



AMLIN

Interim Results

5 September 2005

Roger Taylor – Chairman

Charles Philipps – Chief Executive

Richard Hextall – Finance Director

Tony Holt – Underwriting Director



This presentation contains or may contain forward-looking statements. It is important to note that the Company's actual results could differ materially from the results anticipated or projected in any such forward-looking statements, based on a number of important factors. The Company does not assume any obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise. Past performance cannot be relied on as a guide to future performance.

Overview



- **Exceptionally strong first half performance**
(CR: 69%; PBT up 56% to £134.1 millions; EPS up 60% to 24.5p)
- **Interim dividend up 33% to 4p**
- **Strong cash flow and financial strength permits return of capital**
- **Hurricane Katrina: largest industry loss but absorbable**
- **Good full year return prospects**
- **Current trading conditions better than expected**
(4% average renewal rate decline in first half)
- **Plans to explore start up of non-Lloyd's platform**

Excellent shareholder returns

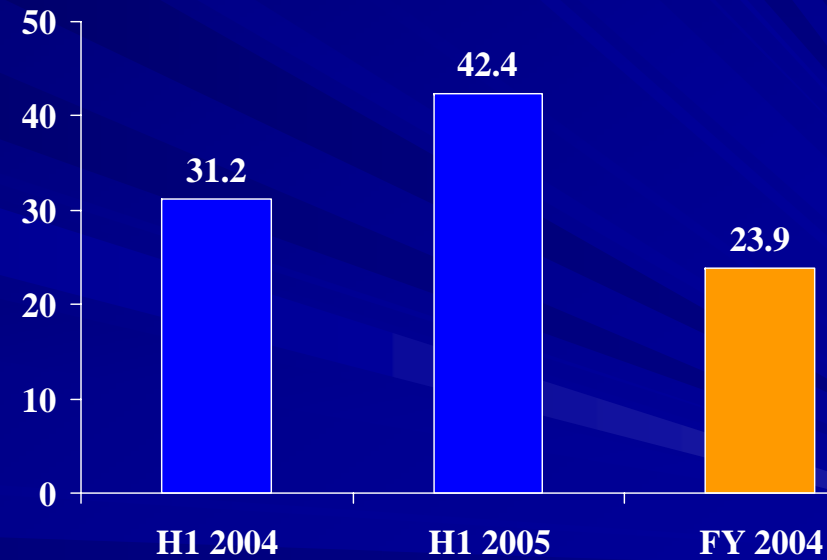


AMLIN

Earnings per share (p)



