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For Immediate Release

3 June 2009

Amlin plc
Acquisition of Fortis Corporate Insurance N.V.

Introduction

Amlin plc (“Amlin” or the “Group”) is pleased to announce that it has entered into an agreement to acquire Fortis Corporate Insurance N.V. (“FCI” or the “Company”), a leading provider of corporate property and casualty insurance in the Netherlands and Belgium, from the State of the Netherlands (the “Seller”) for €350 million (the “Acquisition”).

Amlin will also announce separately today a placing of 23,502,567 shares, representing approximately 5 per cent. of Amlin’s issued ordinary share capital, to institutional investors, in order to finance part of the consideration that is payable to the Seller (the “Placing”). The balance of the consideration will be funded from Amlin’s existing cash resources.

Key Acquisition highlights

- Establishes a substantial Continental European platform, providing Amlin with immediate scale in a key strategic market and opportunities for future expansion
- Positions Amlin as a leading provider of marine, liability and commercial property insurance in the Netherlands and Belgium
- Expected to enhance earnings and return on equity (“ROE”) in 2009⁽¹⁾ and to contribute to Amlin’s cross cycle target ROE of at least 15%
- Diversifies Amlin’s portfolio in terms of geography, customer base, business lines and distribution
- Enhances Amlin’s overall business mix by increasing the proportion of commercial lines insurance
- Introduces an experienced management team to lead further European growth
- Increases the scale of the Group’s investment activities and presents scope for significant reinsurance synergies
- Enlarged Group will retain capital strength and flexibility for further profitable expansion where market conditions are favourable
- Shareholders’ approval will be sought at a general meeting

Information on FCI

FCI is a leading provider of corporate property and casualty insurance and risk management solutions in the Netherlands and Belgium. Headquartered in Amstelveen, the Netherlands, the Company also has offices in Rotterdam, Antwerp, Brussels and Paris. FCI is regulated by the Dutch Central Bank (the “DNB”) and is licensed to write most lines of non-life business across Europe with the exception of motor (only Belgium and the Netherlands) and credit insurance. Formerly part of the Fortis Group, FCI was created as a result of a merger in 1999 between Fortis-Industrial and Amev-Interlloyd. On 3 October 2008 the Dutch government became the 100% shareholder of FCI as part of the nationalisation of the Dutch entities of the Fortis Group.

Based on market estimates, FCI holds a strong competitive position. In the Netherlands, which represented 63% of gross written premiums (“GWP”) in 2008, FCI targets the co-insurance market. It is the market leader in Dutch marine insurance, and holds a top three position in liability and commercial property insurance. In Belgium, representing 36% of GWP, FCI is the market leader in marine and commercial property insurance and a top three provider of liability insurance.

<i>(€ million, except percentages and ratios)</i>	Year ended 31 December⁽²⁾		
	2006	2007	2008
Key income statement data			
Gross written premium	597	656	763
Net earned premium ⁽³⁾	434	471	569
Net incurred claims.....	(269)	(321)	(441)
Net expenses.....	(120)	(124)	(139)
Underwriting result	45	26	(11)
Investment income	22	20	(23)
Finance costs	(4)	(6)	(4)
Pre-tax profit	63	40	(38)
Tax	(13)	(8)	7
Post-tax profit	50	32	(31)
Key operating ratios			
Return on opening equity ⁽⁴⁾	17%	9%	(11%)
Claims ratio ⁽⁵⁾	62%	68%	77%
Expense ratio ⁽⁶⁾	28%	26%	25%
Combined ratio ⁽⁷⁾	90%	94%	102%

In 2008 FCI wrote €763m of GWP in its specialist lines comprising marine, commercial property, liability and fleet motor. The lower level of profitability in the business reflects a number of challenges faced during the period, including a softening rating environment, an unusually high frequency of large claims, investment losses in the Company’s equity and bond portfolios, and the nationalisation of the Fortis Group’s Dutch entities. The Directors of Amlin (the “Directors”) are confident that (i) the profit improvement plan initiated by the Company’s management team during the current year including a re-underwriting of certain risks, (ii) the introduction of Amlin best practices across underwriting, risk and investment management, and (iii) the removal of the uncertainty surrounding the Company’s future following the nationalisation, will together provide the foundation for a return to historical levels of profitability.

Division	Principal classes of business	Proportion of gross premiums written in 2008
<i>Marine</i>	General cargo and commodities, ocean hull, builders' risk, yacht, inland hull, ship owners' liability	49%
<i>Property</i>	Fire, construction all risks, machinery breakdown	21%
<i>Liability</i>	General liability, professional liability	15%
<i>Fleet motor</i>	Cars physical damage, trucks physical damage, cars third party liability, trucks third party liability	8%
<i>Other</i>	Captives	7%

The Board of Amlin (the "Board") believes that FCI has an experienced management team, with a proven long-term record, led by Patrick Coene, Yves Warlop, Michiel Vervliet, Philippe van Oosterzee and Jaap Gispén, three of whom have been with FCI since its inception. The team has a track record of identifying and developing new lines of profitable business and entering new geographies. Most recently, operations in France were started in 2008 with the current aim of writing €30m of GWP by 2011. FCI had a full-time workforce of 338 people as at 31 December 2008.

