



Amlin plc
2007 Preliminary Results
28 February 2008



AMLIN



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



- Exceptional results
 - Record ROE of 37.8%
 - 5 year average ROE of 32.0%
 - PBT ↑ 29.9% to £445.0m
 - GPI ↓ 6.2% to £1,044.7m

- Key drivers
 - Strong pricing for Non-marine, Marine and Amlin Bermuda
 - Further year of low CAT losses
 - Amlin Bermuda underwriting profit ↑ 68.4% to £116.2m
 - Investment returns up ↑ 36.4% to £157.0m

- Positive outlook for 2008

- Active capital management
 - B share return of capital of 22.4p
 - Total dividend for 2007 of 15.0p, ↑ 25%
 - Final dividend of 10.0p
 - Share buy back



Results summary

	2007	2006	Change
	£m	£m	%
Gross premium written	1,044.7	1,113.8	(6.2)
Net premium written ⁽¹⁾	938.3	1,013.5	(7.4)
Net premium earned ⁽¹⁾	972.3	973.9	(0.2)
Underwriting contribution	355.0	267.9	32.5
Investment return	157.0	115.1	36.4
Profit before tax	445.0	342.7	29.9
Tax	(92.2)	(74.9)	23.1
Profit after tax	352.8	267.8	31.7
Return on equity	37.8%	34.0%	11.2
Earnings per share ⁽²⁾	66.3p	50.4p	31.5
Net tangible assets per share ⁽²⁾	206.2p	163.2p	26.3

(1) 2006 excludes premium received by Amlin for reinsurance to close of non-aligned members of Syndicate 2001

(2) 2007 per share amounts reflect the 8 for 9 ordinary share consolidation which occurred on 17 December 2007



Group underwriting results

	2007 £m	2006 £m	2005 £m	2004 £m	2003 £m
Gross premium written	1,044.7	1,113.8	993.5	945.6	937.4
Net premium written ⁽¹⁾	938.3	1,013.5	829.3	790.2	787.6
Net earned premium ⁽¹⁾	972.3	973.9	822.1	722.4	701.1
Claims ratio	36%	41%	57%	50%	50%
Expense ratio	27%	31%	25%	32%	36%
Combined ratio	63%	72%	82%	82%	86%

(1) 2006 and prior excludes premium received by Amlin for reinsurance to close of non-aligned members of Syndicate 2001



