OUR CONSISTENCY DRIVES BUSINESS CONTINUITY

AMLIN PLC INTERIM REPORT 2003

Amlin is a leading insurance and reinsurance business in the London Market focused on four chosen fields: aviation, marine, UK commercial and international property/casualty insurance and reinsurance.

HIGHLIGHTS

- Pre-tax profit up 248% to £63.3 million
- Gross premiums written up 44.2% to £664.9 million
- Combined ratio of 83% compares with 101% in H1 2002
- Earnings per share up 82.5% to 11.5p
- Interim dividend of 0.85p per share with scrip alternative
- Six month return on equity of 14.2%
- Outlook strong

FINANCIAL HIGHLIGHTS	Six months 2003 £m	Six months 2002 £m	12 months 2002 £m
Gross premiums written	664.9	461.1	717.1
Net premiums written	541.5	365.6	573.0
Earned premiums	326.5	247.3	494.1
Operating profit before tax (based on longer term investment returns)	64.8	17.0	45.6
Profit on ordinary activities before tax	63.3	18.2	55.4
Per share amounts			
Operating profit	16.5p	7.1p	19.0p
Earnings	11.5p	6.3p	14.1p
Net assets	91.8p	74.0p	81.1p
Net tangible assets	76.5p	68.3p	65.4p
Dividend	0.85p	0.75p	2.0p
Operating ratios			
Claims ratio	51%	73%	63%
Expense ratio	32%	28%	32%
Combined ratio	83%	101%	95%

INTERIM RESULTS STATEMENT

Our interim results reflect a strong momentum in earnings progression established by successfully growing our market share into an exceptionally positive underwriting environment.

Our task for 2003 is to build on our record 2002 performance and to consolidate our leading market position. Our interim results reflect a strong momentum in earnings progression established by successfully growing our market share into an exceptionally positive underwriting environment.

The Group's profit before tax of £63.3 million (30 June 2002: £18.2 million) exceeds our pre-tax profits for the whole of 2002. Our underwriting result increased 255.4% to £75.7 million (30 June 2002: £21.3 million) with all divisions showing a strong underwriting performance, and our investment return contributed a healthy £18.3 million (30 June 2002: £15.0 million).

Earnings per share increased by 82.5% to 11.5p (30 June 2002: 6.3p) and our six months return on equity was 14.2%.

The Board has declared an interim dividend of 0.85p per share (30 June 2002: 0.75p) which will be paid on 3 November 2003 to shareholders on the register at the close of business on 19 September 2003. This reflects our continued leveraged underwriting position and the restrictions imposed on our free cash by Lloyd's three year settlement system. Following demand shown for last year's scrip dividend, we are again offering that alternative to shareholders.

Trading conditions and written premium

We have continued to experience exceptionally good trading conditions in the year to date even though, as explained in our 2002 annual report, rates in some areas have peaked and renewal terms on some risks are coming off the heights that prevailed in the aftermath of the 11 September 2001 tragedy.

Those classes of business which experienced the strongest rate improvements in late 2001 and early 2002, such as airlines, major commercial property risks, energy and the war account have experienced pressure on renewal terms but remain at healthy levels. Most other classes, and in particular our casualty classes, have continued to experience improving rates. Moreover, good positioning and strong underwriting has meant that, overall, a rate rise of 6.9% has been achieved on renewals in the first six months, with a positive movement in each division as shown in Table 1.

Amlin's leading position in the Lloyd's market, combined with its strong reputation and skill base, has assisted a policy of maintaining good levels of risk selectivity while growing premium income. Syndicate 2001 has written £777 million of gross premiums in the first six months, an increase of 21.8% over the same period in 2002. Amlin's share of this, at £664.9 million, is up 44.2% over 2002, boosted by our increased ownership of the Syndicate.

Table 1: Half year 2003 renewal rate changes	Harvey Bowring	Coles	Amlin Aviation	AIS	Total
Gross premiums written	£384.3m	£102.9m	£35.8m	£95.8m	£618.8m
Renewals	76.3%	69.4%	83.8%	79.6%	76.1%
New business	23.7%	30.6%	16.2%	20.4%	23.9%
Rate rise on renewals	4.7%	10.8%	11.0%	10.3%	6.9%

Table 2: Half year 2003 divisional analysis	Harvey Bowring	Coles	Amlin Aviation	AIS	Total
Net premium earned	£224.2m	£69.6m	£42.5m	£95.5m	£431.8m
Claims ratio	46%	53%	55%	61%	51%
Expense ratio	29%	35%	115%	27%	32%
Combined ratio	75%	88%	170%	88%	83%
Combined ratio H1 2002	*116%*	*92%*	*100%*	*89%*	*101%*

Underwriting result

The strong underwriting performance across each of our operating divisions is reflected in the improvement in our combined ratio from 101% to 83% at the 100% managed syndicate level. A divisional analysis is shown in Table 2.

