



# Aspen Insurance Holdings Limited

---

July 31, 2008

Q2 2008 Earnings Conference Call

AHL: NYSE



# Safe Harbor Disclosure

*This slide presentation 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.*

## **Non-GAAP Financial Measures**

*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](http://www.aspen.bm).*

## **Application of the Safe Harbor of the Private Securities Litigation Reform Act of 1995:**

*This presentation contains, and Aspen's earnings conference call will contain, 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," "guidance," 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 of deteriorating credit environment created by the sub-prime crisis and global credit crunch; a decline in the value of our investment portfolio or a rating downgrade of the securities in our portfolio; Aspen's reliance on loss reports received from cedants and loss adjusters; Aspen's reliance on industry loss estimates and those generated by modeling techniques; any changes in Aspen's reinsurers' credit quality; changes in assumptions on flood damage exclusions as a result of prevailing lawsuits and case law; the amount and timing of reinsurance recoverables and reimbursements actually received by Aspen from its reinsurers; the impact that our future operating results, capital position and rating agency and other considerations have on the execution of any capital management initiatives; our ability to execute our business plan to enter new markets, introduce new products and develop new distribution channels, including their integration into our existing operations; 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 than our underwriting, reserving or investment practices have anticipated; evolving interpretive issues with respect to coverage after major loss events; 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 1<sup>st</sup> and other renewal periods in 2008 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 insurance regulators and prosecutors. 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 on February 29, 2008. 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.*

*In addition, any estimates relating to loss events involve the exercise of considerable judgment and reflect a combination of ground-up evaluations, information available to date from brokers and cedants, market intelligence, initial tentative loss reports and other sources. Due to the complexity of factors contributing to the losses and the preliminary nature of the information used to prepare these estimates, there can be no assurance that Aspen's ultimate losses will remain within the stated amount.*



## Financial Highlights: Q2 2008

---

(US\$ in millions, except per share data)

<b>Quarter Ended June 30</b>	<b>2008</b>	<b>2007</b>	<b>Change</b>
Gross Written Premiums	528.8	503.5	5.0%
Net Written Premiums	506.0	418.5	20.9%
Net Earned Premiums	397.3	451.2	(11.9)%
Underwriting Income	86.9	52.4	65.8%
Net Investment Income	70.5	78.8	(10.5)%
Net Income after tax	\$126.9	\$114.7	10.6%
<b>Financial Ratios:</b>			
Loss Ratio	47.4%	60.5%	
Expense Ratio	30.8%	27.9%	
Combined Ratio	78.2%	88.4%	
Annualized Operating ROE	21.2%	19.7%	
Book Value per Share	\$29.84	\$24.44	22.1%
Operating EPS	\$1.44	\$1.14	26.3%

**AHL: NYSE**



## Financial Highlights: H1 2008

---

(US\$ in millions, except per share data)

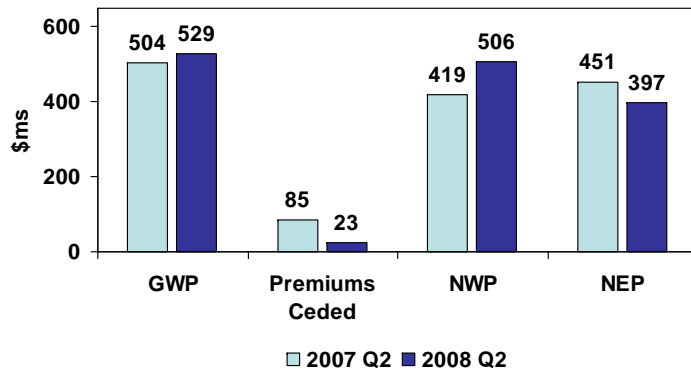
<b>Period Ended June 30</b>	<b>2008</b>	<b>2007</b>	<b>Change</b>
Gross Written Premiums	1,125.0	1,140.0	(1.3)%
Net Written Premiums	1,025.6	973.6	5.3%
Net Earned Premiums	788.9	890.2	(11.4)%
Underwriting Income	144.1	142.9	0.8%
Net Investment Income	109.6	146.3	(25.1)%
Net Income after tax	\$208.1	\$236.6	(12.1)%
<b>Financial Ratios:</b>			
Loss Ratio	50.1%	55.9%	
Expense Ratio	31.6%	28.0%	
Combined Ratio	81.7%	83.9%	
Annualized Operating ROE	16.6%	21.1%	
Operating EPS	\$2.23	\$2.40	(7.1)%

