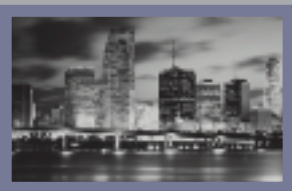
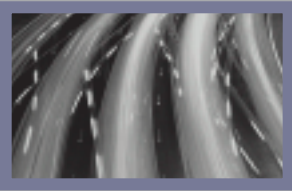
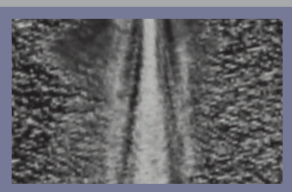


OUR CONSISTENCY DRIVES BUSINESS CONTINUITY



FINANCIAL HIGHLIGHTS

	Six months 2002 £m	Six months 2001 £m	Twelve months 2001 £m
Gross premium written	461.1	355.8	585.0
Net premium written	365.6	287.9	485.1
Earned premium	247.3	165.6	341.5
Technical profit before 11 September loss	29.1	5.0	15.7
Movement in 11 September loss	(7.8)	–	(63.9)
Continuing technical profit/(loss)	21.3	5.0	(48.2)
Profit/(loss) on ordinary activities before taxation	18.2	(12.6)	(81.5)
	Six months 2002	Six months 2001	Twelve months 2001
Earnings per share	6.3p	(7.9p)	(33.3p)
Dividends per share	0.75p	–	–
Net assets	£193.4m	£188.4m	£137.2m
Net assets per share	74.0p	94.0p	67.8p

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AMLIN HAS ACHIEVED A GREAT DEAL SINCE WE REPORTED OUR FINAL RESULTS. WE HAVE RAISED NEW CAPITAL, ACQUIRED 100% OWNERSHIP OF OUR BUSINESS AND CONTINUE TO EXPERIENCE FIRST RATE TRADING CONDITIONS. AMLIN IS NOW **WELL POSITIONED AND WE ARE EVER MORE CONFIDENT** THAT WE WILL DELIVER EXCELLENT RETURNS TO OUR SHAREHOLDERS OVER THE NEXT FEW YEARS.

OUR UNDERWRITERS HAVE BEEN A **MAJOR DRIVING FORCE** IN THE MARKET

From an underwriting and strategic perspective the first six months of 2002 have witnessed major steps forward for the Group. As expected, underwriting conditions have improved dramatically in most of our core lines. Our underwriters have been a major driving force in the market, and at June we have achieved a 30% increase in written premium income to £461 million. We have now raised £123 million of fresh equity capital to support our growth. Finally, subject to the Council of Lloyd's consent, we have successfully completed the acquisition of the capacity on our managed syndicate.

The Group's operating profit of £18.2 million (30 June 2001: loss of £12.6 million) for the six months is a good start. It largely reflects the improved performance of business written last year.

Of the business expected to be written in 2002, only 14% is earned to date. Whilst loss incidence has been lower than normal for the six months to 30 June, we would expect the second half year underwriting performance to be better than the first in the absence of any abnormally large events. However, the first half profit has been augmented by a better than expected investment return which we would not expect to be repeated in the second half.

The underwriting performance of each division has continued to improve, with a lower overall combined ratio, at the syndicate level, of 101% compared with 105% for the first six months of 2001. Excluding the 11 September loss estimate movements, this ratio comes down to a satisfactory 97%.

As previously announced, we have increased our 11 September loss estimate. However, this deterioration is included in our operating profit underlining the strength of the underwriting performance of our business. The movements in loss estimates originate from our property reinsurance accounts where we received a small number of material late advices.

- £30 million improvement in profit from a pre-tax loss of £12.6 million to a profit of £18.2 million
- £123 million of equity finance raised
- Improvement in combined ratio from 105% to 101%
- Gross premium written increased by 30%, from £355.8 million to £461.1 million
- 11 September losses in line with those previously announced
- Dividend resumed at 0.75p per share
- Successful capacity offer gives Amlin 100% ownership of its business
- Syndicate 2001 able to write up to £1.1 billion (net of brokerage) for 2003
- FTSE 250 Index entry on 23 September 2002

Whilst this is disappointing, it is encouraging that the majority of contracts have behaved as expected and we have not experienced claims from a large number of unexpected sources.

During the period we have reviewed our aviation exposures in the light of information now available and have reduced reserves held on an assured from policy limits to what we now consider a more realistic level.

A significant issue faced by the group remains the litigation with the leaseholder of the World Trade Center, with the court dates now set for November.

DIVISIONAL OVERVIEW

Operationally we are organised into four client focused divisions. The performance of each division, at the 100% managed syndicate level, has been as follows.

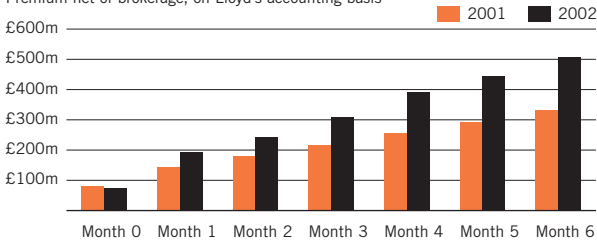
Harvey Bowring

The combined ratio of the division was 116% which reflects the impact of the movement in the 11 September losses, which are concentrated in this division. Absent this, the first six months ratio was 105% (30 June 2001: 113%). Premium income increased 4% to £367 million, compared to the six months to 30 June 2001. We believe that these results are unrepresentative of the underlying improvement in performance, owing to two key issues.