Background to and reasons for the Acquisition

As outlined previously, Amlin has a strategic objective to grow by acquisition in the belief that it is excellently positioned to leverage its specialist insurance skills and experience across new product lines and into new territories. In pursuing this strategy, the Board intends to build upon the Group's recent achievements and develop its potential faster than could be achieved purely through organic growth.

In recognition of the Group's current profile and ambitions, the Board has placed greater emphasis on identifying businesses which, *inter alia*:

- Have a significant component of non-catastrophe exposed insurance business to rebalance Amlin's current bias towards catastrophe exposed reinsurance;
- Operate within markets which are open to international participants and within lines in which Amlin has or is seeking expertise;
- Share Amlin's profit-focused underwriting culture and can benefit from its sophisticated risk management approach; and
- Are successful and self-standing leaders within their own markets, with motivated employees and strong management teams

The Board believes that a combination with FCI meets the above criteria very well and will bring considerable benefits to Amlin shareholders.

The Acquisition introduces further diversity to Amlin's existing book of business, leverages its expertise in key specialist lines where Amlin is seeking to expand, as well as providing the Group with immediate scale and infrastructure in Continental Europe, building upon its recent acquisition of Anglo French Underwriters.

Following the Acquisition, Amlin will own a leading provider of insurance and risk management solutions to corporations based in the Netherlands and Belgium. The

combination with FCI will reduce Amlin's catastrophe exposed business as a proportion of its overall portfolio and introduce a significant element of business with a more attritional claims profile and less volatile earnings characteristics. The Board considers that this re-balancing of its underwriting portfolio will provide further capacity for cycle-managed growth in the Group's core catastrophe-exposed lines. Furthermore, the Directors believe that this is a favourable point in the insurance cycle at which to acquire FCI, as they expect an improving rating environment over the near-term across FCI's key business lines.

FCI has suffered from a period of significant uncertainty since the Dutch entities of Fortis Group N.V. were nationalised on 3 October 2008 by the State of the Netherlands. Following the Acquisition, the Board expects that Amlin will bring a number of key benefits to FCI's brand and operations. These benefits will provide an improved level of security and enhanced operational scale for FCI's customers and brokers once the Company becomes part of Amlin with its broader range of expertise and greater financial stability. Furthermore, the introduction to FCI of Amlin's underwriting expertise and risk management processes is expected to accelerate the Company's current profit improvement programme and future development.

In summary, the Board believes that the Acquisition will provide the following benefits:

Establishment of strong Continental European platform

- The Acquisition will significantly advance Amlin's existing European strategy providing scope for future organic and acquisition-led growth;
- Amlin will become a leading provider of marine, liability and commercial property insurance in the Netherlands and Belgium; and
- FCI's management team will bring European expertise and strong industry credentials

Diversification and expansion of Amlin's book of business

- FCI will provide greater diversity both by class of business and geographically, adding business which is predominantly non-correlating with the Group's existing exposures, particularly with respect to natural catastrophe exposures;
- The Acquisition will also provide access to a new customer base via diversified distribution channels; and
- FCI's marine, property and fleet motor lines of business represent core areas of underwriting expertise for Amlin and product lines where the Group has been targeting expansion

Delivery of considerable performance improvements

- The sharing of Amlin's underwriting skills and risk management processes will improve FCI's ability to drive improvements in its underwriting performance;
- The greater financial security and operational resources that Amlin will bring to FCI will be a positive factor for the Company's brokers and clients following a period of uncertainty; and
- Reinsurance synergies are expected owing to the greater diversification and economies of scale across the combined portfolio of business resulting in reduced reinsurance requirements

Improves Amlin's financial profile

- The addition of non-correlating insurance premium relating to less volatile lines of business will improve the balance of Amlin's business profile and earnings stream;
- FCI will increase Amlin's gross financial investments by approximately €1 billion giving the Group significantly greater scale in its investment activities; and

- The Acquisition is expected to be earnings and ROE enhancing in 2009⁽¹⁾ to contribute to Amlin's cross cycle target ROE of 15%

Financial effects of the Acquisition

The Board expects that, in the absence of abnormal losses, the Acquisition will be earnings enhancing for Amlin in 2009 and beyond and will enhance net assets per share over the medium term. This statement does not constitute a profit forecast and should not be interpreted to mean that the earnings or net assets per Amlin share in the first full financial year following the Acquisition, nor in any subsequent period, will necessarily match or be greater than those for the relevant preceding financial year.

