo and North American Property, respectively.
- Key employees' interests matched to the company's through share ownership.
- Group financial resources increased substantially from £25m at launch of the MBO to £61m at 31 Dec 2004. This came from £14m of retained profits, an additional £10m investment by existing shareholders and €12m (£8m) from the issue of 30 year debentures.
- Canopus Group's participation on Syndicate 4444 increased to £101m in 2005 from £80m in 2004. A further increase in Canopus's participation is envisaged for 2006. Overall capacity under management increased from £233m in 2004 to £240m in 2005.
- A further \$40m of 30 year debentures raised in mid 2005.
- No legacy issues. Canopus started trading with a new Syndicate (4444) in Jan 2004.

Michael Watson, Chairman and Chief Executive, said:

"2004 was a tremendous start for Canopus and 2005 is progressing well. We have successfully managed the MBO process with the support of our colleagues at Englefield Capital and there now exists wide share ownership amongst the Canopus team. We continue to look for underwriters and portfolios to develop our business and can offer a platform for entrepreneurial people to develop their careers and become part owners in our company.

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Canopus is a well-established management-owned underwriting franchise with a growing pool of talented underwriters, a capable management team and no legacy issues. We are looking forward to 2005 and beyond with considerable confidence and are very grateful to every member of the Canopus team whose unstinting efforts enabled our new venture to get off to such a good start during 2004.”

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