**Return on equity (%)
(annualised)**

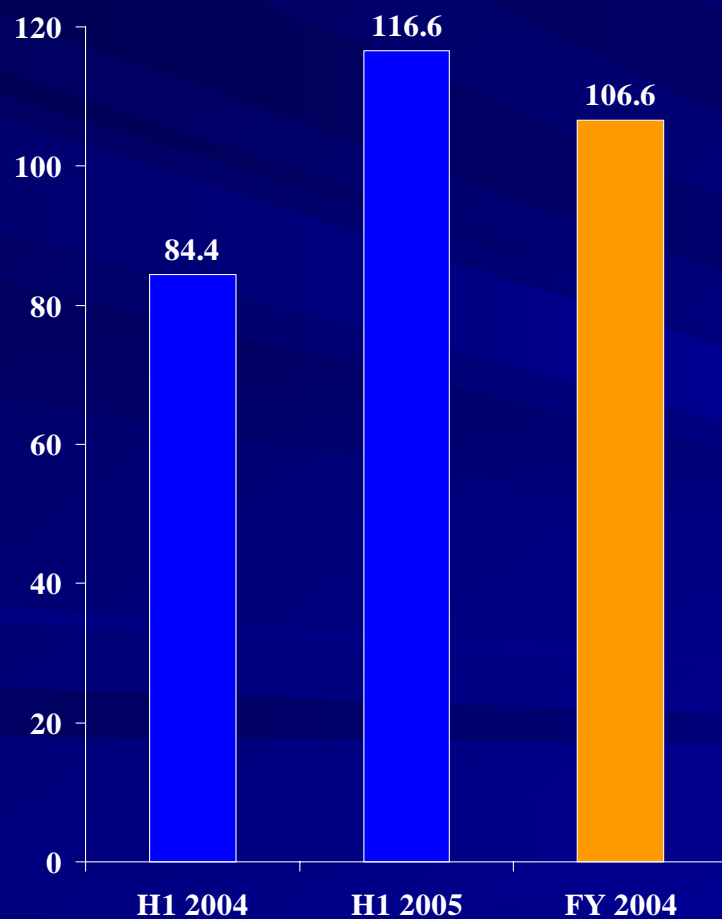


All areas performed well

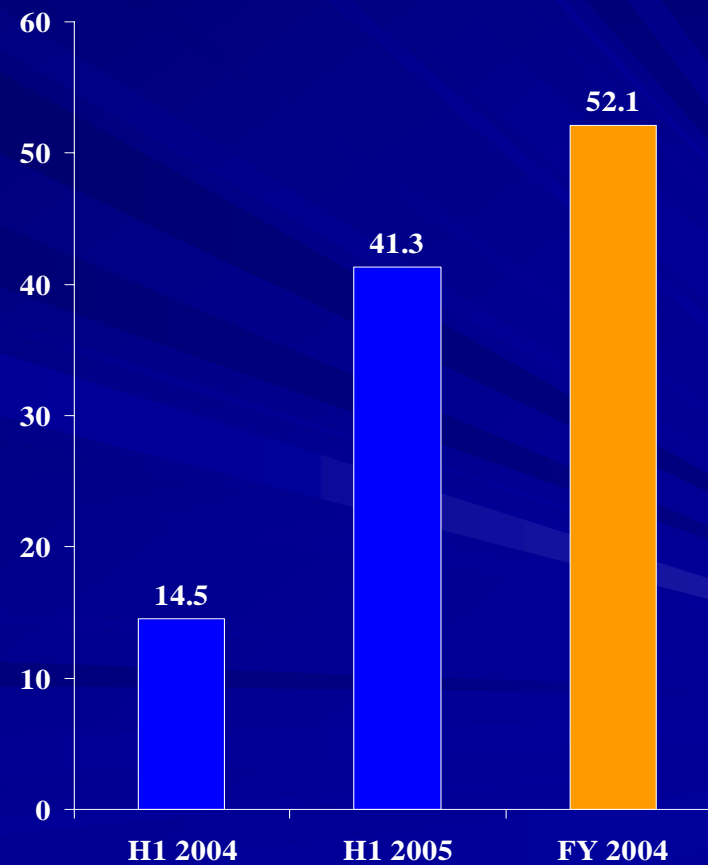


AMLIN

Underwriting contribution (£m)



Investment contribution (£m)



International Financial Reporting Standards



➤ **Income Statement impact relative to UK GAAP**

- Foreign exchange translation of non monetary items - £22.2 million
- No amortisation of syndicate capacity - £1.6 million
- Accounting for dividends
- Incentive scheme charges - £0.8 million

➤ **Balance Sheet impact relative to UK GAAP**

- Defined benefit pension scheme

Results summary



	H1 2005 £m	H1 2004 £m	Change %	FY 2004 £m
Gross premiums written	675.8	709.7	(5)	945.6
Net premiums written	556.5	570.4	(2)	790.2
Net earned premiums	395.5	345.6	14	722.4
Profit before tax	134.1	86.0	56	128.9
Tax	(37.2)	(26.9)	38	(37.9)
Profit after tax	96.9	59.1	64	91.0
Earnings per share	24.5p	15.3p	60	23.4p
Net tangible assets per share	120.6p	95.2p	27	100.7p

Differential analysis



	H1 2005 £m	H1 2004 £m	Change %
Underwriting result (after expenses)	116.6	84.4	38
Investment return	41.3	14.5	185
	<hr/> 157.9	<hr/> 98.9	<hr/> 60
Other income	1.1	1.9	(42)
Other charges	(21.4)	(12.5)	71
Finance costs	(3.5)	(2.3)	52
Profit before tax	<hr/> 134.1	<hr/> 86.0	<hr/> 56