AHL: NYSE

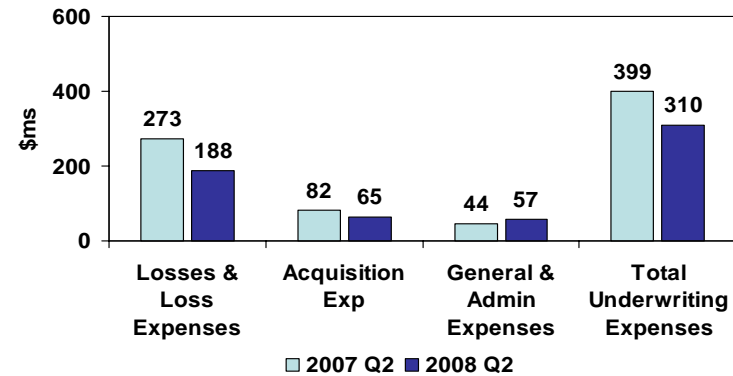


# Financial Highlights: Group Summary Q2 2008

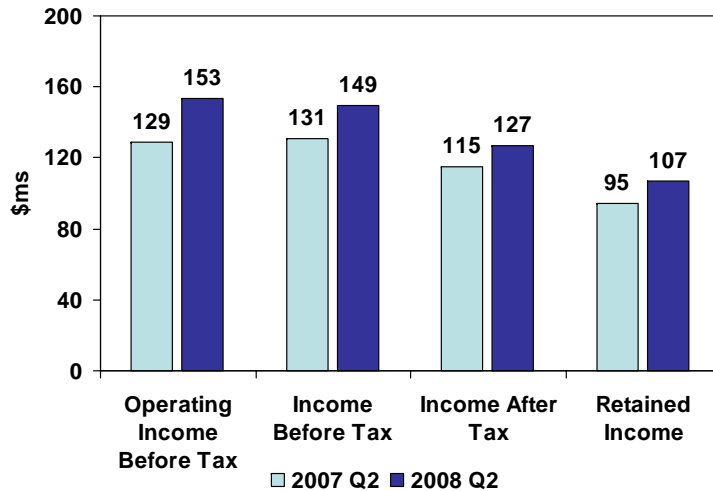
### Underwriting Revenues



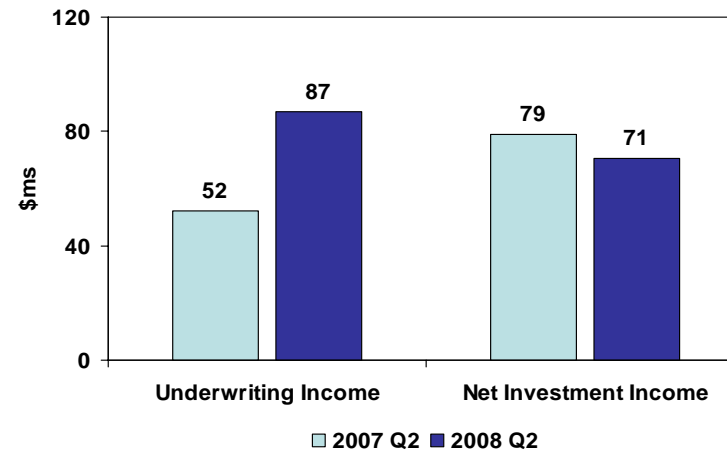
### Underwriting Expenses



### Income



### Income Contribution

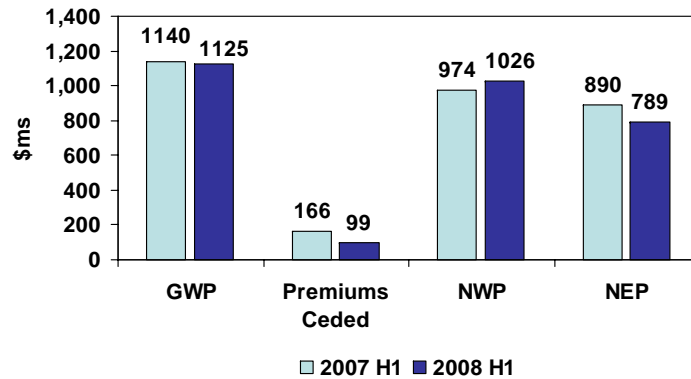


AHL: NYSE

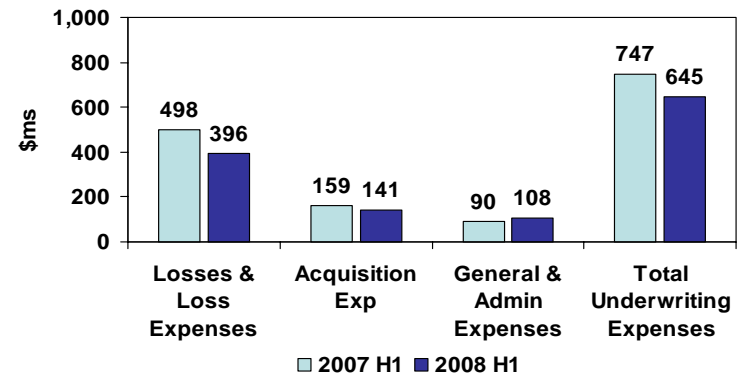


