



Kiln plc

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Kiln plc (“Kiln”) announces a Rights Issue to raise £72.8 million

Terms of the Rights Issue

- £72.8 million (net of expenses) to be raised through a Rights Issue.
- 3 Issue Shares for every 7 Existing Ordinary Shares.
- Fully underwritten by Numis other than in respect of approximately 17.6 million Issue Shares for which Berkley Insurance Company has irrevocably undertaken to subscribe in order to take up the rights to which it is beneficially entitled under the Rights Issue in full.
- Issue Price of 87p per share under the Rights Issue which represents a discount of 16 per cent. to the closing price of 103.5p on 1 November 2005, the last dealing day prior to this announcement.

Background to and reasons for the Rights Issue

- Following the impact of the US Hurricanes, Kiln is expecting underwriting conditions in its core specialist areas in 2006 to be attractive, with overall rate increases of 12.5 per cent. Individual property risks, US catastrophe reinsurance risks and offshore energy risks are forecast to increase by 23 per cent., 23 per cent. and 46 per cent. respectively.
- Kiln intends to respond to these improved underwriting conditions by increasing the capacity of all of its managed Syndicates for the 2006 underwriting year of account and by increasing its ownership of underwriting capacity on Kiln’s flagship Syndicate 510.
- At least £40 million of the net proceeds will be used to acquire capacity on Syndicate 510 and to provide additional funds at Lloyd’s to support the increased underwriting participation of the Kiln Corporate Members for the 2006 year of account. The balance of the net proceeds provides flexibility to acquire and support additional capacity and will strengthen Kiln’s capital and liquidity position.

Financial effects and prospects

- It remains Kiln’s intention, in the absence of exceptional unforeseen circumstances, that the full year dividend will be at or above 3p per share and that this level will be maintained throughout the insurance business cycle.
- The Rights Issue is expected to be enhancing to net assets and earnings in the medium term.
- The Directors are confident that Kiln will be able to finance its foreseeable future capital requirements without further recourse to Shareholders.

Edward Creasy, Chief Executive of Kiln, said:

“We believe that the underwriting conditions for 2006 and future years have changed markedly for the better as a result of the losses caused to the insurance and reinsurance industry by the US Hurricanes. The Rights Issue will allow our shareholders to benefit from a greater share of the returns generated by our specialist underwriting expertise within this environment and enhance Kiln’s financial flexibility.”

The Rights Issue is conditional upon, inter alia, Shareholder approval of the Resolutions to be proposed at the Extraordinary General Meeting of the Company (“EGM”) which is expected to be held on 25 November 2005.

This summary should be read in conjunction with the detailed announcement which follows. Section 8 of the full announcement contains the definitions of certain terms used in this summary and the full announcement.

A presentation for analysts will be held at 10.30 a.m. on 2 November 2005 at Kiln’s registered offices, 106 Fenchurch Street, London EC3M 5NR.

2 November 2005

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This announcement does not constitute, or form part of, an offer to sell, or the solicitation of an offer to subscribe for or buy any of the Issue Shares to be issued in connection with the Rights Issue. Any decision to invest in the Issue Shares should only be made on the basis of information in the Prospectus which will contain further details relating to the Rights Issue and Kiln and which is expected to be issued shortly. In addition, the Prospectus will be accompanied by a notice convening the EGM.

The Directors of Kiln have taken all reasonable care to ensure that the information contained in this announcement is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect the import of such information.

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The contents of this announcement have been approved by Numis solely for the purposes of section 21(2)(b) of the Financial Services and Markets Act 2000.

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Kiln announces a Rights Issue to raise £72.8 million

1. Introduction

Kiln announces today that it is to raise approximately £72.8 million (net of expenses) by means of a Rights Issue. The Rights Issue of up to 87.4 million Issue Shares at 87p per share is being made to Qualifying Shareholders on the basis of:

3 Issue Shares for every 7 Existing Ordinary Shares

registered in their name on the Record Date and so in proportion for any other number of Existing Ordinary Shares then held.