Underwriting results

(assuming 100% Syndicate ownership)



	H1 2005 £m	H1 2004 £m	FY 2004 £m	FY 2003 £m	FY 2002 £m
Gross premiums written	674.3	708.1	942.2	1,097.5	988.3
Net premiums written	554.2	564.2	781.6	922.0	793.1
Net earned premiums	399.7	387.4	777.3	890.6	699.4
<hr/>					
Claims ratio	44%	42%	50%	50%	63%
Expense ratio	25%	30%	32%	36%	33%
Combined ratio	69%	72%	82%	86%	96%

Note: The claims ratio represents the movement in net claims as a percentage of net earned premium. The expense ratio represents underwriting expenses, net of movements in deferred acquisition costs, as a percentage of net earned premiums.

Divisional analysis

(assuming 100% Syndicate ownership)



AMLIN

	Total £m	Non- marine £m	Marine £m	Aviation £m	UK Commercial £m
Gross premiums written	674.3	412.3	120.2	42.5	99.3
Net premiums written	554.2	337.0	106.2	22.8	88.2
Net earned premiums	399.7	209.3	72.3	30.8	87.3
Claims ratio	44%	37%	41%	55%	58%
Combined ratio	69%	62%	68%	80%	79%
H1 2004	72%	63%	95%	75%	74%
FY 2004	82%	80%	87%	83%	83%

Investment return



AMLIN

	H1 2005 Average funds under management	H1 2005 Return	H1 2004 Average funds under management	H1 2004 Return
	£m	%	£m	%
Corporate				
- Cash	215	2.5	158	2.1
- Equities	105	10.3	55	4.5
Syndicate (100%)				
- Cash	276	2.2	208	1.7
- Bonds (sterling)	426	3.4	291	1.4
- Bonds (US dollar)	433	1.2	496	0.2
- Bonds (other)	116	2.8	78	1.6

Cash flow and capital management



AMLIN

Cash flow

- **£109 million of cash profits released from Lloyd's in 2005**
- **Over £200 million of cash profits expected to be released in 2006**
- **£60 million of solvency capital to be released in 2005**

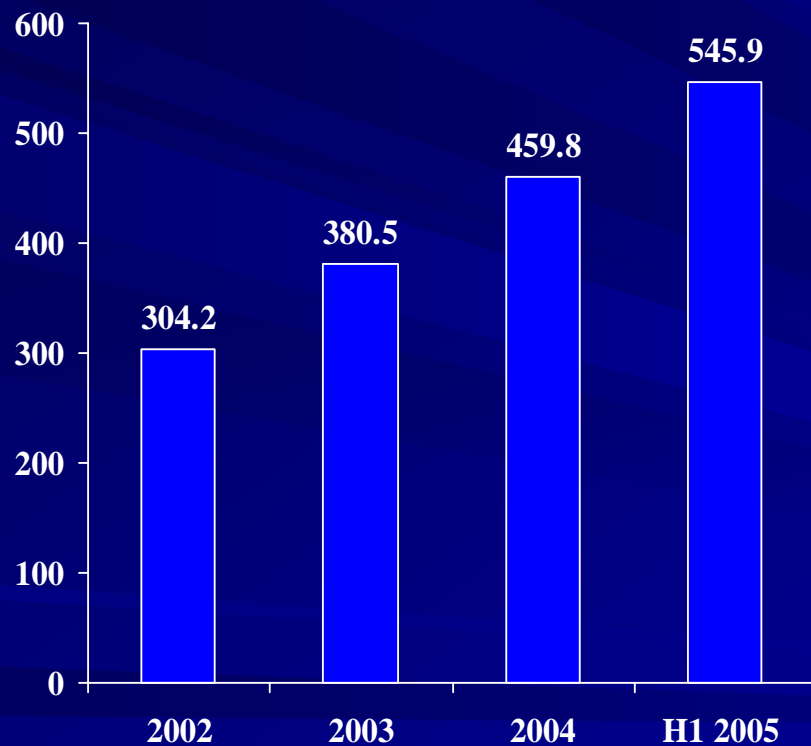
Debt

- **Additional \$50 million of subordinated debt raised in 2005**
- **£30 million term loan repaid in full**
- **New £100 million LOC facility to replace current £130 million facility**