# Financial Highlights: Group Summary H1 2008

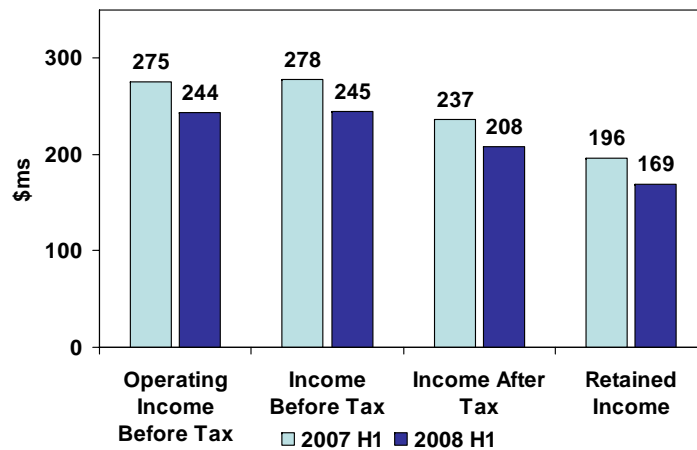
### Underwriting Revenues



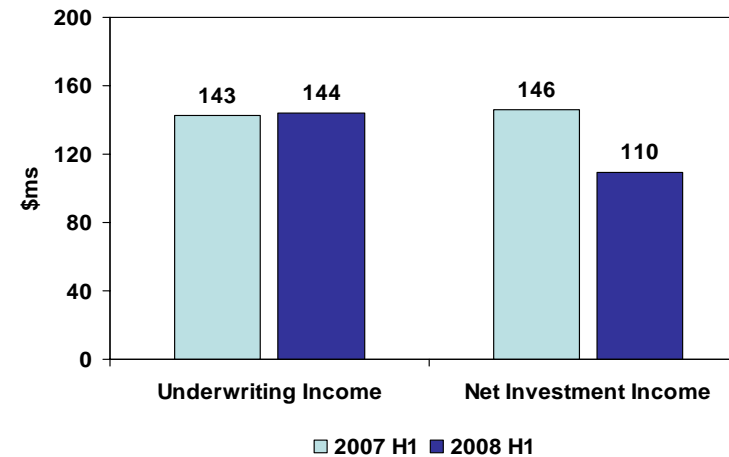
### Underwriting Expenses



### Income



### Income Contribution

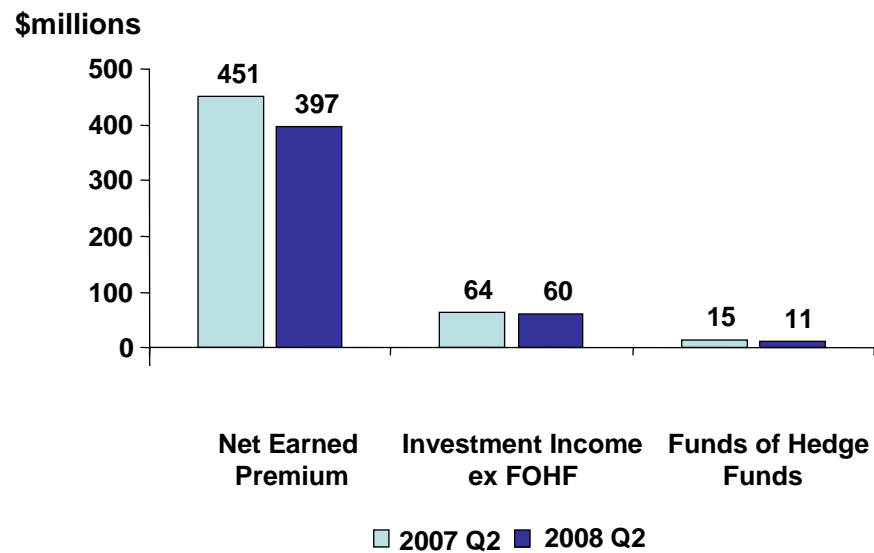


AHL: NYSE

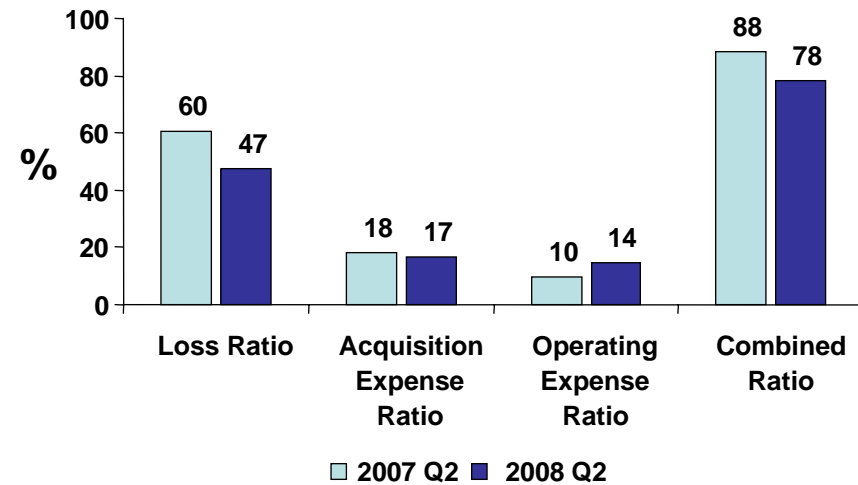


# Key Performance Metrics: Q2 2008

## Revenues



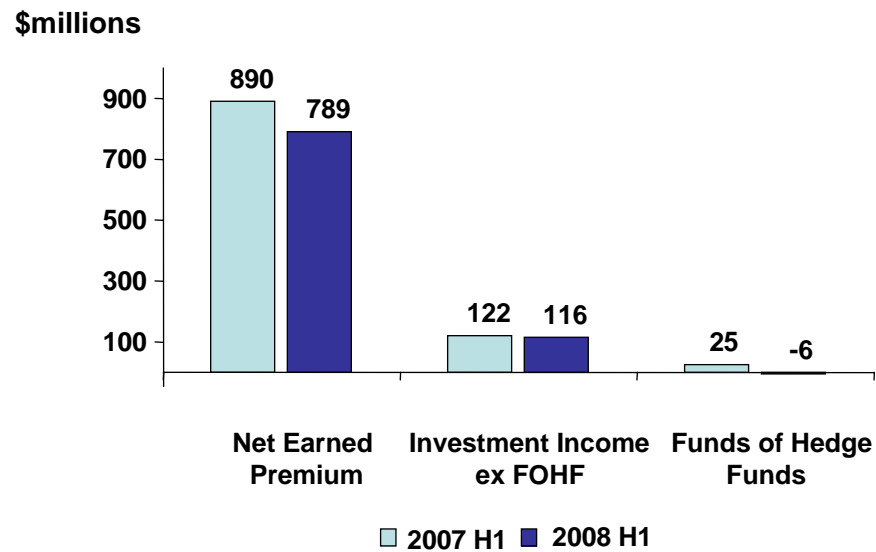
