



Amlin plc

2008 Preliminary results – analyst presentation

2 March 2009



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

- Solid underwriting result and positive investment return despite adverse impact of financial markets disruption and second worst year in history for major catastrophe losses:
 - Combined ratio 76%
 - Five year weighted average ROE of 25.5%
- Dividend per share increase of 13.3% - continued prospects for strong dividend growth
- Strong balance sheet, no need to raise capital
 - Net tangible assets up 12.5% to £1.11 billion (2007: £0.98 billion)
- Group continues to benefit from superior Insurer Financial Strength Ratings
- Continued progress in diversifying overall underwriting portfolio through acquisition and organic growth
- (Re)insurance prices now trending upwards in most classes and market overall expected to harden further through 2009 and into 2010
- Substantially improved outlook than six months ago



Results summary

	2008 £m	2007 £m	Change %
Gross written premium	1,034.0	1,044.7	(1.0%)
Net written premium	915.7	938.3	(2.4%)
Net earned premium	913.5	972.3	(6.0%)
Underwriting contribution	222.2	355.0	(37.4%)
Investment contribution	18.0	157.0	(88.5%)
Profit before tax	121.6	445.0	(72.7%)
Tax	(41.2)	(92.2)	(55.3%)
Profit after tax	80.4	352.8	(77.2%)
Return on equity	7.8%	37.8%	(79.4%)
Earnings per share	17.1p	66.3p	(74.2%)
Net tangible assets per share	236.0p	206.2p	14.5%

US\$ Capital investment in Amlin Bermuda

	Reserves £m	Income Statement £m	Total £m
Foreign exchange gain on US\$ investment in Amlin Bermuda	256.5	-	256.5
Foreign exchange gains / losses on FX options used to hedge US\$ investment in Amlin Bermuda:			
- Income statement	-	0.4	0.4
- Balance Sheet	(74.7)	-	(74.7)
Foreign exchange loss on Sterling corporate assets held as hedge in Amlin Bermuda	-	(41.3)	(41.3)
Total	181.8	(40.9)	140.9

Group underwriting results

	2008 £m	2007 £m	2006 £m	2005 £m	2004 £m
Gross written premium	1,034.0	1,044.7	1,113.8	993.5	945.6
Net written premium	915.7	938.3	1,013.5*	829.3*	790.2*
Net earned premium	913.5	972.3	973.9*	822.1*	722.4*
Claims ratio	55%	36%	41%	57%	50%
Expense ratio	21%	27%	31%	25%	32%
Combined ratio	76%	63%	72%	82%	82%

* Excluding premiums associated with the reinsurance to close of our increased share of capacity

Divisional analysis

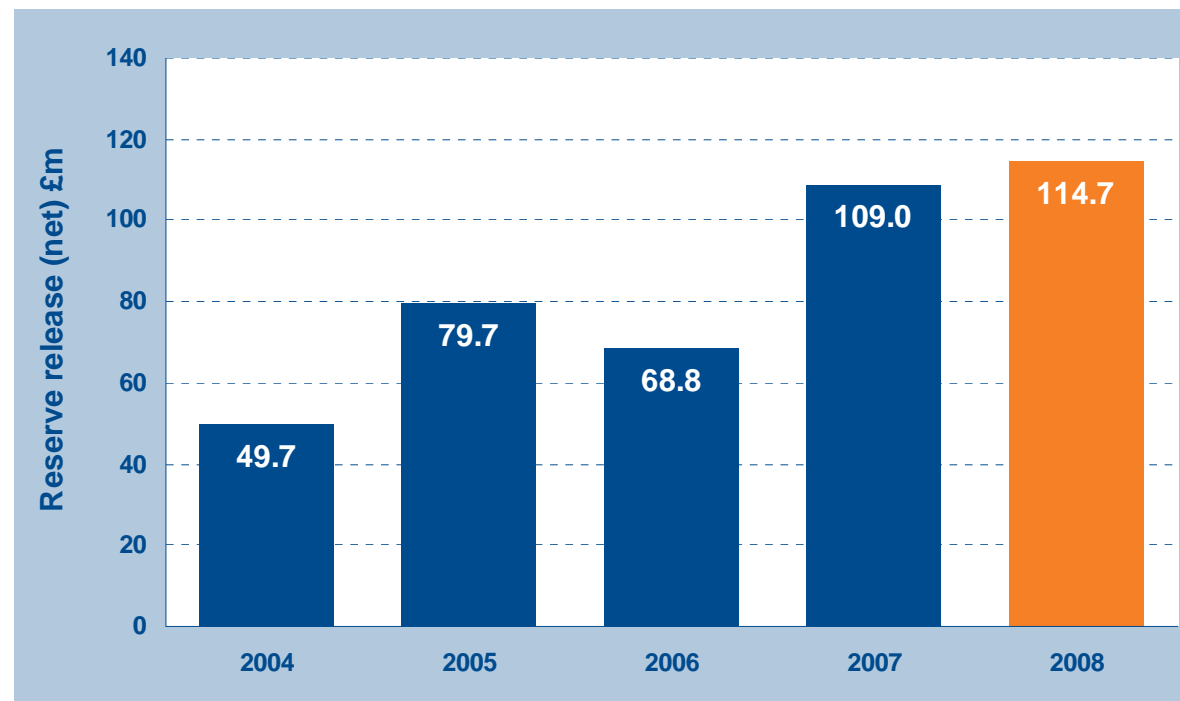
	Group	Amlin London				Amlin Bermuda	Amlin UK
		Total	Non-marine	Marine	Aviation		
	£m	£m	£m	£m	£m	£m	£m
Gross premium written	1,034.0	689.7	443.6	189.5	56.6	297.0	152.8
Net earned premium	913.5	527.7	341.0	146.3	40.4	271.4	121.8
Release from reserves	114.7	58.6	34.5	14.3	9.8	21.7	34.4
Claims ratio	55%	51%	49%	55%	52%	65%	48%
Combined ratio	76%	72%	69%	78%	73%	83%	79%
2007 combined ratio	63%	65%	59%	81%	68%	46%	85%

