



CANOPIUS

PRESS RELEASE

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CANOPIUS REPORTS EXCELLENT RESULTS AMID TRANSFORMATIONAL YEAR

Canopus Group Limited ("Canopus"), a leading specialist (re)insurance underwriting business, today announces its financial results for the year ended 31 December 2012.

Financial highlights¹

- Gross written premiums: £692 million, up 12% from £616 million in 2011
- Profit to shareholders (post tax): £49 million (2011: loss of £61 million)
- Return on equity (post tax) of 17% (2011: negative 22%)
- Investment return of £40 million; 3.8% return on average invested funds
- Combined ratio of 95% (2011: 111%), including 12% from catastrophe and large losses (2011: 24%)
- Attritional loss ratio: 54% (2011: 55%) demonstrating stable underlying profitability
- Net tangible assets attributable to shareholders (excluding minorities): £335 million (2011: £239 million)
- Group financial resources: £517 million (2011: £367 million)
- 30% year on year increase in gross written premiums through February 2013 reflecting Omega acquisition.

Michael Watson, Executive Chairman of Canopus, commented:

"2012 was a transformational year for Canopus: we successfully completed our fourth acquisition of a Lloyd's business - Omega - boosting our premiums under management by 40% and our financial resources by 35%; we established a new executive team led by Inga Beale, Group CEO; and, following a review of our strategy, created three business units that will be the engine of our future growth.

Our results were excellent despite a double hit from Superstorm Sandy following the inclusion of Omega's results for the fourth quarter. Our underlying return on equity was 19% and our combined ratio 92%, while the acquisition of Omega has provided significant premium growth, enhanced our standing in core classes, and increased our geographic spread.

We remain committed to building Canopus and continue to look at businesses and teams which will contribute to underwriting excellence and deliver shareholder value."

¹ Unaudited results

Inga Beale, Group Chief Executive Officer of Canopus, commented:

“The creation of our three strategic business units and the strengthening of our executive team in 2012 will enable us to achieve optimum balance across our diverse portfolios. Our international underwriting platforms continued to grow and they now represent over 10 per cent of overall gross premiums written.

Our focus on underwriting discipline shows through in the attritional loss of 54%, and our investment strategy has paid off producing an investment return ratio of 3.8%, an excellent achievement in the current environment.

We owe the success of the integration of Omega to our experienced and talented employees and we are well positioned for continued growth.”

Financial headlines

	2012	2011
	£m	£m
Gross premiums written	692	616
Net premiums earned	468	462
Investment return	40	3
Profit before tax	50	(64)
Total profit to shareholders after tax	49	(61)
Net assets	366	244
Net tangible assets attributable to shareholders	335	239

- Ends -

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Notes to Editors:

1. Canopus Group Limited is a privately-owned international (re)insurance group with operations in the UK, Ireland, Switzerland, Bermuda, US, Singapore and Australia.
2. Canopus is owned 84% by Bregal Capital LLP, a private equity company; 11% by Tower Group, Inc. (US property and casualty insurer); and 5% by management.
3. Canopus Group comprises three strategic business units writing the following (re)insurance lines of business:

Global Property

- Direct and facultative commercial property
- North American excess and surplus lines binding authorities
- Property treaty reinsurance

Global Specialty

- Marine and energy insurance
- Marine treaty reinsurance
- Casualty, including excess casualty, professional indemnity and financial institutions
- Casualty treaty reinsurance
- Construction and engineering
- International accident & health
- Crisis management, including product contamination, war, sabotage & terrorism, aviation war and kidnap & ransom
- Political risk, including expropriation, contract frustration, aircraft repossession and structured trade credit

UK Retail Insurance

- Household and specialist property/ niche personal lines
- Commercial combined for the SME sector
- Casualty, including accident & health and professional indemnity
- Motor including personal, commercial and specialist vehicles