The Rights Issue has been fully underwritten by Numis other than in respect of approximately 17.6 million Issue Shares for which Berkley Insurance Company, a 20.1 per cent. beneficial shareholder in the Company, has irrevocably undertaken to the Company and Numis to subscribe in order to take up the rights to which it is beneficially entitled under the Rights Issue in full.

The Issue Price of 87p per share under the Rights Issue represents a discount of 16 per cent. to the closing middle market price of 103.5p per Existing Ordinary Share on 1 November 2005, the last dealing day prior to the announcement of the Rights Issue.

The Rights Issue is conditional upon, inter alia, Shareholder approval of the Resolutions to be proposed at the Extraordinary General Meeting of the Company which is to be held on 25 November 2005.

2. Information on Kiln

Kiln is the holding company of an international insurance and reinsurance group, listed on the Official List, which specialises in underwriting non-standard commercial risks. Kiln conducts its underwriting business through four Lloyd's syndicates managed by its wholly-owned subsidiary, R J Kiln. R J Kiln is one of the largest managing agencies operating in the Lloyd's insurance market for the 2005 year of account, with approximately £704 million of capacity under management, supported by a combination of the Kiln Corporate Members and third party Lloyd's Names.

Kiln's strategy is to provide differentiated returns for Shareholders from underwriting short-tail, specialist lines of insurance and reinsurance business where both the incidence and scale of losses are quickly apparent. Kiln takes a prudent approach to capital and debt management, reserving risk and investment risk and has set itself a corporate principle of underwriting for profit rather than volume. Kiln's strategy is facilitated by the specialist expertise of Kiln's experienced and well-trained underwriters as well as Kiln's long-standing business relationships.

Kiln is adept at managing the insurance cycle, demonstrating a good track record of opportune expansion of underwriting capacity in response to favourable underwriting conditions and subsequent corresponding reductions as market conditions deteriorate. As an example, Kiln increased its total gross underwriting capacity (including qualifying quota share capacity) from £405 million in 2001 to £820 million by 2003 to take advantage of the favourable underwriting conditions following the US Terror Attacks, and then subsequently reduced underwriting capacity in 2004 and 2005 in response to the modest deterioration in underwriting conditions. This responsiveness to market conditions has been a critical factor in enabling Kiln to generate attractive cross-cycle returns on shareholder capital.

3. Background to and reasons for the Rights Issue

Record interim results

Kiln's strong performance over recent years continued during the first half of 2005, with Kiln announcing record profits before tax of £34.3 million for the six months to 30 June 2005 in its unaudited interim results, an increase of 24 per cent. from £27.6 million for the same period in 2004. This resulted in earnings per share of 11.2p, an increase of 19 per cent. from 9.4p in the first six months of 2004, providing an annualised return on equity of 33.5 per cent. compared with the annualised return on equity of 33.7 per cent. for the six months to 30 June 2004. As at 30 June 2005, net assets amounted to £163.6 million or 80.2p per share.

Kiln's record interim results were achieved despite a modest decline in market conditions, particularly in those classes of business which had not suffered losses as a result of the 2004 US hurricane season. Kiln's own internal monitoring systems showed a decline in pricing of 1.5 per cent. on renewal business during the period and, in addition, the volume of new business written was only 14 per cent. of the total portfolio, compared with 23 per cent. for the same period in 2004.

US Hurricane losses

The second half of 2005 has seen increasing claims for Kiln, most notably in respect of Hurricane Katrina, a widespread category four hurricane which resulted in devastation in the Gulf of Mexico and the southern United States. Hurricane Rita, a category three hurricane following in Katrina's wake, then affected the same geographic region.

On 12 October 2005, the Directors announced that their estimate of the pre-tax cost of Hurricanes Katrina and Rita for Kiln plc shareholders was £42.5 – 52.5 million. The loss to Kiln from these hurricanes falls principally on its property catastrophe reinsurance, property, offshore energy and marine portfolios of business.