Net earned premiums have increased by 22% overall to £431.8 million, reflecting the growth in written premiums both last year and in the first six months of 2003, as well as our success in containing the cost of Syndicate 2001's reinsurance programme. 63% of the premium earned in the first six months was written in 2002 with most of the balance written in 2003. Amlin plc's share of net earned premiums was up 32% to £326 million.

Each of the divisions has delivered a strong underwriting performance in the period. The year to date, like 2002 at the same stage, has seen a relatively low level of major losses. Moreover, claims development on income earned in 2002 and prior years has been favourable.

The Harvey Bowring combined ratio is an excellent result. The division has benefited from rapid growth in a strong rating environment for most of its core lines of business. In addition the low loss incidence to date on property, property reinsurance and catastrophe reinsurance classes has materially enhanced profitability. US casualty claims, which were a concern in 2002, now appear to be trending satisfactorily around the reserving levels established at 31 December 2002. Our estimated ultimate loss from the 11 September 2001 terrorist atrocities has improved with some settlements falling inside previously reserved levels. At this stage, we have not taken full credit for this and have increased our general IBNR reserve by £4 million.

The Coles figures are again strong despite it being commonly acknowledged that the marine market has been slower to improve its terms than other markets. Most marine classes are performing well and the division has also benefited from low loss incidence in the more volatile energy and war accounts.

The airline industry has suffered few major losses in the last 18 months and Amlin Aviation's numbers reflect this. SARS, however, reduced premium income due from some airlines and the US government's formation of a mutual to take on US airlines' terrorism risk also resulted in premium repayments. Even with this reduced income the claims ratio was still low. As normal, given that renewal income is heavily weighted towards the fourth quarter whilst expenses are evenly spread throughout the year, the first half combined ratio is not reflective of performance. In the first half of 2003 this has been exacerbated by the repayment of premiums.

Amlin Insurance Services' combined ratio of below 90% is a highly commendable performance from a business focused on UK attritional classes. The commercial motor account has continued to attract modest rate improvements ahead of claims inflation. However, the significant growth in new business which we have experienced in the last three years has tailed off as the division has retained a focus on profitability rather than

INTERIM RESULTS STATEMENT CONTINUED

Amlin's emergence as the leading independent Lloyd's business, places us in an exceptionally good position in trading conditions that continue to be very favourable.

market share. The division's liability account, principally UK employers' liability and professional indemnity where conditions have strengthened markedly, has grown to balance this.

For the last three years we have reported an improving trend of first half combined ratios.

2000	110%
2001	105%
2002	101%
2003	83%

In this phase of the cycle we would typically expect our full year combined ratio to be better than the half-year ratio. This is because we have grown our gross premium income again in 2003, but have earned only 11% of net premium at this stage, because we expense the cost of our reinsurance programme evenly over the year. Also, Amlin Aviation's expense ratio is higher in the first half for the reasons explained above.

However, the 83% ratio is heavily influenced by premium earned during 2003 but written in 2002 on which the incurred loss ratios on property and property reinsurance have been extraordinarily low. We believe that our reserves for 2002 remain cautious. Excepting further improvement in these anticipated claims, the principal contributor to the second half will be premium income written in 2003. While this is being written at very good rates, a continued low level of loss incidence would be required to improve on the half year combined ratio.

Investment return

The Group's total investment return increased by 22% to £18.3 million (30 June 2002: £15 million), notwithstanding the low level of interest rates and the vast majority of our funds being invested in cash and bonds.

The Syndicate bond portfolio return marginally under performed our long term expectations but given the volatility of bonds, and a decision to adopt a shorter duration portfolio than our long term benchmark, the performance was satisfactory. We believe that bond markets will face a difficult period during the rest of 2003 as interest rate expectations begin to rise. The continued growth in syndicate assets, with Amlin's share increasing by 21.9% to £652.7 million, should help to counteract a low return.

