Aspen Insurance Holdings Limited

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February 2007

AHL: NYSE

Safe Harbor Disclosure

This presentation contains non-GAAP measures and is for information purposes only. It should be read in conjunction with our financial supplement posted on our website on the Investor Relations page and with other documents filed or to be filed shortly by Aspen Insurance Holdings Limited (the "Company" or "Aspen") with the U.S. Securities and Exchange Commission.

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In presenting Aspen's results, management has included and discussed certain "non-GAAP financial measures", as such term is defined in Regulation G. Management believes that these non-GAAP measures, which may be defined differently by other companies, better explain Aspen's results of operations in a manner that allows for a more complete understanding of the underlying trends in Aspen's business. However, these measures should not be viewed as a substitute for those determined in accordance with GAAP. The reconciliation of such non-GAAP financial measures to their respective most directly comparable GAAP financial measures in accordance with Regulation G is included herein or in the financial supplement, as applicable, which can be obtained from the Investor Relations section of Aspen's website at www.aspen.bm.

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This presentation contains written or oral "forward-looking statements" within the meaning of the U.S. federal securities laws. These statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include all statements that do not relate solely to historical or current facts, and can be identified by the use of words such as "expect," "intend," "plan," "believe," "project," "anticipate," "seek," "will," "estimate," "may," "continue," and similar expressions of a future or forward-looking nature.

All forward-looking statements address matters that involve risks and uncertainties. Accordingly, there are or will be important factors that could cause actual results to differ materially from those indicated in these statements. Aspen believes these factors include, but are not limited to: the impact that our future operating results, capital position and rating agency and other considerations have on the execution of any capital management initiatives; the impact of any capital management activities on our financial condition; the impact of acts of terrorism and related legislation and acts of war; the possibility of greater frequency or severity of claims and loss activity, including as a result of natural or man-made catastrophic events such as Hurricanes Katrina, Rita and Wilma, than our underwriting, reserving or investment practices have anticipated; evolving interpretive issues with respect to coverage as a result of Hurricanes Katrina, Rita and Wilma; the level of inflation in repair costs due to limited availability of labor and materials after catastrophes; the effectiveness of Aspen's loss limitation methods; changes in the availability, cost or quality of reinsurance or retrocessional coverage, which may affect our decision to purchase such coverage; the reliability of, and changes in assumptions to, catastrophe pricing, accumulation and estimated loss models; loss of key personnel; a decline in our operating subsidiaries' ratings with Standard & Poor's, A.M. Best Company or Moody's Investors Service; changes in general economic conditions including inflation, foreign currency exchange rates, interest rates and other factors that could affect our investment portfolio; the number and type of insurance and reinsurance contracts that we wrote at the January 1st and other renewal periods in 2007 and the premium rates available at the time of such renewals within our targeted business lines; increased competition on the basis of pricing, capacity, coverage terms or other factors; decreased demand for Aspen's insurance or reinsurance products and cyclical downturn of the industry; changes in governmental regulations, interpretations or tax laws in jurisdictions where Aspen conducts business; proposed and future changes to insurance laws and regulations, including with respect to U.S. state- and other government-sponsored reinsurance funds and primary insurers; Aspen or its Bermudian subsidiary becoming subject to income taxes in the United States or the United Kingdom; the effect on insurance markets, business practices and relationships of ongoing litigation, investigations and regulatory activity by the New York State Attorney General's office and other authorities concerning contingent commission arrangements with brokers and bid solicitation activities; the total industry losses resulting from Hurricanes Katrina, Rita and Wilma and the actual number of Aspen's insureds incurring losses from these storms; and with respect to Hurricanes Katrina, Rita and Wilma, Aspen's continued reliance on loss reports received from cedants and loss adjustors, Aspen's reliance on industry loss estimates and those generated by modeling techniques, the impact of these storms on Aspen's reinsurers, any changes in Aspen's reinsurers' credit quality, the amount and timing of reinsurance recoverables and reimbursements actually received by Aspen from its reinsurers and the overall level of competition and the related demand and supply dynamics as contracts come up for renewal. For a more detailed description of these uncertainties and other factors, please see the "Risk Factors" section in Aspen's Annual Reports on Form 10-K as filed with the U.S. Securities and Exchange Commission. Aspen undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the dates on which they are made.

Key Topics

- 2006 Performance
- Current Market Conditions, 2007 Outlook
- Florida: risks and opportunities
- Capital Management
- 2007 Guidance

Performance Highlights

- **Diversified Operating platform delivering results**

	Combined Ratio	Net Income	NWP
4Q ‘06	76.8%	$119.5 m	$278 m
2006	82.4%	$378.1 m	$1,663.6 m

- **Improving Absolute Returns**

  2003 ROAE* 15.9% → 2006 ROAE* 18.5%

- **Focus on Book Value growth not top line**

  2004 BV $19.30 → 2006 BV $ 22.35

- **Increasing contribution from Investment Income and Capital Management**

- **ERM core enabler reducing volatility and risk tolerance**
  17.5% at 1:100; 25% at 1:250

** Reconciliation of Average Equity to closing shareholders’ equity is provided in our quarterly financial supplements available in the Financial Results section of the Investor Relations page of Aspen website at www.aspen.bm*

