Press Release
For Immediate Release
6 September 2004

Amlin plc
Interim Results for the six months ended 30 June 2004

AMLIN DELIVERS ANOTHER STRONG RESULT

Excellent results
- Pre-tax profit up 17.2% to £74.2 million
- Gross premiums written up 6.7% to £709.7 million
- Combined ratio improvement of 10 points to 73%
- Earnings per share up 14.8% to 13.2p
- Six month return on equity of 13.3% (annualised 26.6%)

Dividend payout increased substantially
- Interim dividend up 253% to 3.0p per share (H1 2003: 0.85p)

Outlook strong
- Net unearned premium up 20.5% to £639.5 million
- Renewal rates modestly lower by 2.5% in first half
- Continuing strong platform for good returns on equity

Security rating upgraded
- Moody's insurance financial strength rating upgraded to A1
- Lloyd's AM Best rating upgraded to A

Charles Philipps, Chief Executive of Amlin, said: "The first half of the year has been excellent for Amlin. The Company continues to go from strength to strength and we are now able to reflect this in our dividend payments. The trading outlook remains strong, providing us with sound prospects of being able to continue to deliver good returns on equity".

FINANCIAL HIGHLIGHTS	**Six months 2004 £m**	Restated Six months 2003 £m	12 months 2003 £m
Gross premiums written	**709.7**	664.9	937.4
Net premiums written	**570.4**	541.5	787.6
Earned premiums	**327.9**	326.5	684.7
Operating profit before tax (based on longer term investment returns)	**81.8**	64.8	124.4
Profit on ordinary activities before tax	**74.2**	63.3	120.3
Per share amounts			
Operating profit	**18.9p**	16.5p	30.9p
Earnings	**13.2p**	11.5p	21.6p
Dividend	**3.0p**	0.85p	2.5p
Net assets	**109.6p**	90.9p	99.3p
Net tangible assets	**94.5p**	75.7p	84.6p
Syndicate 2001 operating ratios			
Claims ratio	**44%**	51%	51%
Expense ratio	**29%**	32%	32%
Combined ratio	**73%**	83%	83%

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INTERIM RESULTS STATEMENT

This has been a highly productive six months for Amlin, with excellent financial results and continued significant progress in building a stronger business. Return on equity in the first six months was 13.3% (annualised 26.6%), continuing the high performance of 2002 and 2003.

The Group's interim profit before tax of £74.2 million (H1 2003: £63.3million) was 17.2% up on the same period last year. The contribution from underwriting increased 32.5% to £74.2 million (H1 2003: £56.0 million) with our increased ownership of Syndicate 2001 and all divisions continuing to record strong margins. However, the investment return was lower at £13.9 million (H1 2003: £18.3 million) reflecting a difficult investment environment, particularly for bonds. Earnings per share increased by 14.8% to 13.2p (H1 2003: 11.5p).

Dividend

The Board has declared an interim dividend of 3.0p per share (H1 2003: 0.85p), an increase of 253%. This will be paid on 1 November 2004 to shareholders on the register at the close of business on Friday 17 September 2004. Given the demand shown for previous scrip dividends, we are again offering that alternative to shareholders. In line with the dividend policy outlined in our 2003 Annual Report, the Board intends to propose a final dividend which, when added to the interim dividend, will result in a full year pay-out ratio of at least 30% of distributable earnings.

Trading conditions and written premium

While rates in general peaked towards the end of 2003, they are by no means in free fall as some commentators have suggested and we are continuing to experience good trading conditions. Renewal rates for the first half across our whole portfolio showed a modest average reduction from the high levels of 2003 of only 2.5%. As shown in table 1, rate changes varied by class but margins in all core classes remain good. Rate reductions were in those classes, which experienced the strongest rate increases in 2001 and 2002, such as airline and property insurance and reinsurance. For these classes risk selection is increasing in importance. Better pricing is still being achieved in some other classes, such as airline products, airports and marine hull.

Table 1: Rating indices for major classes

Class	2000	2001	2002	2003	2004
Airline hull and liabilities	100	244	233	195	166
Marine hull	100	115	148	170	181
Employers' liability	100	115	144	158	158
Energy	100	140	172	189	160
Professional indemnity	100	110	148	180	180
US property insurance	100	125	171	163	137
Non US catastrophe reinsurance	100	120	157	162	145
US catastrophe reinsurance	100	115	146	150	143
US Casualty	100	125	170	211	236
War	100	250	288	244	208
Fleet motor	100	121	135	142	135

Amlin's gross premium written increased by 6.8% to £709.7 million, despite a £50 million adverse effect arising from foreign exchange movements. This effect was more than offset by the increased ownership of Syndicate 2001's capacity to 100% for 2004 from 86% in the previous year.

Syndicate 2001 wrote £708.1 million of premium (H1 2003: £777.0 million), with all but 2% of the reduction being due to exchange rate movements. The average renewal retention ratio for the period was 82.8%. With our focus on gross underwriting profit and a desire to maintain margins we declined renewals where we considered rate reductions were too aggressive. New business written (net of brokerage) in the period amounted to £100.1 million, compared with £147.9 million in the same period last year, the reduction reflecting our pricing discipline as rates have come off their peak.

Underwriting performance

The underwriting performance for the period has been extremely strong. Underwriting contributed £74.2 million to the Group's pre-tax result, an increase of 32.5% over the same period in 2003. At the 100% managed syndicate level the underwriting contribution was £100.5 million, up 35.4%, with a ten point improvement in the combined ratio, from 83% to 73%. This is analysed by division in table 2.

