



# Aspen Insurance Holdings Limited

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May 3, 2007

Q1 2007 Earnings Conference Call



# Safe Harbor Disclosure

*This presentation is given in the context of the quarterly earnings conference call and contains non-GAAP measures. 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 may 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," 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 adjusters, 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 Report on Form 10-K as filed with the U.S. Securities and Exchange Commission on February 22, 2007. 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.*



## Financial Highlights – First Quarter

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

<b>Period Ended March 31</b>	<b>2007</b>	<b>2006</b>
Gross Written Premiums	\$636.5	\$678.7
Net Written Premiums	555.1	451.9
Net Earned Premiums	439.0	402.6
Underwriting Income	90.5	38.7
Net Investment Income	67.5	44.5
<b>Net Income after tax</b>	<b>121.9</b>	<b>61.8</b>
<b>GAAP Ratios:</b>		
Loss Ratio	51.4%	57.7%
Expense Ratio	28.0%	32.7%
<b>Combined Ratio</b>	<b>79.4%</b>	<b>90.4%</b>
Full Year ROAE	<b>22.9%*</b>	<b>13.3%*</b>
Diluted Operating Earnings Per Ordinary Share	\$1.26	\$0.59

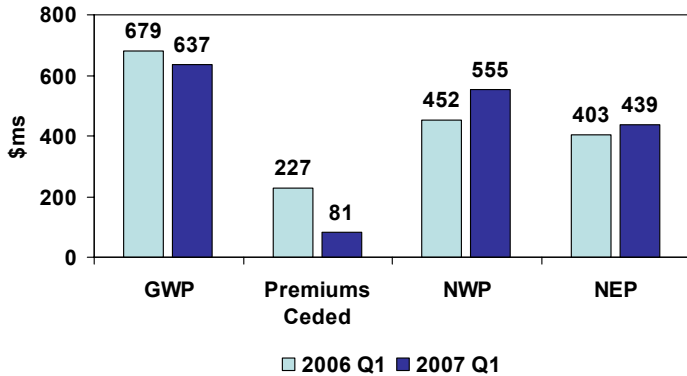