First, the 2002 reinsurance programme is bought to protect all premium earned in the year. The expected increase in premium income for business written in 2002 is substantial and the reinsurance purchased to protect this has increased in line. However, whereas much of the reinsurance was purchased at 1 January 2002, only 16% of the division's expected ultimate premium for business written in 2002 has been earned in the first half. This mismatch between recognised reinsurance expense and earned income impacts the combined ratio in the first half negatively, but is expected to reverse over time.

SYNDICATE 2001 CUMULATIVE WRITTEN PREMIUM BY MONTH

Premium net of brokerage, on Lloyd's accounting basis



Second, we have strengthened our casualty reserves in response to development in the first six months, for both syndicates 2001 and 1141.

There is good cause for optimism. Terms have improved markedly in all areas and the division is exceeding initial expectations for its income for the current year. To date the loss incidence has been low. However, we have remained cautious with our estimates of the ultimate outturn of business written in 2002 because of its immature stage of claims development.

Amlin Insurance Services

The performance of Amlin Insurance Services for the first six months has been excellent. Premium income is up by 66% compared to the same period in 2001. The combined ratio has steadily improved from 98% for the six months to 30 June 2001, to 95% for the year to 31 December 2001 and now to 89% for the first six months of 2002. This reflects the rate rises of the last few years, which have continued into this year, such that we have achieved better margins, net of estimated claims inflation.

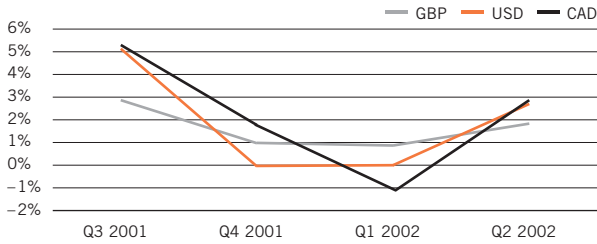
Building on the excellent market position of the commercial motor account we have modestly grown the small UK professional indemnity and employers' liability accounts in good market conditions. We have also acquired the renewal rights to the UK business of Aioi, which has given the division access to an excellent network of provincial brokers with whom we look forward to building our relationship.

Amlin Aviation

As we have noted in the past, the first half combined ratio for aviation is usually high compared to the ratio achieved for the whole of the year. This is because this division's income is heavily weighted towards the fourth quarter whilst its expenses are recognised throughout the year.

Given this, the combined ratio of 100% (30 June 2001: 102%) is promising, with a claims ratio of only 43%. This reflects the rate increases achieved on business written in the last quarter of 2001 and a relatively low level of loss incidence in the year to date. Premium income has risen 53% to £57 million, compared to the six months to 30 June 2001.

SYNDICATE 2001 BOND RETURNS BY QUARTER



Coles

Coles has experienced the least attractive terms of our divisions over the last twelve months. However, there is now clear evidence of improvement across all classes. Conditions in the war and energy markets have been extremely good. Gross premium written has increased to £97 million (30 June 2001: £79 million). Our underwriting focus has been more skewed towards the latter two classes this year but a balance of attritional business has been maintained in hull, yacht and cargo.

However, unlike many in the marine market, Coles is building from an acceptable underlying level of performance which was achieved through careful underwriting through the down cycle. The combined ratio of 92% (30 June 2001: 88%) is highly satisfactory given that the 2001 numbers also benefited from the run off of the highly profitable excess of loss account which has been transferred to Harvey Bowring.

INVESTMENT PERFORMANCE

As we explained in the Annual Report, we adopted a more conservative stance on the Group investment portfolio after the 11 September losses. To date this has proved to be beneficial, with good returns in the first six months. Similarly our syndicate portfolios have performed well and we have exceeded our expectations in the year to date. However, markets remain volatile and our cautious view of equity and bond returns over the next year is unchanged. Consequently, we have continued to hold a greater proportion of cash than we would normally.

Investment performance has been helped by strong cash flow. Since December 2001, syndicate cash and investments have increased by £63 million to £730 million reflecting strong premium flows, low loss incidence in the year to date, and active management of our reinsurance recoveries/advances relating to the 11 September loss.

WE ARE IN A VERY STRONG POSITION **TO BENEFIT FROM** OUR STRATEGIC POSITIONING

CAPACITY OFFER

In August 2002 we made an offer to acquire the remaining 28% of Syndicate 2001 capacity which we did not already own. The offer for each £1 of capacity was Amlin shares then valued at 22p, with a cash alternative of 20p, and with third party capital retaining the right to participate on the syndicate, for the 2003 year of account only, with the equivalent of a premium income limit of 50p per £1 of capacity then held. The offer became wholly unconditional on 2 September 2002 with acceptances at the first closing date, on 30 August 2002, of 85% of non-aligned capacity. The offer closes on 16 September 2002. This level of support will allow us, subject to the consent of the Council of Lloyd's, to purchase compulsorily the remaining capacity on the syndicate, thereby meeting our strategic goal of owning 100% of our syndicate.

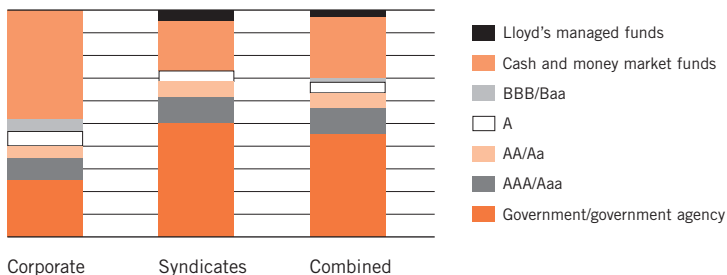
The final cost of the offer is expected to be approximately £46.4 million, with the holders of an estimated 25% of capacity choosing the share offer option. Therefore the total acquisition cost of syndicate capacity to date has been £63.6 million, which represents an average 6.4p per £1 of capacity (based on forecast 2003 capacity).