Our corporate portfolio, valued at £229.6 million, has been adjusted to reflect our cautious view on bonds. The bond content, where the average bond duration was seven years and on which we earned excellent returns in 2002, was sold in March and July with the proceeds invested in equities and cash. We increased our benchmark weighting in equities to 25% of the corporate portfolio and to date have invested 15% in equities. We were pleased to appoint Taube Hudson Stonex to manage an active global portfolio for us.

During the period we have strengthened our resources dedicated to managing our asset allocations with the appointment of a Chief Investment Officer and formation of the Investment Advisory Panel. We believe these changes will allow us to improve our long term returns from an increasingly significant asset base.

Outlook and 2004 underwriting

Over the last 18 months, Lloyd's position in the global insurance market has improved enormously, with good new business being attracted to the market as so many other parts of the industry are in disarray.

Amlin's emergence as the leading independent Lloyd's business places us in an exceptionally good position in trading conditions that continue to be very favourable and where clients are becoming increasingly selective. We anticipate continued good conditions into 2004 albeit that increased levels of competition are bound to occur in some classes.

Lloyd's new Franchise regime is showing signs of stamping on poor practice and this, together with a greater focus on technical pricing by many underwriting firms, continued turmoil in the industry and a low interest rate environment, could well help a healthy market to endure for longer than previously anticipated.

Against this background we expect to maintain Syndicate 2001's regulatory capacity at around £1.0 billion for 2004, with Amlin taking up the £138 million of capacity over which third parties have a limited tenancy arrangement for the current year. To enable us to support this additional capacity a group of banks led by Lloyds TSB has recently signed a new two year Letter of Credit facility for £130 million. This will replace the existing facility of £70 million when we commit our Funds at Lloyd's for 2004. We appreciate the continued support of our banking partners.

With our financial strength, our leading position at Lloyd's, our proven underwriting performance and strong market conditions, Amlin can look forward to the prospect of continued good performance next year, following upon what we expect to be a strong outcome for 2003.

Approved by the Board of Directors
3 September 2003

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE SIX MONTHS ENDED 30 JUNE 2003

	Notes	Six months 2003 (unaudited) £m	Six months 2002 (unaudited) £m	12 months 2002 (audited) £m
Gross premiums written		**664.9**	461.1	717.1
Net premiums written		**541.5**	365.6	573.0
Earned premiums, net of reinsurance		**326.5**	247.3	494.1
Allocated investment return transferred from the non-technical account		**19.7**	13.2	31.1
Claims incurred, net of reinsurance		**(168.8)**	(176.7)	(308.5)
Net operating expenses		**(101.7)**	(62.5)	(158.6)
Balance on the technical account		**75.7**	21.3	58.1
Investment return	5	**18.3**	15.0	42.5
Allocated investment return included within the technical account		**(19.7)**	(13.2)	(31.1)
		74.3	23.1	69.5
Other income		**2.7**	0.7	2.0
Other charges		**(13.7)**	(5.6)	(16.1)
Operating profit		**63.3**	18.2	55.4
Comprising:				
Operating profit based upon longer term investment return		**64.8**	17.0	45.6
Short term fluctuations in investment return		**(1.5)**	1.2	9.8
Profit on ordinary activities before taxation	2	**63.3**	18.2	55.4
Taxation on profit on ordinary activities	7	**(19.3)**	(2.3)	(11.2)
Profit on ordinary activities after taxation		**44.0**	15.9	44.2
Equity dividends	8	**(3.3)**	(2.9)	(7.6)
Retained profit for the period		**40.7**	13.0	36.6
Earnings per ordinary share				
– basic	9	**11.5p**	6.3p	14.1p
– diluted	9	**11.4p**	6.3p	14.1p

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 has been presented.

CONSOLIDATED BALANCE SHEET
AT 30 JUNE 2003

ASSETS	Notes	30 June 2003 (unaudited) £m	30 June 2002 (unaudited) £m	31 December 2002 (audited) £m
Intangible assets		**58.6**	14.6	60.1
Investments	10	**882.3**	589.3	762.3
Reinsurers' share of technical provisions				
Provision for unearned premiums	13	**83.7**	50.4	34.0
Claims outstanding	13	**280.8**	344.0	321.1
Debtors		**524.1**	396.0	432.3
Other assets				
Cash at bank and in hand		**45.5**	72.4	28.5
Tangible assets		**7.3**	10.7	9.0
Own shares		**2.6**	2.8	2.8
Prepayments and accrued income		**144.1**	98.8	82.2
Total assets		**2,029.0**	1,579.0	1,732.3