Table 2: Divisional combined ratios	**Non-marine**	**Marine**	**Aviation**	**UK Commercial**	**Total**
Net premium earned	£191.2m	£64.6m	£31.6m	£79.0m	£366.3m
Claims ratio	35%	62%	51%	51%	44%
Expense ratio	28%	32%	53%	23%	29%
Combined ratio	63%	94%	104%	74%	73%
Combined ratio H1 2003	*75%*	*87%*	*170%*	*88%*	*83%*

Net earned premium for the six month period was £327.9 million, a modest increase over the same period last year. Exchange rate movements, the timing of reinsurance purchases and changes in business mix dampened the amount recognised in the first half. However, even allowing for exchange rate movements, the balance of net unearned premium carried forward to be earned in the future has increased by 59.7% to £639.5 million since the 2003 year end.

We continued to experience a relatively benign claims environment and our claims incurred ratios for the 2002, 2003 and 2004 underwriting years are trending considerably better than any previous year of Syndicate 2001. This, and the prudent approach we adopt for reserving, allowed a release of reserves for prior underwriting years that added £31.0 million (H1 2003: £13.8 million release) to the underwriting result. While this is material, our policy is to reserve above the actuarial best estimate and this is consistently applied. We therefore expect, with normal loss development, our results to be enhanced by reserve releases. On 29 April 2004 the Silverstein trial, relating to the World Trade Center loss, was concluded with a favourable verdict confirming our position that the New York terrorist attack was a single event. With the exception of aviation related claims, Amlin's losses from this tragic event are now well developed and uncertainty surrounding the losses has diminished.

The expense ratio fell by 3% for Syndicate 2001 in the period. Half of this was due to the cessation of the premium levy raised by Lloyd's during 2002 and 2003 in order to boost the Lloyd's Central Fund. The remaining fall was principally due to lower contributions made to cover the shortfall in the main group defined benefit pension scheme.

The Non-marine Division's combined ratio of 63% is another excellent result. The division succeeded in 2002 and 2003 in expanding rapidly into a strong rating environment but with rates having peaked in a number of its classes in 2004 it has adopted a less expansionary stance. Written income is down by 10.2%, largely reflecting the effect of foreign exchange movements. However, margins remain excellent and loss incidence has been low. This is particularly true of property insurance and reinsurance classes where the level of natural catastrophes was around half the level normally expected in the first half of a calendar year.

The Marine Division's combined ratio is up 7% to 94% compared with 2003 at the same stage. Modest growth in income in original currencies was achieved with rate movements for most of the division's classes being favourable. This helped to offset the exchange rate effect on income. However, the division experienced a number of large hull and bloodstock losses which, together with smaller reserve releases, contributed to a worse claims ratio. The overall ratio remains satisfactory.

As usual, the Aviation Division's renewal income is heavily weighted towards the second half of the year but its expenses are spread more evenly through the year. This means that the first half combined ratio, which was 104%, is not reflective of performance as the expense ratio is heavily distorted. The claims ratio remained at a good level reflecting continued low loss incidence for the airline account. The non-airline classes, for example general aviation, airport, product liability and space, which represent approximately 60% of the expected income for 2004, have continued to attract rate increases during 2004. In particular, a tough line has been taken on the products account, which had not performed as well as expected, and average rate increases of 16% were achieved in the period.

Our UK Commercial Division's performance has again been very strong with an exceptionally low combined ratio of 74% for the period. Again, reserve releases have contributed to this performance. Income in the motor account has reduced as competition in the commercial motor sector has increased. Rates on motor business which has been renewed have remained broadly constant for the period but, as competition has increased, the level of new business has reduced and the retention ratio has started to decrease. The liability accounts, which have been areas of good growth and significant rate increases over the last two years, have seen rates start to stabilise.

Investment return

The half year investment return reduced by 24% to £13.9 million (H1 2003: £18.3 million) reflecting a tough environment particularly for bonds and the US dollar, with just under 60% of our bonds being US dollar denominated. Sterling bonds returned 1.4% during the period and the dollar bonds 0.1%. Our equity portfolio returned 4.5%. While bond returns were below our long-term expected rate of return, we managed to compensate in part by holding significant sterling cash balances on which a return of 2.1% was achieved.

During the period, as the interest rate cycle turned and investors priced in interest rate increases, returns from bonds were low or even negative. The benchmarks given to the managers of these funds were kept in line with the duration of the liabilities, apart from the US dollar benchmark, where we maintained a position shorter than the liabilities. Investment in US dollar bonds was actively managed, with cash being raised from bonds on a short-term basis in January and March, when the market was considered to be particularly vulnerable to capital losses. This protected the funds from some of the market weakness during the first half of the year. Additionally, we have continued to convert into sterling our US dollar underwriting profits as they are earned. This has allowed us to reinvest low yielding US dollar assets into higher yielding sterling bonds, or cash, as well as managing our currency exposures. Our investment mix at 30 June 2004 is set out in table 3.

Table 3: Half year 2004 investment mix	**Syndicate* £m**	**Corporate £m**	**Total £m**	***Total %***
Equities	-	53	53	*4*
Debt securities	845	89	934	*72*
Cash and other cash equivalents	245	72	317	*24*
Total	1,090	214	1,304	*100*

*Syndicate investment relates to 100% Syndicate 2001 data

Looking forward we believe that investment returns will remain muted for the rest of the year. Global economic growth is forecast to slow during the second half of this year and next. Bond yields are at low levels and, despite a more favourable backdrop, are unlikely to match our long term expectations across the whole portfolio. Nevertheless, after the increases in yields we have already witnessed, we believe the outlook for bonds should be better than in the first six months.