We believe that we can now operate with a more flexible and efficient structure and, given the expectation of a continuing profitable market, quickly recoup the costs of the investment.

CAPACITY AND CAPITAL MANAGEMENT

In line with our strategy to increase premium income in strong market conditions, Amlin currently anticipates Syndicate 2001 underwriting up to around £1 billion of premium income (net of brokerage) next year, up 17% on the current year's forecast premium income. Our quota share facilities with XL Re and Montpelier Re allow the Syndicate to write up to another £100 million of premium.

BREAKDOWN OF BOND PORTFOLIOS



We are pleased that our shareholders supported both our rights issue and our subsequent placing and open offer. With the £123 million of additional equity raised, and after the cash consideration payable under the Capacity Offer, we are in a strong position, with additional debt finance, to support the Group's own estimated £860 million of 2003 capacity. For Amlin this is a 49% increase in underwriting capacity.

DIVIDEND

With the underlying performance of the business now starting to be realised in the results we are pleased to resume the payment of dividends. At this time, the Company is growing its underwriting capacity and therefore needs to retain capital to support its underwriting. Taking this into account, the Board has declared an interim dividend of 0.75p per share, which will be paid on 25 October 2002 to shareholders on the register at the close of business on 27 September 2002. On this occasion the Board is not offering a scrip dividend alternative.

OUTLOOK

As highlighted in our Annual Report, we believe there is a reasonable prospect of the current hard market enduring for some time. Lower investment returns combined with increased reserving for asbestosis claims, particularly in the US property and casualty sector will, we expect, maintain the focus on underwriting profit. Against this background we are in a very strong position to benefit from our strategic positioning and we look forward with confidence.

12 September 2002

	Notes	Six months 2002 (unaudited) £m	Six months 2001 (unaudited) £m	Twelve months 2001 (audited) £m
Gross premium written				
Continuing operations	1	461.1	355.8	585.0
Discontinued operations	1	–	–	2.4
		461.1	355.8	587.4
Continuing operations				
Earned premiums, net of reinsurance		247.3	165.6	341.5
Allocated investment return transferred from the non-technical account		13.4	14.9	24.6
Claims incurred, net of reinsurance		(176.7)	(121.3)	(301.7)
Net operating expenses		(62.7)	(54.2)	(112.6)
Balance on the technical account		21.3	5.0	(48.2)
Comprising:				
Technical profit before 11 September loss		29.1	5.0	15.7
11 September loss		(7.8)	–	(63.9)
Continuing operations	1	21.3	5.0	(48.2)
Discontinued operations	1	–	–	(7.8)
Balance on the technical account for general business		21.3	5.0	(56.0)
Investment return	5	15.0	(0.7)	8.4
Allocated investment return included within the technical account		(13.2)	(14.8)	(27.9)
		23.1	(10.5)	(75.5)
Other income		0.7	0.4	1.5
Other charges		(5.6)	(2.5)	(7.5)
Operating profit/(loss)				
Continuing operations		18.2	(12.6)	(73.7)
Discontinued operations		–	–	(7.8)
		18.2	(12.6)	(81.5)
Comprising:				
Operating profit/(loss) based upon longer term investment return		17.0	1.3	(61.7)
Short term fluctuations in investment return		1.2	(13.9)	(19.8)
Profit/(loss) on ordinary activities before taxation		18.2	(12.6)	(81.5)
Taxation on profit/(loss) on ordinary activities	7	(2.3)	(3.3)	14.5
Profit/(loss) on ordinary activities after taxation		15.9	(15.9)	(67.0)
Equity dividends	8	(2.9)	–	–
Retained profit/(loss) for the period		13.0	(15.9)	(67.0)
Earnings per ordinary share				
– basic	9	6.3p	(7.9p)	(33.3p)
– diluted	9	6.3p	(7.9p)	(33.3p)

There are no other recognised gains or losses other than those reported in the profit and loss account for the current and preceding periods, and therefore no statement of recognised gains or losses is included.

	Notes	30 June 2002 (unaudited) £m	30 June 2001 (unaudited) £m	31 Dec 2001 (audited) £m
ASSETS				
<i>Intangible assets</i>	10	14.6	15.5	15.0
<i>Investments</i>	11	589.3	413.4	474.3
<i>Reinsurers' share of technical provisions</i>				
Provision for unearned premiums	14	50.4	45.6	14.4
Claims outstanding	14	344.0	159.7	394.7
<i>Debtors</i>		396.0	233.1	439.1
<i>Other assets</i>				
Cash at bank and in hand		72.4	46.8	18.4
Tangible assets		10.7	10.1	12.6
Own shares		2.8	2.9	2.8
<i>Prepayments and accrued income</i>		98.8	66.0	59.0
Total assets		1,579.0	993.1	1,430.3