Strategy: Key Components

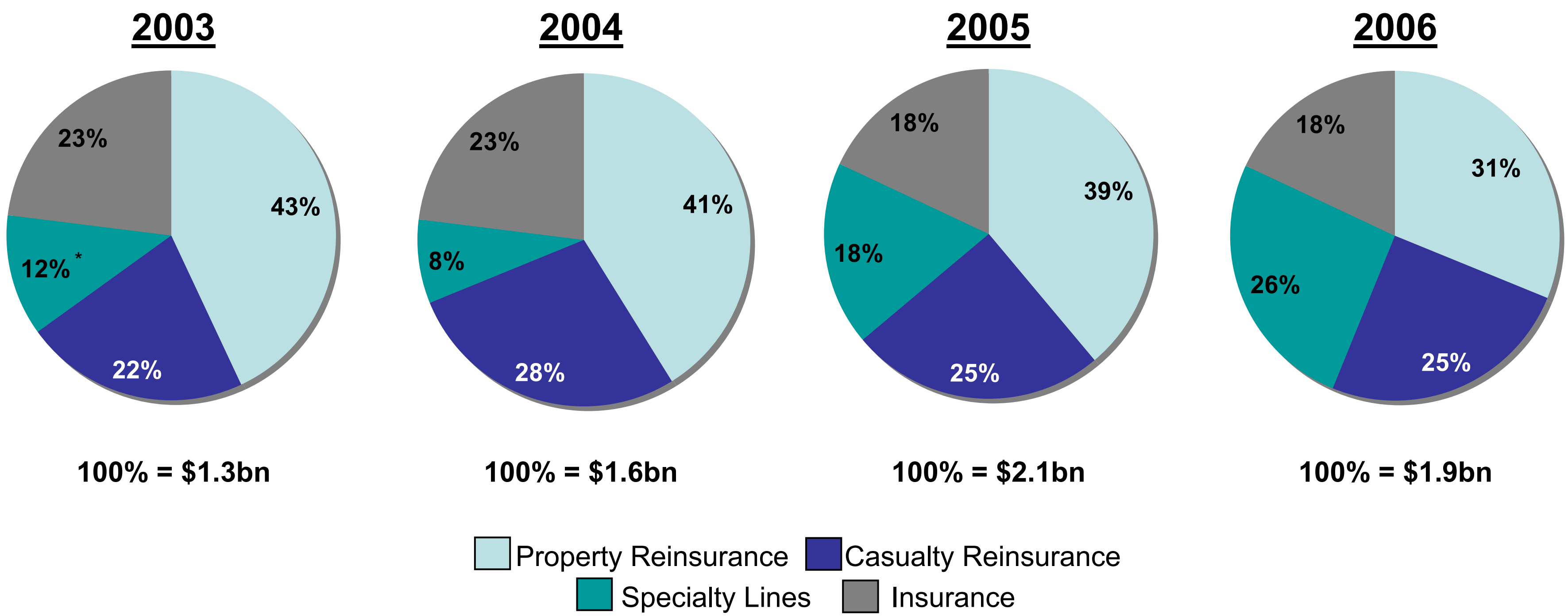
Our strategy has 4 key components

1. 'Specialty' insurer and reinsurer
2. Diversified operating platform
3. Focus on book value growth per share, not top line
4. Enterprise Risk Management is our core strategic enabler

A Robust and Sustainable Business Model to Deliver Consistent ROE

Increased Diversification

Gross Written Premiums

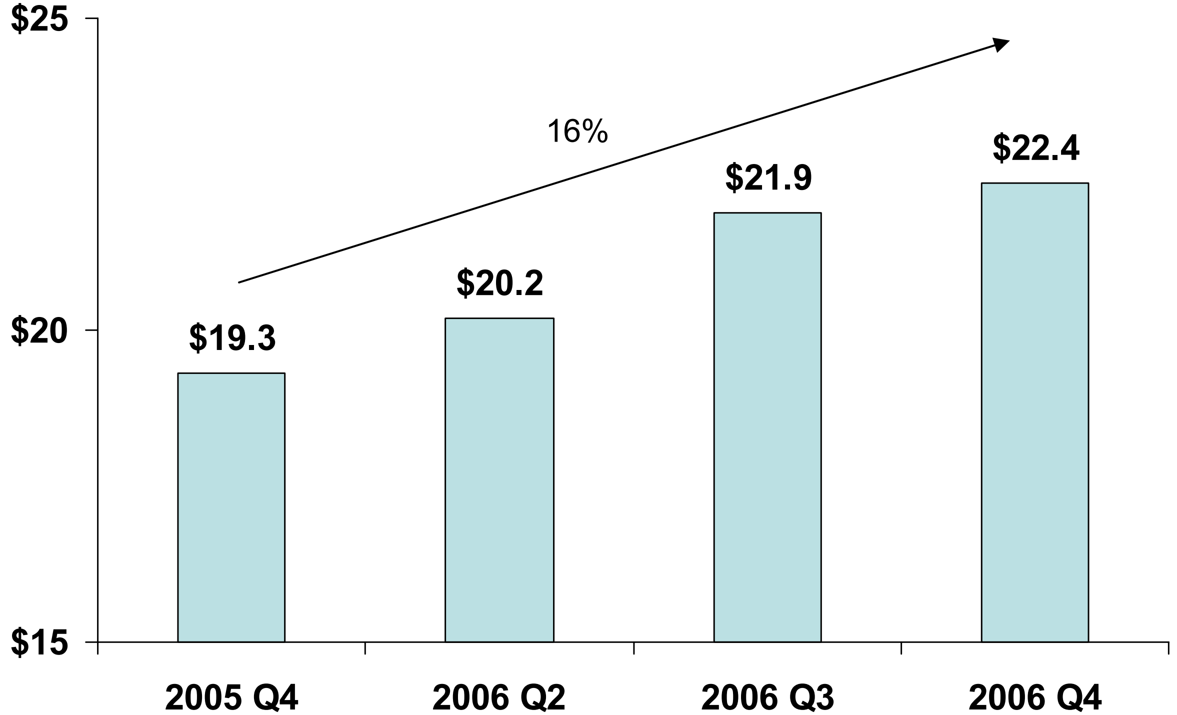


- **Improved Spread of Risk**
- **Specialty insurance and reinsurance has grown from 7.9% of GWP in 2004 to 26.3% in 2006**

** 2003 Specialty lines excludes QQS of Wellington Syndicate 2020*

Book Value per Share

Book value per share at end of period in US$



Focus on Growing Book Value

Book Value Growth Drivers

- Disciplined approach to underwriting opportunities
  → margin stability, selective margin expansion
- Capital management
- Tax efficiency
- ERM, no surprises

Market Conditions 2007 Outlook: Property and Specialty Lines

Property Reinsurance		
Line	*Outlook '07*	*Trend*
Catastrophe Treaty		
Pro Rata		
Risk Excess Treaty		

Specialty lines		
Line	*Outlook '07*	*Trend*
Aviation		
Marine Hull		
Offshore Energy Physical Damage		
Marine & Energy Liability		
Specialty Reinsurance		

Insurance		
Line	*Outlook '07*	*Trend*
UK Property		
E&S Property		
International Property Fac.		