## Ratio Analysis



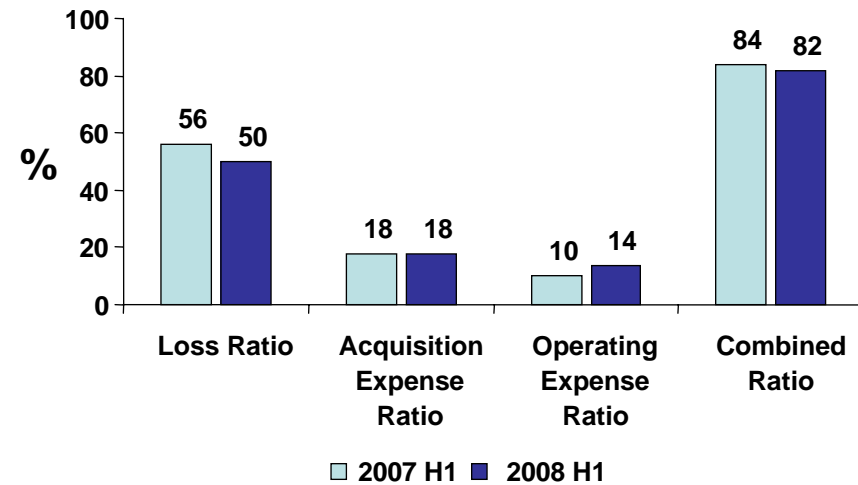


# Key Performance Metrics: H1 2008

## Revenues



## Ratio Analysis

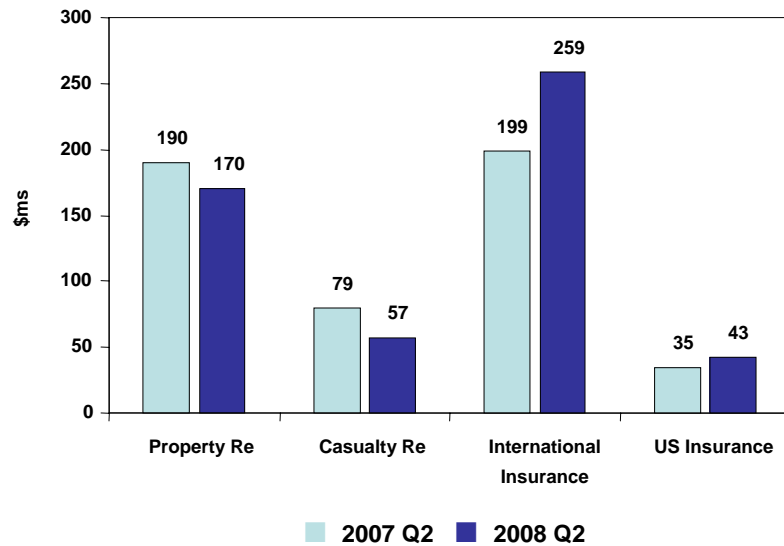




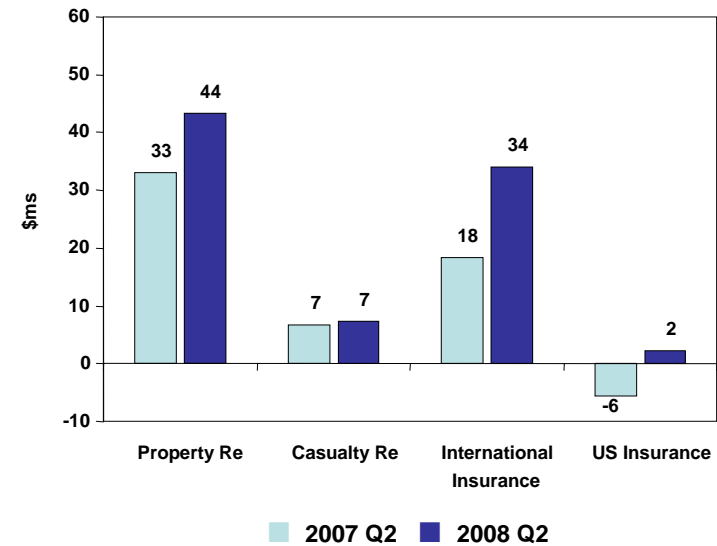


# Results by Business Segment: Q2 2008

### GWP



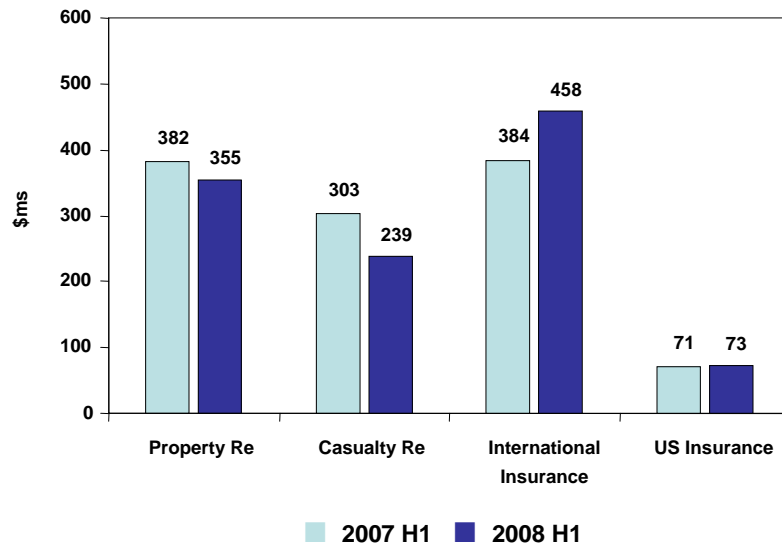
### Underwriting Income



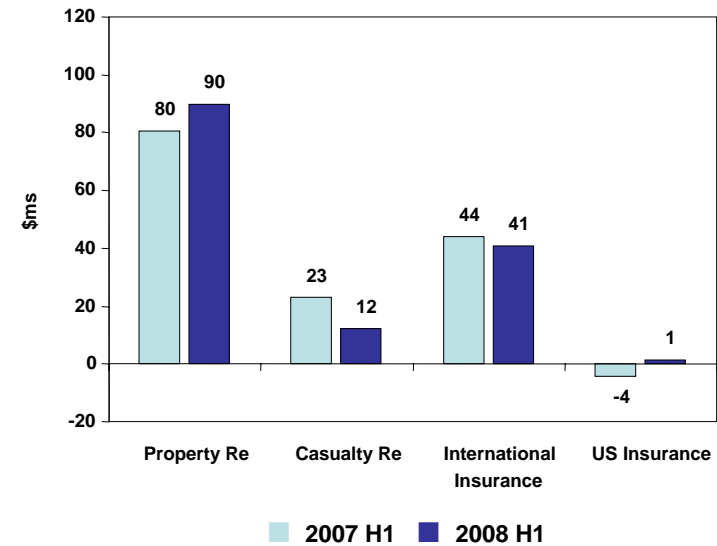


