



**Strength
Focus
Delivery**

Amlin plc 2009 Preliminary Results

Analyst presentation
1st March 2010



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.



Amlin Preliminary Results 2009



Overview

- Record pre-tax profit of £509.1 million (2008: £121.6 million)
- Return on equity of 37.0%: weighted average ROE of 29.1% since 2005
- Combined ratio 72% (2008: 76%)
- Investment return of 5.9% (2008:0.6%)
- £53.7 million contribution from ACI: return on investment of 12.8% since acquisition
- Dividend per share increase of 17.6%
- Net tangible assets per share up 22.7% to 289.6p (2008:236.0p)
- Growth in GWP for 2010 estimated at 30%
- Strong capital position to develop the business

Results summary

	2009 £m	2008 £m	Change %
Gross written premium	1,543.9	1,034.0	49.3%
Net written premium	1,322.6	915.7	44.4%
Net earned premium	1,317.3	913.5	44.2%
Underwriting contribution	365.8	222.2	64.6%
Investment contribution	207.5	18.0	1,052.7%
Profit before tax	509.1	121.6	318.7%
Tax	(54.3)	(41.2)	31.8%
Profit after tax	454.8	80.4	465.7%
Return on equity	37.0%	7.8%	29.2%
Earnings per share (basic)	94.1p	17.1p	450.3%
Net tangible assets per share	289.6p	236.0p	22.7%

Group underwriting results

	2009 £m	2008 £m	2007 £m	2006 £m	2005 £m
Gross written premium	1,543.9	1,034.0	1,044.7	1,113.8	993.5
Net written premium	1,322.6	915.7	938.3	1,013.5 ¹	829.3 ¹
Net earned premium	1,317.3	913.5	972.3	973.9 ¹	822.1 ¹
Claims ratio	43%	55%	36%	41%	57%
Expense ratio	29%	21%	27%	31%	25%
Combined ratio	72%	76%	63%	72%	82%

(1) Excluding premiums associated with the reinsurance to close of our increased share of capacity.

Net foreign exchange gains and losses in the income statement

	2009 £m	2008 £m
Underwriting non-monetary	(29.0)	58.1
Other underwriting FX	1.7	17.4
Total FX (loss)/gain in underwriting expenses	(27.3)	75.5
Long-term US dollar borrowings	6.4	(18.1)
Amlin Bermuda sterling assets ¹	25.2	(41.3)
Other non-underwriting FX	1.1	2.8
Total FX gain in income statement	5.4	18.9

(1) Amlin Bermuda sterling assets were sold in July 2009

Divisional analysis

	Group ¹ £m	Amlin London £m	Amlin UK £m	AFU £m	Amlin Bermuda £m	ACI ² £m
Gross written premium	1,543.9	855.7	190.9	28.9	400.2	225.2
Net earned premium	1,317.3	537.5	141.4	19.6	371.2	266.3
Release from reserves	174.1	95.1	38.7	-	23.9	16.4
Claims ratio ⁽³⁾	42%	27%	53%	50%	37%	72%
Combined ratio⁽³⁾	71%	68%	81%	87%	56%	96%
2008 combined ratio ⁽³⁾	81%	81%	80%	-	83%	-