= Absolute rate levels attractive

= Absolute rate levels mixed

= Absolute rate levels very challenging

= 12 month rate trend positive

= 12 month rate trend neutral

= 12 month rate trend slightly downwards

= 12 month rate trend downwards

Market Conditions 2007 Outlook: Casualty Lines

Casualty Reinsurance

Line	*Outlook '07*	*Trend*
International Casualty		
US Casualty		
Casualty Facultative		

Insurance

Line	*Outlook '07*	*Trend*
UK Liability		
E&S Casualty		

= Absolute rate levels attractive

= Absolute rate levels mixed

= Absolute rate levels very challenging

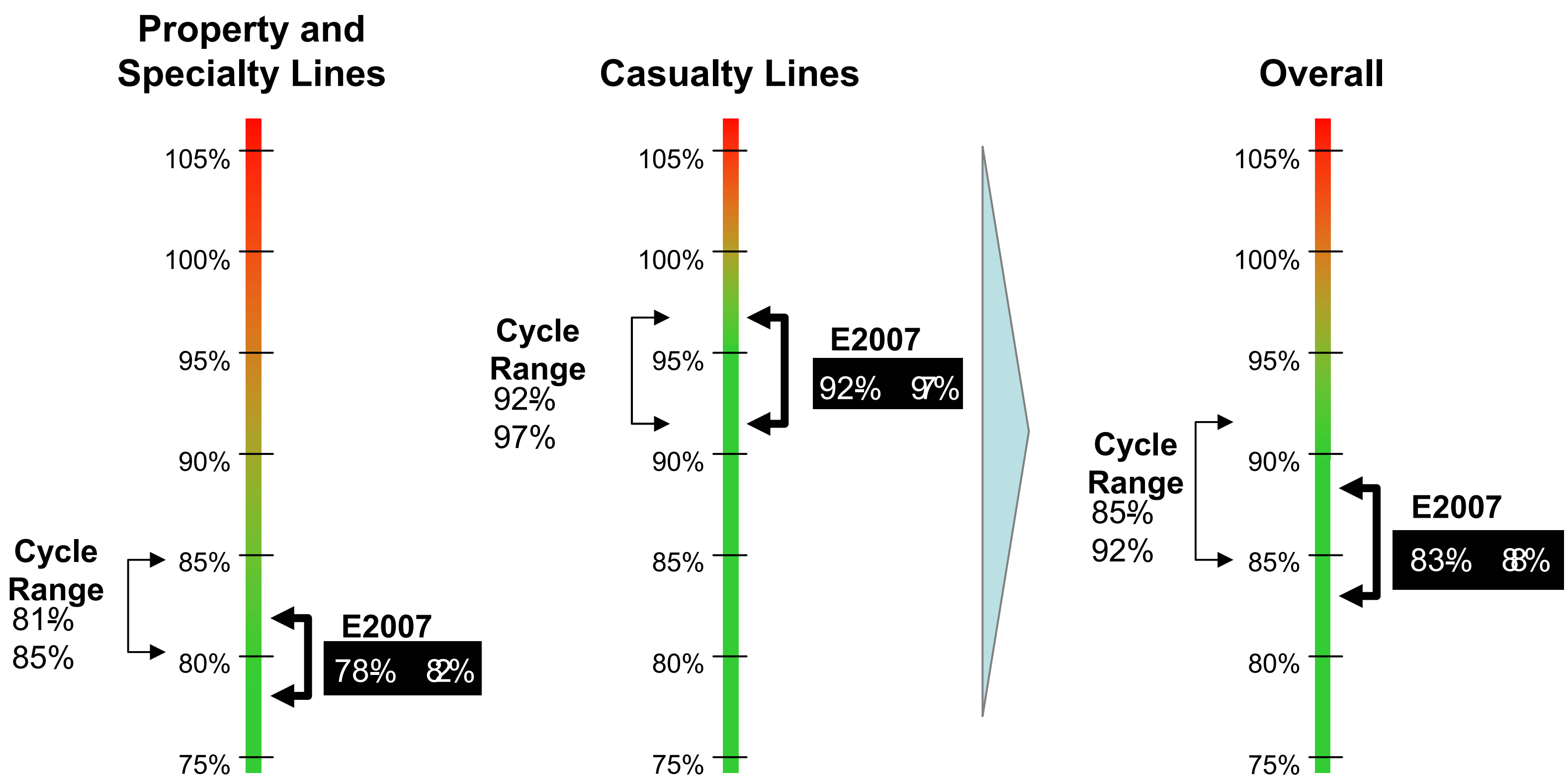
= 12 month rate trend positive

= 12 month rate trend neutral

= 12 month rate trend downwards

Pricing Under Pressure but still Adequate

Target Combined Ratios:
Across Cycles, 2007 Outlook



Expected Market Conditions in 2007 Supportive of Continuing Strong Underwriting Performance