	Notes	30 June 2002 (unaudited) £m	30 June 2001 (unaudited) £m	31 Dec 2001 (audited) £m
LIABILITIES				
<i>Equity shareholders' funds</i>	13	193.4	188.4	137.2
<i>Technical provisions</i>				
Provision for unearned premiums	14	425.3	280.9	271.1
Claims outstanding	14	896.7	466.7	907.4
<i>Provisions for other risks and charges</i>		1.0	8.5	1.0
<i>Creditors</i>		58.0	38.3	106.8
<i>Creditors: amounts falling due after more than one year</i>		1.1	6.1	1.6
<i>Accruals and deferred income</i>		3.5	4.2	5.2
Total liabilities		1,579.0	993.1	1,430.3
<i>Net assets per ordinary share</i>				
– basic	9	74.0p	94.0p	67.8p
– tangible	9	68.3p	86.1p	60.4p

	Note	Six months 2002 (unaudited) £m	Six months 2001 (unaudited) £m	Twelve months 2001 (audited) £m
Net cash inflow from operating activities	16	127.3	71.8	116.8
Net cash outflow from servicing of finance		(0.3)	(0.4)	(0.7)
Corporation tax repayments received		–	0.6	3.7
Net purchases of tangible and intangible assets		(0.3)	(2.2)	(6.7)
Equity dividends paid		–	–	(4.1)
Net cash inflow from financing activities		43.2	0.8	0.3
Net cash flows	17	169.9	70.6	109.3
Cash flows were invested as follows:				
Increase in cash holdings		43.0	27.1	16.1
Increase/(decrease) in deposits		11.0	5.9	(11.7)
		54.0	33.0	4.4
Net purchases of investments		115.9	37.6	104.9
Net investment of cash flows		169.9	70.6	109.3

a) 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 to 31 December 2001, except as set out below:

- underwriting results for participations on syndicates that are not managed by Amlin ('non-aligned participations') are provided by the managing agents of those syndicates through an information exchange facility operated by Lloyd's. At 30 June, comprehensive underwriting information is not available from within the Lloyd's market. Therefore, the balance on the technical account for non-aligned participations (reported as discontinued operations) at 30 June 2002 and 30 June 2001 reflects only changes to open years' loss provisions.
- the assets and liabilities in respect of non-aligned participations are not analysed in detail in the balance sheets at June 2002 and June 2001 and the audited balance sheet at 31 December 2001 has been restated onto the same basis.
- 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.

b) Status of the interim statement

The statements for the two interim periods are unaudited but have been reviewed by the company's auditors, Deloitte & Touche, and their report for the six months to 30 June 2002 is included with this report. The interim accounts do not constitute statutory accounts as defined in section 240 of the Companies Act 1985.

The results for the year ended 31 December 2001 are based on the statutory Group accounts, which received an unqualified audit opinion and did not contain a statement under section 237(2) or (3) of the Act. The audit report on the accounts for the year ended 31 December 2001 referred to the uncertainties arising from the impact of the terrorist attacks on 11 September 2001 and stated "In forming our opinion, we have considered the adequacy of the disclosure made in note 3 to the accounts concerning the losses and reinsurance recoveries arising thereon from the terrorist attacks of 11 September 2001. This note refers to greater than normal uncertainty over the loss estimates. The Group has made provisions for losses and reinsurance recoveries based on the assumptions set out in the note. The eventual settlement of claims may result in net losses greater or lower than those provided. Our opinion is not qualified in this respect". The 31 December 2001 accounts have been filed with the Registrar of Companies.

2 SEGMENTAL INFORMATION

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

	Six months 2002 (unaudited) £m	Six months 2001 (unaudited) £m	Twelve months 2001 (audited) £m
<i>Profit/(loss) before taxation</i>			
Underwriting and investment	18.9	(12.2)	(80.0)
Managing agencies	(0.7)	(0.4)	(1.5)
Total	18.2	(12.6)	(81.5)
<i>Net assets</i>			
Underwriting and investment	189.7	185.4	135.1
Managing agencies	3.7	3.0	2.1
Total	193.4	188.4	137.2

In the profit and loss account, the income and costs of the managing agency are reported within 'other income' and 'other charges'.

3 MANAGED SYNDICATES' RESULTS

The table below summarises the performance of the Group's managed syndicates. The Group has increased its participation on the syndicates during the period and comparisons of the Group's share of the results are distorted by the change in participation by year of account. Therefore, to make more meaningful comparisons, the figures represent the results of the syndicates in total rather than Amlin's share of the results.

	Six months 2002 (unaudited) £m	Six months 2001 (unaudited) £m	Twelve months 2001 (audited) £m
Gross premium written	637.7	539.1	874.1
Net premium written	503.6	436.8	723.1
Earned premium, net of reinsurance	353.1	288.1	554.6
Claims incurred, net of reinsurance	(258.1)	(210.5)	(484.3)
Claims ratio (%)	73%	73%	87%
Brokerage	(118.0)	(113.6)	(168.3)
Syndicate expenses	(19.2)	(18.7)	(42.0)
Lloyd's charges	(3.1)	(5.7)	(9.3)
Increase in deferred acquisition costs	47.0	47.9	35.7
Net operating expenses	(93.3)	(90.1)	(183.9)
Expense ratio (%)	28%	32%	30%
Combined ratio (%)	101%	105%	117%

3 MANAGED SYNDICATES' RESULTS CONTINUED

By division the results are as follows:

	Total	Coles*	Amlin Aviation	Amlin Insurance	Harvey Bowing*
Gross premium written	£637.7	£97.4	£56.8	£116.3	£367.2
Net premium written	£503.6	£93.4	£21.5	£111.3	£277.4
Claims ratio	73%	64%	43%	73%	85%
Combined ratio	101%	92%	100%	89%	116%
Combined ratio (excluding 11 September movements)	97%	88%	108%	89%	105%
<i>30 June 2001 combined ratio</i>	<i>105%</i>	<i>88%</i>	<i>102%</i>	<i>98%</i>	<i>113%</i>

* Coles includes ceased syndicate 902, Harvey Bowring includes ceased syndicate 1141

4 IMPACT OF TERRORIST ATTACKS OF 11 SEPTEMBER 2001

The attacks of 11 September 2001 resulted in losses to all the Group's managed syndicates. Due to the scale of these losses, and the reinsurance recoveries thereon, at this stage the estimation of the loss is highly complex. Therefore, greater uncertainty exists over the loss estimates than would normally be the case. The table below shows the comparison between the forecast losses for managed syndicates as reported in the 31 December 2001 report and accounts, and the currently forecast position.