# Results by Business Segment: H1 2008

### GWP

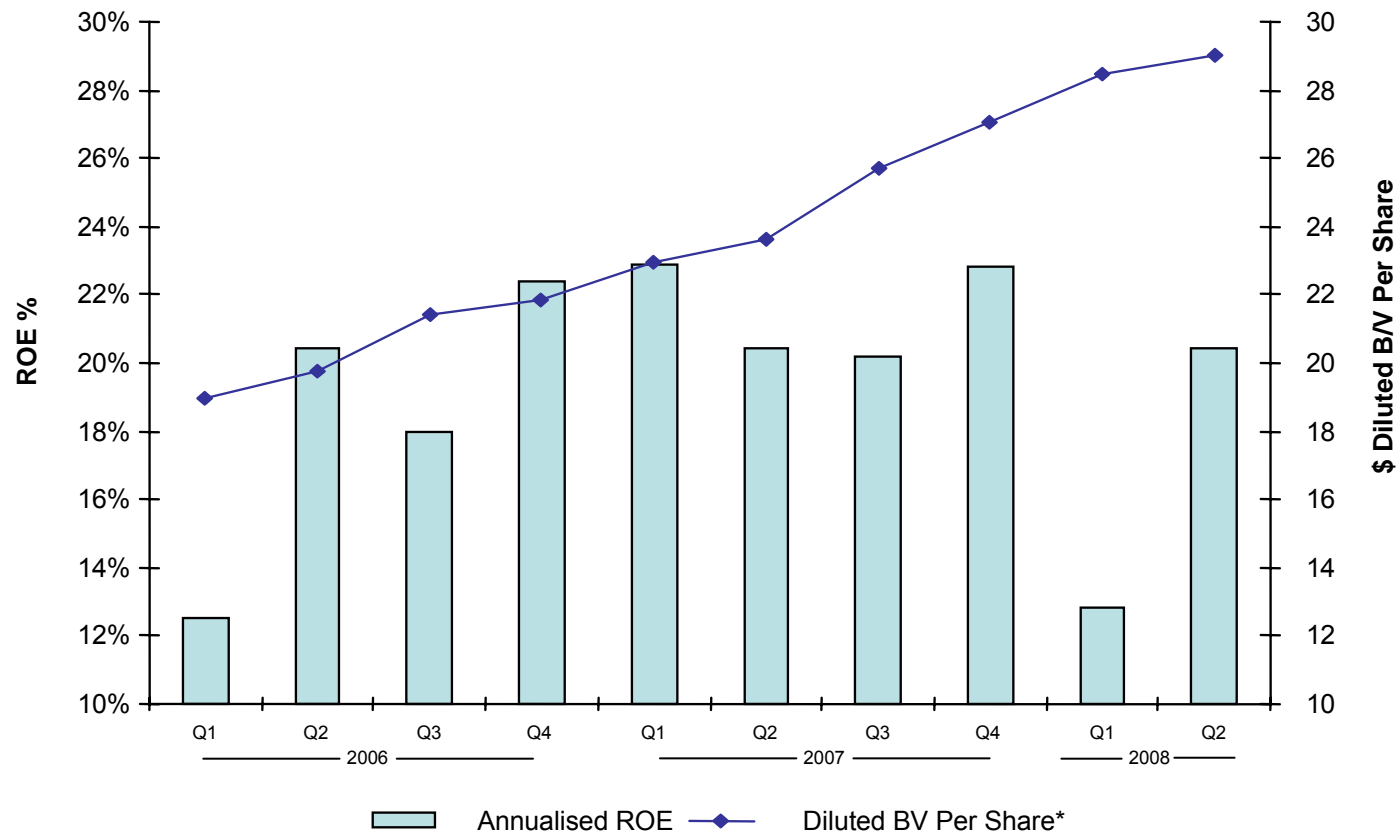


### Underwriting Income





## Growth in ROE and Diluted Book Value Per Share



Compounded Annual Growth Rate in BVPS over last 9 quarters of 18.8%

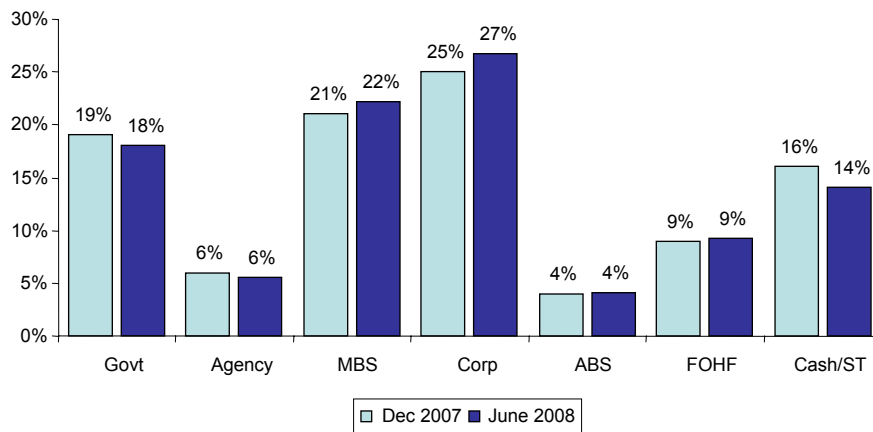
(\*) Note: See Aspen's quarterly financial supplement for a reconciliation of diluted book value per share to basic