LIABILITIES	Notes	30 June 2003 (unaudited) £m	30 June 2002 (unaudited) £m	31 December 2002 (audited) £m
Equity shareholders' funds	12	**351.8**	193.4	309.6
Technical provisions				
Provision for unearned premiums	13	**614.4**	425.3	354.8
Claims outstanding	13	**927.8**	896.7	922.0
Provisions for other risks and charges		**2.5**	1.0	2.9
Creditors		**115.8**	58.0	133.7
Creditors: amounts falling due after more than one year		**0.7**	1.1	0.7
Accruals and deferred income		**16.0**	3.5	8.6
Total liabilities		**2,029.0**	1,579.0	1,732.3
Net assets per ordinary share				
– basic	9	**91.8p**	74.0p	81.1p
– tangible	9	**76.5p**	68.3p	65.4p

CONSOLIDATED CASH FLOW STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2003

	Notes	**Six months 2003 (unaudited) £m**	Six months 2002 (unaudited) £m	12 months 2002 (audited) £m
Net cash inflow from operating activities	15	**140.9**	127.3	209.1
Net cash outflow from servicing of finance		**(0.2)**	(0.3)	(0.5)
Corporation tax repayments received		**–**	–	0.9
Net purchases of tangible and intangible assets		**(0.3)**	(0.3)	(46.9)
Equity dividends paid		**(3.6)**	–	(2.9)
Net cash (outflow) inflow from financing activities		**(0.3)**	43.2	134.7
Net cash flows	16	**136.5**	169.9	294.4
Cash flows were invested as follows:				
Increase in cash holdings		**14.3**	43.0	7.7
Increase in deposits		**2.7**	11.0	2.4
		17.0	54.0	10.1
Net purchases of investments		**119.5**	115.9	284.3
Net investment of cash flows		**136.5**	169.9	294.4

NOTES

1 Basis of preparation of Interim Accounts

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 2002, 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, either directly, or 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 at 30 June 2003 and 30 June 2002 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 2003 and June 2002 and the audited balance sheet at 31 December 2002 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. The statement for the six month period to 30 June 2002 was reviewed by Deloitte & Touche. The report for the six months to 30 June 2003 has been reviewed by the Company's auditors, Deloitte & Touche LLP, and their report for the six months to 30 June 2003 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 2002, adjusted as described above, 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 31 December 2002 accounts have been filed with the Registrar of Companies.

NOTES CONTINUED

2 Segmental information

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

	Six months 2003 (unaudited) £m	Six months 2002 (unaudited) £m	12 months 2002 (audited) £m
Profit before taxation			
Underwriting and investment	66.5	18.9	57.7
Managing agencies	(3.2)	(0.7)	(2.3)
Total	63.3	18.2	55.4
Net assets			
Underwriting and investment	347.9	189.7	307.1
Managing agencies	3.9	3.7	2.5
Total	351.8	193.4	309.6

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.

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 2003 (unaudited) £m	Six months 2002 (unaudited) £m	12 months 2002 (audited) £m
Gross premiums written	777.0	637.7	988.3
Net premiums written	633.3	503.6	793.1
Earned premiums, net of reinsurance	431.8	353.1	700.6
Claims incurred, net of reinsurance	(220.8)	(258.1)	(438.5)
Claims ratio (%)	51%	73%	63%
Brokerage	(158.0)	(118.0)	(192.2)
Syndicate expenses	(34.8)	(19.2)	(46.3)
Lloyd's charges	(3.9)	(3.1)	(11.2)
Increase in deferred acquisition costs	59.9	47.0	24.7
Net operating expenses	(136.8)	(93.3)	(225.0)
Expense ratio (%)	32%	28%	32%
Combined ratio (%)	83%	101%	95%

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. Greater uncertainty exists over the loss estimates than would normally be the case. The table below shows the comparison between the forecast losses for Amlin's managed syndicates as reported in the 30 June 2002 interim report and 31 December 2002 year end report and accounts, and the current forecast position.

	30 June 2003 (unaudited) $m	30 June 2002 (unaudited) $m	31 December 2002 (audited) $m
Total gross loss	**596.9**	638.3	611.7
Reinsurance recoveries (net of bad debt)	**(454.1)**	(478.1)	(454.3)
Total net loss	**142.8**	160.2	157.4
Amlin Group share	**99.5**	108.9	105.6
Amlin Group share (converted sterling millions)	**£60.3**	£71.7	£65.6

The basis for the calculation of the loss estimates is unchanged from the methodology described in the 2002 Annual Report and the key assumptions remain unchanged.