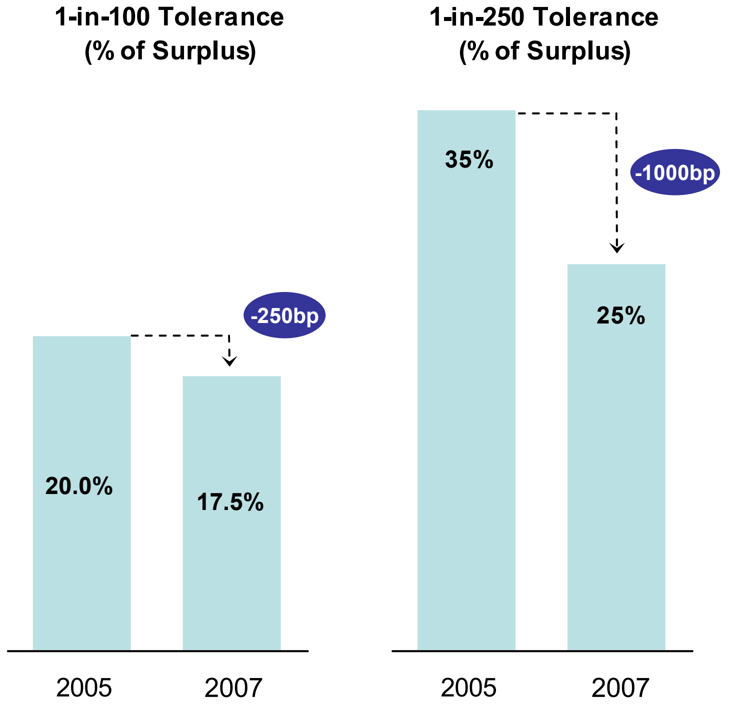
Note: Assuming no major losses or prior year reserve movements

Strengthening Risk Management: Managing Volatility of Results

Risk Type	Risk management policy	Risk Type
Core risks	Optimize risk- return	Underwriting Investment Strategic
Non – core risks	Minimize risk	Credit Liquidity Operational Group / regulatory / reputational

Reduce Volatility, Lower Risk Tolerance

Single Zone Risk Tolerance Per Peril Net of Reinsurance, Post Tax



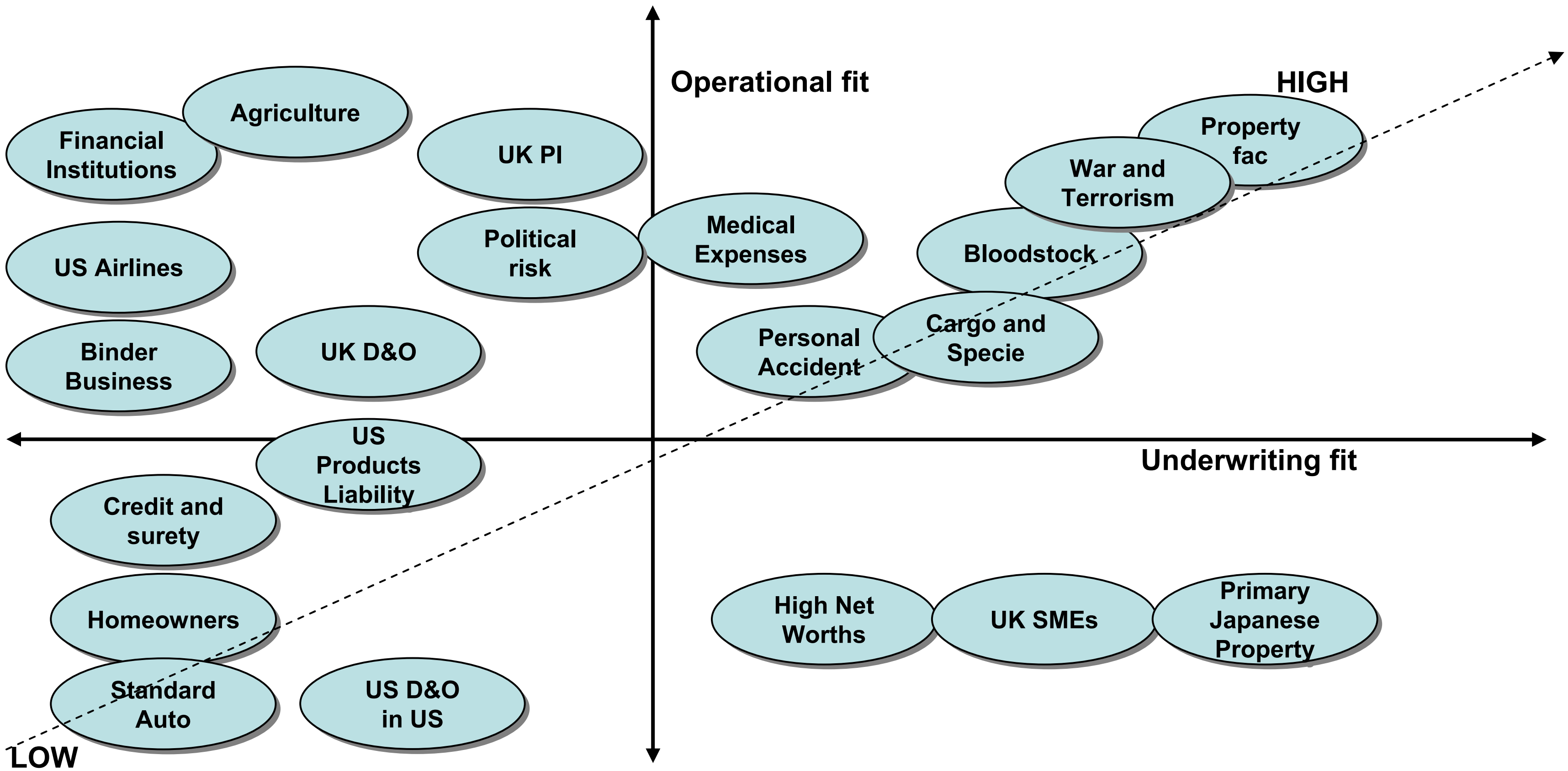
Significant Reduction in Risk Tolerances

Core Beliefs about Growth

- GWP and / or capital may shrink before we grow, according to market conditions
- Growth must be profitable and increase book value per share
- Growth in new lines should meet two overarching sets of criteria
  - Underwriting fit
  - Operational fit