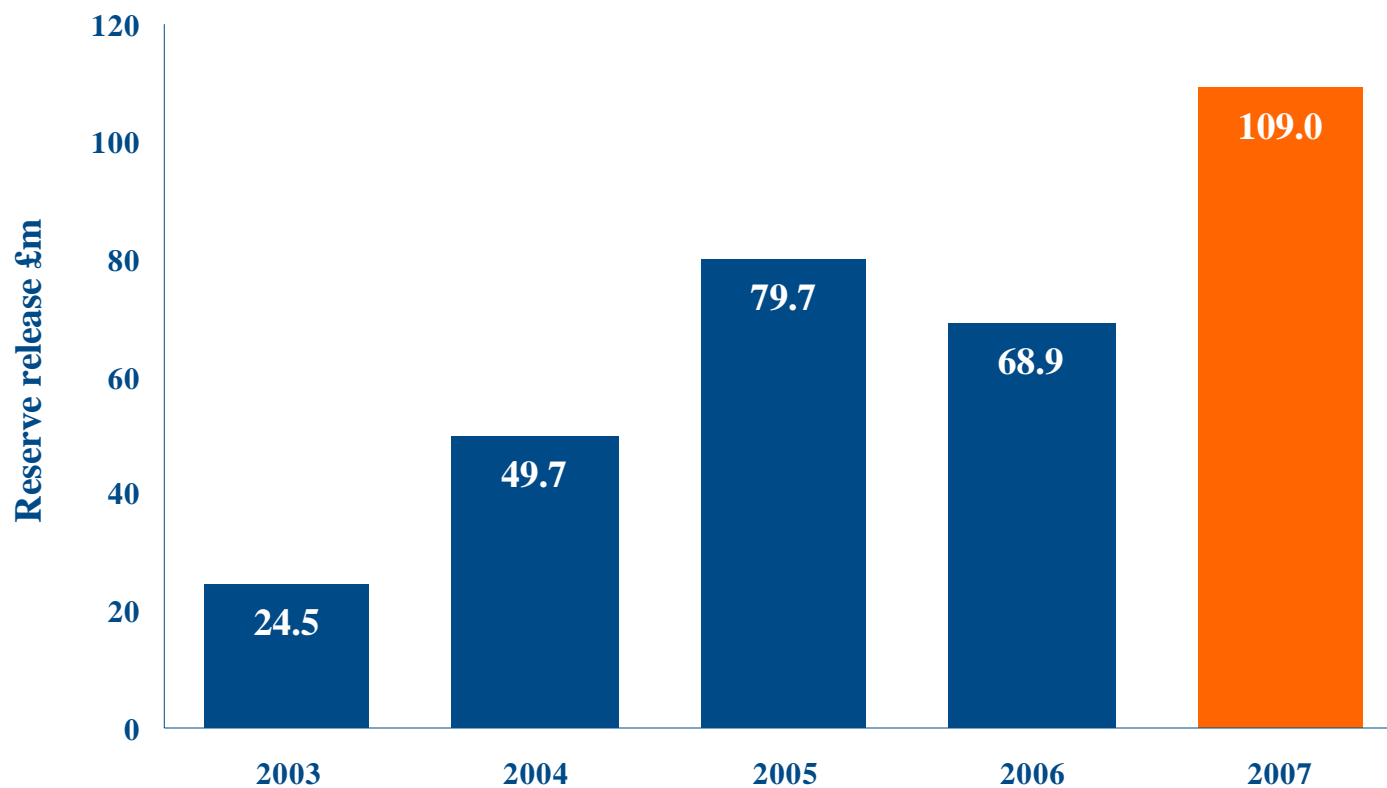
Divisional analysis

	Total £m	Non- marine £m	Marine £m	Aviation £m	UK Comm £m	Amlin Bermuda £m
Gross premium written	1,044.7	500.6	187.2	63.6	149.2	232.8
Net earned premium	972.3	426.2	157.1	47.0	130.3	216.2
Release from reserves	109.0	50.0	8.0	15.9	22.1	13.0
Claims ratio ⁽¹⁾	38%	29%	45%	33%	62%	34%
Combined ratio ⁽¹⁾	64%	60%	83%	70%	86%	46%
<i>2006 combined ratio ⁽¹⁾</i>	<i>70%</i>	<i>66%</i>	<i>81%</i>	<i>84%</i>	<i>84%</i>	<i>48%</i>

(1) Ratios are stated after removing the impact of non-monetary foreign exchange gains and losses

Reserving

- 2007 and prior underwriting year reserves at least £200 million above actuarial best estimate
- Further reserve releases subject to normal claims development