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.

The estimated loss position has improved since 31 December 2002, through settlement of losses within outstanding reserves. A general IBNR provision has been retained out of these settlements. This general provision is not included in the figures within the table.

At 30 June 2003 the total amount of the gross loss paid amounted to $279 million. Of the reinsurance recoveries at 30 June 2003, $200 million had been received. Of the remaining $254 million, letters of credit and outstanding claims advances totalling $68 million had been received securing the debt. Of the balance of un-collateralised debt, 95.2% is rated by Standard & Poor's (or equivalent rating agency) as A grade debt or higher.

A number of insurance companies and Lloyd's syndicates, including syndicate 2001, are currently in dispute with the leaseholder of the World Trade Center, Silverstein Holdings, as to whether the terrorist attack and destruction of the buildings constitutes one or two insured occurrences. Amlin believes that the attacks on the World Trade Center are one occurrence. Legal guidance that supports this belief has been obtained. In the event that the World Trade Center losses were judged to be two occurrences and two total losses to the excess layers underwritten, it is estimated that the Group's loss could increase by up to approximately £22 million. However, given the legal advice received and the high excess point of the layer on which Syndicate 2001 participated, this is considered to be unlikely.

NOTES CONTINUED

5 Investment return

	Six months 2003 (unaudited) £m	Six months 2002 (unaudited) £m	12 months 2002 (audited) £m
Income from investments	**18.8**	17.0	40.2
Gains/(losses) on realisation of investments	**2.0**	(2.5)	0.3
Unrealised (losses)/gains on investments	**(1.8)**	1.1	3.2
Investment expenses and charges	**(0.7)**	(0.6)	(1.2)
Total investment return	**18.3**	15.0	42.5

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

	Six months 2003 (unaudited)	Six months 2002 (unaudited)	12 months 2002 (audited)
UK equities	**7.0%**	7.0%	7.0%
Fixed interest securities	**5.5%**	5.5%	5.5%

These returns are applied to the average, over the period, of the investments attributable to the shareholders and insurance technical provisions of the aligned syndicate participations. 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 January 1998, compared with the aggregate longer term return over the same period, is set out below. All figures are gross of expenses.

	1 July 1998 to 30 June 2003 (unaudited) £m	1 June 1997 to 30 June 2002 (unaudited) £m	1 Jan 1998 to 31 Dec 2002 (audited) £m
Actual return attributable to the technical account	**124.5**	92.0	117.8
Longer term return attributable to the technical account	**144.4**	119.0	136.2
Effect of short term fluctuations over the period	**(19.9)**	(27.0)	(18.4)

6 Principal exchange rates

The principal exchange rates used in the financial statements are:

	Six months 2003		Six months 2002		12 months 2002	
	Period average rate	Period end rate	Period average rate	Period end rate	Period average rate	Period end rate
US dollar	**1.61**	**1.65**	1.45	1.52	1.51	1.61
Euro	**1.46**	**1.44**	1.61	1.54	1.59	1.53
Canadian dollar	**2.34**	**2.24**	2.27	2.32	2.36	2.54

7 Taxation on profit on ordinary activities

	Six months 2003 (unaudited) £m	Six months 2002 (unaudited) £m	12 months 2002 (audited) £m
UK corporation tax	–	–	3.0
Overseas taxation	–	–	0.1
Deferred taxation	19.3	2.3	8.1
	19.3	2.3	11.2

8 Equity dividends

	Six months 2003 (unaudited) £m	Six months 2002 (unaudited) £m	12 months 2002 (audited) £m
Interim dividend of 0.85 pence (2002: 0.75 pence) per share	3.3	2.9	7.6

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 2003 of £44.0 million (six months ended 30 June 2002: £15.9 million; 12 months ended 31 December 2002: £44.2 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 2003 (unaudited)	Six months 2002 (unaudited)	12 months 2002 (audited)
Profit for the period	£44.0m	£15.9m	£44.2m
Weighted average number of shares in issue	383.0m	250.4m	312.4m
Dilutive shares to be issued	4.6m	0.8m	1.3m
Adjusted average number of shares in issue	387.6m	251.2m	313.7m
Basic earnings per share	11.5p	6.3p	14.1p
Diluted earnings per share	11.4p	6.3p	14.1p