Hurricane Katrina is a complex loss, and it will be a substantial period of time before the precise outcome of the costs of the insured losses is known. Hurricane Rita is a much less complex loss, and it should therefore take less time for a reliable estimate of the loss to be made. Whilst there is a degree of uncertainty in establishing the eventual outcome of losses arising from Hurricanes Katrina and Rita, Kiln's specialist nature and focus on short tail business lines allows a relatively swift assessment of potential losses compared with other longer tail business lines. As an example, Kiln's estimate of its exposure to the complex losses resulting from the US Terror Attacks in 2001 has remained broadly constant, with its estimate as at 31 December 2004 of £15 million comparing favourably to its initial estimate, issued on 19 September 2001, of £16 million.

Kiln's response to the change in the underwriting environment

In accordance with Kiln's focus on underwriting for profit rather than premium volume, Kiln had been anticipating that it would reduce its underwriting capacity for 2006, in anticipation of a further decline in renewal rates of 7 per cent. Following the US Hurricane losses described above, a thorough review of the previous 2006 business plan assumptions was undertaken by R J Kiln and new business plans were prepared. As a consequence, Kiln underwriters are now predicting overall rate increases of some 12.5 per cent. for 2006, with individual property risks, US catastrophe reinsurance and offshore energy risks forecast to rise by 23 per cent., 23 per cent. and 46 per cent. respectively. The Directors therefore anticipate a significant improvement in the current pricing environment, together with the imposition of restrictions in insurance policy terms and conditions, reversing the modest weakening experienced in the first half of 2005.

Kiln now intends to respond to the improved underwriting conditions in its core specialist areas by increasing the capacity of all of its managed Syndicates for the 2006 underwriting year of account and by increasing its ownership of underwriting capacity on Kiln's flagship Syndicate 510. This is in line with Kiln's strategy to increase gradually and steadily its participation on Syndicate 510 and to maintain or reduce its ownership of capacity on the other Syndicates managed by R J Kiln.

The following table sets out the proposed increases in managed capacity for the 2006 underwriting year based on the revised business plans which were submitted to Lloyd's on 22 September 2005, compared with the managed capacity for 2005 and the managed capacity proposed in the initial business plans for 2006 which had been submitted to Lloyd's in June 2005:

<i>Syndicate</i>	<i>Managed capacity 2005</i>	<i>Previous Proposal for 2006 Capacity</i>	<i>Revised Proposal for 2006 Capacity</i>	<i>% Revised vs. Previous Proposal</i>
	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>%</i>
510	546.1	470.0	625.2	+33%
807	100.0	100.0	110.0	+10%
557	47.8	47.8	54.8	+15%
308	9.7	13.0	13.0	–
Total	703.6	630.8	803.0	+27%

The Kiln Corporate Members' underwriting participations on the R J Kiln managed Syndicates will change as a result both of the increase in managed capacity as set out above and as a result of changes in the Kiln Corporate Members' proportionate participation on the R J Kiln managed Syndicates.

In 2005, the Kiln Corporate Members' participation on Syndicate 510 amounted to £226 million, or 41 per cent. of Syndicate 510 capacity. During 2005, Kiln has been successful in purchasing additional capacity on Syndicate 510 in the Lloyd's capacity auctions. Thus far, in the first three capacity auctions, Kiln has purchased £28 million of capacity on Syndicate 510 at a total cost of £2.0 million (equivalent to an average price of 7 pence per £1 of capacity). This will result in the Kiln Corporate Members' minimum participation on Syndicate 510 for 2006 being £291 million or approximately 47 per cent. of Syndicate 510's managed capacity and represents an increase of 29 per cent. on the Kiln Corporate Members' underwriting participation on Syndicate 510 for the 2005 year of account. In addition, the Directors believe there may be an opportunity to acquire further capacity on Syndicate 510 in the fourth capacity auction (due to take place on 15 and 16 November 2005), and that certain Names may be unwilling or unable to take up their increased participations in full, causing additional capacity to be returned to R J Kiln at nil cost.