Capital management

The diversity and strength of Syndicate 2001 has allowed Amlin to successfully leverage its balance sheet to help accommodate the growth in underwriting over the past three years. At 30 June 2004, letter of credit and other debt finance amounted to £180 million, equivalent to 43.1% of net assets, compared with 50.8% at 31 December 2003. With Lloyd's existing basis of accounting we are presently unable to use a large proportion of our earned profits as solvency capital to support our underwriting. This is set to change from 2005 when earned profits will qualify for Lloyd's solvency capital. Were we able to use these assets as solvency capital today, our letter of credit and debt finance requirement would fall to £13.6 million, equivalent to only 3.2% of 30 June 2004 net assets.

Amlin expects to generate significant amounts of free cash flow over the next several years as profits are released by Lloyd's from the 2002 and subsequent years of account. Additionally, with Lloyd's changing to an annual accounting basis from three year fund accounting with effect from 2005, we expect increased flexibility in our ability to manage the Group's balance sheet. Consistent with our aim of optimising our risk weighted return on equity we will regularly review whether to increase the amount of cash we return to shareholders, above the minimum 30% payout ratio announced at the time of our 2003 results, if capital requirements fall as we reduce our underwriting capacity.

In April the Financial Services Authority published CP04/07, its consultation paper on capital requirements for Lloyd's and Lloyd's insurers. Amlin is well advanced in preparing to meet the requirements which will apply from 2005 and, based on our detailed modelling to date, we do not envisage any material effect on our future capital requirements.

Becoming a stronger business

Given our strategic focus on retaining and motivating our talented staff, we were pleased with the results of a MORI survey, which was completed by 74% of all our employees, and indicated very high scores against MORI's norms for job satisfaction. It also highlighted areas where we can improve further to strengthen our position as "the place to work" in the industry.

In May, Moody's upgraded the financial strength rating of Syndicate 2001 from A2 to A1 (stable), citing "the significant out-performance by Syndicate 2001 for the 2000 and 2001 years of account, the very positive and improving earnings outlook from the 2002 year of account and the significant improvement in the financial profile of Amlin". Similarly, in August, AM Best upgraded Lloyd's rating from A- to A reflecting "Lloyd's improving prospective capitalisation, strong operating performance, its global reach and improvements in risk management." In the global environment where there have been very few upgrades and many downgrades in security ratings over the past two or so years, both Lloyd's and Amlin should benefit from this.

In an independent London Market broker survey conducted in February/March 2004, Amlin was top ranked for usage, with 33% of interviewed brokers having placed business with us over the past twelve months, and ranked second overall for brand awareness. The survey also showed that Amlin was perceived to be the market leader in terms of financial strength. The superior growth in net tangible assets which we are presently achieving should serve to reinforce this position.

Good progress has also been achieved on our important projects to improve our attractiveness to clients and brokers by delivering superior service and increasing our long-term underwriting potential.

Outlook and 2005 underwriting

Net unearned premium at 30 June 2004, which has been written at excellent rates, increased to £639.5 million. This underpins a strong outlook for underwriting returns for the remainder of 2004 and 2005. As usual when reporting our interim results, we are in the midst of the windstorm season. Until Hurricane Charley, we had not experienced a major natural catastrophe for over two years. The net loss to Amlin from Hurricane Charley is estimated at between $30 million and $40 million, within our normal business planning assumptions. Preliminary information received on Hurricane Francis, which struck Florida at the weekend, suggests that total insured losses may be less than for Hurricane Charley.

While we expect investment returns in the second half to be below our longer term expected rate of return, we anticipate a higher return than in the first half. Beyond 2004, the continued significant growth in our technical funds, which have increased by some £650 million over the past three years, should result in greater potential investment contributions to Amlin's overall results.

Trading conditions remain favourable and this bodes well for another good underwriting year in 2005. While competitive forces are likely to put some further pressure on rates we are hopeful that the increased discipline in Lloyd's, which is being reinforced by its franchise regime, will also be evident in other markets. Lloyd's has indicated an intention to manage overall market capacity down as rates come under pressure. We welcome this and urge Lloyd's to enforce its intention, as the effect should reduce the scope for ill-disciplined underwriting by those who might otherwise chase new business by cutting rates to unhealthy levels. Recent announcements of share buy-backs by some of the Bermudian reinsurers is also a good sign of intentions to maintain discipline.

We currently intend to reduce Syndicate 2001's capacity for 2005 by £150 million to £850 million. Approximately £65 million of this reduction is due to exchange rates. This gives us scope to increase risk selectivity, concentrating on good margin business, while aiming for high levels of capacity utilisation.

This approach, combined with our highly experienced underwriting teams and their application of our gross underwriting philosophy, means we are confident of Amlin's ability to continue to generate good underwriting returns over the coming period.

