



CANOPIUS

PRESS RELEASE

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CANOPIUS GROUP LIMITED

CANOPIUS DELIVERS RECORD PROFIT FOR 2009

Canopus Group Limited (“Canopus”), the largest privately-owned Lloyd’s insurance underwriting business, today announces a record performance for the year ended 31st December 2009.

Financial highlights¹ – An exceptional 2009 result

- Profit before tax: £55m up from £43m in 2008
- Profit before tax excluding foreign exchange on non-monetary items: £74m
- Gross written premiums: £592m (2008: £457m) – a 30% increase (17% at constant exchange rates)
- Improved combined ratio of 88.1% (2008: 100.4%)
- Return on equity (post tax) of 21.0%, up from 19.1% in 2008
- Investment income of £25m, a 3.1% return on average invested funds
- Group total capital resources up £70m to £401m

Solid platform for growth

Despite continued pressures in the wider financial markets, Canopus has delivered a record result for 2009 on the back of a strong underwriting performance from Syndicate 4444 and a lack of significant catastrophe activity.

2009 saw continued progress in the strategic development of Canopus's International Division, which comprises operations in Bermuda, Singapore and Dublin. All units are now fully established and making a positive contribution to the Group.

The Group delivered a solid total return on investments of £25m, amounting to 3.1% return on average funds. Combined with the 8.1% return achieved in 2008, this performance is sector leading.

Following the strengthening of its financial position in 2008 with an equity issue and new unsecured letter of credit facilities, the Group continued to bolster its capital base in 2009, increasing total capital resources from £331m to £401m.

¹ Unaudited Results

Michael Watson, Chairman of Canopus, commented:

“The relative lack of catastrophe activity in 2009 tended to mask the impact on the insurance industry of the recession and continuing competitive conditions. Steering our way through this difficult environment, we maintained our focus on underwriting discipline and, as a consequence, produced a good 2009 result. We consciously increased our catastrophe exposure to take advantage of the stronger rating environment. The benign claims experience provided us with a double benefit.

“In stark contrast to 2009, the first quarter of 2010 has experienced a string of natural catastrophes including the earthquakes in Haiti and Chile, windstorm Xynthia and the winter freeze in the UK. Inevitably we have suffered our share of losses from these events but we currently consider these to be within our expectations for events of this magnitude. Our outlook for 2010 remains positive and we will continue to concentrate on underwriting discipline and on building our capital base in preparation for growth when the moment is opportune.”

- Ends -

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Notes to Editors

1. Canopus Group Limited is a privately-owned international insurance and reinsurance group with operations in London, Bermuda, Singapore, Dublin and Australia. Canopus is owned by management and Bregal Capital LLP, a private equity company.

2. Incorporated in Guernsey, Canopus Group Limited is the parent of Canopus Managing Agents Limited at Lloyd's (CMA). CMA manages flagship Syndicate 4444 on behalf of the Group and third parties. Syndicate 4444's gross premiums written for 2010 are projected to be in the region of £650 million.

3. Syndicate 4444 focuses on the following classes of insurance and reinsurance:

- UK Homeowners and Miscellaneous Property Facilities
- Property and Liability for the UK SME sector
- Global Direct and Facultative Property Risks
- Crisis Management
- North American Facilities
- Marine, Energy and Engineering

- Casualty, including Professional Indemnity, Financial Institutions, General Liability, Accident & Health and Excess Casualty
- Treaty Reinsurance including Property, Casualty, Marine and Engineering