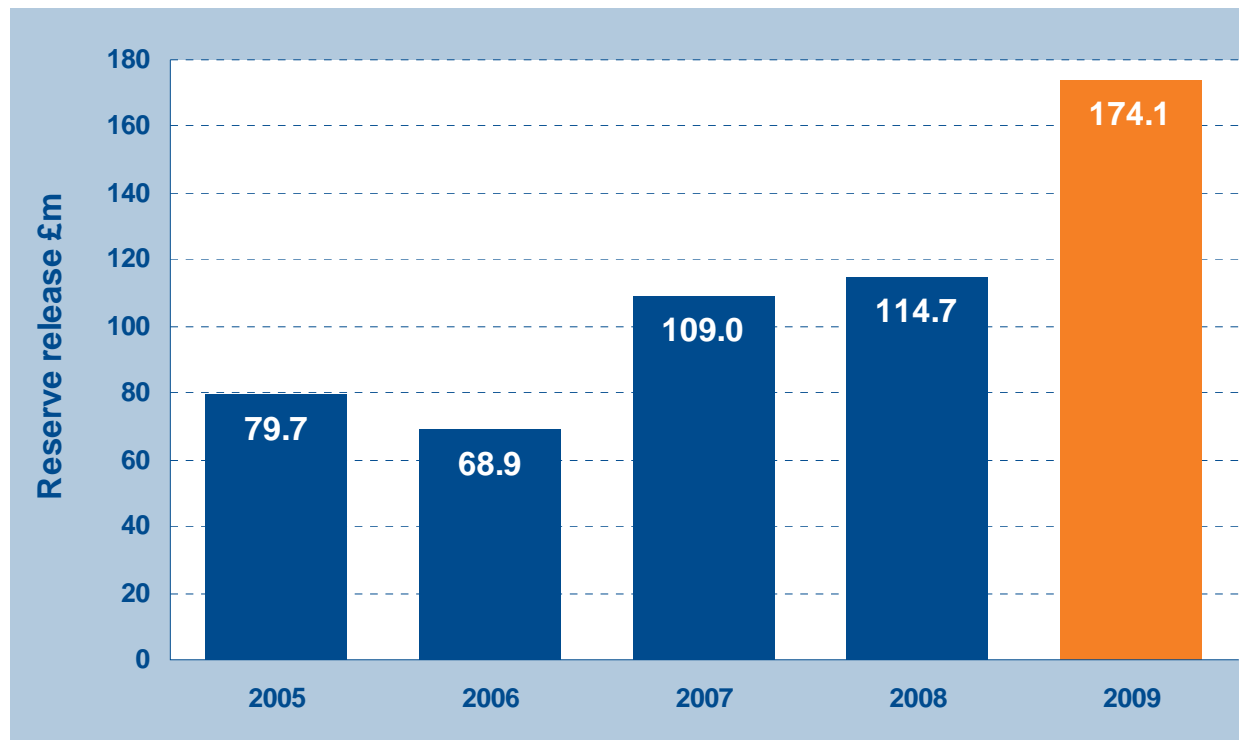
(1) Group totals include consolidation adjustments.

(2) From date of acquisition.

(3) Above ratios exclude the FX arising from the treatment of net non-monetary assets and liabilities.

Reserving

- On an underwriting year basis, before GAAP adjustments, reserve margins for UK and Bermuda remain in excess of £200 million
- On an accident year basis, Group reserves are at least £200 million above actuarial best estimate
- Further reserve releases subject to normal claims development.



Investment performance

	2009			2008		
	Average asset allocation	Allocation	Return	Average asset allocation	Allocation	Return
	£m	%	%	£m	%	%
Debt securities	2,558	74%	7.3%	1,539	58%	3.5%
Cash & cash equivalents	610	18%	0.6%	818	31%	4.0%
Equities	168	5%	23.5%	206	8%	(26.5%)
Property	96	3%	(16.8)%	80	3%	(6.3%)
Total	3,432	100%	5.9%	2,643	100%	0.6%

Investment mix changes post year end

	At 29 Jan 2010	At 31 Dec 2009
Government securities	31%	35%
ABS/MBS	5%	5%
Corporate bonds	6%	11%
Pooled vehicles	22%	16%
LIBOR+	17%	10%
Other liquid investments	8%	14%
Equities	6%	4%
Property	3%	3%
Other	2%	2%
Total	100%	100%

Note: Allocations at period end, not average FUM

ACI fair value exercise

- The Group completed the acquisition of ACI for a consideration of £307.2 million (including expenses) on 22 July 2009
- ACI's net assets at acquisition were £240.5 million
- Fair value adjustments required under IFRS increase net assets at acquisition to £280.0 million
- Net assets at fair value include other intangibles relating to broker relationships of £26.8 million
- Residual goodwill of £27.2 million

Strength of capital

	At 31 Dec 2009 £m	At 31 Dec 2008 £m
Net tangible assets	1,430.3	1,105.9
Subordinated debt	316.4	295.9
Bank facilities ¹	250.0	250.0
Total available capital	1,996.7	1,651.8
Assessed capital ²	1,341.2	1,059.1
Surplus	655.5	592.7

(1) Bank facilities are subject to a number of restrictive covenants.