book value per share and a reconciliation of average equity to closing shareholders' equity in the Investor Relations section of Aspen's website at [www.aspen.bm](http://www.aspen.bm)

AHL: NYSE



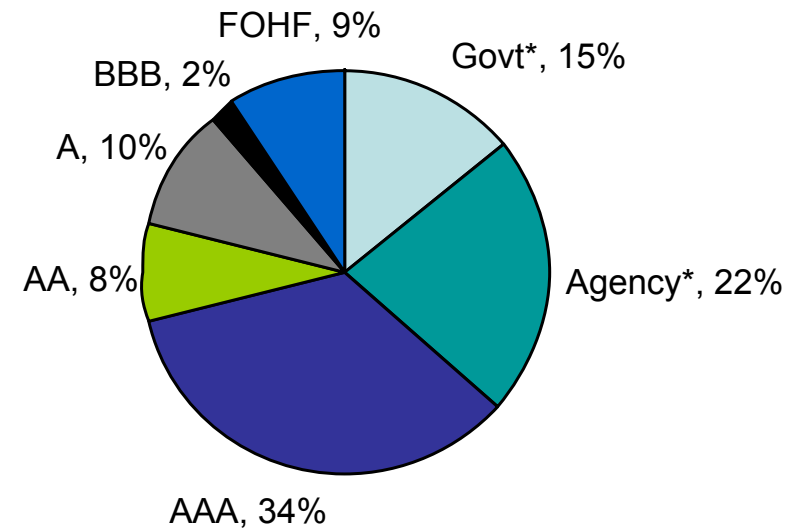
# Aggregate Investment Portfolio

## Asset Class Allocation



## Portfolio Credit Ratings

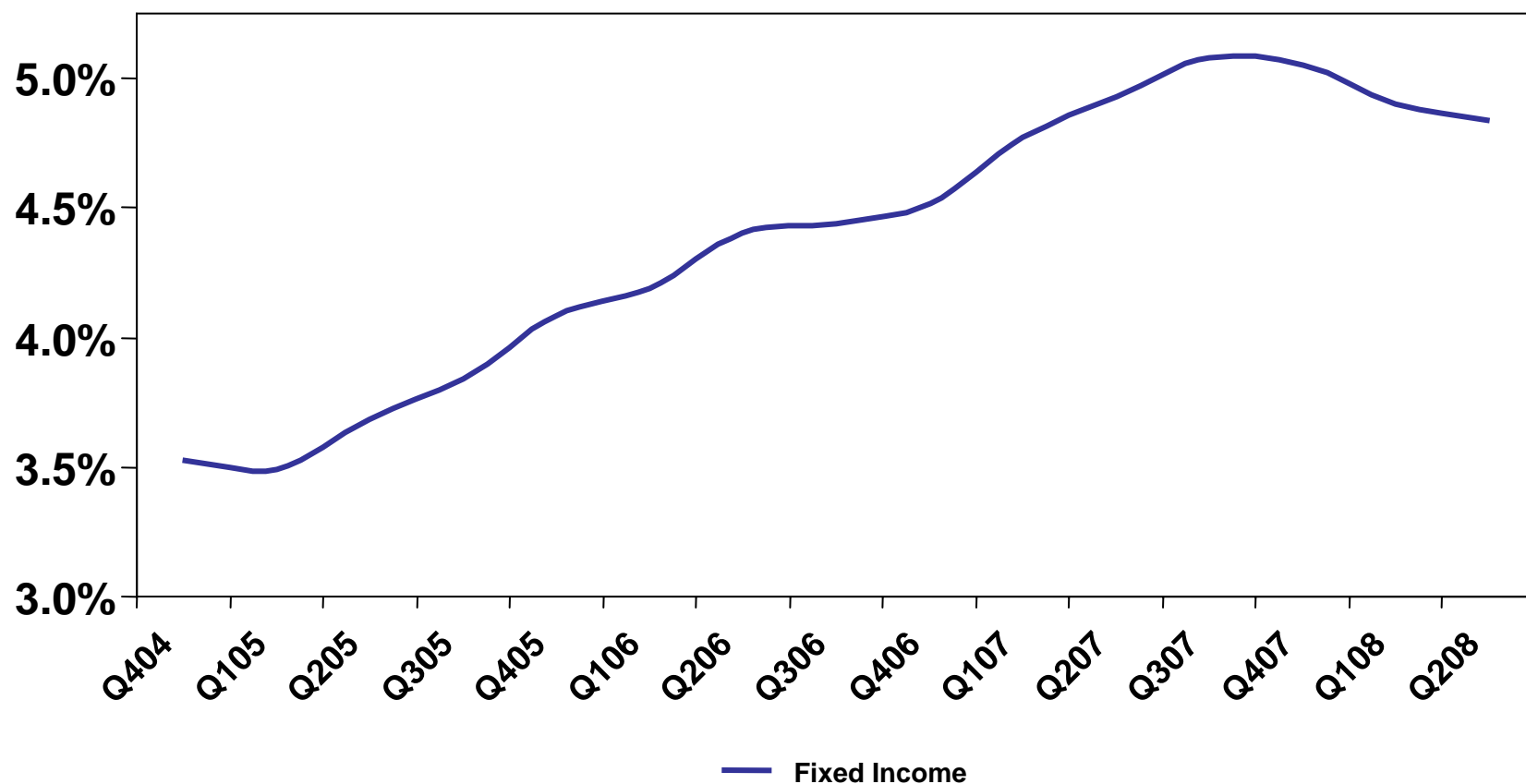
(as at June 30, 2008)