Approved by the Board of Directors
5 September 2004

CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the six months ended 30 June 2004

	Notes	**Six months 2004 (unaudited) £m**	Six months 2003 (unaudited) £m	12 months 2003 (audited) £m
Gross premiums written		**709.7**	664.9	937.4
Net premiums written		**570.4**	541.5	787.6
Earned premiums, net of reinsurance		**327.9**	326.5	684.7
Allocated investment return transferred from the non-technical account		**21.8**	19.7	36.1
Claims incurred, net of reinsurance		**(151.0)**	(168.8)	(353.1)
Net operating expenses		**(102.7)**	(101.7)	(212.2)
Balance on the technical account		**96.0**	75.7	155.5
Investment return	3	**13.9**	18.3	32.0
Allocated investment return included within the technical account		**(21.8)**	(19.7)	(36.1)
		88.1	74.3	151.4
Other income		**1.6**	2.7	4.1
Other charges		**(15.5)**	(13.7)	(35.2)
Operating profit		**74.2**	63.3	120.3
Comprising:				
Operating profit based upon longer term investment return		***81.8***	*64.8*	*124.4*
Short term fluctuations in investment return		***(7.6)***	*(1.5)*	*(4.1)*
Profit on ordinary activities before taxation	1	**74.2**	63.3	120.3
Taxation on profit on ordinary activities	4	**(23.1)**	(19.3)	(37.0)
Profit on ordinary activities after taxation		**51.1**	44.0	83.3
Equity dividends	5	**(11.7)**	(3.3)	(9.7)
Retained profit for the period		**39.4**	40.7	73.6
Earnings per ordinary share				
- basic	6	**13.2p**	11.5p	21.6p
- diluted	6	**13.0p**	11.4p	21.4p
Dividend per ordinary share	5	**3.0p**	0.85p	2.5p

All of the operations are continuing.

Statement of total recognised gains and losses

There are no other recognised gains or losses other than those included in the profit and loss account and therefore no statement of recognised gains or losses has been presented.

CONSOLIDATED BALANCE SHEET
At 30 June 2004

Assets	Notes	**30 June 2004 (unaudited) £m**	Restated 30 June 2003 (unaudited) £m	31 Dec 2003 (audited) £m
Intangible assets	7	**58.5**	58.6	57.0
Investments	8	**1,159.4**	893.6	1,048.4
Reinsurers' share of technical provisions				
Provision for unearned premiums	11	**77.7**	83.7	29.3
Claims outstanding	11	**277.2**	297.1	265.4
Debtors		**537.3**	529.7	410.6
Other assets				
Cash at bank and in hand		**24.0**	48.9	26.5
Tangible assets		**6.1**	7.3	6.4
Prepayments and accrued income		**206.5**	144.3	107.8
Total assets		**2,346.7**	2,063.2	1,951.4

Liabilities	Notes	**30 June 2004 (unaudited) £m**	Restated 30 June 2003 (unaudited) £m	31 Dec 2003 (audited) £m
Equity shareholders' funds	10	**425.2**	349.2	383.3
Technical provisions				
Provision for unearned premiums	11	**717.2**	614.4	429.6
Claims outstanding	11	**1,034.3**	963.3	999.5
Provisions for other risks and charges	12	**42.3**	2.5	19.9
Creditors		**89.3**	117.1	87.4
Creditors: amounts falling due after more than one year		**18.4**	0.7	19.8
Accruals and deferred income		**20.0**	16.0	11.9
Total liabilities		**2,346.7**	2,063.2	1,951.4
Net assets per ordinary share				
- basic	6	**109.6p**	90.9p	99.3p
- tangible	6	**94.5p**	75.7p	84.6p

CONSOLIDATED CASH FLOW STATEMENT
For the six months ended 30 June 2004

	Notes	**Six months 2004 (unaudited) £m**	Six months 2003 (unaudited) £m	12 months 2003 (audited) £m
Net cash inflow from operating activities	13	**135.1**	143.3	289.2
Net cash outflow from servicing of finance		**(2.5)**	(2.6)	(6.6)
Net overseas taxation paid		**(0.8)**	-	-
Net purchases of tangible and intangible assets		**(1.0)**	(0.3)	(1.5)
Acquisitions		**(2.5)**	-	-
Equity dividends paid		**(5.5)**	(3.6)	(6.3)
Net cash (outflow) inflow from financing activities		**(5.5)**	(0.3)	1.1
Net cash flows	14	**117.3**	136.5	275.9
Cash flows were invested as follows:				
(Decrease) increase in cash holdings		**(8.4)**	14.3	(5.2)
Increase in deposits		**6.3**	2.7	0.1
		(2.1)	17.0	(5.1)
Net purchases of investments		**119.4**	119.5	281.0
Net investment of cash flows		**117.3**	136.5	275.9

Cash flows relating to non-aligned syndicate participations are included only to the extent that cash is transferred between the Premium Trust Funds and the Group.

Notes to the interim Financial Statements
For the six month ended 30 June 2004

Accounting policies

Basis of preparation of Interim Financial Statements

Accounting policies
The unaudited interim financial statements have been prepared in accordance with the accounting policies set out in the consolidated financial statements for the year ended 31 December 2003.

At 31 December 2003, Amlin adopted a policy whereby information in respect of non-aligned syndicate participations is included to the extent that information has been made available. This policy has been extended to these interim financial statements and the comparative figures for 30 June 2003 have been restated on the same basis.

The following additional accounting policy has come into effect:

Goodwill
The goodwill of the acquisition of St Margaret's Insurance Services Limited has been capitalised and is being amortised on a straight line basis over its estimated useful life of five years.

Status of the interim financial statements
The statements for the two interim periods are unaudited but have been reviewed by the Company's auditors, Deloitte & Touche LLP, and their report for the six months ended 30 June 2004 is included with this report. The interim financial statements do not constitute statutory accounts as defined in section 240 of the Companies Act 1985 ("the Act").

The results for the year ended 31 December 2003 are based on the statutory Group accounts, that received an unqualified audit opinion and did not contain a statement under section 237(2) or (3) of the Act. The 31 December 2003 accounts have been filed with the Registrar of Companies.