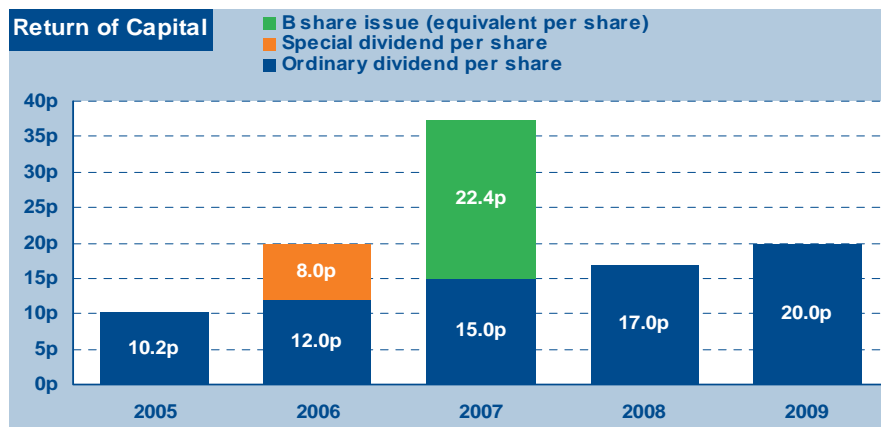
(2) Assessed capital represents management's view of required capital for current trading purposes.

Solvency II – update

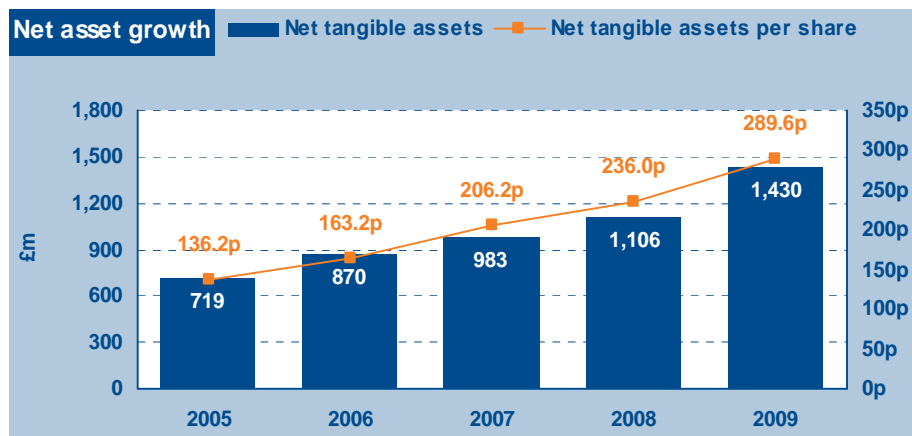
- CEIOPS ‘Level 2’ guidance now given to EU commission
 - latest calibration of standard formula more stringent
 - issues need to be resolved for QIS 5
- Local supervisors preparing for pre-application process
- Amlin’s approach based on 10 years of investment in improving risk and capital management
- Target Operating Model will further enhance Amlin’s capabilities, for example:
 - technical pricing comparisons
 - risk adjusted return
 - transparent risk management
 - rounded risk appetite definitions
 - improved aggregate management
 - improved risk modelling

Capital growth & return

- Dividend (paid and proposed) increased by 17.6% to 20.0p per share.



- Continued growth in liquid assets and net tangible assets



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
2006	719	325	45%
2007	870	364	42%
2008	983	341	35%
2009	1,106	384	35%
2010	1,430	355	25%

- At 31 Dec 2009 the actual largest modelled loss is £355.3 million for a European windstorm causing major damage in the UK, Low Countries, France and Germany
- All single zone events which we model are expected to incur losses materially less than these, in most cases less than £250 million.