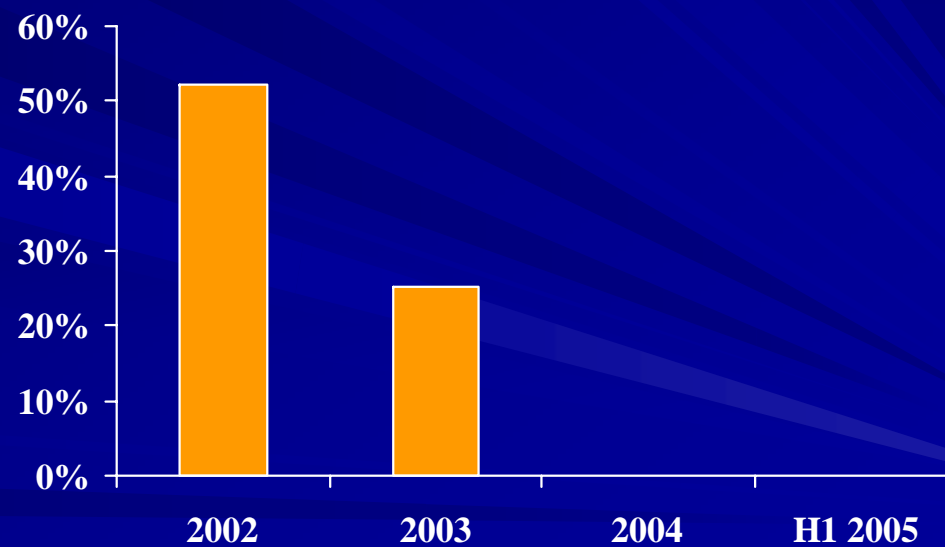
Balance sheet management



Net Assets



Adjusted Gearing



Adjusted Gearing

Current trading conditions



➤ Rates remain significantly ahead of 2000 levels

Rating indices for major classes	2000	2001	2002	2003	2004	2005
Airline hull and liabilities	100	242	232	194	175	136
Marine hull	100	115	148	170	183	183
Employers' liability	100	115	144	158	155	150
Energy	100	140	172	189	165	173
Professional indemnity	100	110	148	179	180	162
US large property insurance	100	125	171	163	143	123
Non US catastrophe reinsurance	100	120	157	162	146	131
US catastrophe reinsurance	100	115	146	150	143	146
US Casualty	100	125	170	211	230	241
War	100	250	288	244	220	198
Fleet motor	100	121	136	142	139	133
Risk XL	100	122	190	192	171	139

➤ Average H1 renewal retention ratio 83%

➤ Average H1 renewal rate change of – 4%

Current trading conditions



➤ **Non-Marine**

- Increased pricing on Florida CAT, but stable for rest of USA
- Increased buying demand for reinsurance
- Increased competition for international CAT
- Large property insurance continued to be under pressure
- Other classes stable
- Impact of Katrina on pricing

➤ **Marine**

- Energy prices in Gulf of Mexico responded to Ivan
- International energy weaker
- ONGC and Katrina losses
- Other classes stable

Current trading conditions



➤ Aviation

- Non-airline price improvements
- Non-airline classes represent c65% of 2005 forecast income
- 5 airline losses in July/August
- Airlines renew in 4th quarter

➤ UK Commercial

- Motor rates declining, but margin remains
- Professional indemnity under pressure
- Employers' liability account more stable

Impact of Hurricane Katrina



AMLIN

- Industry insured loss estimates for windstorm
 - RMS: \$20-35 bn (economic loss \$100 bn)
 - AIR: \$17-25 bn
 - Equecat: \$9-16 bn
 - Munich Re: up to \$20 bn