Notes to the interim Financial Statements
For the six month ended 30 June 2004

1 Segmental information

The results and attributable net assets of the Group's principal business segments are as follows:

	Six months 2004 (unaudited) £m	Restated Six months 2003 (unaudited) £m	Twelve months 2003 (audited) £m
Profit before taxation			
Underwriting and investment	**80.4**	66.5	137.3
Managing agencies	**(6.2)**	(3.2)	(17.0)
Total	**74.2**	63.3	120.3
Net assets			
Underwriting and investment	**441.4**	345.3	393.4
Managing agencies	**(16.2)**	3.9	(10.1)
Total	**425.2**	349.2	383.3

In the profit and loss account, the income and costs of the managing agency are reported within 'other income' and 'other charges'. All business is transacted through the Lloyd's of London market in the United Kingdom.

2 Managed syndicate's results

The table below summarises the performance of the Group's managed syndicate. The Group has owned 100% of the syndicate from the 2004 account, though its participation on the syndicate during the prior years of account is distorted by the changes in participation by year of account. Therefore, to make more meaningful comparisons, the figures represent the results of the syndicate in total rather than Amlin's share of the results.

	Six months 2004 (unaudited) £m	Six months 2003 (unaudited) £m	12 months 2003 (audited) £m
Gross premiums written	**708.1**	777.0	1,097.5
Net premiums written	**564.2**	633.3	922.0
Earned premiums, net of reinsurance	**366.3**	431.8	867.8
Claims incurred, net of reinsurance	**(162.8)**	(220.8)	(442.8)
Claims ratio	**44%**	51%	51%
Brokerage	**(137.4)**	(158.0)	(208.5)
Expenses	**(20.7)**	(38.7)	(85.9)
Increase in deferred acquisition costs	**55.1**	59.9	14.4
Net operating expenses	**(103.0)**	(136.8)	(280.0)
Underwriting contribution (before investment return)	**100.5**	74.2	145.0
Expense ratio	**29%**	32%	32%
Combined ratio	**73%**	83%	83%

Notes to the interim Financial Statements
For the six month ended 30 June 2004

3 Investment return

	Six months 2004 (unaudited) £m	Six months 2003 (unaudited) £m	12 months 2003 (audited) £m
Income from investments	**23.5**	18.8	40.0
Gains/(losses) on realisation of investments	**0.9**	2.0	(3.4)
	24.4	20.8	36.6
Unrealised losses on investments	**(9.7)**	(1.8)	(3.1)
Investment management fees	**(0.6)**	(0.5)	(1.1)
Interest on loan stock and bank loans	**(0.2)**	(0.2)	(0.4)
	(0.8)	(0.7)	(1.5)
Total investment return	**13.9**	18.3	32.0

In respect of equity investments and fixed interest securities the longer term rates of return have been determined by having regard to the Group's historical and expected returns and current portfolio strategy. The rates of return are:

	Six months 2004 (unaudited)	Six months 2003 (unaudited)	12 months 2003 (audited)
UK equities	7.0%	7.0%	7.0%
Fixed interest securities	4.5%	5.5%	4.5%

These returns are applied to the average of the investments attributable to the shareholders and insurance technical provisions of the aligned syndicate participations, over the period. The attributable shareholders' funds are based on the Funds at Lloyd's which represent the estimated risk based capital supporting the insurance business.

The actual return on investments since 1 July 1999, compared with the aggregate longer term return over the same period, is set out below. All figures are gross of expenses.

	1 Jul 1999 to 30 June 2004 (unaudited) £m	1 Jul 1998 to 30 June 2003 (unaudited) £m	1 Jan 1999 to 31 Dec 2003 (audited) £m
Actual return attributable to the technical account	**119.7**	124.5	119.4
Longer term return attributable to the technical account	**150.0**	144.4	140.2
Effect of short term fluctuations over the period	**(30.3)**	(19.9)	(20.8)

Notes to the interim Financial Statements
For the six month ended 30 June 2004

4 Taxation on profit on ordinary activities

	Six months 2004 (unaudited) £m	Six months 2003 (unaudited) £m	12 months 2003 (audited) £m
UK corporation tax	**-**	-	0.3
Overseas taxation	**-**	-	1.4
Deferred taxation	**23.1**	19.3	35.3
	23.1	19.3	37.0

5 Equity dividends

	Six months 2004 (unaudited) £m	Six months 2003 (unaudited) £m	12 months 2003 (audited) £m
Interim dividend 3.0p (2003: 0.85 pence) per share	**11.7**	3.3	3.3
Final dividend – (2003: 1.65 pence) per share	-	-	6.4
Total dividends	**11.7**	3.3	9.7

6 Earnings and net assets per ordinary share

Earnings per share is based on the profit attributable to shareholders for the six months ended 30 June 2004 of £51.1 million (six months ended 30 June 2003: £44.0 million; twelve months ended 31 December 2003: £83.3 million) and the weighted average number of shares in issue during the period. Shares held by the Employee Share Ownership Trust ('ESOT') are excluded from the weighted average number of shares.

