

Kiln PLC - Rights Issue

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Kiln PLC

25 April 2002

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KILN PLC

Kiln to raise £47.6 million

Kiln today announces that it is to raise approximately £47.6 million (before expenses) by means of a Rights Issue and a Subscription:

* The Rights Issue of approximately 68.4 million New Ordinary Shares at 47p per share is being made to Kiln Shareholders on the basis of 2 Issue Shares for every 3 Existing Ordinary Shares. The Rights Issue has been underwritten by Collins Stewart other than in respect of approximately 3.5 million Issue Shares in respect of which irrevocable undertakings have been obtained to subscribe under the Rights Issue

* W. R. Berkley Corporation, through its subsidiary Berkley Insurance Company, has conditionally agreed to subscribe for approximately 32.8 million New Ordinary Shares at 47p per share in the Subscription, and has irrevocably undertaken to take up its rights in full to subscribe for approximately 3.3 million New Ordinary Shares under the Rights Issue. Assuming both the Rights Issue and the Subscription proceed, Berkley Insurance Company will own 20.1 per cent. of the Company's enlarged issued share capital

* The Issue Price of 47p per share under the Rights Issue and the Subscription represents a 13.8 per cent. discount to the closing middle market price of 54.5p per Ordinary Share on 24 April 2002, the last business day before this announcement

* The greater part of the proceeds will be used to acquire and support the increased underwriting participation by Kiln Underwriting on Syndicate 510 and so allow Kiln to take better advantage of the opportunities available in its specialist areas of business

* Kiln is furthering its strategic relationship with W. R. Berkley Corporation. Berkley Insurance Company will, following completion of the Rights Issue and the Subscription, become the largest shareholder in Kiln and will have the right, subject to the terms of an agreement between Kiln and Berkley Insurance Company, to appoint up to two directors to the Kiln board

* The Rights Issue will be, and the Subscription is, conditional upon,

inter alia, shareholder approval at an Extraordinary General Meeting which it is anticipated will be held on 27 May 2002. The Subscription is also conditional on Regulatory Consent being obtained by 19 July 2002. The Rights Issue will not be conditional on the Subscription Agreement becoming unconditional

* It is anticipated that the Circular containing the terms of the Rights Issue and the Subscription will be dispatched to shareholders on or about 3 May 2002

* Kiln has also issued a separate announcement today containing its audited preliminary results for the year ended 31 December 2001.

Edward Creasy, Chief Executive of Kiln, said:

"The Rights Issue and Subscription are an important development for Kiln and allow us to take advantage of greatly improved trading conditions which play to the strengths of Kiln's team of high calibre underwriters. We are now able to deliver much improved economic benefits to our shareholders. We are also very pleased with the commitment of W. R. Berkley Corporation to our capital raising and look forward to developing a mutually beneficial relationship with one of the US's leading commercial insurers"

William Berkley, Chairman and Chief Executive of W. R. Berkley Corporation, said:

"We are enthusiastic about our expanding relationship with Kiln plc. Kiln has an outstanding team of people with enormous expertise and experience in the Lloyd's market. We believe that this relationship will allow us to benefit from their knowledge of the London marketplace"

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The Directors of Kiln are the persons responsible for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Collins Stewart, which is regulated by the FSA, is acting for Kiln plc and no one else in connection with the Rights Issue and the Subscription and will not be responsible to anyone other than Kiln plc for providing the protections afforded to customers of Collins Stewart or for providing advice in relation to the Rights Issue and the Subscription.

Lexicon, which is regulated by the FSA, is acting for Kiln plc and no one else in connection with the Rights Issue and the Subscription and will not be responsible to anyone other than Kiln plc for providing the protections afforded to customers of Lexicon or for providing advice in relation to the Rights Issue and the Subscription.

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KILN PLC

RIGHTS ISSUE AND SUBSCRIPTION

TO RAISE £47.6 MILLION

1. Introduction

Kiln today announces that it is to raise approximately £47.6 million (before expenses) by means of a Rights Issue and a Subscription.

The Rights Issue of approximately 68.4 million New Ordinary Shares at 47p per share will be made to Kiln Shareholders on the basis of

2. 2 Issue Shares for every 3 Existing Ordinary Shares.