For the 2006 year of account, Kiln intends that the Kiln Corporate Members' participations on Syndicate 807 and Syndicate 308 will increase to £50 million and £7 million respectively, with a greater proportion of these participations being supported by GQS arrangements. The Kiln Corporate Members will cease to participate on Syndicate 557 in 2006, due to its relatively high risk profile and capital requirements.

The minimum overall underwriting participation of the Kiln Corporate Members for the 2006 year of account will be £349 million, an increase of 24 per cent. over 2005. Based on this minimum underwriting participation and an anticipated ECA ratio of 50 per cent., the Directors estimate that the Kiln Corporate Members will have to provide at least £175 million in funds at Lloyd's for the 2006 year of account (compared with £125 million of funds at Lloyd's supporting the 2005 year of account). The Board has considered a number of options for accessing the additional capital required to support this increased underwriting participation, including, inter alia, raising subordinated debt and accessing additional reinsurance capital in the form of GQS arrangements. The Board has concluded, however, that the majority of the required funds would be best provided by an equity capital raising.

The net proceeds of the Rights Issue are expected to be £72.8 million, of which at least £40 million will be used to acquire capacity on Syndicate 510 and provide additional funds at Lloyd's to support the increased underwriting participation of the Kiln Corporate Members for the 2006 year of account. The balance of the proceeds, a further £32.8 million, is being raised to provide the Group with the necessary flexibility to acquire and support further underwriting capacity, should Names choose either to sell capacity in the fourth capacity auction or to return part of their underwriting capacity entitlements, and to strengthen further Kiln's capital and liquidity position.

4. Financial position, prospects and dividend policy

Kiln's results for the year to 31 December 2005 will inevitably depend, inter alia, on the extent of further catastrophic events occurring during the remainder of the year. It remains Kiln's intention, however, that, in the absence of exceptional unforeseen circumstances, the full year dividend will be at or above 3p per share and that this level will be maintained throughout the insurance business cycle.

The Directors believe that the Rights Issue will be enhancing to net assets and earnings in the medium term.

The Directors are confident that, in the ordinary course of business and taking into account the net proceeds of the Rights Issue, Kiln's banking facilities and other sources of capital, Kiln will be able to finance its foreseeable future capital requirements without further recourse to Shareholders.

Kiln is exploring alternatives for managing additional underwriting capacity in order to enable its underwriting team to take maximum advantage of the improved trading conditions. In particular, Kiln believes that there is now an opportunity to underwrite additional property catastrophe reinsurance and retrocession business to a much greater extent than may be possible within the constraints imposed by the Lloyd's business planning process and Kiln's risk appetite. Kiln is therefore exploring ways to access alternative third party sources of capital, without further recourse to Shareholders, to address these opportunities.

5. Principal terms of the Rights Issue

General

Under the terms and conditions of the Rights Issue, Qualifying Shareholders will be offered, by way of rights, Issue Shares at a price of 87 pence per Issue Share (being a 16 per cent. discount to the closing middle market price of 103.5 pence per Existing Ordinary Share on 1 November 2005, the last dealing day prior to the announcement of the Rights Issue).

The Rights Issue is expected to raise approximately £72.8 million (net of expenses) and will result in the issue of 87,413,607 Issue Shares (representing approximately 30.0 per cent. of the Enlarged Share Capital).

Subject to the fulfilment of certain conditions, Qualifying Shareholders are being offered, by way of rights, Issue Shares at a price of 87 pence per share on a following basis:

3 Issue Shares for every 7 Existing Ordinary Shares

held by Qualifying Shareholders at the Record Date and so in proportion for any other number of Existing Ordinary Shares then held.