Basic and diluted earnings per share are as follows:	**Six months 2004 (unaudited)**	Six months 2003 (unaudited)	12 months 2003 (audited)
Profit for the period	**£51.1m**	£44.0m	£83.3m
Weighted average number of shares in issue	**387.2m**	383.0m	384.6m
Dilutive shares	**6.3m**	4.6m	4.9m
Adjusted average number of shares in issue	**393.5m**	387.6m	389.5m
Basic earnings per share	**13.2p**	11.5p	21.6p
Diluted earnings per share	**13.0p**	11.4p	21.4p

6 Earnings and net assets per ordinary share *(continued)*

Basic and tangible net assets per share are as follows:	**30 June 2004 (unaudited)**	Restated 30 June 2003 (unaudited)	31 Dec 2003 (audited)
Net assets	**£425.2m**	£349.2m	£383.3m
Adjustment for intangible assets	**£(58.5m)**	£(58.6m)	£(57.0m)
Tangible net assets	**£366.7m**	£290.6m	£326.3m
Number of shares in issue at end of period	**392.5m**	389.7m	390.9m
Adjustment for ESOT shares	**(4.5m)**	(5.6m)	(5.2m)
Basic number of shares after ESOT adjustment	**388.0m**	384.1m	385.7m
Net assets per share	**109.6p**	90.9p	99.3p
Tangible net assets per share	**94.5p**	75.7p	84.6p

7 Intangible assets

	Purchased syndicate participations £m	Goodwill £m	Total £m
Cost			
At 1 January 2004	63.2	-	63.2
Additions	-	3.2	3.2
At 30 June 2004	**63.2**	**3.2**	**66.4**
Amortisation			
At 1 January 2004	6.2	-	6.2
Charge for the period	1.6	0.1	1.7
At 30 June 2004	**7.8**	**0.1**	**7.9**
Net book value			
At 30 June 2003	58.6	-	58.6
At 31 December 2003	57.0	-	57.0
At 30 June 2004	**55.4**	**3.1**	**58.5**

Acquisition of St Margaret's Insurance Services Limited

On 13 May 2004, the Group purchased the entire share capital of St Margaret's Insurance Services Limited (formerly SM Marine Holdings Limited) and its subsidiary Amlin Underwriting Services Limited (formerly St. Margarets Insurances Limited) (together, "St Margaret's") by payment of a cash consideration. St Margaret's principal activity is broking and managing insurance for UK yacht owners.

7 Intangible assets *(continued)*

The goodwill arising in respect of the acquisition of St Margaret's:

	£m
Fair value of consideration	3.2
Costs	0.3
Costs of acquisition	**3.5**
Less : Fair value of net assets acquired	(0.3)
Goodwill capitalised	3.2
Less: goodwill amortised as at 30 June 2004	(0.1)
Goodwill carried forward	**3.2**

The net assets of St Margaret's on 13 May 2004 were as follows:

	Book value and fair value at acquisition £m
Tangible assets	-
Debtors	0.1
Cash at bank and in hand	0.7
Creditors: amounts falling due within one year	(0.5)
	0.3

There are no fair value adjustments to the net assets of the St Margaret's at the date of acquisition. The summarised profit and loss accounts for St Margaret's from 1 October 2003 (the beginning of its accounting period) to 13 May 2004 (the date of acquisition) and for the year ended 30 September 2003 (being its previous accounting period) were as follows:

	Period 1 Oct 2003 to 13 May 2004 £m	Period 1 Oct 2002 to 30 Sept 2003 £m
Turnover	**0.7**	1.2
Administration expenses	**(0.5)**	(0.9)
Profit on ordinary activities before taxation	**0.2**	0.3
Tax	**(0.1)**	(0.1)
Retained profit for period	**0.1**	0.2

The profit and loss accounts of St Margaret's relate to the insurance activity of the company and excludes the profits for underwriting portfolios that it manages. Amlin will receive this profit through underwriting the yacht portfolios as well as the net income of St Margaret's.

8 Other financial investments

		At valuation Restated	
	30 June 2004 (unaudited) £m	30 June 2003 (unaudited) £m	31 Dec 2003 (audited) £m
Shares and other variable yield securities	**53.0**	10.4	50.6
Debt securities and other fixed income securities	**761.7**	651.4	750.3
Participation in investment pools	**173.1**	120.0	128.3
Deposits with credit institutions	**125.2**	74.3	80.7
Overseas deposits	**41.0**	32.2	34.5
Other	**5.4**	5.3	4.0
	1,159.4	893.6	1,048.4
In Group owned companies	**260.7**	229.6	235.7
In aligned syndicates	**886.8**	652.7	801.1
In non-aligned syndicates	**11.9**	11.3	11.6
	1,159.4	893.6	1,048.4
Listed investments included in Group owned total are as follows:			
Shares and other variable yield securities	**53.0**	10.4	50.6
Debt securities and other fixed income securities	**86.2**	110.0	92.5
	139.2	120.4	143.1

Using Standard & Poor's and Moody's as rating sources, the credit ratings of the Group's share of the debt and other fixed income securities is set out below:

	30 June 2004 (unaudited) £m	30 June 2003 (unaudited) £m	31 Dec 2003 (audited) £m
Government / Government Agency	**457.1**	375.7	481.0
AAA/Aaa	**89.1**	106.2	100.3
AA/Aa	**76.6**	68.4	60.5
A	**121.7**	77.4	88.4
BBB/Baa	**6.5**	12.4	8.8
	751.0	640.1	739.0
In non-aligned syndicates	**10.7**	11.3	11.3
	761.7	651.4	750.3

Notes to the interim Financial Statements
For the six month ended 30 June 2004

9 Ordinary share capital

Authorised ordinary shares of 25p each	Number	£m
At 1 January 2004 and 30 June 2004	**562,000,000**	**140.5**

Allotted, called up and fully paid:	Number	£m
At 1 January 2004	390,871,916	97.7
Share options exercised	1,035,195	0.3
Scrip dividend shares issued	553,703	0.1
At 30 June 2004	**392,460,814**	**98.1**

The shares issued in respect of exercises of options were issued on various dates at an average price of 92.08p per share. The scrip dividend shares were issued on 25 May 2004 at 163.58p per share.