Focus is on Growth in Book Value Per Share, <u>Not</u> Top Line

Approach to Growth - 'Palette'
(lines we do not currently write)



Focus on Opportunities which Offer Best Fit with Our Underwriting and Operational Capabilities

2007 Impact of Florida Legislation

Aspen direct exposure to Florida	**$3 million estimated 2007 premium loss from Florida domiciled clients (maximum)**
Aspen indirect exposure to Florida	**$10 million estimated premium loss from non-Florida domiciled business**
Other indirect Impact	**Estimated 2.5% reduction in worldwide property reinsurance premium due to increased competition**

Financial Highlights – Full Year

Year Ended December 31 (US$ in millions, except per share data)	2006	2005	Change
Gross Premiums Written	$1,945.5	$2,092.5	(7.0%)
Net Premiums Written	1,663.6	1,651.6	0.7%
Net Premiums Earned	1,676.2	1,508.4	11.1%
Underwriting Income	295.6	(259.2)	NM*
Net Investment Income	204.4	121.3	68.5%
Net Income after tax	**378.1**	**(177.8)**	**NM***
GAAP Ratios:			
Loss Ratio	53.1%	90.1%	(37.0%) pts
Expense Ratio	29.3%	27.1%	2.2% pts
Combined Ratio	**82.4%**	**117.2%**	**(34.8%) pts**

Full Year ROAE	18.5%	(11.7%)	NM*

Diluted Operating Earnings Per Ordinary Share	$3.72	($2.11)	NM*

(*) = Percentage ratio not meaningful comparison

2006 Performance

Property Reinsurance

Retro cost in ’06 not necessary in ‘07

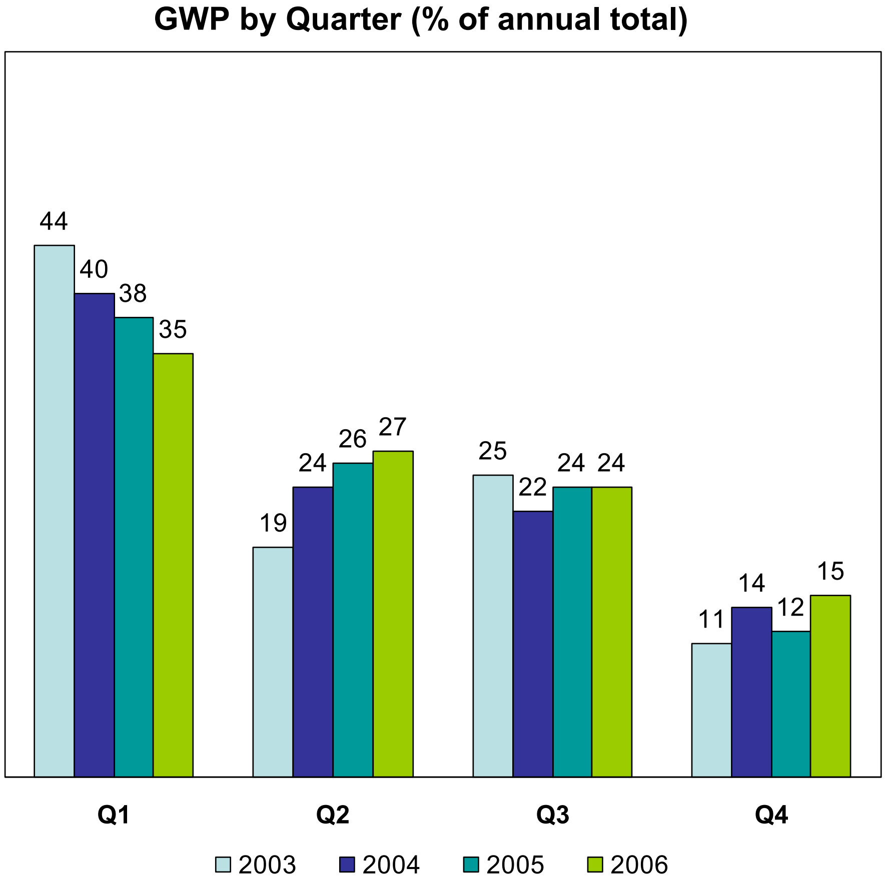
Line	Result	Comment
Catastrophe Treaty	√	• Strong performance • GWP $315 million
Pro Rata	√/X	• Disappointing performance in Bermuda book • Good performance in Japan and Aspen Re America portfolios • GWP $119 million
Risk Excess XOL Treaty	√	• Good performance in ongoing business • GWP $158 million • Attritional losses from non-renewed

Property & Casualty Insurance

Line	Result	Comment
UK Property	√	• Strong performance • GWP $51million
UK Liability	√	• Strong performance • GWP $125 million
E&S Property	X	• Loss making in 2006 • Taking steps to rectify difficulties • GWP $72 million
E&S Casualty	√	• Good results • GWP $82 million

GWP Underwriting Pattern

- Production pattern shifted from 44% in Q1 2003 to 35% in 2006
  - Diversification strategy results coming through
  - Reflects changing business mix as additional lines of business have been added