Investment performance

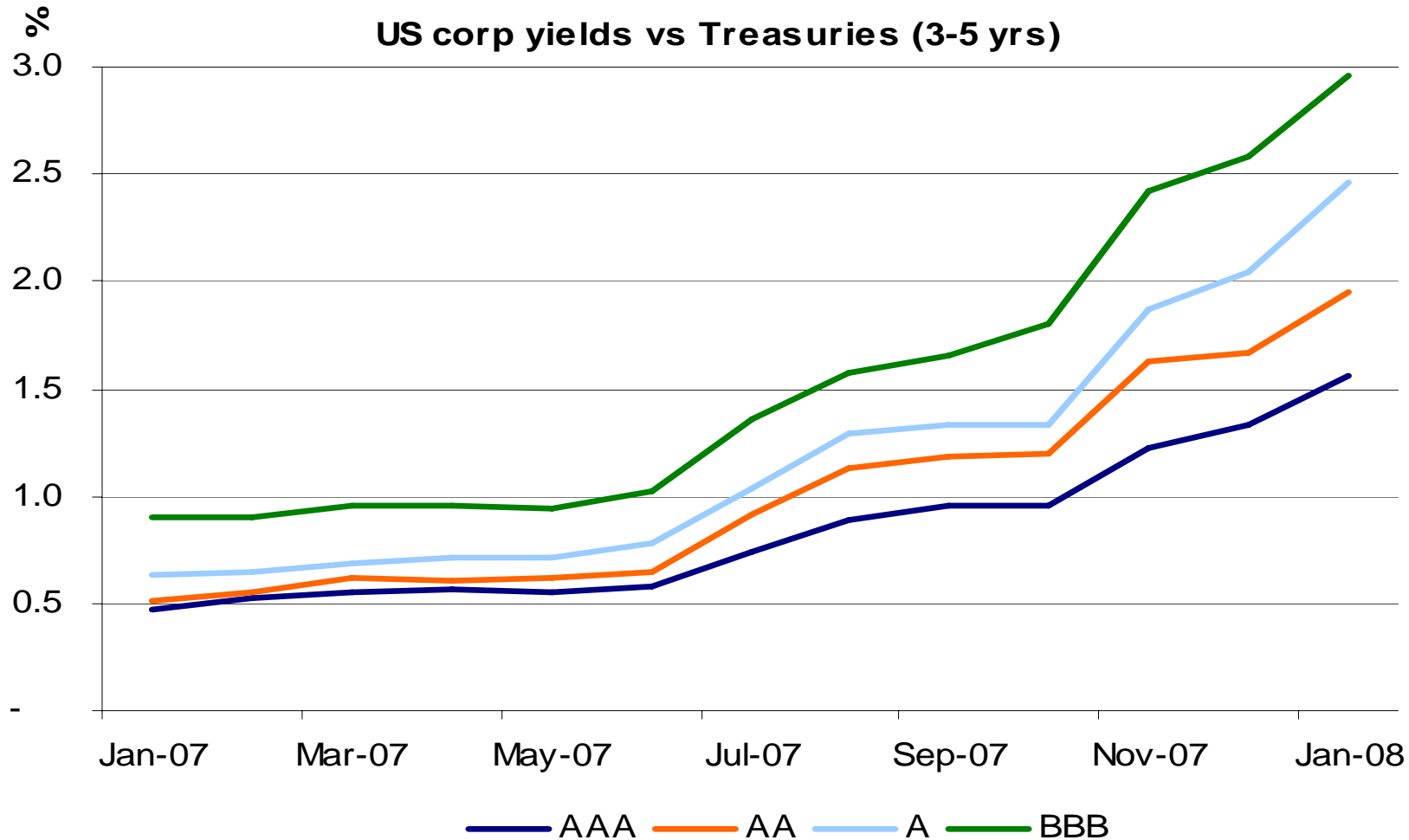
	2007			2006		
	Average asset allocation	Allocation	Return	Average asset allocation	Allocation	Return
	£m	%	%	£m	%	%
Bonds	1,598	64	6.3	1,440	62	3.3
Equities	286	12	10.2	196	8	15.3
Cash equivalents	542	22	5.5	670	29	4.7
Property	59	2	9.8	17	1	3.0
Total	2,485	100	6.6	2,323	100	4.8

Assets by currency	2007	2006
Sterling	41%	43%
US dollar	54%	52%
Euro	3%	3%
Canadian dollar	2%	2%

Debt security by type

	At 31 December 2007		At 31 December 2006	
	£m	%	£m	%
Government securities	837.7	53.1	882.9	52.3
Government index-linked securities	3.0	0.2	44.2	2.6
Government agencies	84.4	5.3	7.2	0.4
Supranational	46.6	3.0	16.8	1.0
Asset backed securities	80.7	5.1	140.9	8.3
Mortgage backed securities	85.6	5.4	208.6	12.4
Corporate bonds	265.5	16.8	312.0	18.5
Pooled vehicles	174.7	11.1	75.8	4.5
Total	1,578.2	100.0	1,688.4	100.0