10 Reconciliation of movements in equity shareholders' funds

	Six months 2004 (unaudited) £m	Restated Six months 2003 (unaudited) £m	12 months 2003 (audited) £m
Profit attributable to shareholders	**51.1**	44.0	83.3
Less: dividends	**(11.7)**	(3.3)	(9.7)
Retained profit for the period	**39.4**	40.7	73.6
Issue of share capital	**1.9**	1.5	2.6
Movement in shares held by ESOT	**0.4**	0.3	0.4
Realised profit/(loss) on disposal of shares by ESOT	**0.2**	(0.1)	(0.1)
Net increase to equity shareholders' funds	**41.9**	42.4	76.5
Equity shareholders' funds at 1 January (as reported)	**383.3**	309.6	309.6
Adjustment for shares held by ESOT	-	(2.8)	(2.8)
Equity shareholders' funds at 1 January (as restated)	**383.3**	306.8	306.8
Equity shareholders' funds at 30 June/31 December	**425.2**	349.2	383.3

11 Technical provisions

	Provision for unearned premiums £m	Claims outstanding £m	Total £m
Gross			
At 1 January 2004 (audited)	429.6	999.5	1,429.1
Exchange adjustments	(4.2)	(8.4)	(12.6)
Movement in provisions	291.8	43.2	335.0
At 30 June 2004 (unaudited)	**717.2**	**1,034.3**	**1,751.5**
Reinsurance amount			
At 1 January 2004 (audited)	(29.3)	(265.4)	(294.7)
Exchange adjustments	0.3	2.2	2.5
Movement in provisions	(48.7)	(14.0)	(62.7)
At 30 June 2004 (unaudited)	**(77.7)**	**(277.2)**	**(354.9)**
Net			
At 30 June 2004 (unaudited)	**639.5**	**757.1**	**1,396.6**
At 31 January 2004 (audited)	400.3	734.1	1,134.4
At 30 June 2003 restated (unaudited)	530.7	666.2	1,196.9

The claims outstanding balance is further analysed between notified outstanding claims and incurred but not reported claims (IBNR) below:

	Six months 2004 (unaudited) £m	Restated Six months 2003 (unaudited) £m	12 months 2003 (audited) £m
Notified outstanding claims	**585.2**	591.0	618.0
Claims incurred but not reported	**449.1**	372.3	381.5
Claims outstanding	**1,034.3**	963.3	999.5

Included in the balances above are balances that remain outstanding as a result of the terrorist attacks of 11 September 2001. There has been no change in our key assumptions made in estimating the respective losses. The estimates, and the assumptions and methodology from which they are derived, do not, and may not be taken to, constitute an admission that the Group is liable either in respect of a particular class of business or under a particular contract of insurance or reinsurance.

11 Technical provisions *(continued)*

The gross loss estimate by class of business, and the net loss estimates, compared with the estimated positions at 31 December 2003, are summarised below:

Class of business	Paid US$m	Outstanding US$m	IBNR US$m	**Ultimate at June 2004 US$m**	Ultimate at December 2003 US$m	Movement US$m
Direct and facultative property	66.7	3.7	-	**70.4**	70.2	0.2
Property reinsurance and risk excess of loss	239.2	47.4	2.4	**289.0**	295.6	(6.6)
Direct airline operators and other aviation risks	4.0	96.7	73.3	**174.0**	179.2	(5.2)
Reinsurance of aviation risks	-	22.9	3.8	**26.7**	28.4	(1.7)
Other	12.4	18.0	0.2	**30.6**	28.7	1.9
Total gross loss	322.3	188.7	79.7	**590.7**	602.1	(11.4)
Reinsurance recoveries	(281.0)	(113.4)	(50.1)	**(444.5)**	(452.1)	7.6
Total net loss	41.3	75.3	29.6	**146.2**	150.0	(3.8)
Amlin Group share				**97.7**	100.4	(2.7)

In addition to the IBNR noted above, a further US$5 million (Dec 2003 US$9 million) of general IBNR is included in the claims reserve. Amlin Group's share of the general IBNR is US$3.4 million (Dec 2003 US$6.3 million).

The improvement in the gross and net loss position during the period is principally due to the reduction in the loss advices for aviation operators and property risk excess of loss programmes and a reduction in IBNR held for property reinsurance losses. Reserves for other classes impacted are reasonably stable.

A number of insurance companies and Lloyd's syndicates, including Syndicate 2001, have been in dispute with the leaseholder of the World Trade Center, Silverstein Holdings. Following a jury verdict on 29 April 2004, finding in favour of London insurers in the Silverstein trial the position as it stands means London insurers have fulfilled their policy obligations in full. It is possible that there will be an appeal by Silverstein. However, our legal advisers are confident that the original jury verdict will be upheld.