(1) Group totals include consolidation adjustments.

(2) Non-marine is the old division containing the Reinsurance and Property and Casualty business units.

Reserving

- On an underwriting year basis, net reserves remain at least £200 million above actuarial best estimate
- Further reserve releases subject to normal claims development



Investment performance

	2008				2007		
	Average asset allocation £m	Allocation %	Return %	Benchmark return %	Average asset allocation £m	Allocation %	Return %
Bonds	1,539	58%	3.5%	9.2%	1,598	64%	6.3%
Other liquid investments	818	31%	4.0%	3.8%	542	22%	5.5%
Equities	206	8%	(26.5%)	(32.8%)	286	12%	10.2%
Property	80	3%	(6.3%)	7.0%	59	2%	9.8%
Total	2,643	100%	0.6%	3.5%	2,485	100%	6.6%

Note: Investment return percentages exclude the impact of currency instruments

Bond portfolio breakdown

	At 31 December 2008		At 31 December 2007	
	£m	%	£m	%
Government securities	882.4	48.4	837.7	53.1
Government index-linked securities	11.7	0.6	3.0	0.2
Government agencies / guaranteed	172.2	9.5	122.0	7.7
Supranational	33.7	1.9	46.6	3.0
Asset backed securities	136.0	7.5	80.7	5.1
Mortgage backed securities	112.8	6.2	107.3	6.8
Corporate bonds	221.1	12.1	206.2	13.1
Pooled vehicles	228.2	12.5	174.7	11.0
Insurance linked securities	22.9	1.3	-	-
Total	1,821.0	100.0	1,578.2	100.0

Note: £49.1 million of government agencies / guaranteed assets are mortgage backed and £81.3 are government guaranteed corporate bonds.

Credit quality at 31 December 2008

	Total £m	Credit Rating				
		AAA	AA	A	BBB	Other
		%	%	%	%	%
Corporate bonds – Financials	138.4	29.9%	21.1%	43.0%	6.0%	-
Corporate bonds – Other	82.7	16.2%	3.6%	32.8%	47.4%	-
Mortgage backed securities	161.9	95.7%	0.2%	1.6%	2.0%	0.5%
Asset backed securities	136.0	79.3%	6.8%	1.4%	12.4%	0.1%
Insurance linked securities	22.9	-	-	7.9%	10.8%	81.3%

(1) The table excludes £81.3 million of government guaranteed corporate bonds.

(2) The table includes £49.1 million of Government agency mortgage backed securities.

Strength of capital

	At 31 December 2008 £m	At 31 December 2007 £m
Total equity and reserves	1,216.1	1,052.3
Subordinated debt	295.9	277.5
Facilities *	250.0	250.0
Available capital *	1,762.0	1,579.8
Minimum required capital **	1,059.1	883.0
Headroom	702.9	696.8

* Bank facilities are subject to a number of covenants.