The Rights Issue has been underwritten by Collins Stewart other than in respect of approximately 3.5 million Issue Shares in respect of which irrevocable undertakings have been obtained to subscribe under the Rights Issue. W. R. Berkley Corporation, through its subsidiary Berkley Insurance Company, has

conditionally agreed to subscribe for approximately 32.8 million New Ordinary Shares at 47p per share in the Subscription, and has irrevocably undertaken to take up its rights in full to subscribe for approximately 3.3 million New Ordinary Shares under the Rights Issue. Assuming both the Rights Issue and the Subscription proceed, it will own 20.1 per cent. of the Company's enlarged issued share capital.

The Issue Price of 47p per share under the Rights Issue and the Subscription represents a 13.8 per cent. discount to the closing middle market price of 54.5p per Ordinary Share on 24 April 2002, the last business day before this announcement.

The Rights Issue will be, and the Subscription is, conditional upon, inter alia, Shareholder approval which will be sought at the Extraordinary General Meeting of the Company which it is anticipated will be held on 27 May 2002. The Subscription is also conditional upon Regulatory Consent to the increase in Berkley Insurance Company's shareholding in Kiln being received by not later than 19 July 2002. The Rights Issue will not be conditional on the Subscription becoming unconditional and so the Rights Issue may become unconditional in all respects before Regulatory Consent is obtained. If Regulatory Consent is not received by 19 July 2002, the Subscription Agreement will lapse and the Subscription will not proceed.

Kiln has also issued a separate announcement today containing its audited preliminary results for the year ended 31 December 2001.

3. Information on Kiln

Kiln is the holding company of a group conducting international insurance and reinsurance underwriting through the Syndicates managed by its managing agent and wholly-owned subsidiary, R J Kiln. R J Kiln manages a number of syndicates, the participants on which include Kiln's wholly-owned insurance underwriting subsidiary Kiln Underwriting as well as third party capital providers. Kiln Underwriting is a corporate member of Lloyd's whose underwriting is conducted solely through the Syndicates managed by R J Kiln.

R J Kiln is one of the largest managing agencies operating in the Lloyd's insurance market for the 2002 year of account. Details of the Syndicates managed by R J Kiln, together with Kiln Underwriting's participation on those Syndicates for the 2002 year of account, are as follows:

Syndicate Business line	R J Kiln managed capacity 2002	Kiln Underwriting participation
	£	%
510 Composite	388,578,572	42.82
807 Non marine	63,268,541	33.78
557 Catastrophe	46,858,206	26.68

1204	28,000,000	10.00
Non marine		
308	3,996,010	61.18
Life		
Total	<u>530,701,329</u>	<u>38.72</u>

R J Kiln's intention is to continue to use multiple sources of capital in support of its Syndicates. Over time, Kiln intends that Kiln Underwriting's participation on Syndicate 510 will be increased and that R J Kiln's other Syndicates should be supported, in due course, predominantly by third party sources of capital.

Total managed capacity for the 2002 year of account has increased to £530.7 million from £345.8 million in the 2001 year of account (an increase of 53.5 per cent.) whilst Kiln Underwriting's participation on the Syndicates has increased to £205.5 million from £178.5 million in the 2001 year of account (an increase of 15.1 per cent.). Following the arrangement of qualifying quota share reinsurances, further details of which are provided below, the Syndicates have the ability to accept up to £665 million of gross premium income for the 2002 year of account, an increase of 74 per cent. on the Syndicates' total capacity (excluding Syndicate 1204) for the 2001 year of account.

Kiln Underwriting's underwriting participation for the 2002 year of account is supported by the following funds at Lloyd's as at 31 December 2001:

	£m
Investments and cash*	46.3
Letter of credit from National Westminster Bank plc	5.5
Corporate member quota share reinsurances (supported by letters of credit from reinsurers)	31.6
	<u>83.4</u>

*The funds at Lloyd's as at 31 December 2001 include Kiln Underwriting's investment portfolio based on mid-market valuations as at close of business on 13 July 2001, the date prescribed by Lloyd's for use in the year 1 January 2001 to 31 December 2001.