	30 June 2002 (unaudited) \$m	31 December 2001 (audited) \$m
Total gross loss	638.3	667.3
Reinsurance recoveries	(478.1)	(527.8)
Total net loss	160.2	139.5
Allocated by year of account:		
2000 year of account	30.6	27.7
2001 year of account	129.6	111.8
	160.2	139.5
Amlin Group share	108.9	93.3
Amlin Group share (converted sterling millions)	£71.7	£63.9

The basis for the calculation of the loss estimates is unchanged from the methodology described in the 2001 Annual Report and the key assumptions remain unchanged. These assumptions are:

- the terrorist attacks leading to the collapse of the World Trade Center towers in New York were one occurrence;
- the Washington and Pittsburgh losses were two further distinct occurrences;
- there will be no material failures of reinsurance security;
- all reinsurers will reinstate reinsurance cover in accordance with the relevant contract provision;
- there will be no material contractual disputes with any reinsurers;
- there will be no subrogation recoveries or financial support from third parties, including the US government or associated agencies; and
- war exclusions on policies do not apply and all of the occurrences were caused by terrorist action.

Compared to the position at 31 December, there are now considerably more notified claims, reducing the element of estimation as a proportion of the total loss.

The net loss is arrived at by deducting the estimated reinsurance recoveries, net of reinstatement premiums, from the gross loss. Reinsurance recoveries have been estimated by mapping the estimated losses against the reinsurance cover available. The recovery estimate is based on the amount of recovery that can be made against the relevant policies. The cost of reinsurance premiums to reinstate reinsurance cover has been calculated under the terms of applicable policies and is included within the net estimate. Recoveries under a number of reinsurance contracts are triggered by the overall market property insured loss reaching certain levels. The property market loss assumed is US\$25 billion or greater.

The variances between the two gross loss positions is due to two underlying factors. Firstly there has been an increase in notifications from reinsured clients on our property reinsurance account. This is offset by a reduction in our estimate for aviation losses following a review of the legal position. The increased loss net of reinsurance is due to higher property reinsurance claims, which are not recoverable from reinsurers, while most of the benefit of the improvement in the estimated aviation loss falls to the syndicates' reinsurers.

The 11 September loss is almost exclusively a US dollar loss. As such the result is impacted by the exchange rates used. At 31 December 2001, the exchange rate used to convert the forecast liabilities to sterling was \$1.46:£1. The rate at which the liabilities were denoted at 30 June 2002 was \$1.52:£1. This has effected the results for the first half of 2002, resulting in a profit on exchange of £2.5 million.

There continues to be a legal dispute between the leaseholder of the World Trade Center and its insurers. The trial date has been set as 12 November 2002, but it is not yet known how long the case will last. We believe the attacks on the World Trade Center are one occurrence. We have legal guidance that supports this belief. However, the leaseholder of the twin towers is seeking to claim that the attacks were two distinct events. Therefore there is potential for additional claims. In the event that the World Trade Center losses were judged to be two occurrences, it is estimated that our gross loss would increase by approximately £30 million.

5 INVESTMENT RETURN

	Six months 2002 (unaudited) £m	Six months 2001 (unaudited) £m	Twelve months 2001 (audited) £m
Income from investments	17.0	12.2	28.9
Losses on realisation of investments	(2.5)	(0.4)	(17.2)
Unrealised gains/(losses) on investments	1.1	(11.5)	(2.2)
Investment expenses and charges	(0.6)	(1.0)	(1.1)
	15.0	(0.7)	8.4

The Group's underwriting result within the balance on the technical account includes an allocation of longer term investment returns on bonds and equities held during the period. The longer term rates of return applied during 2001 and 2002 are 7% for UK equities and 5.5% for fixed interest securities. These rates were first applied for the 31 December 2001 profit and loss account. The interim accounts to 30 June 2001 were calculated on the basis of an 8% return for UK equities and 6% for bonds. The long term rates were revised in the light of a reduction in the global outlook for bond returns. The rate for UK equities was applied until the disposal of the portfolio in September 2001.

The rates of return are applied to the average level of investments which are attributable to the shareholders' funds and insurance technical provisions of the managed syndicates. The attributable shareholders' funds are based on the Funds at Lloyd's which represent the estimated risk based capital supporting the insurance business. In the profit and loss account, the longer term return is included within the technical account.

The actual return on investments since 1 June 1997, compared with the aggregate longer term return over the same period, is set out below. All figures are gross of expenses.

