



CANOPIUS

PRESS RELEASE

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CANOPIUS GROUP LIMITED

CANOPIUS DELIVERS STRONG RESULTS FOR 2010

Canopus Group Limited (“Canopus”), a leading specialist (re)insurance underwriting business, today announces its financial results for the year ended 31 December 2010.

Financial highlights¹

- Profit to shareholders (post tax): £43 million (2009: £50 million)
- Gross written premiums: £564 million, down from £592 million in 2009
- Combined ratio of 92% (2009: 88%), including 11% from catastrophe and large losses
- Return on equity (post tax) of 15.0% (2009: 21%)
- Investment income of £24 million, a 2.8% return on average invested funds
- Net tangible assets attributable to shareholders (excluding minorities): £303 million (2009: £262 million)
- Group financial resources up £28 million to £429 million

Operational and strategic highlights

- Strengthened underwriting leadership through promotion of Mike Duffy and Steve Gargrave as Joint Active Underwriters of Syndicate 4444 and recruitment of Simon Low as head of new division, Political Risk and Crisis Management
- Appointment of Tim Rolfe as Head of UK Retail Strategy – developing a customer-focused and cohesive strategy for our UK Retail segment
- Announcement of new reinsurance underwriting platform in Zurich - Canopus Europe
- Acquisition of KGM Motor business with effect from 1 July 2010 – no legacy issues

Michael Watson, Chairman of Canopus, commented:

“This is an excellent result for Canopus, producing profits for shareholders of £43 million after tax, despite a substantial increase in catastrophe and large losses during 2010. Our reinsurance treaty division, in particular, produced excellent results (2010 net loss ratio: 47%; 2009: 45%). This is testimony to our disciplined underwriting and reflects the diversification of our portfolio.

¹ Unaudited Results

2010 is considered to be one of the six most costly years for insured catastrophe losses since 1980, yet the reaction of the (re)insurance markets has been to continue reducing prices. This is folly!

We remain focused on achieving excellence in underwriting, risk and capital management and on delivering attractive returns to our shareholders, as demonstrated by an average return on equity of 20% in the seven years since Canopus started.

The Group has continued to strengthen its capital base, increasing total financial resources to over £425 million, and is positioned to support future growth whether organically, when conditions permit, or through acquisitions”.

Financial Highlights

	2010 £m	2009 £m
Gross written premiums	564	592
Net written premiums	447	471
Net earned premiums	463	442
Investment return	24	25
Profit before tax	40	55
Total profit to shareholders after tax	43	50
Net assets	306	266
Net tangible assets	303	262

- 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 (CMA) at Lloyd's. CMA manages Syndicates 4444 and 260 on behalf of the Group and third parties, with total gross premiums written of c. £635 million for 2010.
3. Syndicate 4444 focuses on the following classes of insurance and reinsurance:
 - Treaty Reinsurance including Property, Engineering, Casualty and Marine

- UK Homeowners and Miscellaneous Property Facilities
- UK Commercial Combined for the SME sector
- Global Direct and Facultative Property Risks
- North American Facilities
- Marine, Energy and Engineering
- Casualty, including Professional Indemnity, Financial Institutions, Excess Casualty and General Liability
- Political Risk & Crisis Management, including Political Risk, Aviation War, Trade Credit, Sabotage & Terrorism, Kidnap & Ransom, Product Contamination and Accident & Health

4. Syndicate 260 underwrites UK Motor insurance. Key classes include:

- Specialist Vehicles, including Vintage, Veteran and Classic vehicles
- Personal Motor, including Private car, Motorcycle and Multi-vehicle
- Commercial Motor, including Fleet, Taxi, Van and Motor Trade