The Rights Issue has been fully underwritten by Numis other than in respect of approximately 17.6 million Issue Shares for which Berkley Insurance Company, a 20.1 per cent. beneficial shareholder in the Company, has irrevocably undertaken to the Company and Numis to subscribe in order to take up the rights to which it is beneficially entitled under the Rights Issue in full. Berkley Insurance Company has also undertaken to sub-underwrite 14.0 million of those Issue Shares underwritten by Numis pursuant to the Underwriting Agreement on the same terms and conditions as other sub-underwriting commitments which are being procured by Numis. Berkley Insurance Company's beneficial shareholding in the Company would increase to 24.9 per cent. if Berkley Insurance Company was required to subscribe for all of these Issue Shares under the terms of the Underwriting Agreement.

Holdings of Existing Ordinary Shares in certificated and uncertificated form will be treated as separate holdings for the purposes of calculating entitlements under the Rights Issue. Fractions of Issue Shares will not be allotted, each Qualifying Shareholder's entitlement being rounded down to the nearest whole number. 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.

The Rights Issue is conditional, inter alia, upon:

- (i) the passing of the Resolutions (without amendment) at the Extraordinary General Meeting and not (without the consent of Numis) at any adjournment thereof;
- (ii) the Underwriting Agreement becoming unconditional in all respects (save for the condition relating to Admission) and having not been terminated in accordance with its terms prior to Admission; and
- (iii) Admission becoming effective by not later than 8.00 a.m. on 28 November 2005 (or such later time and/or date as Numis and the Company may agree, not being later than 8.00 a.m. on 10 January 2006).

Applications will be made to the UKLA and to the London Stock Exchange for the Issue Shares to be admitted to the Official List and to trading on the London Stock Exchange's market for larger and established companies, respectively. It is expected that Admission will become effective on 28 November 2005 and that dealings in the Issue Shares will commence, nil paid, at 8.00 a.m. that day and, fully paid, at 8.00 a.m. on 21 December 2005.

The latest time and date for acceptance and payment in full in respect of entitlements under the Rights Issue is expected to be at 11.00 a.m. on 16 December 2005.

Qualifying non-CREST Shareholders

Subject to the Resolutions being passed, Qualifying non-CREST Shareholders will be sent a Provisional Allotment Letter on 25 November 2005 which will indicate the number of Issue Shares provisionally allotted to such Qualifying non-CREST Shareholder pursuant to the Rights Issue. Qualifying non-CREST Shareholders should retain the Prospectus pending the receipt of a Provisional Allotment Letter. Qualifying non-CREST Shareholders should note that, other than any Provisional Allotment Letter, they will receive no further communication from the Company in respect of this document.

Qualifying CREST Shareholders

Subject to the Resolutions being passed, Qualifying CREST Shareholders are expected to receive a credit to their appropriate stock accounts in CREST in respect of the Nil Paid Rights to which they are entitled on 28 November 2005. The Nil Paid Rights are expected to be enabled for settlement by CRESTCo as soon as practicable after Admission.

The offer of Issue Shares to Qualifying CREST Shareholders will be made, on the terms and subject to the conditions set out in the Prospectus, at the time when (such Shareholders' stock accounts having been credited as described above) the Nil Paid Rights are enabled for settlement by CRESTCo.

6. Other information

The full terms of and conditions to the Rights Issue, including the procedure for acceptance and payment and the procedure in respect of rights not taken up, is set out in the Prospectus, which is expected to be issued today. In addition, the Prospectus will be accompanied by a notice convening the EGM.

7. Expected timetable of principal events

It is currently anticipated that the Rights Issue will proceed in accordance with the following timetable:

Posting of the Prospectus to Qualifying Shareholders	2 November 2005
Record Date for the Rights Issue	23 November 2005
Latest time for receipt of Forms of Proxy	10.00 a.m. on 23 November 2005
Extraordinary General Meeting	10.00 a.m. on 25 November 2005
Despatch of Provisional Allotment Letters (to Qualifying non- CREST Shareholders only)	25 November 2005
Admission and expected commencement of dealings in Issue Shares, nil paid	8.00 a.m. on 28 November 2005
Nil Paid Rights and Fully Paid Rights enabled in CREST and Nil Paid Rights credited to stock accounts in CREST (Qualifying CREST Shareholders only)	as soon as practicable after 8.00 a.m. on 28 November 2005
Shares marked "Ex-Rights" by the London Stock Exchange	8.00 a.m. on 28 November 2005
Latest recommended time and date for requesting withdrawal of Nil Paid Rights or Fully Paid Rights from CREST	4.30 p.m. on 8 December 2005
Recommended latest time and date for depositing renounced Provisional Allotment Letters, nil paid or fully paid, into CREST or for dematerialising Nil Paid Rights or Fully Paid Rights into a CREST stock account	3.00 p.m. on 12 December 2005
Latest time and date for splitting Provisional Allotment Letters, nil paid or fully paid	3.00 p.m. on 14 December 2005
Latest time and date for acceptance and payment in full and registration of renounced Provisional Allotment Letters	11.00 a.m. on 16 December 2005
Announcement of results of the Rights Issue through a Regulatory Information Service	by 20 December 2005
Dealings expected to commence in Issue Shares, fully paid	8.00 a.m. on 21 December 2005
Date on which Issue Shares will be credited to CREST stock accounts in uncertificated form	21 December 2005
Date for despatch of definitive share certificates for Issue Shares held in certificated form	28 December 2005

Notes:

- (i) References to times in this document are to London time unless otherwise stated.
- (ii) The dates set out in the “Expected timetable of principal events” above and mentioned throughout this announcement may be adjusted by the Company, with the consent of Numis, in which event details of the new dates will be notified to the UK Listing Authority (or the FSA, as appropriate), the London Stock Exchange and, where appropriate, to Shareholders.

8. Definitions

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

“Admission”	the admission of the Issue Shares, nil paid, to (i) the Official List becoming effective in accordance with the Listing Rules of the UKLA and (ii) trading on the London Stock Exchange’s market for larger and established companies becoming effective in accordance with the Admission and Disclosure Standards of the London Stock Exchange
“Berkley Insurance Company”	a wholly owned subsidiary of W R Berkley Corporation
“Board” or “Directors”	the directors of the Company
“certificated form”	not in uncertificated form
“Chase Nominees”	a nominee company through which Berkley Insurance Company holds shares in Kiln
“CREST”	the relevant system (as defined in the CREST Regulations) in respect of which CRESTCo is the Operator (as defined in the CREST Regulations)
“CRESTCo”	CRESTCo Limited, the operator of CREST
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended
“Enlarged Share Capital”	the issued share capital of the Company as it will be immediately following the Rights Issue (assuming the maximum 87,413,607 Issue Shares are issued pursuant to the Rights Issue)
“ECA”	the economic capital assessment being the capital requirement for a member participating on a Lloyd’s Syndicate
“Existing Ordinary Shares”	the 203,965,084 Ordinary Shares in issue as at the date of this announcement
“Extraordinary General Meeting” or “EGM”	the extraordinary general meeting of the Company convened by a notice which will be enclosed with the Prospectus, and any adjournment thereof
“Form of Proxy”	the form of proxy for use by Shareholders in connection with the EGM
“FSA”	the Financial Services Authority
“Fully Paid Rights”	fully paid rights to subscribe for Issue Shares pursuant to the Rights Issue