- Uncertainties
 - Flood losses
 - Business interruption

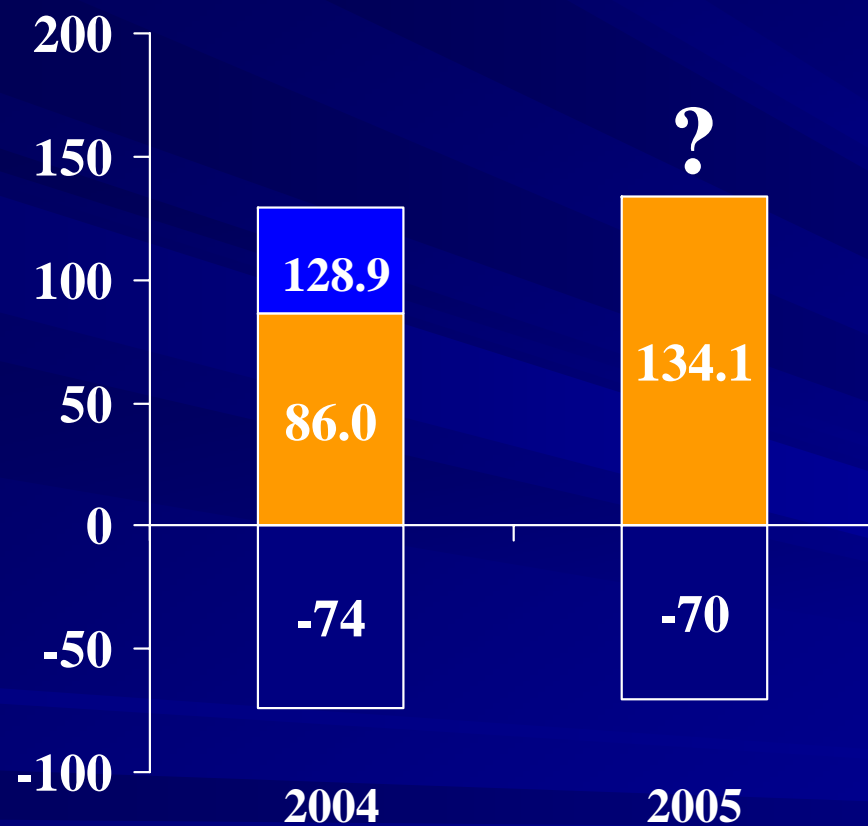
- Estimated net loss to Amlin: \$110 million

Outlook for 2005



- Record unearned premium reserve of £653 million
- Strong and consistently applied reserving
- Rating conditions better than expected
 - Only 4% renewal rate reduction
 - 80% of 2005 plan written by end August
- Investment outlook positive
- Windstorm season losses

Windstorm season losses



- Windstorm season not over
- Strength of underlying performance
- Diversity of portfolio

□ Windstorm losses to date ■ H1 PBT ■ FY PBT

Outlook for 2006 and beyond



- Continued favourable trading conditions
 - Steep decline unlikely (in short term)
 - Effect of Hurricane Katrina
- Evidence of market discipline
- Growth in investment portfolio
- Reserving strength
- Experienced team outperforms more in tougher conditions

Non-Lloyd's platform



- Risk in 2001/2 post WTC
- Markets and opportunities for profitable growth
 - Bermuda
 - Impact of Katrina
- Free cash flow v credible platform
- Active exploration, albeit not an imperative for 2006

Summary



- Record Half 1 result
- Fundamentals for full year mitigate risks from windstorm activity
- Outlook for 2006 more favourable than previously anticipated
- Intention to optimise timing of non-Lloyd's platform
- Return of capital reinforces focus on return on equity



AMLIN

Questions & Answers



AMLIN

Interim Results

5 September 2005

Roger Taylor – Chairman

Charles Philipps – Chief Executive

Richard Hextall – Finance Director

Tony Holt – Underwriting Director