	1 June 1997 to 30 June 2002 (unaudited) £m	1 June 1996 to 30 June 2001 (unaudited) £m
Actual return attributable to the technical account	92.0	74.2
Longer term return attributable to the technical account	119.0	96.9
Effect of short term fluctuations over the period	(27.0)	(22.7)

6 PRINCIPAL EXCHANGE RATES

The principal exchange rates used in the financial statements are:

	Six months 2002		Six months 2001		Twelve months 2001	
	Period average rate	Period end rate	Period average rate	Period end rate	Period average rate	Period end rate
US dollar	1.45	1.52	1.44	1.42	1.44	1.46
Euro	1.61	1.54	1.62	1.66	1.61	1.63
Canadian dollar	2.27	2.32	2.21	2.24	2.23	2.32

7 TAXATION ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

	Six months 2002 (unaudited) £m	Six months 2001 (unaudited) £m	Twelve months 2001 (audited) £m
UK corporation tax	–	0.2	1.2
Overseas taxation	–	–	(0.3)
Deferred taxation	2.3	3.1	(15.4)
	2.3	3.3	(14.5)

8 EQUITY DIVIDENDS

	Six months 2002 (unaudited) £m	Six months 2001 (unaudited) £m	Twelve months 2001 (audited) £m
Interim dividend of 0.75 pence (2001: nil) per share	2.9	–	–

There was no interim or final dividend in respect of 2001.

9 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 2002 of £15.9 million (six months ended 30 June 2001: loss of £15.9 million; twelve months ended 31 December 2001: loss of £67.0 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.

9 EARNINGS AND NET ASSETS PER ORDINARY SHARE CONTINUED

Basic and diluted earnings per share are as follows:

	Six months 2002 (unaudited)	Six months 2001 (unaudited)	Twelve months 2001 (audited)
Profit/(loss) for the period	£15.9m	(£15.9m)	(£67.0m)
Weighted average number of shares in issue	250.4m	200.2m	201.3m
Dilutive shares to be issued	0.8m	(0.1m)	–
Adjusted average number of shares in issue	251.2m	200.1m	201.3m
Basic earnings per share	6.3p	(7.9p)	(33.3p)
Diluted earnings per share	6.3p	(7.9p)	(33.3p)

Basic net assets per share are as follows:

	30 June 2002 (unaudited)	30 June 2001 (unaudited)	31 Dec 2001 (audited)
Net assets	£193.4m	£188.4m	£137.2m
Adjustment for intangible net assets	£(14.6m)	£(15.5m)	£(15.0m)
Tangible net assets	£178.8m	£172.9m	£122.2m
Number of shares in issue at end of period	268.1m	207.2m	208.5m
Adjustment for ESOT shares	(6.2m)	(6.3m)	(6.1m)
Basic number of shares after ESOT adjustment	261.9m	200.9m	202.4m
Basic net assets per share	74.0p	94.0p	67.8p
Tangible net assets per share	68.3p	86.1p	60.4p

10 INTANGIBLE ASSETS

	Purchased syndicate participations (unaudited) £m
Cost	
At 1 January and 30 June 2002	17.2
Amortisation	
At 1 January 2002	2.2
Charge for the period	0.4
At 30 June 2002	2.6
Net book value	
At 30 June 2002	14.6
At 1 January 2002	15.0

11 INVESTMENTS

	At valuation		
	30 June 2002 (unaudited) £m	30 June 2001 (unaudited) £m	31 Dec 2001 (audited) £m
Shares and other variable yield securities	0.4	87.6	0.4
Debt securities and other fixed income securities	440.1	305.8	366.0
Participation in investment pools	114.6	17.5	80.5
Overseas deposits	25.1	–	18.3
Deposits with credit institutions	–	–	1.6
Other	9.1	2.5	7.5
	589.3	413.4	474.3
In Group owned companies	183.5	181.8	169.5
In managed syndicates	405.8	231.6	304.8
	589.3	413.4	474.3

As explained in note 18, some of the Group investments are charged to Lloyd's to support its underwriting activities.

12 SHARE CAPITAL

Authorised ordinary shares of 25p each

	Number	£m
At 1 January 2002	300,000,000	75.0
Increase on 15 January 2002	65,000,000	16.3
At 30 June 2002	365,000,000	91.3

Allotted, called up and fully paid:

	Number	£m
At 1 January 2002	208,540,106	52.1
Rights issue	59,582,887	14.9
At 30 June 2002	268,122,993	67.0

The rights issue closed on 4 February 2002 and the new shares were issued on the following day. The 2 for 7 issue raised £45.9 million gross, and £43.2 million net of expenses. The balance of the capital raised not included in share capital, £28.3 million, is included in the share premium reserve.

At an Extraordinary General Meeting held on 4 July 2002, resolutions were passed to increase the authorised share capital to 505 million ordinary shares of 25p each and to issue, via a Firm Placing and a Placing and Open Offer, 104,047,728 new shares. These new shares were issued on 5 July 2002.

At an Extraordinary General Meeting held on 21 August 2002, resolutions were passed to increase the authorised share capital to 562 million ordinary shares of 25p each and to approve the issue, for the purposes of a Capacity Offer, of up to 56,708,346 new shares.

Further details are included in note 19.