** Lloyd's FAL requirements are currently under review.

Rating indices in key classes

Class	2001*	2002	2003	2004	2005	2006	2007	2008	2009
US catastrophe reinsurance	115	146	150	143	144	185	188	167	↑
International catastrophe reinsurance	120	157	161	145	131	138	131	119	↑
Property reinsurance	122	189	191	170	146	170	144	126	↑
Property insurance	125	171	163	143	136	165	143	133	↑
US casualty	123	172	217	234	239	237	223	203	
Marine hull	115	148	171	183	189	191	192	192	↑
Offshore energy	140	172	189	170	175	262	243	209	↑
War	250	288	244	220	206	191	175	160	
Airline hull and liabilities	301	283	235	216	201	158	122	127	↑
Fleet motor	121	136	143	141	137	135	134	137	↑
UK employers' liability	115	144	158	159	144	135	123	115	
UK Professional indemnity	110	149	178	181	165	154	140	129	

* Base 2000: 100

Current trading - Reinsurance

Amlin London and Amlin Bermuda

- Improvement in rating for all reinsurance classes
- US catastrophe particularly good with significant reversal of declining rates following Gustav and Ike
- Regional strategy – enhances loss projection ability
- International catastrophe – improving but requires selection
- Expect further rate hardening through 2009
- Generally catastrophe capacity shrinking
 - Market-wide shortage of retro capacity
 - Rate of exchange fluctuations affecting capacity for some cat exposures
- Amlin benefiting from Special Purpose Syndicate 6106
- Improved standing of Lloyd's / London benefits both Amlin London and Amlin Bermuda



Current trading – Amlin London (Direct)

Property & Casualty

- Large catastrophe exposed commercial property rates no longer falling and expected to move upwards during 2009
- Uplift in rates in loss effected areas – e.g. onshore energy
- Other areas, including US casualty, adequately rated but require strengthening for our increased involvement
- Continued dominance of short tail with conservative attritional casualty account
- Very limited exposure to financial crisis

Marine

- Offshore GOM energy experiencing substantial rewriting – both rates and coverage
- Generally marine rates increasing but marine trade volumes significantly reduced
- War rates continue to soften but hot spots demand good rates

Aviation

- Rates beginning to firm following significant airline losses in 2008 and early 2009
- Upward trend expected to continue, however, further traction required to rebuild book



Current trading – Amlin UK

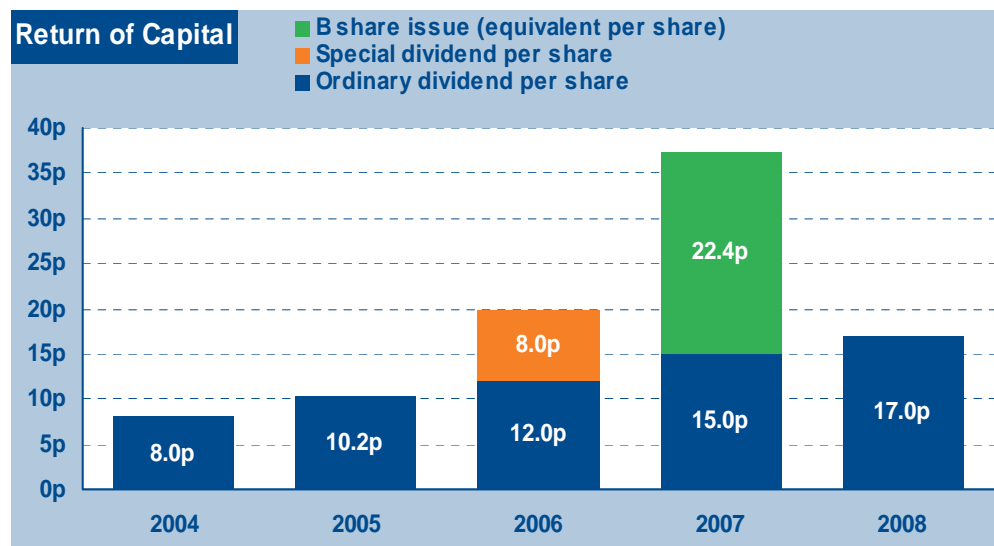
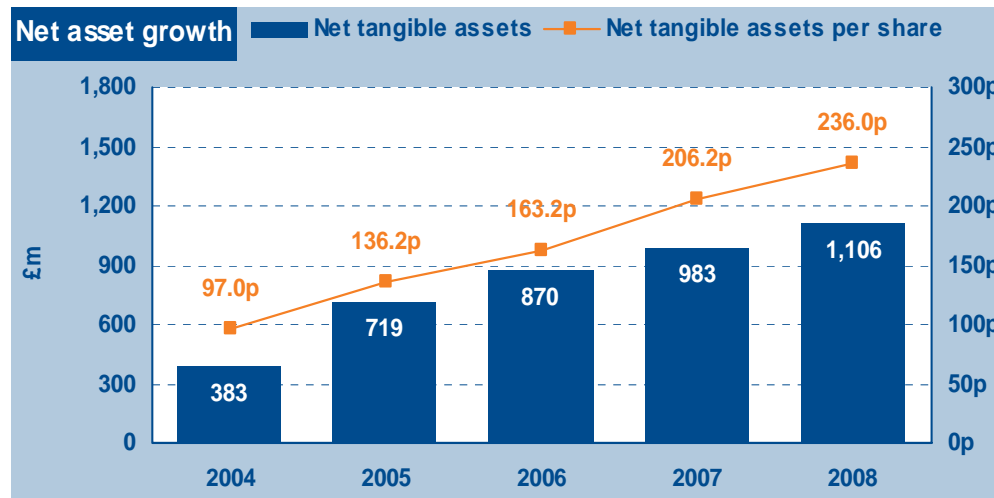
- Rates in fleet and other motor classes showing anticipated improvement
- Rates and income still reducing for liability classes
- Financial institutions – small book with incidental US exposure only
- Limited opportunities to increase premium volumes, but strategic investments made for future growth
- Focus on low to medium hazard liability risk