Credit products – spreads widening



Source: Bloomberg

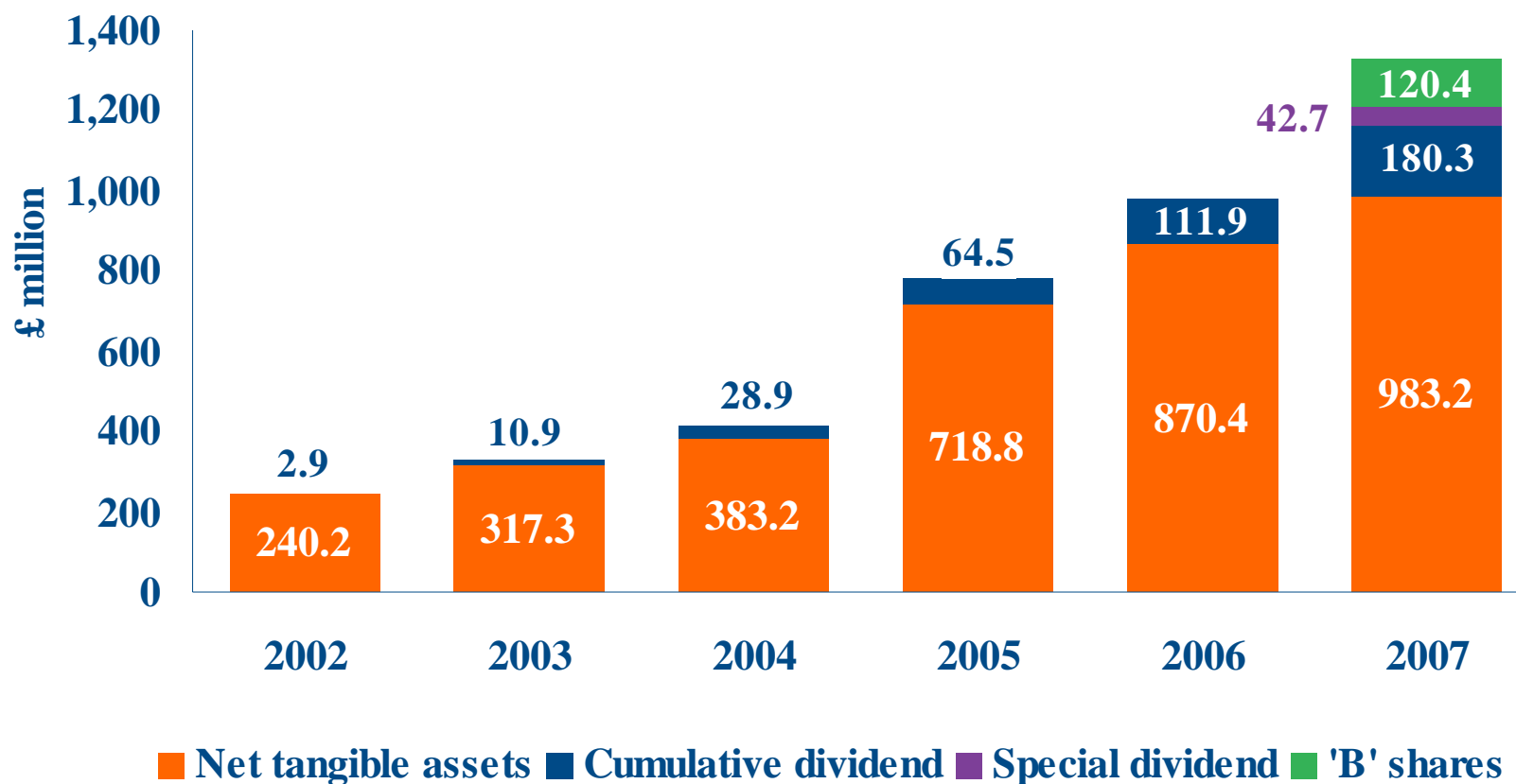
Credit quality at 31 December 2007

	£m	Credit rating			
		AAA %	AA %	A %	BBB %
Mortgage backed securities	154.4	100.0	-	-	-
Asset backed securities					
• home equity	29.3	93.2	6.8	-	-
• other	51.4	100.0	-	-	-
Corporate bonds					
• bank	141.8	61.4	19.9	15.3	3.4
• other	123.7	19.4	22.8	25.4	32.4