Amlin current trading

On 13 May 2009, the Board released an interim management statement for the year to date.

Amlin continues to trade in line with the Board's expectations as set out in that interim management statement.

FCI current trading

Trading conditions in the Dutch and Belgian markets are now bottoming out after a period of strong competition for most lines of business. In the year to date, FCI's premium income is in line with the business plan. This plan anticipated a reduction in gross written premiums as a result of the reductions both in economic activity and FCI's actions to re-underwrite some business lines with recent disappointing performance. Although gross premium income is likely to reduce as these measures take effect, the underwriters have been able to implement the re-underwriting steps as planned. There has been very little impact on premium volumes as a result of the uncertainty regarding the ownership of FCI.

In the marine area, rate increases have been achieved by FCI, particularly on the hull accounts, and action is also being taken to increase deductibles. For the property book, competition is less severe than in recent months and no further rate reductions are being given. The motor and liability markets remain competitive, with rates relatively stable.

Commenting on the Acquisition, Charles Philipps, Chief Executive of Amlin, said:

"This acquisition represents a step-change in the development of our organisation and demonstrates the scope of our ambition to build a globally diversified insurance and reinsurance business focussed in markets which require our specialist skills and have high barriers to entry. The balance we will achieve both between catastrophe and non-catastrophe exposures, and between insurance and reinsurance risks will add further stability to our book of business and a foundation from which to target further growth.

We are delighted to welcome our new colleagues to Amlin and look forward to bringing the best of our two organisations to bear in the European market."

Commenting on the Acquisition, Patrick Coene, Chief Executive of FCI, said:

"We are pleased that in Amlin we have found a strong new shareholder. Amlin has an excellent track record in its markets and 'A' level ratings from all of the large rating agencies. After a period of uncertainty, we are now again in a strong position to build our future. Amlin offers us financial strength, excellent underwriting expertise and strong risk management which enables us to serve our clients and brokers even better. The vision and culture of Amlin matches ours almost perfectly. I would like to thank all our brokers and clients for their support over the recent months and our staff for their relentless efforts to keep our business strong.

We have made great strides in reaching agreement with ex-Fortis group companies about the transition process and we are ready to start a new future with our new shareholder."

Details relating to the Acquisition

On 2 June 2009, Amlin (Overseas Holdings) Limited (the “Purchaser”) entered into an acquisition agreement with the State of the Netherlands to purchase the entire share capital of FCI. The consideration for the shares is €350 million and is payable in cash upon completion in accordance with the provisions of the acquisition agreement, which obligation Amlin has guaranteed.

The Acquisition, because of its size, is a Class 1 transaction for Amlin under the Listing Rules of the United Kingdom Listing Authority and is therefore conditional, *inter alia*, on approval by Amlin shareholders. The Acquisition is also conditional upon the Purchaser having obtained a declaration of no-objection from the DNB in relation to the Acquisition, as required by the Dutch Financial Supervision Act, with conditions (if any) acceptable to the Purchaser.

Given its very recent acquisition of FCI in October 2008 as part of the nationalisation of the Dutch entities of the former Fortis Group, the Seller was prepared to give the Purchaser only very limited warranty cover relating to its ownership of FCI and capacity to sell the shares, the most recent audited accounts of FCI and the position of the Company since the accounts dates. The indemnity cover provided is primarily limited to any losses that the Purchaser might suffer were the nationalisation to be found unlawful or otherwise improperly effected or for any losses arising out of any related claim. The Seller’s liability under the warranties and the indemnity is subject to customary limits.

Also relevant to the Acquisition are the transitional services agreement and certain separation agreements into which FCI has recently entered. FCI has historically and currently obtains a number of its services from various companies within the former Fortis Group (the “Fortis Service Providers”). These services include IT, underwriting, reinsurance administration, claims handling, asset management and financial operations services. As part of the separation of FCI from the former Fortis Group, the terms upon which such services are to be provided to FCI going forward have recently been formalised in a transitional services agreement and various separation agreements between FCI and the Fortis Service Providers and, because they evolved out of an intra-group services provision arrangement, these agreements contain various limitations on the liability of the Fortis Service Providers thereunder. FCI may continue to rely on the Fortis Service Providers to render these services for a period of time following the Acquisition, up until the end of 2010, with a right to extend until June 2011 (with a significant upward price ratchet). After this time, FCI will have to operate independently of the Fortis Service Providers and its current IT systems and applications, along with its historic claims data, will have to have been migrated to an Amlin based IT platform.

In addition to the transitional services referred to above, FCI’s Belgian workforce of approximately 142 people is currently seconded from Fortis Insurance Belgium and the arrangements relating to the separation of FCI from the Fortis Group include FCI making offers of employment and seeking to secure the transfer of its Belgian workforce to FCI with minimum interruption to all concerned as quickly as possible.

