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Randall & Quilter Investment Holdings plc
[For immediate release]

Randall & Quilter Investment Holdings plc (“Randall & Quilter”)
KMS Group of Companies (“KMS”)

Randall & Quilter, the AIM traded run-off management service provider and acquirer of solvent insurance companies in run-off, is pleased to announce that it has acquired KMS, the London-based provider of insurance run-off services, through the acquisition of the holding company Continuum Holdings Limited for a total cash consideration payable on completion of £1.78 million.

Randall & Quilter and KMS have worked together on a number of projects in the past and the acquisition of KMS will complement the service provision capabilities of the Insurance Services Division.

KMS made profit before tax of £0.6 million on revenues of £3 million for the year ended 31 December 2007, with net assets of £1.3 million at the year end.

Ken Randall, Chairman and Chief Executive Officer of Randall & Quilter commented:

“I am pleased to be able to announce the acquisition of KMS. This acquisition will bring further skills to the Group to bolster its ability to administer liquidated estates, to manage schemes of arrangement and will further strengthen the senior management team within the Insurance Services Division”

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Randall & Quilter is the holding company for a group of companies which operate in the non-life run-off insurance sector (the “Group”). The Group comprises three divisions:

- Insurance Services Division. This manages insurance portfolios in run-off for both third party clients, including syndicates at Lloyd’s, and for the Group’s own insurance subsidiaries.
- Insurance Company Division. This acquires solvent insurance companies in run-off, avoiding companies with any material personal lines business. Currently this division has eight companies in its portfolio.
- Liquidity Management Division. This acquires reinsurance receivables on a recourse or non-recourse basis and seeks to realise them for cash.

The Group has approximately 170 staff in its offices in the UK and the US and has recently been selected as ‘Run-off Management Service Provider of the Year 2007’ by the Association of Run-off Companies.

Further information can be found at www.rqih.co.uk.

KMS is an FSA approved insurance service provider with a proven and well-respected track record in run-off management and the delivery of exit solutions. It has a range of clients from Bermudian, European, UK and US insurance and reinsurance companies to banks and private equity and hedge funds.

KMS' predecessor was KWELM Management Services Limited established in 1992 to administer the world's then largest combined insurance company insolvent Scheme of Arrangement for four English companies **K**ingscroft, **W**albrook, **E**l Paso and **L**ime Street and one Bermudian company **M**utual, the ("KWELM") Scheme. In addition to the KWELM scheme this run-off service company also took on the run-off for the Bermudian company Bermuda Fire & Marine ("BFMIC").

Following the successful bar date process for both KWELM and BFMIC, the KWELM group transferred all of its run-off business to a new group of companies – KMS - set up in 2005 by four of KWELM's senior management.

Employing key and experienced staff from the KWELM group, KMS has successfully continued to develop and expand its service offerings and client base from its offices in the City Of London.

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