89% of Portfolio 'A' or Better, Overall Fixed Income 'AA+'

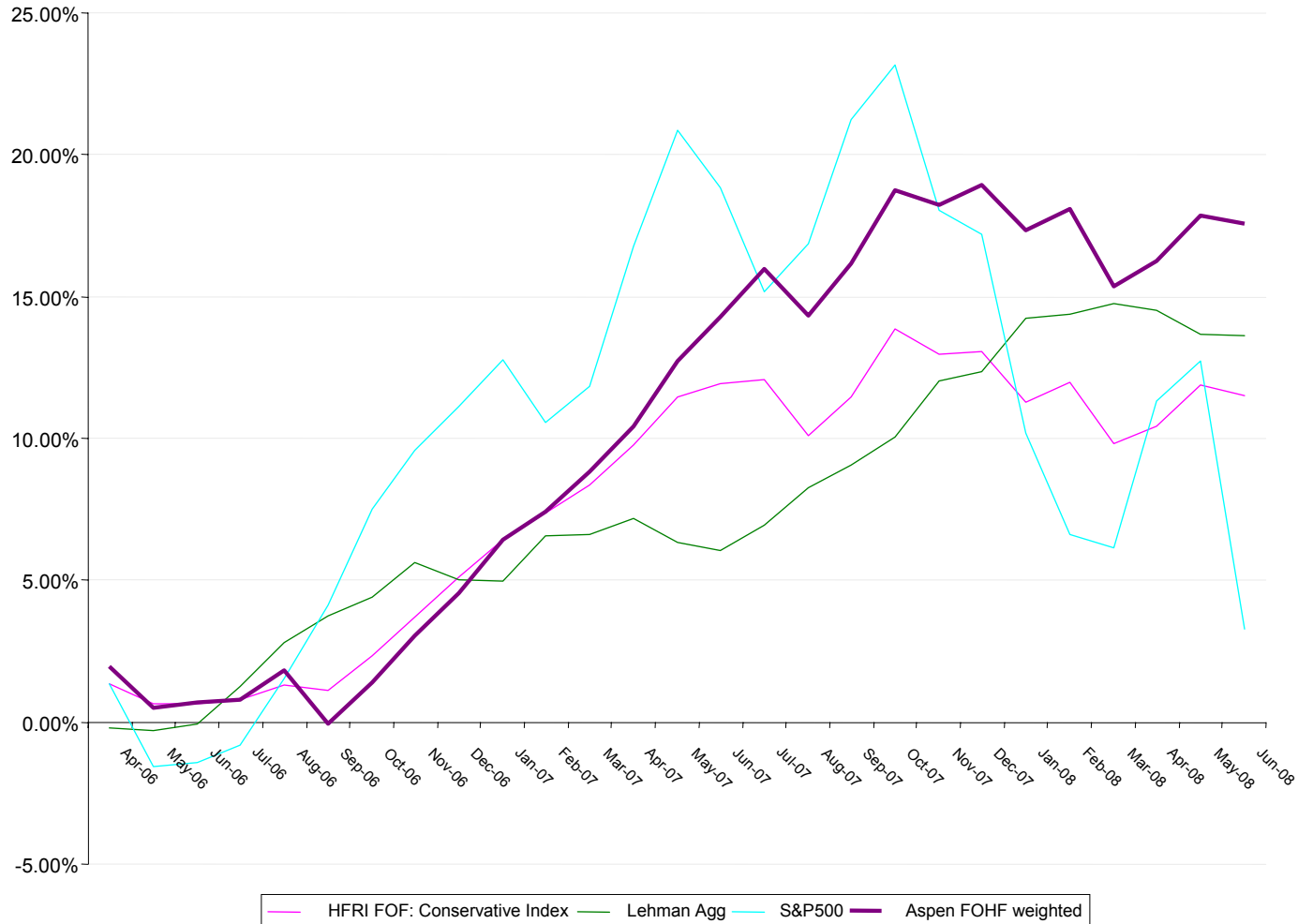


## Fixed Income Book Yield



Active management of interest rate cycle resulting in stable fixed income book yield