13 RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS

	Six months 2002 (unaudited) £m	Six months 2001 (unaudited) £m	Twelve months 2001 (audited) £m
Profit/(loss) attributable to shareholders	15.9	(15.9)	(67.0)
Less: dividends	(2.9)	–	–
Retained profit/(loss) for the period	13.0	(15.9)	(67.0)
Issue of capital	43.2	1.1	2.6
Shares to be issued	–	1.1	(0.5)
Net increase/(reduction) to equity shareholders' funds	56.2	(13.7)	(64.9)
Equity shareholders' funds at 1 January	137.2	202.1	202.1
Equity shareholders' funds at 30 June/31 December	193.4	188.4	137.2

14 TECHNICAL PROVISIONS

	Provision for unearned premiums (unaudited) £m	Claims outstanding (unaudited) £m	Total (unaudited) £m
Gross			
At 1 January 2002	271.1	907.4	1,178.5
Exchange adjustments	(5.8)	(5.2)	(11.0)
Movement in provisions			
– Excluding 11 September	160.0	20.1	180.1
– Impact of 11 September	–	(25.6)	(25.6)
At 30 June 2002	425.3	896.7	1,322.0
Reinsurance amount			
At 1 January 2002	(14.4)	(394.7)	(409.1)
Exchange adjustments	(0.1)	(1.3)	(1.4)
Movement in provisions			
– Excluding 11 September	(35.9)	24.6	(11.3)
– Impact of 11 September	–	27.4	27.4
At 30 June 2002	(50.4)	(344.0)	(394.4)
Net			
At 30 June 2002	374.9	552.7	927.6
At 1 January 2002	256.7	512.7	769.4

15 DEFERRED TAX

	Underwriting results (unaudited) £m	Unrelieved trading losses carried forward (unaudited) £m	Other timing differences (unaudited) £m	Total (unaudited) £m
At 1 January 2002	24.1	6.0	0.5	30.6
Movements in the period	(5.6)	3.2	0.1	(2.3)
At 30 June 2002	18.5	9.2	0.6	28.3

16 RECONCILIATION OF PROFIT/(LOSS) BEFORE TAXATION TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	Six months 2002 (unaudited) £m	Six months 2001 (unaudited) £m	Twelve months 2001 (audited) £m
<i>Profit/(loss) on ordinary activities before taxation</i>	18.2	(12.5)	(81.5)
Net movement on Premium Trust Funds for non-aligned participations	0.8	–	(23.4)
Depreciation charge	2.1	1.5	3.2
Syndicate capacity amortisation charge	0.4	0.3	0.8
Realised gains less losses on investments	2.5	0.4	17.2
Unrealised (gains) losses on investments	(2.0)	11.9	1.3
Decrease (increase) in debtors	58.9	22.1	(12.6)
(Increase) decrease in prepayments and accrued income	(3.8)	2.6	1.2
Increase in insurance debtors, prepayments and accrued income	(64.6)	(137.3)	(219.3)
Increase in technical provisions	143.7	48.7	639.5
Decrease (increase) in reinsurers' share of technical provisions	14.7	(10.1)	(249.3)
Increase in provisions for other risks and charges	–	3.3	6.9
(Decrease) increase in insurance creditors, accruals and deferred income	(56.5)	142.4	32.6
Increase (decrease) in other creditors relating to operating activities	14.1	(1.1)	(0.7)
(Decrease) increase in accruals and deferred income	(1.5)	(0.8)	0.2
Interest expense	0.3	0.4	0.7
Net cash inflow	127.3	71.8	116.8

17 MOVEMENTS IN CASH, PORTFOLIO INVESTMENTS AND FINANCING

	At 1 January 2002 (audited) £m	Cash flow (unaudited) £m	Changes to market value and currencies (unaudited) £m	At 30 June 2002 (unaudited) £m
Cash at bank and in hand	18.4	54.0	–	72.4
Shares and other variable yield securities	7.1	–	–	7.1
Debt and other fixed income securities	446.5	109.2	(1.0)	554.7
Deposits with credit institutions	23.6	6.7	–	30.3
	495.6	169.9	(1.0)	664.5
Loans due within one year	(10.0)	(0.2)	–	(10.2)
Loans due after one year	(1.5)	0.4	–	(1.1)
	(11.5)	0.2	–	(11.3)
Total	484.1	170.1	(1.0)	653.2

18 CONTINGENCIES AND GUARANTEES

The Group has entered into various deeds of covenant in respect of certain corporate member subsidiaries to meet each such subsidiary's obligations to Lloyd's. The total guarantee given by the Group under these deeds of covenant (subject to limited exceptions) amounts to approximately £162.0 million (30 June 2001: £201.3 million). The obligations under the deeds of covenant are secured by a fixed charge of the same amount over investments, and a floating charge over the investments and other assets of the Group, in favour of Lloyd's. Lloyd's has the right to retain the income on the charged investments, although it is not expected to exercise this right unless it considers there to be a risk that one or more of the covenants might need to be called and, if called, might not be honoured in full.

As liability under each deed of covenant is limited to a fixed monetary amount, the enforcement by Lloyd's of any deed of covenant in the event of a default by a corporate member, where the total value of investments has fallen below the total of all amounts covenanted, may result in the appropriation of a share of the Group's Funds at Lloyd's that is greater than the proportion which that subsidiary's overall premium limit bears to the total overall premium limit of the Group.

The Group has also entered into Lloyd's deposit trust deeds for Funds at Lloyd's by which letters of credit ('LOCs') for total amounts of £39.3 million and US\$130 million have been deposited. Of these LOCs, all of the US\$ denominated LOCs, which were procured by agreement with the Company's 13% shareholder State Farm Mutual Automobile Insurance Company, and £10.7 million of the sterling LOCs were deposited at Lloyd's for the first time in November 2001 to support increased underwriting for the 2002 year of account.

19 POST BALANCE SHEET EVENTS

On 11 June 2002 the Company announced a Firm Placing of 52,023,864 new Amlin shares and a Placing and Open Offer of 52,023,864 new Amlin shares, both at 81 pence per share. Conditional approvals were obtained at an Extraordinary General Meeting on 4 July 2002. Both issues were fully underwritten (to the extent that they were not the subject of prior undertakings to subscribe) and raised approximately £80 million net of expenses. The issues closed on 2 July 2002 and the new shares were issued on 5 July 2002. There is no profit and loss account impact from the issue of these shares.