The 15.1 per cent. increase in Kiln Underwriting's participation on the Syndicates for the 2002 year of account was achieved by increasing the funds at Lloyd's provided by corporate member quota share reinsurances (under which underwriting results are shared in certain proportions with the reinsurers) rather than Kiln Underwriting's own funds. Kiln now wishes to raise additional capital to enable Kiln Underwriting to increase further its underwriting

participation on the Syndicates, particularly Syndicate 510 at a time when the Board believes that underwriting conditions are extremely attractive.

4. Background to and reasons for the Rights Issue and Subscription

The Board believes that, following three difficult underwriting years from 1998 to 2000, the insurance and reinsurance market faces much improved prospects, with premium rates in most sectors increasing substantially. This increase in rates, which was already evident before the US terror attacks on 11 September 2001, has been accelerated and intensified by the potential losses emanating from these attacks, with increases apparent across nearly all classes of business since that date. Terms and conditions in respect of many policies underwritten have been tightened with the resultant reduction in potential claims enhancing expected profit margins. Furthermore, Kiln believes that insurance intermediaries are seeking to place business with underwriters perceived to be of high quality and that this will continue in the medium to long term.

In response to these favourable underwriting conditions, the Company proposes to raise funds to enable Kiln Underwriting to increase its underwriting participation on Syndicate 510, thereby allowing Kiln to take better advantage of the current opportunities available within the specialist areas of business in which Kiln can demonstrate a track record of underwriting out-performance and risk transfer expertise.

Kiln believes that the reputation of R J Kiln as having innovative, specialist underwriters with a depth of underwriting expertise, together with the breadth of R J Kiln's customer relationships, will mean that the Kiln Group is very well placed to benefit from these current strong underwriting conditions.

5. Use of proceeds

The net proceeds of the Rights Issue and the Subscription are expected to be £44.9 million. The Company anticipates that the proceeds will be applied as follows:

* approximately £40.9 million to acquire and support increased participation by Kiln Underwriting on Syndicate 510; and

* approximately £4 million as a contingency reserve to maintain liquidity in the Kiln Group.

6. Current trading and prospects

Since the US terror attacks, the Kiln Group has benefitted from greatly improved

trading conditions across the vast majority of its portfolio as a result of premium rates in almost all sectors increasing substantially.

In order to take advantage of these improved trading conditions for the 2002 year of account, Kiln has secured significant increases in the underwriting capacity provided to the Syndicates by third parties and by the corporate member quota share reinsurances of Kiln Underwriting. When taken together with the following qualifying quota share reinsurance arrangements (the "Qualifying Quota Share Reinsurances") which R J Kiln has secured for its Syndicates, this has increased underwriting capacity for the syndicates managed by R J Kiln for the 2002 year of account to £665 million, an increase of 74 per cent. on the Syndicates' total capacity (being exclusive of Syndicate 1204) for the 2001 year of account:

Syndicate	% of capacity	Reinsurer
Syndicate 510	20%	Berkley Insurance Company (a subsidiary of W. R. Berkley Corporation)
	10%	Arch Reinsurance Company
Syndicate 807	15%	Montpelier Reinsurance Company
Syndicate 1204	30%	Admiral Insurance Company (a subsidiary of W. R. Berkley Corporation)

The Board believes that, in the absence of unforeseen circumstances, the Syndicates will be able to renew the Qualifying Quota Share Reinsurances for the 2003 year of account. These arrangements, together with the proceeds from the Rights Issue and Subscription, should ensure that R J Kiln has sufficient capacity to continue to take advantage of the current beneficial underwriting conditions.

The Lloyd's market is currently entering a period of radical change, following the publication of the initial findings of the Chairman of Lloyd's Strategy Group in January 2002. The Report of the Chairman of Lloyd's Strategy Group outlined a number of proposed reforms to the Lloyd's market which included, amongst other things, changes to the structure of Lloyd's, alteration of the present annual venture method of syndicate participation and the move to syndicate accounts being prepared on an annual accounting basis. At present, consultation is being undertaken by Lloyd's and, if implemented, such reforms will alter considerably the characteristics of the Lloyd's market with a view to improving the quality and operational efficiency of companies operating at Lloyd's.

