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Wellington Underwriting PLC

27 November 2003

Wellington Underwriting plc

Major New Financing Facility

Wellington Underwriting plc ("Wellington") is pleased to announce that it has attained the financing to support its medium-term development by signing a new credit facility of £120m from a group of banks led by Barclays Bank and Lloyds TSB. This new facility will replace Wellington's existing £42.6m of Letters of Credit ("LOC") facility.

There are three elements to the new facility. The first consists of LOC up to £75m to be used as Funds at Lloyd's to support Wellington's underwriting on its managed syndicate 2020 for the 2004 and 2005 years of account. With an annual commission of 1.50% it provides an extremely flexible and cost efficient way of funding the Group's underwriting at Lloyd's at a time when underwriting terms and conditions remain very favourable.

The second part of the facility will be a revolving credit facility of £15m on which Wellington can draw for working capital purposes.

The third element of the facility is a £30m term loan which may be used for general corporate purposes and to finance new business initiatives.

The £32.4m released from Funds at Lloyd's on full drawing of the LOC (being the balance between the £75m of new LOC and the £42.6m of previous LOC which it replaces), together with the £30m term loan and the company's other cash resources will, in aggregate, provide approximately £75m which will be available to support the Group's future development.

Commenting on the new bank facility, Julian Avery, Chief Executive, said: "The signing of the credit facility is an important step for Wellington. It not only provides us with a more efficient capital structure, but we now have the resources available to finance future initiatives and support the Group's growth going forwards."

Lexicon Partners acted as financial advisers to Wellington on the arrangement of the new facility.

For further information:

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