➤ Mortgage backed securities include £68.8m of government agency debt

Growth in assets

NTA and capital return (IFRS*)



* Recognises dividends and other cash returns on a paid and approved not declared basis

Rating indices in key classes

Class	2000	2001	2002	2003	2004	2005	2006	2007
US catastrophe reinsurance	100	115	146	150	143	144	185	188
International catastrophe reinsurance	100	120	157	161	145	131	138	131
Risk XL	100	122	189	191	170	146	170	144
US large property insurance	100	125	171	163	143	136	165	143
US casualty	100	123	172	217	234	239	237	223
Marine hull	100	115	148	171	183	189	191	192
Off shore energy	100	140	172	189	170	175	262	243
War	100	250	288	244	220	206	191	175
Fleet motor	100	121	136	143	141	137	135	134
UK employers liability	100	115	144	158	159	144	135	120
UK professional indemnity	100	110	149	178	181	165	154	141
Airline hull and liabilities	100	301	283	235	216	201	158	122



Current trading – London market

Reinsurance

- All reinsurance classes off peaks
- US catastrophe - margins still good
- Regional strategy – longstanding core book
- International catastrophe under pressure – selective opportunities
- Retro structure rebuilt during 2007 and renewing - lowers volatility

Non-marine specialty

- US large property under most pressure– some retraction
- Other areas, including US casualty, softening modestly
- Continue dominance of short tail with conservative attritional casualty account
- Good margins remain in all areas

Current trading – London market

Marine

- Marine rates generally holding up well
- Energy under pressure – but rating still strong
- War remains competitive but reacts quickly to loss events
- Modest softening for 2nd year in most other classes
- Still a profitable market in all classes but fewer new opportunities

Aviation

- Further shrinkage of airline account as pricing weakened
- \$1.1bn airline losses excluding attrition in 2007
- Remain in holding position



Current trading – UK Commercial

- UK commercial rates remain flat
- Limited opportunity to increase premium volumes
- Rate increases expected in UK commercial motor in 2008 and 2009
- Liability account rates and income still reducing
- Focus on low to medium liability risk