Trading Environment

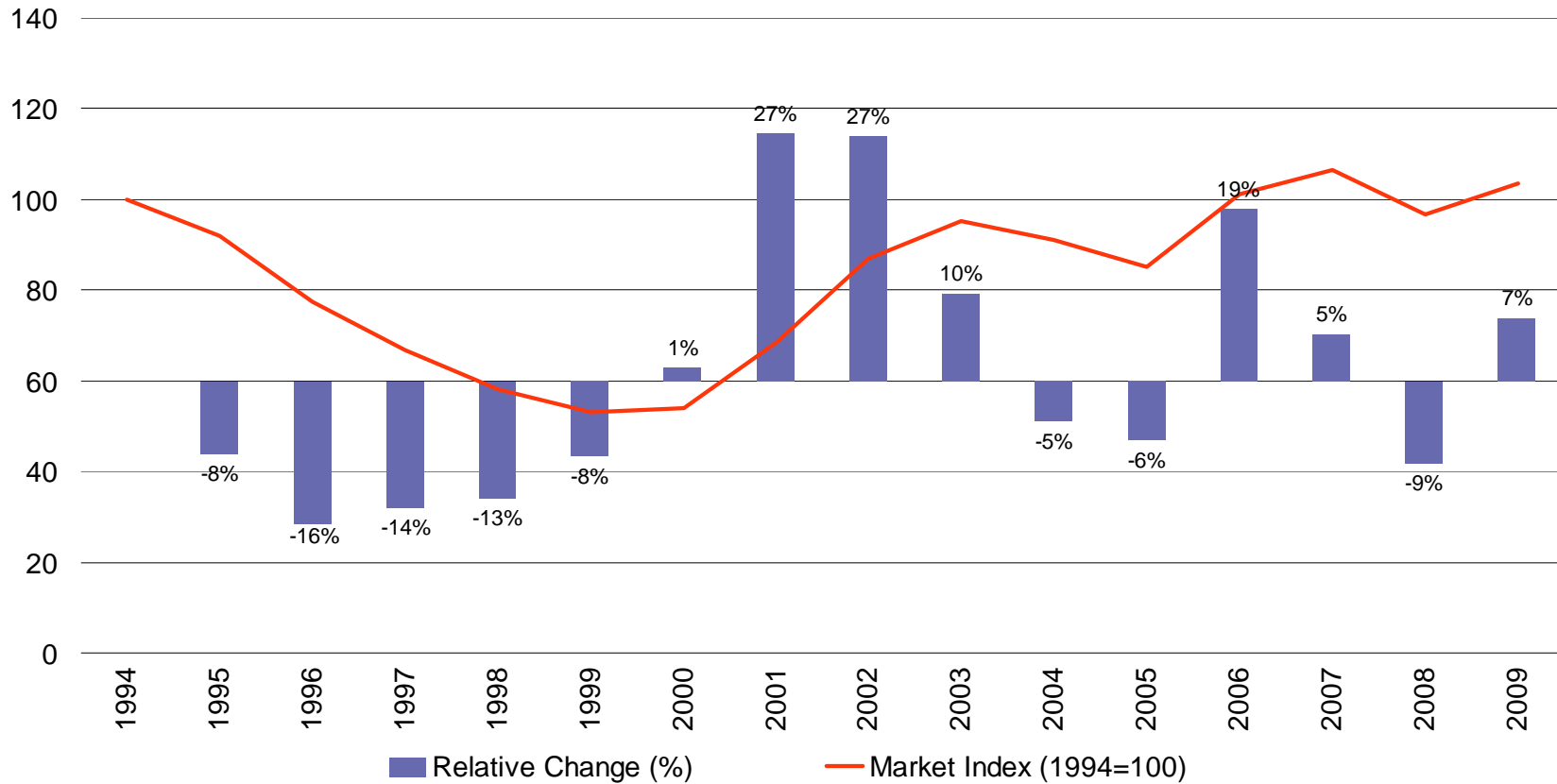
Rating indices in key classes

Class	2001	2002	2003	2004	2005	2006	2007	2008	2009	Jan 2010
US catastrophe reinsurance	115	146	150	143	144	185	188	167	184	176
International catastrophe r/i	120	157	161	145	131	138	131	119	124	124
Property reinsurance	122	189	191	170	146	170	144	126	129	118
Property	125	171	163	143	136	165	143	133	142	142
US casualty	123	172	217	234	239	237	223	203	199	199
Marine hull	115	148	171	183	189	191	192	192	205	207
Offshore energy	140	172	189	170	175	262	243	209	256	253
War	250	288	244	220	206	191	175	160	156	158
Airline hull and liabilities	301	283	235	216	201	158	122	127	141	161
Fleet motor	121	136	143	141	137	135	134	137	144	145
UK employers' liability	115	144	158	159	144	135	123	115	114	112
UK professional indemnity	110	149	178	181	165	154	140	129	128	128