The proposals which would most affect Kiln focus on the immediate introduction of business practices designed to enhance profitability at Lloyd's and the medium to long term introduction of new capital structures to provide transparency of investment for all types of capital involved in the Lloyd's market. All proposals are subject to agreement by at least a majority of the members of Lloyd's.

7. Strategic relationship with W. R. Berkley Corporation

Kiln announced on 15 February 2002 that Berkley Insurance Company and Admiral Insurance Company, wholly-owned operating subsidiaries of W. R. Berkley Corporation, were providing support to Syndicates 510 and 1204 respectively (by means of certain of the Qualifying Quota Share Reinsurances) and that Berkley Insurance Company had subscribed for 4,889,000 Ordinary Shares, equating to approximately 5 per cent. of Kiln's then issued share capital, at a price of 53p per share. This represented a discount of 5.4 per cent. to the closing mid-market price of 56p per share on 14 February 2002, the last business day before the announcement of the subscription.

Kiln is announcing a further development of its relationship with W. R. Berkley Corporation. Its subsidiary Berkley Insurance Company is proposing to increase its interest in Ordinary Shares as follows:

(i) Berkley Insurance Company has conditionally agreed to subscribe for 32,848,649 New Ordinary Shares, being the Subscription Shares, at the Issue Price. Berkley Insurance Company's obligation to subscribe for the Subscription Shares is conditional, inter alia, upon Regulatory Consent in relation to such subscription having been obtained by not later than 19 July 2002; and

(ii) Berkley Insurance Company has irrevocably undertaken to take up its full entitlement of 3,259,333 Issue Shares under the Rights Issue.

Following the Rights Issue and Subscription, and assuming that Shareholder approval and Regulatory Consent are obtained, and the other conditions in the Underwriting Agreement and the Subscription Agreement are satisfied, Berkley Insurance Company will own 20.1 per cent. of the enlarged issued share capital of Kiln, and so will become the largest shareholder in Kiln.

Paragraph 10 below contains further details on the requirement for Regulatory Consent and the implications of it not being received.

Kiln has entered into a relationship agreement with Berkley Insurance Company. The provisions of the relationship agreement are conditional, inter alia, upon Admission of the New Ordinary Shares taking place by not later than 19 July 2002. The principal terms of this agreement are:

(i) Kiln will grant Berkley Insurance Company the right to appoint up to two non-executive directors to the Board, for so long as Berkley Insurance Company holds 20 per cent. or more of the issued Ordinary Shares. If Berkley Insurance Company should hold 10 per cent. or more but less than 20 per cent. it will have the right to appoint one non-executive director to the Board;

(ii) a confirmation that all transactions or agreements between the Kiln Group and the W. R. Berkley Group will be at arm's length; and

(iii) the Board will operate and make decisions for the benefit of Shareholders as a whole.

W. R. Berkley Corporation is one of the leading commercial lines insurance holding companies in the United States. As at 31 December 2001, the W. R. Berkley Group's total assets amounted to over US\$5.6 billion, and shareholders' equity to over US\$931 million.

W. R. Berkley Corporation is a holding company which, through its subsidiaries, operates in five segments of the property casualty insurance business: specialty lines of insurance (including excess and surplus lines and commercial transportation); alternative markets (including the management of alternative insurance market mechanisms); reinsurance; regional property casualty insurance; and international.

All of W. R. Berkley Corporation's US domestic insurance subsidiaries have an A.M. Best rating of "A (excellent)" other than Admiral Insurance Company, which has a rating of "A+ (superior)". The ratings of W. R. Berkley Corporation's US domestic insurance subsidiaries by A.M. Best contained in this document are based upon factors of concern to policyholders, insurance agents and brokers and are not directed towards the protection of investors.

The commitments outlined above are intended to further a strategic relationship between the Kiln Group and the W. R. Berkley Group. As well as providing capital to enable Kiln to exploit the considerable underwriting opportunities that are available, Kiln expects a developing relationship with the W. R. Berkley Group which will provide the Kiln Group with a number of longer term strategic benefits.