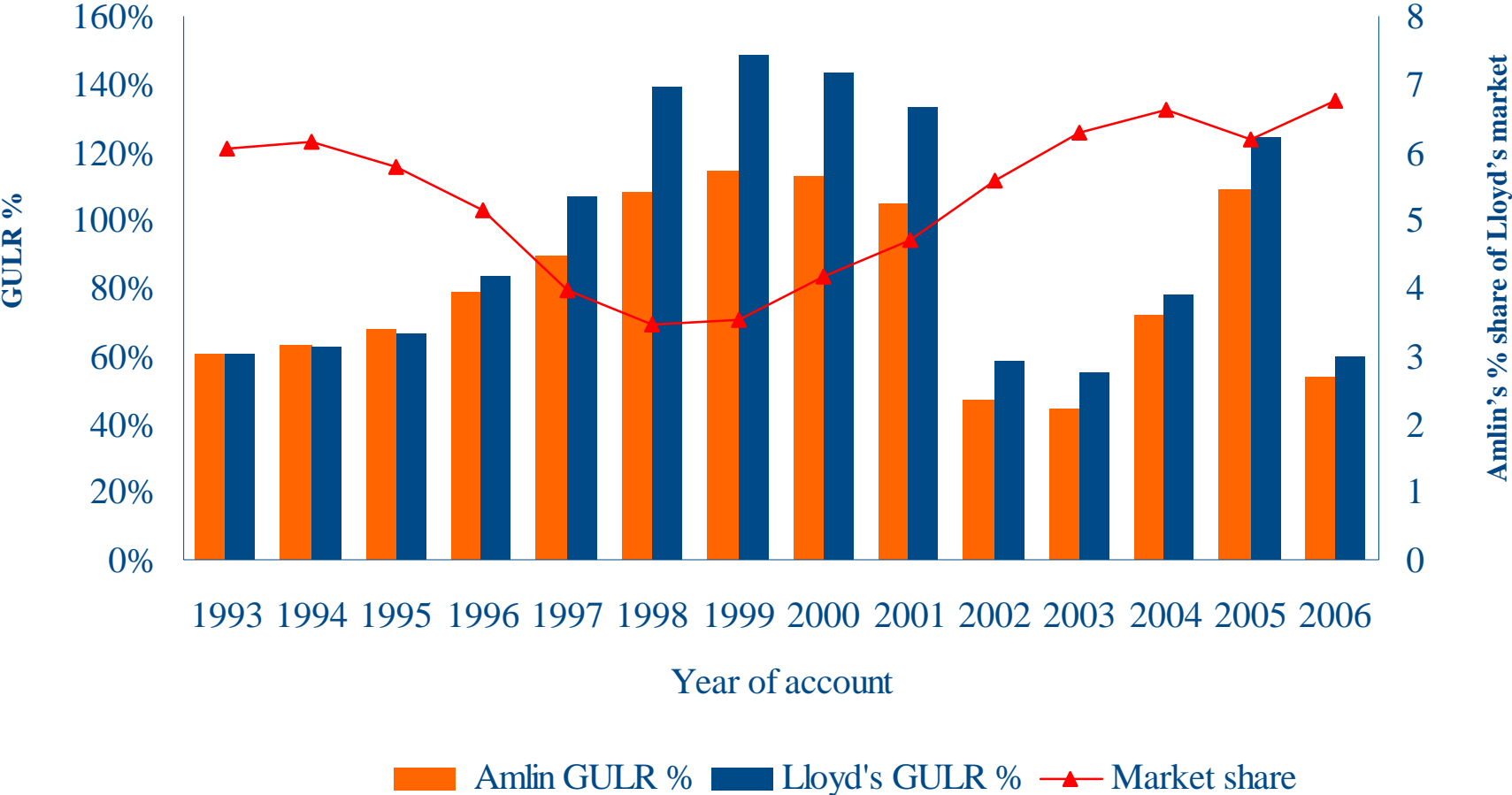
Soft cycle management

- Reduce exposures as margins decline so as to optimise ROE with active capital management
- Increase risk selectivity
- Avoid under-priced attritional business
- Stick to business we understand and have the proven skills to manage
- Purchase more reinsurance to maintain a balance between net downside of a major CAT event and the whole account mean expected profitability
- Example:
 - total airline premium in 2002: £46.7 million with 43 major airlines underwritten
 - total airline premium in 2007: £13.1 million with 10 major airlines underwritten

Stronger out-performance in tougher markets



Historic gross ultimate loss ratios (GULR) for Amlin v Lloyd's





Differences to last soft cycle

For Lloyd's and insurance markets

- Increased divergence in cyclical position between classes
- Increased scrutiny by rating agencies
- Franchise Performance regime
- Risk based capital regime in the UK
- Greater capital markets involvement

For Amlin

- Consistent and well understood underwriting philosophy since 2000 reorganisation
- Exit from worst performing classes in last soft market
- More experienced team
- Positively differentiated ratings
- Significantly enhanced management information and a strong Risk Management function
- Proportionately larger CAT exposures following start up of Amlin Bermuda
- Robust reserving with prospect of run-off profits

CAT net risk appetite lower relative to NTA



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	NTA at prior year end £m	Largest modelled event risk appetite- £m	Largest event risk appetite as a % of NTA
2004	317	150	47
2005	383	170	44
2006	719	325	45
2007	870	362	42
2008	983	341	35

- At 1 January 2008, actual largest modelled loss was £316 million.
- The largest modelled events are multi zone events such as a major European windstorm causing major damage in the UK, Low countries, France and Germany and are of a size which has not happened before.