Notes to the interim Financial Statements
For the six month ended 30 June 2004

12 Provisions for other risks, charges and deferred tax

a) Spread portfolio and other provisions

	Provisions for spread underwriting losses £m
At 1 January 2004 (audited)	(3.0)
Utilised during the year	2.1
Additions	(1.4)
At 30 June 2004 (unaudited)	**(2.3)**
At 30 June 2003 (unaudited)	(1.6)

b) The deferred tax liability is attributable to timing differences arising on the following:

	Underwriting results £m	Provisions for losses £m	Unrelieved trading losses carried forward £m	Other timing differences £m	Total £m
At 1 January 2004 (audited)	(40.7)	1.0	15.2	7.6	(16.9)
Movements in the period	(21.3)	(0.4)	(4.5)	3.1	(23.1)
At 30 June 2004 (unaudited)	**(62.0)**	**0.6**	**10.7**	**10.7**	**(40.0)**
At 30 June 2003 (unaudited)	(21.8)	0.8	16.6	3.5	(0.9)

Notes to the interim Financial Statements
For the six month ended 30 June 2004

13 Reconciliation of profit before taxation to net cash inflow from operating activities

	Six months 2004 (unaudited) £m	Six months 2003 (unaudited) £m	12 months 2003 (audited) £m
Profit on ordinary activities before taxation	**74.2**	63.3	120.3
Net movement on Premium Trust Funds for non-aligned participations	**(3.0)**	1.1	-
Depreciation charge	**1.3**	2.0	4.1
Syndicate capacity amortisation charge	**1.6**	1.5	3.1
Goodwill amortisation	**0.1**	-	-
Realised gains less (losses) on investments	**(0.9)**	(2.0)	3.4
Unrealised gains on investments	**9.7**	1.8	3.1
(Increase) decrease in debtors	**(9.5)**	30.4	3.7
Increase in prepayments and accrued income	**(29.2)**	(2.2)	(28.4)
Increase in insurance debtors, prepayments and accrued income	**(210.2)**	(198.6)	(8.1)
Increase in technical provisions	**341.5**	265.4	116.9
(Increase) decrease in reinsurers' share of technical provisions	**(70.5)**	(9.5)	76.7
Increase (decrease) in provisions for other risks and charges	**28.6**	(0.4)	17.0
Decrease in insurance creditors, accruals and deferred income	**(13.6)**	(19.5)	(73.9)
(Decrease) increase in other creditors relating to operating activities	**(8.7)**	0.1	27.7
Increase in accruals and deferred income	**21.1**	7.3	17.0
Interest expense	**0.2**	0.2	0.4
Letter of credit charge	**2.4**	2.4	6.2
Net cash inflow	**135.1**	143.3	289.2

Cash flows relating to non-aligned participations are included only to the extent that cash is transferred between the Premium Trust Funds and the Group.

14 Movements in cash, portfolio investments and financing

	At 1 January 2004 (audited) £m	Cash flow (unaudited) £m	Changes to market value and currencies (unaudited) £m	**At 30 June 2004 (unaudited) £m**
Cash at bank and in hand	23.2	(2.1)	(0.1)	**21.0**
Shares and other variable yield securities	50.6	(0.4)	2.8	**53.0**
Debt and other fixed income securities	867.3	68.2	(11.4)	**924.1**
Deposits with credit institutions	118.9	51.6	-	**170.5**
	1,060.0	117.3	(8.7)	**1,168.6**
Loans due within one year	(7.3)	7.0	-	**(0.3)**
Loans due after one year	(3.0)	-	-	**(3.0)**
	(10.3)	7.0	-	**(3.3)**
Total	1,049.7	124.3	(8.7)	**1,165.3**

15 Principal exchange rates

The principal exchange rates used in translating foreign currency assets, liabilities, income and expenditure in the production of these accounts were:

	Six months 2004		Six months 2003		12 months 2003	
	Period average rate	**Period end rate**	Period average rate	Period end rate	Period average rate	Period end rate
US dollar	**1.82**	**1.81**	1.61	1.65	1.64	1.79
Euro	**1.49**	**1.49**	1.46	1.44	1.45	1.42
Canadian dollar	**2.44**	**2.43**	2.34	2.24	2.29	2.31

The table below sets out the Group's share of the currency exposures of the managed syndicate by currency at 30 June:

	Assets £m	Liabilities £m	**Net June 2004 £m**	Net June 2003 £m	Net Dec 2003 £m
US dollar	1,057.1	988.2	**68.9**	81.5	84.6
Canadian dollar	46.4	44.7	**1.7**	9.6	10.0
Euro	88.4	79.2	**9.2**	7.9	5.3
	1,191.9	1,112.1	**79.8**	99.0	99.9

The Interim Report will be despatched to all registered holders of ordinary shares in the Company. Copies of this statement may be obtained from the Secretary at the Registered Office of the Company, St. Helen's, 1 Undershaft, London, EC3A 8ND.

INDEPENDENT REVIEW REPORT TO AMLIN PLC
For the six months ended 30 June 2004

Introduction

We have been instructed by the company to review the financial information for the six months ended 30 June 2004 which comprises the consolidated profit and loss account, the consolidated balance sheet, the consolidated cash flow statement, the statement of accounting policies and related notes 1 to 15. We have read the other information contained in the interim financial statements and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

This report is made solely to the company in accordance with Bulletin 1999/4 issued by the Auditing Practices Board. Our work has been undertaken so that we might state to the company those matters we are required to state to them in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our review work, for this report, or for the conclusions we have formed.

Directors' responsibilities

The interim financial statements, including the financial information contained therein, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim financial statements in accordance with the Listing Rules of the Financial Services Authority which require that the accounting policies and presentation applied to the interim figures are consistent with those applied in preparing the preceding annual accounts except where any changes, and the reasons for them, are disclosed.

Review work performed

We conducted our review in accordance with the guidance contained in Bulletin 1999/4 issued by the Auditing Practices Board for use in the United Kingdom. A review consists principally of making enquiries of group management and applying analytical procedures to the financial information and underlying financial data and, based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit performed in accordance with United Kingdom auditing standards and therefore provides a lower level of assurance than an audit. Accordingly, we do not express an audit opinion on the financial information.

Review conclusion

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the six months ended 30 June 2004.

Deloitte & Touche LLP
Chartered Accountants
London
5 September 2004