8. US terror attacks

Market estimates of insurance liabilities arising from the US terror attacks range from US\$30 billion to US\$80 billion, making it the largest insured catastrophe in history. Lloyd's latest estimate of the net loss to the Lloyd's market (as announced on 10 April 2002) is £1.98 billion.

The Directors estimate that the effect of the US terror attacks on the Kiln Group could result in gross losses before reinstatement premiums of £107 million and net losses after reinsurance recoveries (and the effect of inward and outward reinstatement premiums) of £18.4 million, equivalent to 17.9 pence per Ordinary Share (before tax). This estimate remains materially in line with Kiln's initial US terror attacks loss estimate announced on 19 September 2001 and has been provided for in the preliminary results for the year to 31 December 2001.

9. Dividend policy

Following the US terror attacks, Kiln decided not to pay an interim dividend in respect of the six months ended 30 June 2001 and the Board indicated that it would review the position on dividends at the time of publication of the results for the year ending 31 December 2001. In view of the size of the potential losses from the US terror attacks and the consequential need to retain capital in the business, the Board decided subsequently not to pay a final dividend in respect of the year ending 31 December 2001.

It is the Board's intention that the Company will resume payment of dividends when it considers that the Company's financial performance is sufficiently strong to justify this after taking full account of the capital requirements of the Kiln Group.

10. Principal terms of the Rights Issue

Subject to the fulfillment of certain conditions, Qualifying Shareholders (other than certain Overseas Shareholders) will be offered, by way of rights, New Ordinary Shares at a price of 47p per share on the following basis:

2 Issue Shares for every 3 Existing Ordinary Shares

held by Qualifying Shareholders at the Record Date. Fractions of Issue Shares will not be allotted, each Qualifying Shareholder's entitlement being rounded down to the nearest whole number. The fractional entitlements will be aggregated and sold for the benefit of the Company.

The Rights Issue has been underwritten by Collins Stewart other than in respect of approximately 3,499,999 Issue Shares in respect of which irrevocable undertakings have been obtained to subscribe under the Rights Issue.

The Rights Issue will be conditional, inter alia, upon:

(i) the passing of the resolutions to be proposed at the Extraordinary General Meeting;

(ii) the Underwriting Agreement becoming unconditional in all respects, save for the condition relating to Admission of the Issue Shares; and

(iii) Admission of the Issue Shares becoming effective by not later than 8.00 a.m. on 28 May 2002 (or such later time and/or date as Collins Stewart and the Company may agree, not being later than 3.00 p.m. on 11 June 2002).

The Rights Issue will result in the issue of 68,446,574 Issue Shares (representing approximately 33.6 per cent. of the issued ordinary share capital of Kiln, as enlarged by the Rights Issue and the Subscription). The Issue Shares, when issued and fully paid, will rank pari passu in all respects with the Existing Ordinary Shares and will rank for all dividends or other distributions declared, made or paid after the date of issue of the Issue Shares.

Berkley Insurance Company has agreed to take up its full entitlement of 3,259,333 Issue Shares under the Rights Issue. In addition, certain of the Directors have agreed to take up some of their rights under the Rights Issue in respect of a total of 240,666 Issue Shares.

Application has been made to the UKLA for Admission of the Issue Shares. It is expected that Provisional Allotment Letters will, subject to the Resolutions being passed, be despatched on 27 May 2002, immediately following the Extraordinary General Meeting and that Admission of the Issue Shares will become effective and dealings will commence in the Nil Paid Rights on the London Stock Exchange, at 8.00 a.m. on 28 May 2002.

If, for any reason, the Provisional Allotment Letters are posted otherwise than on the day of the Extraordinary General Meeting or the Extraordinary General Meeting does not take place on 27 May 2002, the times and dates referred to in this document may be revised and the times and dates so revised will be contained in the Provisional Allotment Letters.

The latest time and date for acceptance and payment in full in respect of entitlements under the Rights Issue is expected to be 3.00 p.m. on 17 June 2002.

The full terms and conditions of the Rights Issue, including the procedure for acceptance and payment and the procedure in respect of rights not taken up, will be included in the Circular and the Provisional Allotment Letters.