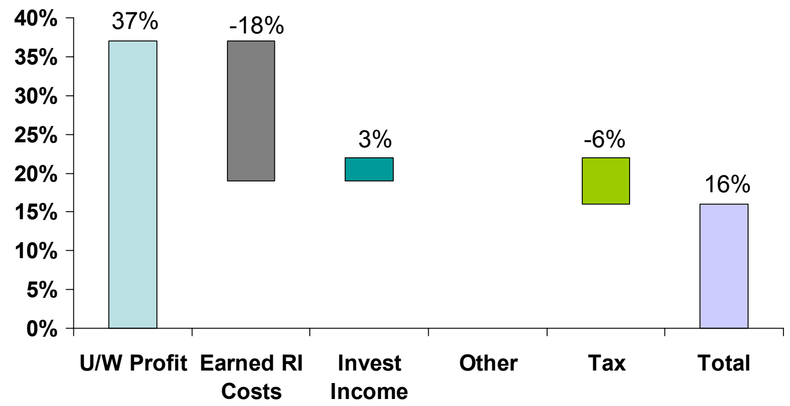
Improving Absolute Returns

Lever	Outlook 2007	Expected impact on ROAE
Ceded premium	Significant reduction in retrocession purchased; risk tolerances unchanged	↑
Operating leverage	Reduction in GWP offset by reduction in ceded premium	—
Combined Ratio	Market conditions expected to remain attractive in most lines	↑
Investment leverage	Increase due to growth in reserves	↑
Investment Return	Pick-up in yield	↑
Tax Rate	Re-distribution of income between operating companies will result in reduced average tax rate	↑
Financial Leverage	$200m hybrid offering and $200m buy-back completed; authorisation for an additional $100m share buy-back	↑

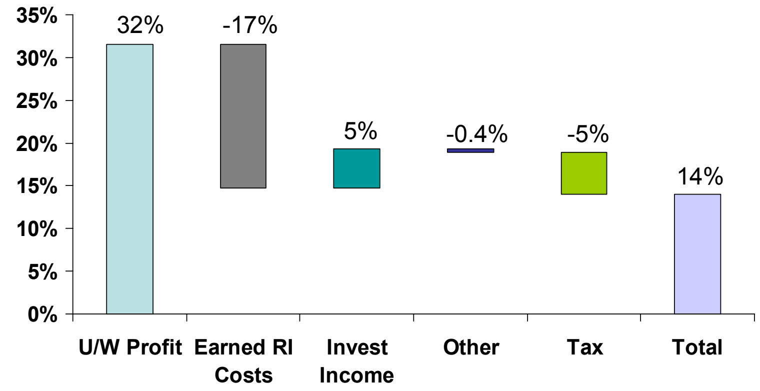
Targeted Management of Underlying Levers of ROE

Decomposition of Historical ROAE*

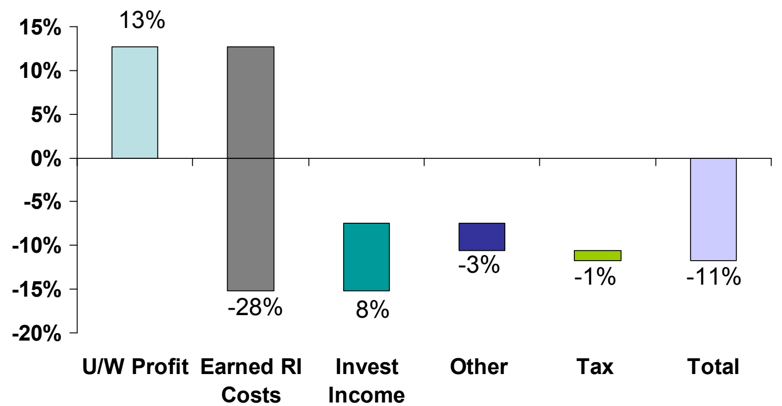
2003



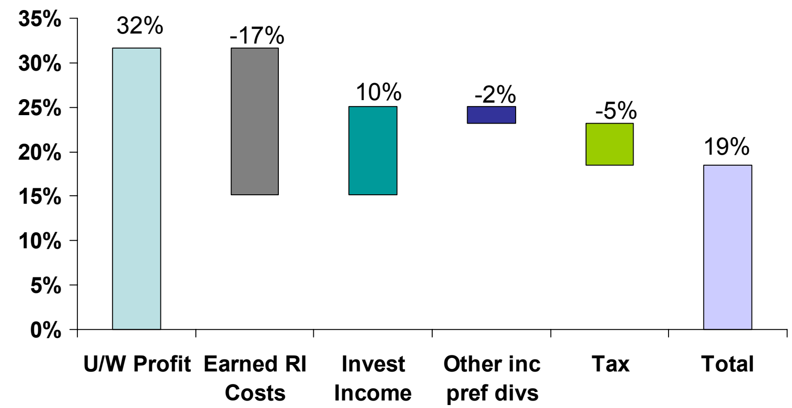
2004



2005



2006



Increasing Contribution from Investment Income

** Reconciliation of Average Equity to closing shareholders' equity is provided in our quarterly financial supplements available in the Financial Results section of the Investor Relations page of Aspen website at www.aspen.bm*

Calculation of Pro Forma ROAE

(US$ in millions)

	2006 FY
Average Equity reported in earnings release (1)	$1,955
Pro forma Average Equity (2)	$1,788
Net Income adjusted for preference share dividend	$363
Operating Income adjusted for preference share dividend (1)	$360
Pro forma net income adjusted for preference share dividend (3)	$351
Pro forma operating income adjusted for preference share dividend (3)	$349
ROAE: Net Income adjusted for preference share dividend	18.5%
ROAE: Operating Income adjusted for preference share dividend	18.4%
Pro forma ROAE: Net Income adjusted for preference share dividend	19.7%
Pro forma ROAE: Operating Income adjusted for preference share dividend	19.5%