Strategy

- Continued focus on successful management of cycle
 - Technical pricing and focus on gross underwriting profit
 - Willingness to contract in short term
 - Management of CAT downside

- Active capital management

- Quality of team
 - Retention and succession planning
 - Training and leadership development

- Building long term growth potential
 - Reputation / rating / service
 - Amlin Bermuda
 - Amlin Singapore / other Lloyd's developments / platforms
 - UK Commercial / Allied Cedar / property insurance



Outlook positive for 2008

- Underpinned by a healthy net unearned premium reserve of £474.3 million weighted towards well priced business.
- Softer rating environment, but
 - Capacity weighted towards classes still trading at or near peak pricing levels
 - Airline and UK Commercial not expected to soften much more
- Net catastrophe exposures reduced
- Normal claims development should deliver more run off profits
- But investment outlook uncertainty
- Still capable of delivering attractive ROE

Summary

- Exceptional level of profit in 2007
- A record of out performance over the last five years - weighted average ROE of 32.0%
- Outlook positive for 2008 – still a respectable ROE
- A record of outperformance in softer market conditions
- As market softens, counter cyclicity of UK Commercial and airline insurance compared to reinsurance, property and marine insurance should help sustain acceptable returns
- Active capital management and expected growth in dividend



Appendices



Amlin's relative ROE performance

Summary - RoEs 2002-2006

	2002	2003	2004	2005	2006	Average
US Non-life companies	8.2%	6.0%	10.5%	10.6%	17.9%	10.6%
Bermuda Non-life companies	11.5%	18.9%	12.1%	-15.4%	19.4%	9.3%
Lloyd's peers	4.5%	20.5%	18.6%	6.5%	24.6%	14.9%
Amlin	32.9%	27.2%	23.7%	30.5%	34.1%	29.7%

RoE: net earnings over opening shareholders' equity

Source: AMBest, Dowling & Partners, company financial statements

Lloyd's peers: Beazley, Brit, Catlin, Chaucer, Hardy, Hiscox, Kiln

Averages are simple rather than weighted by equity

Ranges	2002	2003	2004	2005	2006	Average
US - worst	-19.9%	-52.5%	-26.0%	-20.9%	2.7%	-23.3%
US - best	73.1%	30.2%	34.4%	34.0%	52.4%	44.8%
Bermuda - worst	-5.7%	-0.5%	-0.8%	-128.3%	-0.2%	-27.1%
Bermuda - best	30.0%	33.9%	23.0%	18.7%	32.2%	27.5%
Lloyd's peers - worst	-21.3%	8.1%	12.1%	2.0%	17.8%	3.8%
Lloyd's peers - best	14.9%	35.6%	24.1%	13.2%	38.0%	25.2%



Simon Beale

Name: Simon Beale

Title: Divisional Underwriter, Marine

Amlin: Since 1994

Industry: Since 1984

Biography

Simon has specialised in marine hull business since joining Lloyd's in 1984 and has been responsible for Amlin's direct marine portfolio since its creation in 2001. A previous chairman to London's Joint Hull Committee, Simon now represents the London market on the Executive Committee of the International Union of Marine Underwriters. He is an elected member of Lloyd's Market Association Marine Committee and a member of Lloyd's Register General Committee.

Simon is a director of Amlin Underwriting Ltd and the London Market Service companies comprising of Amlin Plus Ltd (bloodstock) and Amlin Underwriting Services Ltd (cargo, yacht & credit).





Duncan Dale

Name: Duncan Dale

Title: Leading Class Underwriter, Non-marine

Amlin: Since 1994

Industry: Since 1982



Biography

Duncan is the head of casualty underwriting in Amlin's Non-marine division. He started out in the insurance industry in 1982 in the London company reinsurance sector before entering Lloyd's in 1989.

Duncan is an Associate of the Chartered Insurance Institute, Chairman of the LMA US Casualty Reinsurance Business Panel and a member of the Physicians Insurers Association of America.



Kevin Allchorne

Name: Kevin Allchorne

Title: Leading Class Underwriter, Non-marine

Amlin: Since 1992

Industry: Since 1992



Biography

Kevin joined Amlin after graduating from Liverpool University in Economics and Maths. Since 1996 he has written US risk excess of loss (XL) and North American catastrophe XL business. Prior to this, he worked on both the direct property and casualty accounts.

In addition to his underwriting duties, Kevin has been involved in Syndicate reserving, instrumental in the development of in-house rating models and is a member of the Lloyd's non-marine business panel.



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