11. Controller provisions

Each Shareholder should note that if they, either alone or with their associates, acquire 10 per cent. or more of the issued Ordinary Shares, they will be deemed to become a controller of certain companies within the Kiln Group and must first obtain consent from both Lloyd's and the FSA. In order to obtain such consents, the Shareholder will be required to provide information to Lloyd's and the FSA and may be required to give them certain undertakings.

If a Shareholder fails to obtain Lloyd's consent, the Directors may invoke provisions contained in the Articles of Association requiring such Shareholder to sell the excess shares and not to vote any of its shares. In addition, the FSA may invoke section 189 of the Financial Services and Markets Act 2000 and may impose criminal sanctions under section 191 of that Act.

Because of these provisions, Berkley Insurance Company's obligation to subscribe for the Subscription Shares is conditional upon such consents having been received by not later than 19 July 2002.

Following Admission of the Issue Shares and the Subscription Shares, Berkley Insurance Company will own 40,996,982 Ordinary Shares, representing 20.1 per cent. of the enlarged issued share capital of the Company. Investors should note that the Rights Issue is not conditional upon the receipt of Regulatory Consent. Accordingly, Admission of the Issue Shares will proceed in accordance with the expected timetable even if, at the time in question, Regulatory Consent has either not been received or has been refused. It is possible therefore that the Rights Issue could proceed and that, subsequently, Regulatory Consent could be refused or not be received by 19 July 2002. In this case, Berkley Insurance Company's obligation to subscribe for the Subscription Shares would lapse and the Admission of those shares would not take place. If Admission of the Issue Shares takes place but Admission of the Subscription Shares does not, Berkley Insurance Company will own 8,148,333 Ordinary Shares representing 4.8 per cent. of the issued share capital as enlarged by the issue of the Issue Shares. Berkley Insurance Company has made all relevant change of control consent applications to the FSA and Lloyd's and the Directors have no reason to believe that Regulatory Consent will not be forthcoming.

12. Anticipated timetable

It is currently anticipated that the Rights Issue and Subscription will proceed in accordance with the following timetable. However, this timetable may change, particularly as a result of the date on which the Circular is despatched to Qualifying Shareholders:

Posting of the Circular	3 May 2002
Record Date for the Rights Issue	Close of business on 23 May 2002
Latest time and date for receipt of Forms of Proxy.	10.00 a.m. on 25 May 2002
Extraordinary General Meeting	10.00 a.m. on 27 May 2002
Posting of Provisional Allotment Letters	27 May 2002
Dealings commence in Issue Shares, nil paid	8.00 a.m. on 28 May 2002
Latest time and date for splitting Provisional Allotment Letters, nil paid	3.00 p.m. on 13 June 2002
Latest time and date for acceptance and payment in full	3.00 p.m. on 17 June 2002
Commencement of dealings, fully paid, in the Issue Shares	18 June

2002 *

Definitive share certificates in respect of Issue Shares to be held in certificated form despatched by 26 June 2002

Latest date for receipt of Regulatory Consent in respect of the Subscription 19 July 2002 *

Definitions

The following definitions apply throughout this document, unless the context requires otherwise:

"Admission" in relation to particular shares, the admission of those shares to the Official List and to trading on the London Stock Exchange becoming effective

"Berkley Insurance Company" a wholly owned subsidiary of W. R. Berkley Corporation

"Board" or "Directors" the directors of the Company

"Circular" the circular, comprising a prospectus for the purposes of the Financial Services and Markets Act 2000, which is to be published in connection with the Proposals

"Collins Stewart" Collins Stewart Limited, a company regulated by the FSA

"Existing Ordinary Shares" the Ordinary Shares in issue at the date of issue of this announcement

"Extraordinary General Meeting" the extraordinary general meeting to be convened by the Circular which it is anticipated will be held on 27 May 2002

"FSA" The Financial Services Authority

"Issue Price" 47 p per New Ordinary Share

"Issue Shares" the 68,446,574 New Ordinary Shares which are to be issued by the Company pursuant to the Rights Issue