NOTES CONTINUED

9 Earnings and net assets per ordinary share continued

Basic and tangible net assets per share are as follows:

	30 June 2003 (unaudited)	30 June 2002 (unaudited)	31 December 2002 (audited)
Net assets	£351.8m	£193.4m	£309.6m
Adjustment for intangible net assets	£(58.6m)	£(14.6m)	£(60.1m)
Tangible net assets	£293.2m	£178.8m	£249.5m
Number of shares in issue at end of period	389.7m	268.1m	388.3m
Adjustment for ESOT shares	(5.6m)	(6.2m)	(6.1m)
Basic number of shares after ESOT adjustment	384.1m	261.9m	382.2m
Basic net assets per share	91.8p	74.0p	81.1p
Tangible net assets per share	76.5p	68.3p	65.4p

10 Investments

		At valuation	
	30 June 2003 (unaudited) £m	30 June 2002 (unaudited) £m	31 December 2002 (audited) £m
Shares and other variable yield securities	10.4	0.4	0.7
Debt securities and other fixed income securities	640.1	440.1	559.8
Participation in investment pools	120.0	114.6	134.3
Deposits with credit institutions	74.0	–	49.0
Overseas deposits	32.5	25.1	26.2
Other	5.3	9.1	3.9
	882.3	589.3	773.9
In Group owned companies	229.6	183.5	227.0
In managed syndicates	652.7	405.8	535.3
	882.3	589.3	762.3
In non-aligned syndicates	–	–	11.6
	882.3	589.3	773.9

10 Investments continued

Breakdown of debt securities by credit rating	30 June 2003 (unaudited) %	30 June 2002 (unaudited) %	31 December 2002 (audited) %
Government / Government Agency	**60.5**	66.0	59.1
AAA/Aaa	**16.4**	16.3	20.2
AA/Aa	**9.9**	9.4	9.3
A	**11.8**	6.9	10.0
BBB/Baa	**1.4**	1.4	1.4
	100.0	100.0	100.0

As explained in note 17, some of the Group investments are charged to Lloyd's to support its underwriting activities.

11 Share capital

Authorised ordinary shares of 25p each	Number	£m
At 1 January 2003 and 30 June 2003	**562,000,000**	**140.5**

Allotted, called up and fully paid:	Number	£m
At 1 January 2003	388,323,251	97.1
Share options exercised	376,013	0.1
Scrip dividend shares issued	1,018,449	0.3
At 30 June 2003	**389,717,713**	**97.5**

The above shares issued in respect of exercises of options were issued on various dates at an average price of 82.19p per share. The above scrip dividend shares were issued on 6 June 2003 at 112.17p per share.

NOTES
CONTINUED

12 Reconciliation of movements in equity shareholders' funds

	Six months 2003 (unaudited) £m	Six months 2002 (unaudited) £m	12 months 2002 (audited) £m
Profit attributable to shareholders	**44.0**	15.9	44.2
Less: dividends	**(3.3)**	(2.9)	(7.6)
Retained profit for the period	**40.7**	13.0	36.6
Issue of capital	**1.5**	43.2	136.2
Shares to be issued	**–**	–	(0.4)
Net increase to equity shareholders' funds	**42.2**	56.2	172.4
Equity shareholders' funds at 1 January	**309.6**	137.2	137.2
Equity shareholders' funds at 30 June/31 December	**351.8**	193.4	309.6

13 Technical provisions

	Provision for unearned premiums £m	Claims outstanding £m	Total £m
Gross			
At 1 January 2003 (audited)	354.8	957.4	1,312.2
Adjustment for non-aligned balances	–	(35.4)	(35.4)
At 1 January 2003 (as adjusted)	354.8	922.0	1,276.8
Exchange adjustments	(4.1)	(11.3)	(15.4)
Movement in provisions	263.7	17.1	280.8
At 30 June 2003 (unaudited)	**614.4**	**927.8**	**1,542.2**
Reinsurance amount			
At 1 January 2003 (audited)	(34.0)	(337.4)	(371.4)
Adjustment for non-aligned balances	–	16.3	16.3
At 1 January 2003 (as adjusted)	(34.0)	(321.1)	(355.1)
Exchange adjustments	0.4	4.6	5.0
Movement in provisions	(50.1)	35.7	(14.4)
At 30 June 2003 (unaudited)	**(83.7)**	**(280.8)**	**(364.5)**
Net			
At 30 June 2003 (unaudited)	**530.7**	**647.0**	**1,177.7**
At 1 January 2003 (as adjusted)	320.8	600.9	921.7
At 1 January 2003 (audited)	320.8	620.0	940.8
At 30 June 2002 (unaudited)	374.9	552.7	927.6