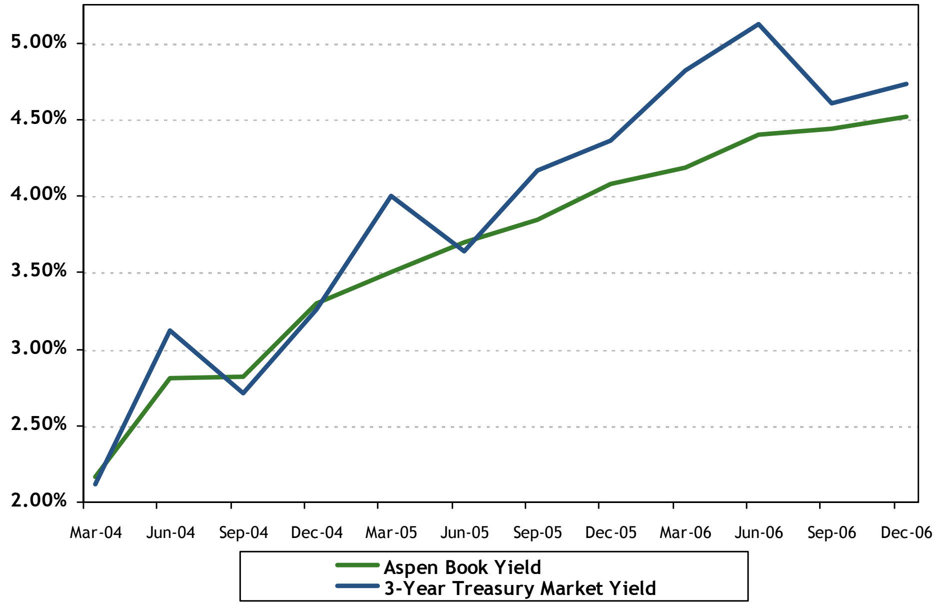
(1) Reconciliations of Average Equity to closing shareholders' equity and operating income to net income are provided in our 4Q06 financial supplement available on the Aspen website at www.aspen.bm

(2) Pro forma Average Equity is reduced by $167 million from average equity assuming that our $200 million share repurchase program occurred on January 1, 2006.

(3) Pro forma net income and operating income reduces net income and operating income by the additional preference share dividends payable assuming the $200 million share repurchase program occurred on January 1, 2006.

Improvement in Investment Yield

Fixed income management has kept the improvement in our book yield in-line with the 3 year Treasury market yield.

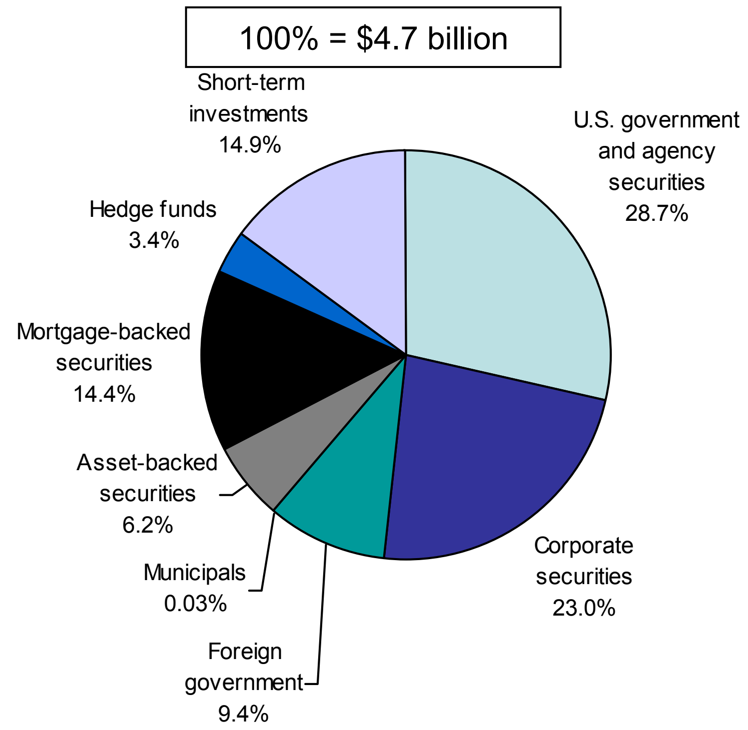


In recognition that the Fed was to begin a period of increasing the Federal Funds Rate in 2004, Aspen embarked on an incremental duration extension program to capture book yield as the Fed raised rates. Aspen also recognized the value of extending duration into the steep yield curve during 2004. The result has been a pick up in book yield of approximately 235 basis points.

Investment Strategy

- Portfolio investments to limit book value volatility
- Diversified, highly-rated, liquid fixed income portfolio. AAA rating capture yield curve opportunities
- Strict guidelines on overall portfolio concentration, credit and duration
- Fixed Income duration of 3.01 years and book yield of 4.52%, at December 2006 (vs. 2.86 years and 4.08% at December 2005)

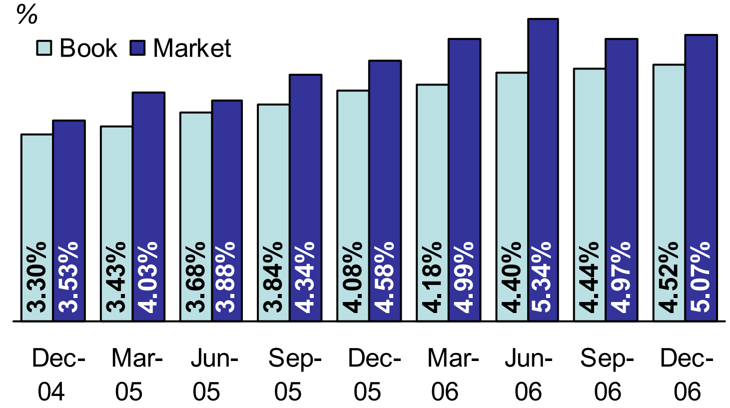
Investment portfolio sector allocations (Excluding Cash and Cash Equivalents)
As of December 31, 2006



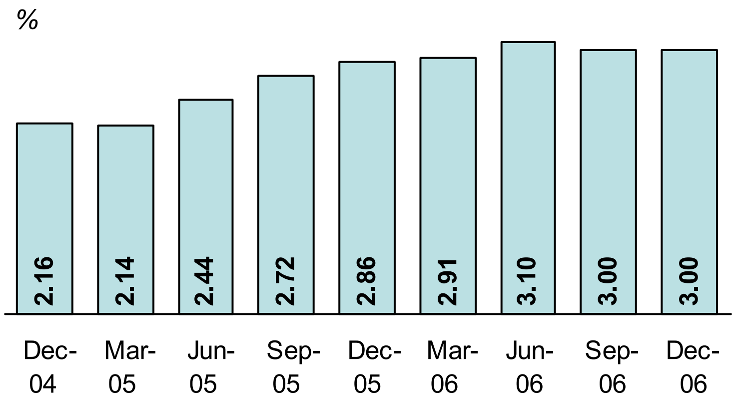
Investment Strategy: Growth Opportunities