"Kiln" or "the Company" Kiln plc

"Kiln Group" or "Group" Kiln and its subsidiary and associated undertakings

<p>"Kiln Underwriting" subsidiary of Kiln Capital Plc and</p>	<p>Kiln Underwriting Limited, a wholly-owned the Kiln Group's corporate member</p>
<p>"Lexicon" the FSA</p>	<p>Lexicon Partners Limited, a company regulated by</p>
<p>"Lloyd's" or "the Society" governed by the Lloyd's (and its delegates and other context may require</p>	<p>The Society and Corporation of Lloyd's created and Acts 1871-1982, including the Council of Lloyd's persons through whom the Council may act), as the</p>
<p>"Nil Paid Rights"</p>	<p>Rights to acquire Issue Shares, nil paid</p>
<p>"New Ordinary Shares"</p>	<p>the Issue Shares and the Subscription Shares</p>
<p>"Ordinary Shares" capital of the Company from time</p>	<p>the Ordinary Shares of one penny each in the to time</p>
<p>"Overseas Shareholders" Company, who are resident in or are territories other than the</p>	<p>Shareholders, other than Berkley Insurance citizens of, or who have registered addresses in, United Kingdom</p>
<p>"Proposals" resolutions to be proposed at share capital of the unissued ordinary shares and to for cash otherwise than in</p>	<p>the Rights Issue and the Subscription, and the the Extraordinary General Meeting to increase the Company, to authorise the Directors to allot empower the Directors to allot equity securities accordance with section 89 of the Act.</p>
<p>"Provisional Allotment Letters" be despatched to Qualifying respect of the Issue Shares</p>	<p>the renounceable provisional allotment letters to Shareholders (other than Overseas Shareholders) in</p>
<p>"Qualifying Shareholders" Company on the Record Date,</p>	<p>Shareholders on the register of members of the except for Overseas Shareholders</p>
<p>"Record Date" anticipated will be 23 May</p>	<p>the record date for the Rights Issue, which it is 2002</p>
<p>"Regulatory Consent" Sections 178-183 of the Financial consents of Lloyd's to, or in</p>	<p>the consent of the FSA for the purposes of Services and Markets Act 2000, and certain</p>

Company for the	relation to, the subscription by Berkley Insurance Subscription Shares
"Rights Issue" New Ordinary Shares by way of every 3 Existing Ordinary	the proposed issue to Qualifying Shareholders of rights on the basis of 2 New Ordinary Shares for Shares held on the Record Date
"R J Kiln" of the Company and the Kiln	R.J. Kiln & Co. Limited, a wholly-owned subsidiary Group's managing agent
"Shareholders"	holders of Ordinary Shares
"Subscription" the Subscription Shares	the subscription by Berkley Insurance Company for
"Subscription Agreement" Berkley Insurance Company	the agreement dated 25 April 2002 between Kiln and in respect of the Subscription Shares
"Subscription Shares" subscribed by Berkley Insurance	the 32,848,649 New Ordinary Shares to be Company pursuant to the Subscription Agreement
"Syndicates" "Syndicate" means, any one of the	syndicates 1204, 308, 557, 807 and 510 and Syndicates as the context requires
"UKLA"	the UK Listing Authority, a division of the FSA
"US terror attacks" New York and the Pentagon in Pittsburgh, all of which	the terrorist attacks on the World Trade Center in Washington DC, together with the aviation crash took place on 11 September 2001
"Underwriting Agreement" April 2002 between Kiln and	the conditional underwriting agreement dated 25 Collins Stewart
"World Trade Center" attacked during the US terror	the World Trade Center in New York which was attacks
"W. R. Berkley Corporation" Greenwich, CT, USA	W. R. Berkley Corporation of 475 Steamboat Road,
"W. R. Berkley Group" associated undertakings Company	W. R. Berkley Corporation and its subsidiaries and including without limitation Berkley Insurance

* If Regulatory Consent has been received by 17 June 2002, Admission of the Subscription Shares would be expected to take place on 18 June 2002. If Regulatory Consent is received after Admission of the Issue Shares, Admission of the Subscription Shares would be expected to take place within five business days following receipt of such Regulatory Consent.

This information is provided by RNS
The company news service from the London Stock Exchange

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