# Cumulative Return for Aspen's FOHF Investments



# 2008 Guidance

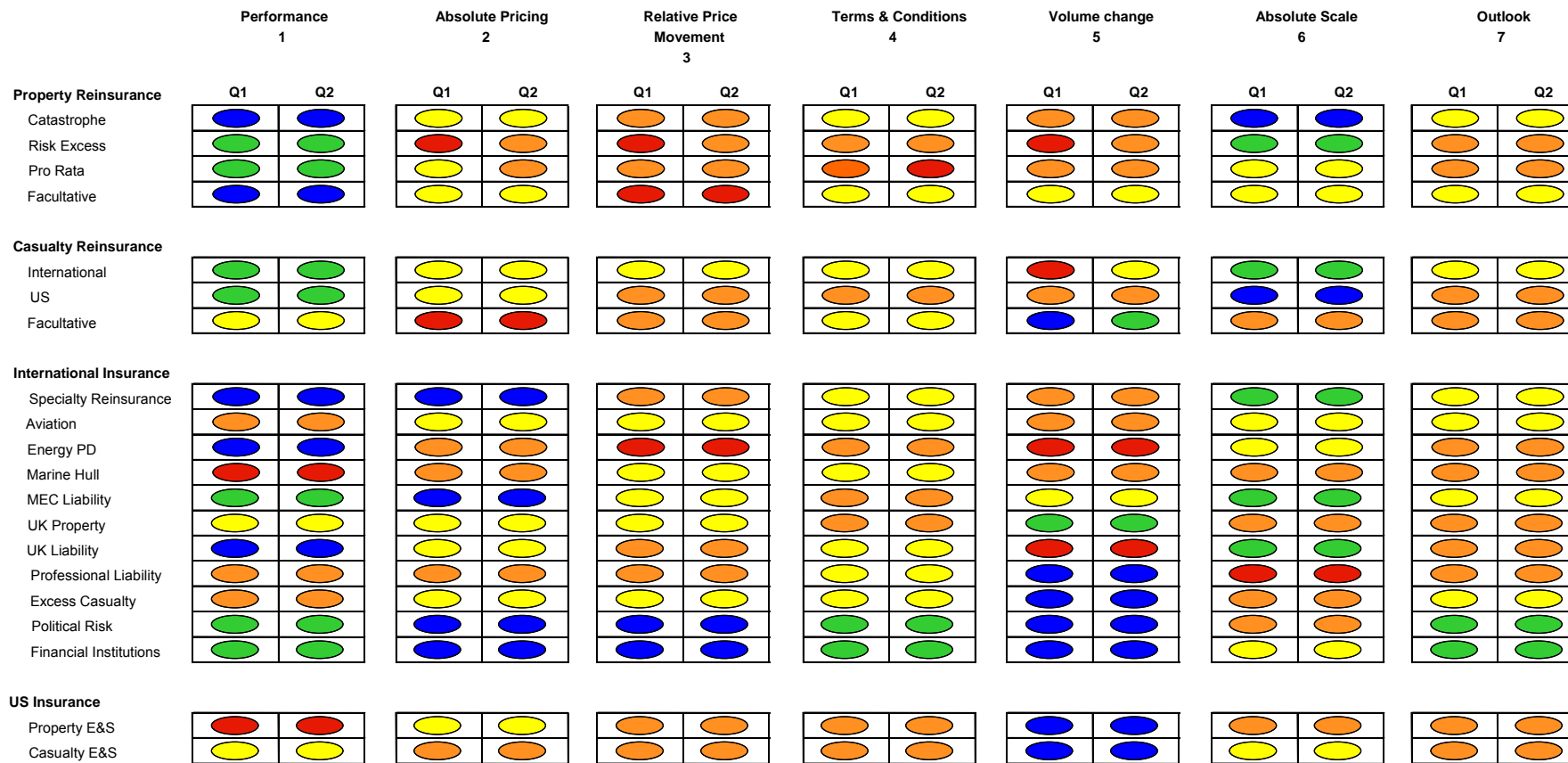


	Guidance February 7, 2008	Guidance May 1, 2008	Guidance July 31, 2008
<b>GWP</b>	<b>\$1.8 billion ± 5%</b>	<b>\$1.8 billion ± 5%</b>	<b>\$1.8 billion ± 5%</b>
<b>% Premium Ceded</b>	<b>8% - 10% of GEP</b>	<b>8% - 10% of GEP</b>	<b>8% - 10% of GEP</b>
<b>Combined Ratio</b>	<b>88% - 93%</b>	<b>88% - 93%</b>	<b>88% - 93%</b>
<b>Net Investment Income on Fixed Income Securities, Short term Investments and Funds of Hedge Funds</b>	<b>\$290 - \$320 million</b>	<b>\$250 - \$285 million</b>	<b>\$230 - \$265 million</b>
<b>Net Return on Fixed Income and Short term Investments</b>		<b>\$240 - \$255 million</b>	<b>\$230 - \$245 million</b>
<b>Net Return on Investments in Funds of Hedge Funds</b>		<b>\$10 - \$30 million</b>	<b>\$0 - \$20 million</b>
<b>Tax Rate</b>	<b>13% to 16%</b>	<b>13% to 16%</b>	<b>13% to 16%</b>
<b>Assumed Cat-Load</b>	<b>\$135 million</b>	<b>\$135 million</b>	<b>\$115 million</b>

ROE of 13% - 16% (assuming normal loss experience)

AHL: NYSE

# Business Performance and Market Outlook



1 - Rolling ROAE for the last four quarters from 2008 Q1  
 2 - Ratio of Actual to Technical (or modelled) price






3 - Relative Price Movement for all renewed contracts for YTD 30/04/2008  
 4 - Terms and Conditions

5 - Comparison of 2007 actual premium to 2008 plan premium  
 6 - 2008 Plan PAT figure (in \$m)  
 7 - Outlook

AHL: NYSE



# Business Performance and Market Outlook: Key

Key	Performance	Absolute Pricing	Relative Price Movement	Terms and Conditions	Volume change	Absolute Scale	Outlook
	1	2	3	4	5	6	7
	Excellent	Excellent	Significantly Up	Excellent	Significantly Up	Very significant	Excellent
	Good	Good	Up	Good	Up	Significant	Good
	Satisfactory	Satisfactory	Flat	Satisfactory	Flat	Medium	Satisfactory
	Of Concern	Of Concern	Down	Of Concern	Down	Small	Of Concern
	Unsatisfactory	Unsatisfactory	Significantly Down	Unsatisfactory	Significantly Down	Very Small	Unsatisfactory