* Base 2000: 100

Catastrophe reinsurance pricing trends since 1994

Annual CatXL premium level of 14 largest markets



Source: Swiss Re, CAMARES

Current trading – Reinsurance

Amlin London and Amlin Bermuda

- Unusually low frequency of catastrophe losses in 2009 reflected in low combined ratios for London and Bermuda
- US catastrophe reinsurance pricing increased by 10% during 2009: down 4% at 1/1 renewals but still offering good margin potential
- International catastrophe reinsurance pricing increased by 4% during 2009 and again at renewal for some territories (e.g. France) but overall flat
- 2009 retention for London's reinsurance business almost 97%
- Retrocessional programme restructured for London and purchased new for Bermuda
- Special Purpose Syndicate 6106 renewed for 2010 to provide alternative to traditional retro capacity
- Catastrophe risk appetite increased for 2010 by £40m

Current trading – Amlin London (Insurance)

Property & Casualty

- 2009 mixed – strengthening of property (+6%) and modest weakening of casualty(-2%)
- Market remains competitive for 2010 renewals
- Selective underwriting generating some new business growth

Marine

- Marine and offshore energy rates strengthened in 2009
- Rates at 1 Jan 2010 were flat
- Gulf of Mexico offshore energy clients anticipate significant rate reductions in 2010 following the 2009 increases
- New business opportunities limited but some key hires will augment business

Aviation

- Substantial airline losses during 2009 in excess of \$1bn (3rd market loss-making year running)
- 2009 rate rises on airline business insufficient but further general aviation losses in early 2010 should increase upward pressure on pricing
- Significant opportunities to increase aviation market share when prices improve

Current trading – Amlin UK

- Fleet motor premium increased by 37% to £82.8 million including £7.0 million from acquisition of HCC renewal rights: pricing continues to firm and scope for further significant growth as distressed competitors scale back
- Expect steady improvement in commercial lines through 2010 and acceleration into 2011
- Starting to see benefits of previous investments in marketing, distribution and property team: well positioned to grow as market conditions improve
- Scope for substantial expansion into a hardening market

ACI update

- Combined ratio 102% for full year
- 2009 GWP €708.4 million – down 7.1%, mainly due to impact of lower economic activity and marine re-underwriting programme
- Integration plan in place and proceeding well
- High level of client retention maintained outside re-underwriting programme
- Raets Marine Agency - more than €60 million annual premium returned to ACI
- Merger of ACI France and AFU expected to be complete by mid-2010
- Trading environment remains competitive with little sign of short term improvement