On 2 August 2002 the Company announced an offer (on behalf of its wholly owned subsidiary, Amlin Corporate Member Limited) to acquire the whole of the outstanding capacity on Syndicate 2001 not already owned by the Group. The offer comprised a share offer, with a cash alternative, with, in each case, a limited right to participate on the 2003 year of account on Syndicate 2001. The offer was conditional upon shareholder approval, which was received at an Extraordinary General Meeting on 21 August 2002. As at 10 September 2002, the share offer had been accepted in respect of £55,340,552 of capacity representing approximately 25.0% of the outstanding capacity, and resulted in the issue of 13,868,427 new Amlin shares on 2 September 2002, with a further 287,538 shares to be issued shortly. As at the same date the cash alternative had been accepted in respect of a further £140,263,418 of capacity, representing approximately a further 63.3% of the outstanding capacity, which will result in the payment of approximately £28.1 million. This capacity offer has no impact on the profit and loss account in 2002, as the cost of capacity is amortised over twenty years, beginning in the underwriting year in which the purchased syndicate participation commences.

INTRODUCTION

We have been instructed by the Company to review the financial information for the six months ended 30 June 2002 which comprises the profit and loss account, the balance sheets, the cash flow statement and related notes 1 to 19. We have read the other information contained in the Interim Report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

DIRECTORS' RESPONSIBILITIES

The Interim Report, 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 Report in accordance with the Listing Rules of the Financial Services Authority which require that the accounting policies and presentation applied to the interim figures should be 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.

IMPACT OF THE TERRORIST ATTACKS OF 11 SEPTEMBER 2001

In arriving at our review conclusion, we have considered the adequacy of the disclosures made in note 4 to the Interim Report concerning the losses and reinsurance recoveries arising thereon from the terrorist attacks of 11 September 2001. The note refers to the greater than normal uncertainty over the loss estimates. The Company has made provisions for losses and reinsurance recoveries based upon the assumptions that have been set out in the note. The eventual settlement of claims may result in net losses greater or lower than those provided. Our review conclusion is not qualified in respect of this matter.

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 2002.

Deloitte & Touche

Chartered Accountants
London
11 September 2002

FINANCIAL CALENDAR

The Company's forthcoming financial calendar is expected to be as follows:

2002	25 October	Payment of 2002 interim dividend
2003	March/April	Announcement of results for the year ending 31 December 2002
	April	Publication of 2002 Annual Report
	May	Annual General Meeting
	June/July	Payment of 2002 final dividend

SHAREHOLDERS' DEALINGS

The Company's stockbroker, Hoare Govett Limited, offers a low-cost postal dealing service, which enables investors to buy or sell certificated holdings of the Company's shares in what may be a convenient manner. Basic commission is 1% of the transaction value, with a minimum charge of £10. Transactions are executed and settled by Pershing Securities Limited. Forms may be obtained from the Company Secretarial Department, Amlin plc, St Helen's, 1 Undershaft, London EC3A 8ND (Tel 020 7746 1005) or direct from Hoare Govett Limited, 250 Bishopsgate, London EC2M 4AA (Tel 020 7678 8300).

SHAREHOLDER ENQUIRIES, REGISTRAR AND WEBSITE

Please call our Investor Relations Unit on 020 7746 1111 or, for enquiries concerning share registration, call our Registrar, Computershare Investor Services PLC, on 0870 702 0000. The Registrar's address is PO Box 82, The Pavilions, Bridgwater Road, Bristol BS99 7NH and it also maintains a website at www.computershare.com.

Amlin's own corporate website is at www.amlin.com.

DIRECTORS

Roger Taylor* (Chairman)
Brian Carpenter
Richard Hextall (Finance Director)
Tony Holt
Roger Joslin*
Thomas Kemp*
John Kennedy*
Ramanam Mylvaganam*
Charles Philipps (Chief Executive)
John Sanders*
John Stace (Executive Vice Chairman)
Lord Stewartby* (Deputy Chairman)

* non-executive

AUDIT COMMITTEE

Lord Stewartby (Chairman)
John Kennedy
Ramanam Mylvaganam
John Sanders

REMUNERATION COMMITTEE

John Kennedy (Chairman)
Thomas Kemp
John Sanders
Roger Taylor

NOMINATION COMMITTEE

Roger Taylor (Chairman)
Roger Joslin
Charles Philipps
John Stace
Lord Stewartby

SECRETARY

Charles Pender

REGISTERED OFFICE

St Helen's
1 Undershaft
London EC3A 8ND

AUDITORS

Deloitte & Touche
Stonecutter Court
1 Stonecutter Street
London EC4A 4TR

INVESTMENT BANKERS

Lexicon Partners Limited
No 1 Cornhill
London EC3V 3ND

STOCKBROKERS

Hoare Govett Limited
250 Bishopsgate
London EC2M 4AA

CORPORATE LAWYERS

Linklaters
One Silk Street
London EC2Y 8HQ

PRINCIPAL BANKERS

Lloyds TSB Bank plc
39 Threadneedle Street
London EC2R 8AU

REGISTRAR

Computershare Investor Services PLC
PO Box 82
The Pavilions
Bridgwater Road
Bristol BS99 7NH

Amlin plc

St Helen's, 1 Undershaft

London EC3A 8ND

T 020 7746 1000

F 020 7746 1696

www.amlin.com