CAT net risk appetite relative to NTA

	NTA at prior year end £m	Largest modelled event risk appetite £m	Largest net event risk appetite as a % of NTA
2004	317	150	47%
2005	383	170	44%
2006	719	325	45%
2007	870	364	42%
2008	983	341	35%
2009	1,106	384	35%

Capital growth & return

- Continued growth in liquid assets and net tangible assets despite challenging financial markets and increased natural catastrophe activity
- £27.6 million of shares purchased through share buy-back programme
- Dividend (paid and proposed) increased by 13.3% to 17p per share



Business development in support of growth

- Acquisition of AFU
- Investment in Miles Smith plc and T L Dallas Group Ltd (UK retail)
- HCC renewal rights
- Further strengthening of business development resources and team acquisitions
- Special Purpose Syndicate 6106
- Investment in Leadenhall Capital
- Reorganisation of organisational management structure to facilitate further expansion

Acquisition of AFU

- Opportunity to acquire platform for growth in Continental Europe with well regarded, profit-focused management team and good cultural fit
 - Largest Lloyd's approved coverholder in France
 - €40 million of direct premium volume expected in 2009
 - Non-catastrophe business mix provides further balance to Amlin's catastrophe book
 - Extensive distribution network through more than 1,300 intermediaries
- Scope for growth
 - Syndicate 2001's share of AFU business increasing
 - AFU offering new products using Amlin's expertise
 - Joint venture with 4th largest broker in Spain
 - Provides platform for further European MGA acquisitions

Outlook

- Opportunity for Lloyd's / London market from current industry stress
- Strong balance sheet, no need to raise capital
 - Net assets of £1.2 billion
 - Net unearned premium reserve of £518.4 million
 - Scope to increase premium income by approximately £500 million on existing capital base
 - Well positioned to make further suitable acquisitions or investments to drive profitable expansion
 - Superior Insurer Financial Strength Ratings
- Scope for profitable growth across the portfolio - acquisitions and investment in distribution have broadened base for expansion of non-catastrophe book
- Relative strength of US dollar increases potential profitability in sterling
- Investment outlook remains uncertain - Amlin defensively positioned
- Expect current upward trend in pricing in many classes to strengthen through 2009 and into 2010



Summary

- Robust underwriting and investment performance in a very difficult year illustrates quality of Amlin's underwriting and risk management
- With strong balance sheet, superior ratings and ample capital – Amlin extremely well positioned to benefit from improving market conditions and 'flight to quality' without need for capital raising
- Continuing to seek high quality acquisitions which can contribute to long term profitability
- Increasingly positive outlook - expect to continue to deliver strong growth in dividend and to meet cross cycle average ROE of at least 15% per annum