A general meeting of Amlin will be held for the purpose of considering and if thought fit approving the Acquisition. A notice convening the general meeting will be set out in the circular to Amlin shareholders, which will be published as soon as possible. Assuming all conditions are satisfied, Amlin currently expects the Acquisition to complete by the end of Q3 2009.

There will be a presentation for analysts at 8.30 a.m. today at Amlin's offices, St. Helen's, 1 Undershaft, London, EC3A 8ND. Analysts or investors wishing to attend the meeting or to participate via webcast, please call Julianne Jessup, Head of Investor Relations, on 0207 746 1961, or Hannah Bale, Head of Communications, on 0207 746 1118.

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Notes:

- (1) The statements that the Acquisition will be earnings and ROE enhancing do not constitute a profit forecast and should not be interpreted to mean that the earnings per share in the first full financial year following the Acquisition, or in any subsequent period, would necessarily match or be greater than those for the relevant preceding financial year
- (2) The financial information relating to FCI set out in this announcement is shown on a basis consistent with Amlin's accounting policies as at 31 December 2008
- (3) Premiums received after the cost of reinsurance and adjustment for unearned premium. Unearned premium covers the future period for which an insurance policy remains in force
- (4) Ratio, in percentage, calculated by dividing the consolidated profit after tax by the opening total equity
- (5) Ratio, in percentage, of net insurance claims to net earned premiums
- (6) Ratio, in percentage, of the sum of expenses for the acquisition of insurance contracts and administrative expenses to net earned premiums
- (7) Ratio, in percentage, of the sum of net insurance claims, expenses for the acquisition of insurance contracts and administrative expenses to net earned premiums. This is also the sum of the expense ratio and the claims ratio

Disclaimer:

Lexicon Partners, which is authorised and regulated in the UK by the Financial Services Authority, is acting exclusively for Amlin in connection with the Acquisition and no-one else and will not be responsible to anyone other than Amlin for providing the protections afforded to clients of Lexicon Partners or for providing advice in relation to the Acquisition or any other matters referred to in this announcement.

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This announcement includes certain "forward-looking statements". These statements are based on the current expectations of the management of Amlin and FCI and are naturally subject to uncertainty and changes in circumstances. The forward-looking statements contained herein may include statements about the expected effects on Amlin or FCI, the expected timing and scope of the Acquisition, strategic options and all other statements in this announcement other than historical facts. Forward-looking statements include, without limitation, statements typically containing words such as "intends", "expects", "anticipates", "targets", "estimates" and words of similar import. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements. These factors include, but are not limited to, the satisfaction of the conditions to the Acquisition, as well as additional factors, such as changes in economic conditions, changes in the level of capital investment, success of business and operating initiatives and restructuring objectives, customers' strategies and stability, changes in the regulatory environment, fluctuations in interest and exchange rates, the outcome of litigation, government actions and natural phenomena such as floods, earthquakes and hurricanes. Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward-looking statements. Neither Amlin nor FCI undertake any obligation to update publicly or revise forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent legally required.

This announcement is not intended to, and does not, constitute or form any part of an offer to sell or an invitation to purchase or subscribe for any securities or the solicitation of an offer to buy or subscribe for any securities nor shall there be any sale, issuance or transfer of the securities referred to in the announcement in the United States or any jurisdiction in contravention of applicable law.

This announcement does not constitute an offer of shares of Amlin in the United States. Shares in Amlin have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") or under the securities laws of any state of the United States and may not be offered or sold, directly or indirectly, in or into the United States absent registration under the Securities Act or an exemption from registration. The shares of Amlin referred to in this announcement are being offered only outside the United States in accordance with Regulation S under the Securities Act. There will be no public offering of securities of Amlin in the United States.

APPENDIX

1. FCI three year balance sheet

<i>(€ million)</i>	As at 31 December ⁽¹⁾		
	2006	2007	2008
Cash and investments	1,044	1,101	1,200
Reinsurance assets	230	285	280
Other assets.....	241	200	243
Total assets	1,515	1,586	1,723
Unearned premium	113	137	160
Outstanding claims	852	984	1,131
Subordinated liabilities.....	30	30	30
Other liabilities	178	155	156
Total liabilities	1,173	1,306	1,477
Capital and other reserves.....	117	113	111
Retained earnings.....	225	167	135
Total equity and reserves	342	280	246
Total equity, reserves and liabilities	1,515	1,586	1,723

2. FCI investment portfolio

	As at 31 December 2008	
	€ million	%
Government bonds.....	694	60%
Corporate bonds.....	377	33%
Real estate	66	6%
Loans.....	14	1%
Total investments	1,151	100%

Note:

- The financial information relating to FCI set out in this appendix is shown on a basis consistent with Amlin's accounting policies as at 31 December 2008