14 Deferred tax

	Underwriting results £m	Provisions for losses £m	Unrelieved trading losses carried forward £m	Other timing differences £m	Total £m
At 1 January 2003 (audited)	5.1	0.5	11.2	1.6	18.4
Movements in the period	(26.9)	0.3	5.4	1.9	(19.3)
At 30 June 2003 (unaudited)	**(21.8)**	**0.8**	**16.6**	**3.5**	**(0.9)**
At 30 June 2002 (unaudited)	18.5	–	9.2	0.6	28.3

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

	Six months 2003 (unaudited) £m	Six months 2002 (unaudited) £m	12 months 2002 (audited) £m
Profit on ordinary activities before taxation	**63.3**	18.2	55.4
Net movement on Premium Trust Funds for non-aligned participations	**1.1**	0.8	3.7
Depreciation charge	**2.0**	2.1	4.4
Syndicate capacity amortisation charge	**1.5**	0.4	0.9
Realised gains less (losses) on investments	**(2.0)**	2.5	(0.3)
Unrealised losses (gains) on investments	**1.8**	(2.0)	(7.6)
Decrease in debtors	**30.4**	58.9	15.7
Increase in prepayments and accrued income	**(2.2)**	(3.8)	(4.1)
Increase in insurance debtors, prepayments and accrued income	**(198.6)**	(64.6)	(57.3)
Increase in technical provisions	**265.4**	143.7	98.4
(Increase) decrease in reinsurers' share of technical provisions	**(9.5)**	14.7	54.1
(Decrease) increase in provisions for other risks and charges	**(0.4)**	–	1.9
(Decrease) increase in insurance creditors, accruals and deferred income	**(19.5)**	(56.5)	45.5
Increase (decrease) in other creditors relating to operating activities	**0.1**	14.1	(5.4)
Increase (decrease) in accruals and deferred income	**7.3**	(1.5)	3.3
Interest expense	**0.2**	0.3	0.5
Net cash inflow	**140.9**	127.3	209.1

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.

16 Movements in cash, portfolio investments and financing

	At 1 January 2003 (audited) £m	Cash flow (unaudited) £m	Changes to market value and currencies (unaudited) £m	**At 30 June 2003 (unaudited) £m**
Cash at bank and in hand	28.5	17.0	–	**45.5**
Shares and other variable yield securities	0.7	9.6	0.1	**10.4**
Debt and other fixed income securities	682.7	77.0	0.4	**760.1**
Deposits with credit institutions	78.8	32.9	0.1	**111.8**
	790.7	136.5	0.6	**927.8**
Loans due within one year	(9.8)	0.6	–	**(9.2)**
Loans due after one year	(0.6)	–	–	**(0.6)**
	(10.4)	0.6	–	**(9.8)**
Total	780.3	137.1	0.6	**918.0**

17 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 £209.1 million (30 June 2002: £162.0 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 £70.0 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 12.7% shareholder State Farm Mutual Automobile Insurance Company, and £30.7 million of the sterling LOCs were deposited at Lloyd's for the first time in November 2002 to support increased underwriting for the 2003 year of account.

INDEPENDENT REVIEW REPORT TO AMLIN PLC

FOR THE SIX MONTHS ENDED 30 JUNE 2003

Introduction

We have been instructed by the Company to review the financial information for the six months ended 30 June 2003 which comprises the consolidated profit and loss account, the consolidated balance sheets, the consolidated cash flow statement and related notes 1 to 17. 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.

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 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 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 2003.

Deloitte & Touche LLP
Chartered Accountants
London
3 September 2003

SHAREHOLDER INFORMATION

The additional information consisting of the shareholder information and directors and advisers has been prepared from the accounting records of the Company. While it does not form part of the interim statement, it should be read in conjunction with them and the responsibilities section of the independent review report thereon.

Financial calendar

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

2003	
3 November	Payment of 2003 interim dividend
2004	
March	Announcement of results for the year ending 31 December 2003
April	Publication of 2003 Annual Report
May	Annual General Meeting
June/July	Payment of 2003 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 AND ADVISERS

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

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