“GQS arrangement”	an arrangement between a corporate member at Lloyd’s and a reinsurance company whereby the reinsurance company provides security, in a form acceptable to Lloyd’s which the corporate member uses to satisfy part of its funds at Lloyd’s and in return the reinsurer receives a proportional share in the results of the member, less an amount for overriding commission on premiums and profit commission on a positive underwriting result
“Issue Price”	87p per Issue Share
“Issue Shares”	up to 87,413,607 new Ordinary Shares which are to be issued by the Company pursuant to the Rights Issue
“Kiln” or “the Company”	Kiln plc
“Kiln Corporate Members”	Kiln Underwriting Limited, Kiln Underwriting (308) Limited, Kiln Underwriting (510) Limited, Kiln Underwriting (807) Limited, Kiln Underwriting (807) No. 2 Limited and R J Kiln & Co (No. 2) Limited
“Kiln Group” or “Group”	Kiln and its subsidiary and associated undertakings
“Lexicon Partners”	Lexicon Partners Limited, a company regulated in the United Kingdom by the FSA
“Lloyd’s” or “the Society”	the Society and Corporation of Lloyd’s created and governed by the Lloyd’s Acts 1871-1982, including the Council of Lloyd’s (and its delegates and other persons through whom the Council may act), as the context may require
“London Stock Exchange”	London Stock Exchange plc
“Nil Paid Rights”	rights to subscribe for Issue Shares, nil paid, pursuant to the Rights Issue
“Numis”	Numis Securities Limited, a company regulated in the United Kingdom by the FSA
“Official List”	the Official List of the UKLA
“Ordinary Shares”	the ordinary shares of one penny each in the capital of the Company from time to time
“Prospectus”	the prospectus relating to Kiln plc and the Issue Shares prepared in accordance with the prospectus rules of the Financial Services Authority
“Provisional Allotment Letters”	the renounceable provisional allotment letters to be despatched to Qualifying non-CREST Shareholders in respect of the Issue Shares to be provisionally allotted to them and “Provisional Allotment Letter” shall be construed accordingly
“Qualifying CREST Shareholder”	Qualifying Shareholders whose Existing Ordinary Shares on the register of members of the Company on the Record Date are in uncertificated form

“Qualifying non-CREST Shareholder”	Qualifying Shareholders whose Existing Ordinary Shares on the register of members of the Company on the Record Date are in certificated form
“Qualifying Shareholders”	Shareholders on the register of members of the Company on the Record Date other than those Overseas Shareholders (excluding Berkley Insurance Company through its nominee Chase Nominees) who are resident in, or who are citizens of, or who have registered addresses in Canada, Japan, Australia, New Zealand, the Republic of South Africa, the Republic of Ireland or the United States (or any of its states, territories or possessions)
“Record Date”	the record date for the Rights Issue, being the close of business on 23 November 2005
“Resolutions”	the resolutions to be proposed at the EGM contained in the notice of EGM which is to be enclosed with the Prospectus
“Rights Issue”	the proposed issue to Qualifying Shareholders of Issue Shares by way of rights on the basis described in the Prospectus and, in the case of Qualifying non-CREST Shareholders, in the Provisional Allotment Letters
“R J Kiln”	R.J. Kiln & Co. Limited, a wholly-owned subsidiary of the Company and the managing agent of the Syndicates
“Shareholders”	holders of Ordinary Shares
“Syndicates”	syndicates 308, 510, 557, and 807 and “Syndicate” means, any one of the Syndicates as the context requires
“uncertificated form”	shares recorded on the Company’s register of Shareholders as being held in uncertificated form, title to which may be transferred by means of an instruction issued in accordance with the rules of CREST
“UK Listing Authority” or “UKLA”	the UK Listing Authority, a division of the FSA acting in its capacity as competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000, as amended
“Underwriting Agreement”	the conditional underwriting agreement dated 2 November 2005 between the Company and Numis
“United Kingdom” or “UK”	the United Kingdom of Great Britain and Northern Ireland
“United States” or “US”	the United States of America, its territories and possessions, any State of the United States, the District of Columbia and all other areas subject to its jurisdiction
“US Hurricanes”	Hurricanes Katrina and Rita, which took place in August and September 2005 causing destruction in the Gulf of Mexico and in the southern United States

"US Terror Attacks"	the terrorist attacks on the World Trade Centre in New York and the Pentagon in Washington DC, together with the aviation crash in Pittsburgh, all of which took place on 11 September 2001
"W R Berkley Corporation"	W. R. Berkley Corporation of 475 Steamboat Road, Greenwich, Connecticut, USA
"W R Berkley Group"	W R Berkley Corporation and its subsidiaries and associated undertakings including without limitation Berkley Insurance Company