- Continued extension of fixed income portfolio duration in-line with liability duration and long-term yield curve and interest rate outlook
  - Fixed income portfolio duration of 1.1 years in late 2003 to 3.00 years at December 31, 2006
- Strategy of incrementally diversifying investment portfolio away from 100% fixed income securities
  - April 1, 2006 invested 3% of assets in two low-volatility, diversified hedge funds-of-funds
  - February 1, 2007 invested an additional 3% of assets in low-volatility, diversified hedge funds-of-funds
- Continue to actively monitor credit spreads and sector allocations and effect changes when appropriate

Yield



Fixed Income Portfolio Duration



2007 Guidance

As provided on February 9, 2007 earnings conference call

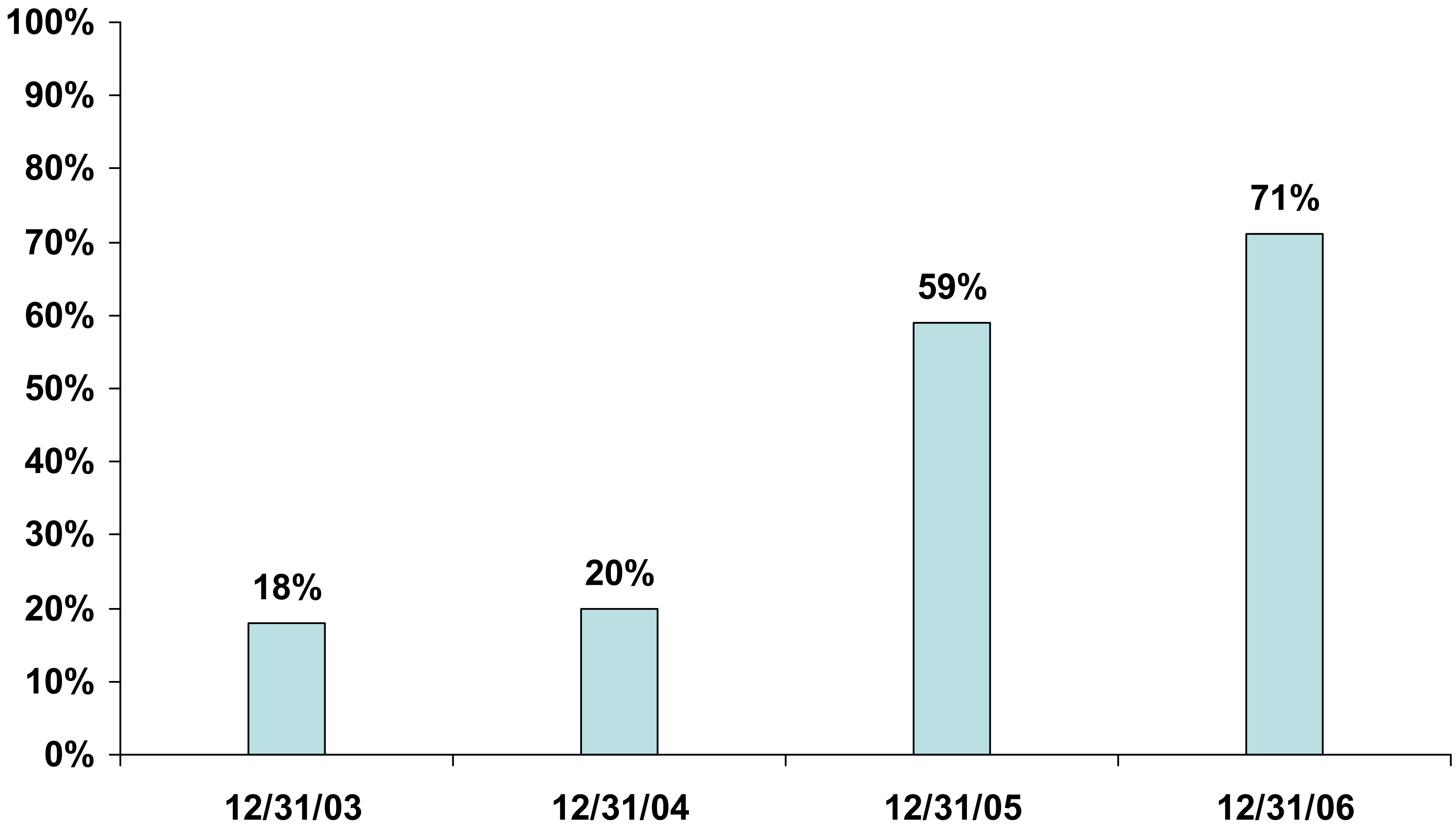
GWP	$1.9 billion ± 5%
% Premium Ceded	6% – 8% of GWP
Combined Ratio	83% – 88%*
Investment Income	$230 – $250 million
Tax Rate	16% to 19%
Assumed Average Cat-Load	$135 million

Implied ROE of 16% – 20%

(*) Assumes no major losses or prior year reserve movements

Improved Share Trading Liquidity

Float as a % of shares outstanding



Conclusions

- Robust business model – enhanced returns with reduced volatility
- Market conditions remain attractive in 2007
- Strong risk management and ROAE
- Focused management of underlying ROAE drivers to improve returns
- Selective organic growth opportunities

Enhanced Returns with Lower Volatility

Standard & Poor's on the Aspen Group

"…Aspen's proven management team, strong ERM, strong earnings, strong competitive position, and strong capitalization… will be reflected in reduced earnings volatility prospectively."

-- November 27, 2006