

# CANOPIUS

## **PRESS RELEASE**

19<sup>th</sup> April 2007

### **CANOPIUS ANNOUNCES RECORD RESULTS AND MANAGEMENT REORGANISATION**

Canopus Group Ltd (“Canopus”), the privately owned insurance group, today announces record results for the year ended 31<sup>st</sup> December 2006.

#### **Record results – progress continues**

- Gross written premium up 26% to £273m.
- Profit after tax £19.8 million (2005: £1.0m).
- Pre-tax return on equity: 46%.
- Shareholder’s Funds increased from £54m to £90m.
- Total financial resources increased from £85m to £159m.
- Successful acquisition of Creechurch Underwriting.
- Grown to 12<sup>th</sup> largest managing agency at Lloyd’s.

#### **2007 – A positive picture**

- Syndicate 4444 has increased premium capacity by 50% to £450m.
- Michael Watson to focus on his role as CEO of Canopus Group.
- Clive Watson becomes CEO of Canopus Managing Agents (“CMA”).
- Canopus well positioned for further growth opportunities.

In addition to its record results, Canopus also announces certain management changes to address the increased scale of its businesses and to position the group for further growth opportunities.

Michael Watson relinquishes his role as CEO of CMA to concentrate on his role as Chairman and Chief Executive of the Group. He will remain as non-Executive Chairman of CMA. Clive Watson, currently Managing Director, is to become Chief Executive of CMA. Jim Giordano remains as Underwriting Director of CMA, whilst continuing to fulfil a broader role as Chief Underwriting Officer for the Group.

Michael Watson, Chairman and Chief Executive of Canopus commented: “2006 was a huge step forward in the development of Canopus. A generally benign trading year contributed to strong profitability, however this was greatly assisted

by expanding into two new classes of business – Global Property and North American Facilities – and by growing our business 25%.

We augmented our financial resources by £74 million, from £85 million to £159 million, including an additional £15 million equity investment from our majority capital provider Englefield. We also concluded a new five year US \$100 million bank facility.

These additional financial resources enabled us to acquire Creechurch Underwriting, expand our premium capacity at Lloyd's from £300 million to £450 million, and to increase Canopus's share of premium capacity from £161 million (54%) to £365 million (81%).

Finally, in anticipation of further growth, I am relinquishing my role as Chief Executive of Canopus Managing Agents to Clive Watson. Clive richly deserves this opportunity after three years' excellent service to Canopus. He will be ably assisted by Jim Giordano, who continues as Underwriting Director, and who will also support me on Group development opportunities.

With our increased capacity and financial resources and a refocused senior management team, Canopus is well-placed for further growth in 2007".

- Ends -

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