Strategy Review

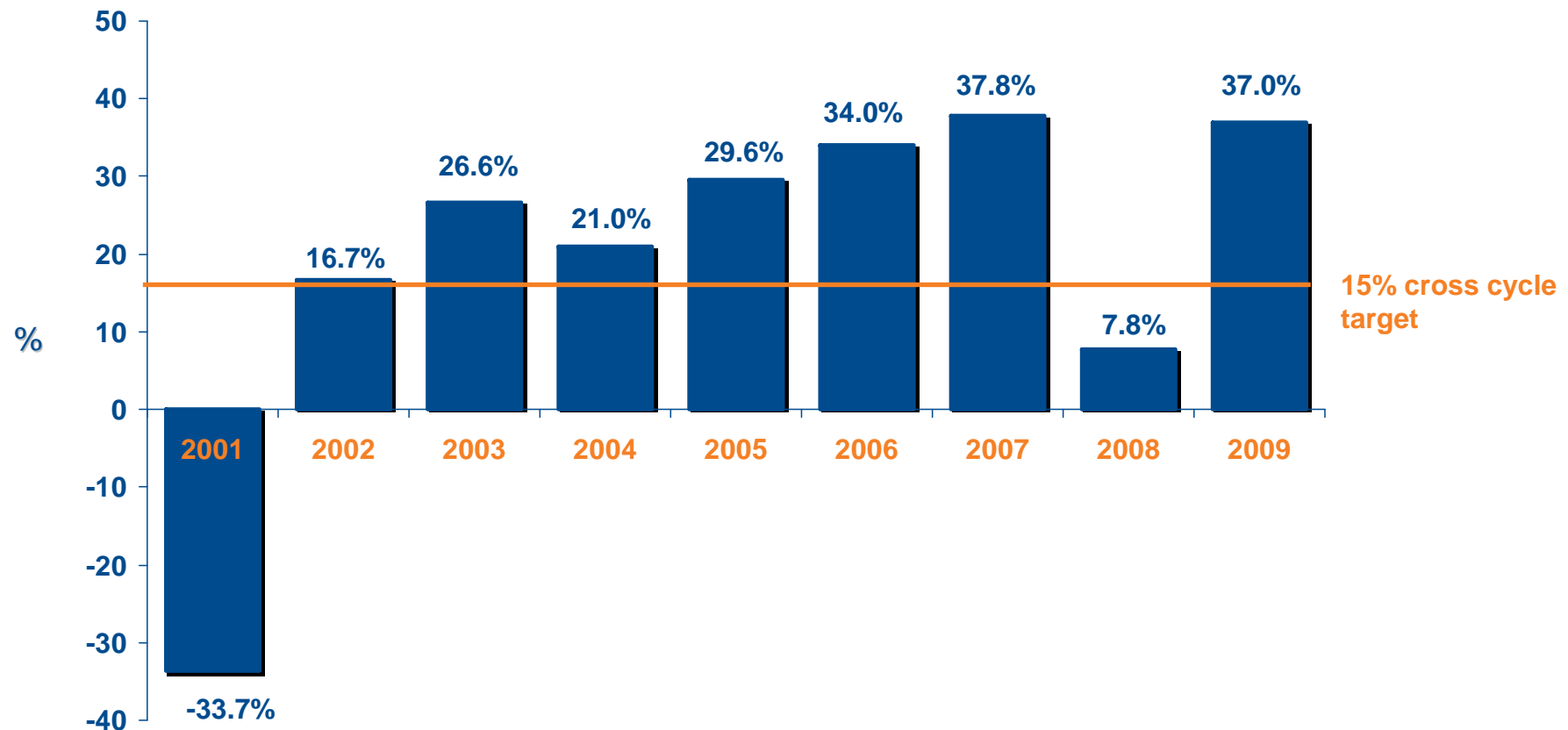
Strategy snapshot

- Delivering on long term strategy for profitable growth
- Amlin Bermuda contributed \$369m of dividend to Group in last six months
- Acquisition of AFU and ACI enhances diversity and access to European market
- Further successful investments in distribution and new business lines across the Group
- Continued strengthening of Amlin team across the business
- Well positioned to maintain momentum

Amlin's Vision:

'To be the global reference point for quality in our markets'

Cross cycle return on equity



- Outstanding cross cycle underwriting and investment return
 - Average combined ratio of 81% since 2001
 - Outperformance of peers' investment return

Strategic progress: diversified structure

- Three substantial underwriting platforms each with established franchise
- Diversity of risk, clients and distribution
- Scope for organic growth in a wide range of classes and territories

GWP \$382m
Net assets \$1.58bn

Amlin Bermuda

AM Best A (Excellent)
Moody's A2 (Stable)
S&P A (Stable)

GWP £1.08bn
FAL £420m

Syndicate 2001

AM Best A+ (Superior)
Moody's A1 (Stable)
S&P 4 (Stable)

GWP €708m
Net assets €317m

ACI

S&P A- (Stable)
Fitch A- (Positive)



Investing for future growth

- £59 million, excluding ACI, invested in acquisitions since start of 2008
- Leadenhall Capital Partners established 2008
- AFU acquired 2008: 77% of AFU premium underwritten by Syndicate 2001 in 2009 (2008: 7%)
- Investment in UK broker minority stakes and acquisition of HCC renewal rights 2008
- Crowe Livestock Underwriting acquired Dec. 2009
- Lockton UK Insolvency Practitioners business acquired Jan 2010
- Acquisitions have enhanced diversity of Amlin's portfolio, brought in additional expertise and generated profitable growth

2009 return on investment from recent acquisitions and investments

Acquisition of HCC fleet motor account	61%
Investments in TL Dallas & MS Ltd (UK brokers)	14%
Acquisition of Anglo French Underwriters	9%
Investment in Leadenhall Capital Partners and funds	9%
Acquisition of Amlin Corporate Insurance*	13%

Outlook

- GWP growth for 2010 estimated at >30%, boosted by full year consolidation of ACI
- Most (re)insurance markets showing signs of discipline: expectation of upturn in UK commercial lines
- Strong net unearned premium reserve at 31 Dec 2009 of £692.0 million (31 Dec 2008: £518.4 million)
- Cautious outlook for investment return
- Expectation of ROE of >15% for 2010

Summary

- Long term record of outperformance on both underwriting and asset management
- Dividend increased by 17.6% and financial strength to support continued dividend growth
- Further progress in integrating ACI and confidence in its potential
- Good returns from recent investments made in acquisitions
- Increase in NTA will support future organic growth and further acquisitions
- Strong core business positioned to deliver excellent returns

Questions

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