\* Annualised

AHL: NYSE

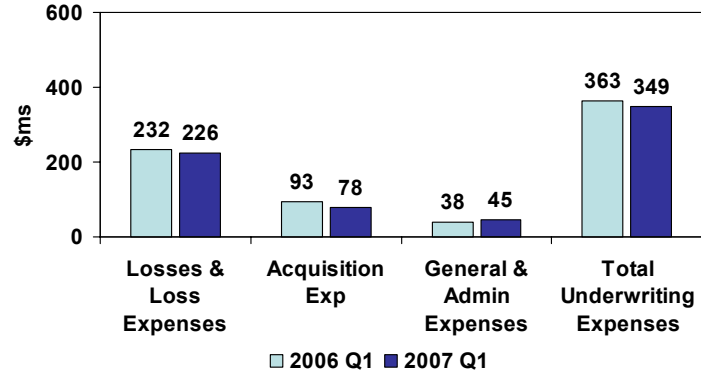


# Financial Highlights – Group Summary

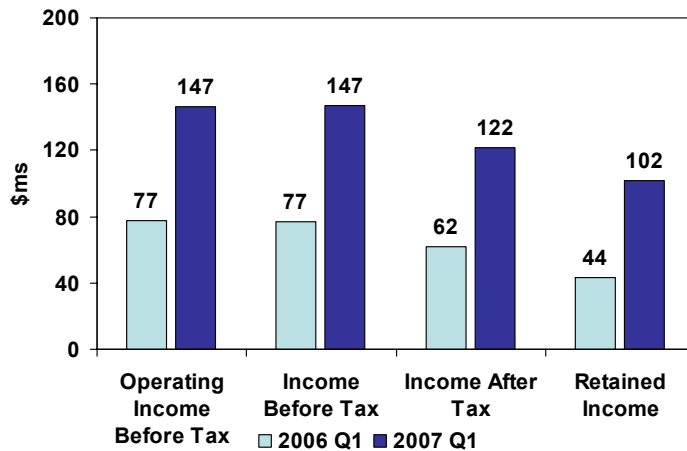
### Underwriting Revenues



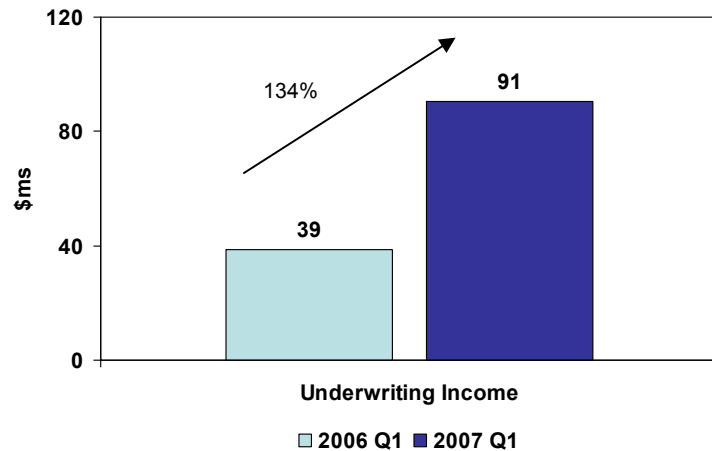
### Underwriting Expenses



### Income



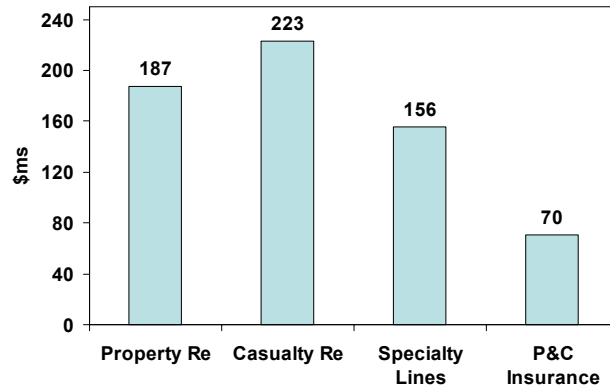
### Underwriting Income



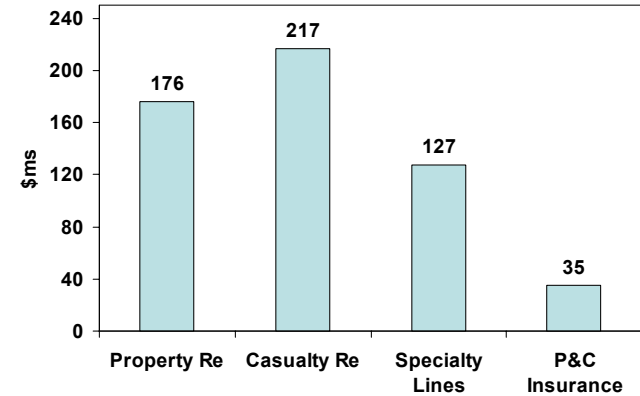


# Results by Business Segment – Q1 2007

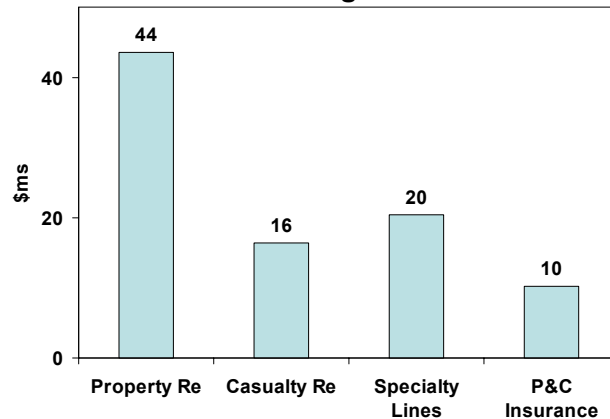
### GWP



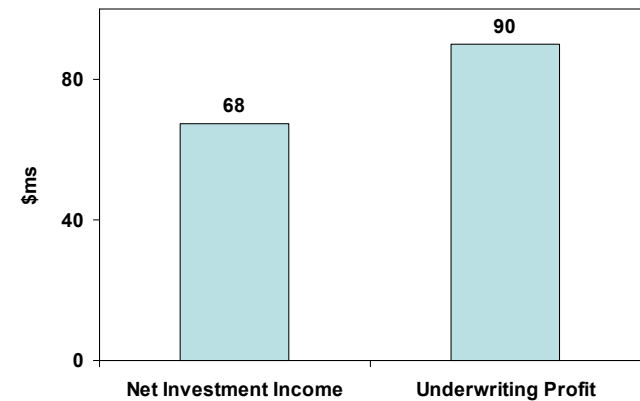
### NWP



### Underwriting Profit

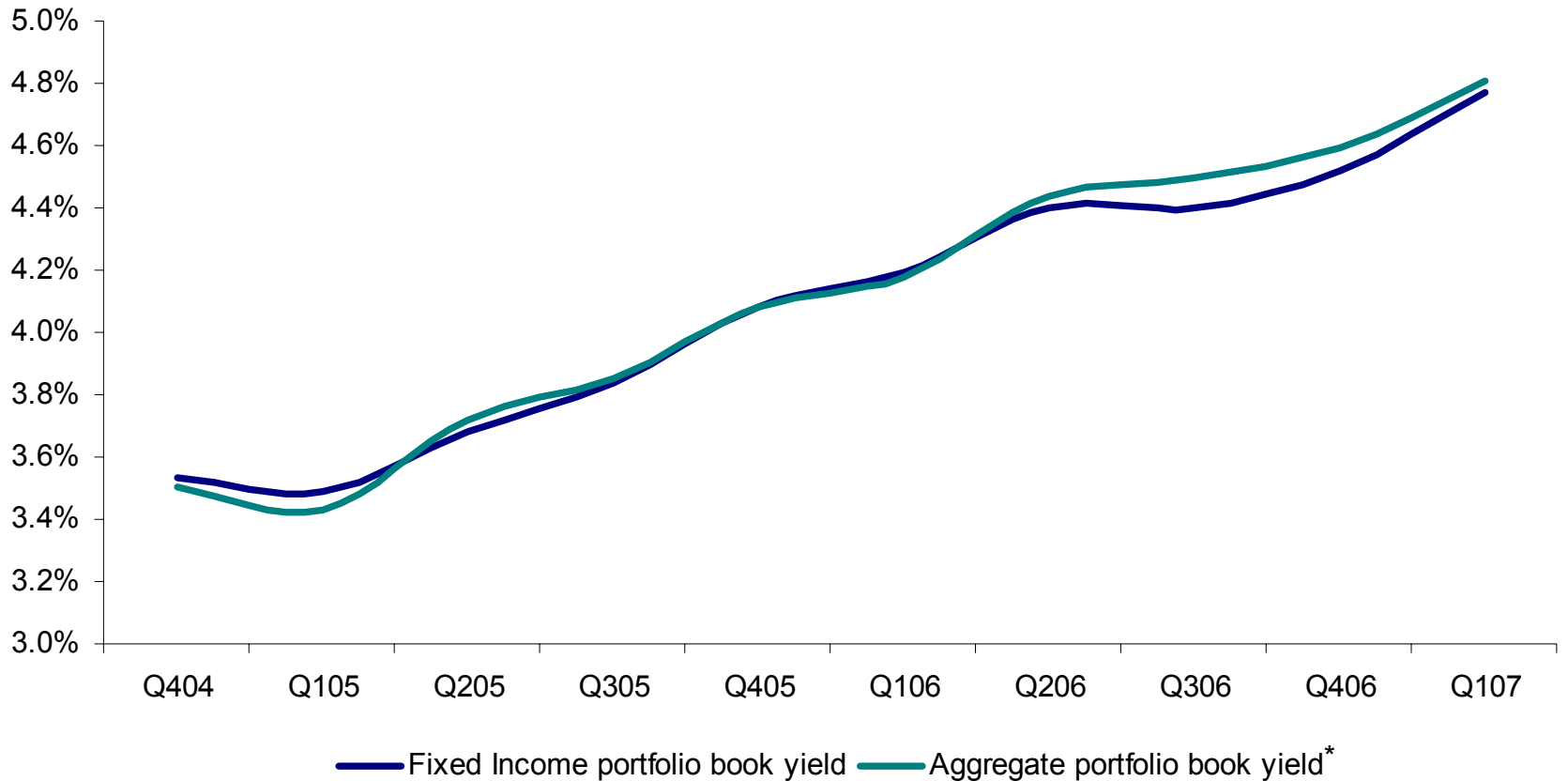


### Income Contribution





# Improvement in Investment Yield

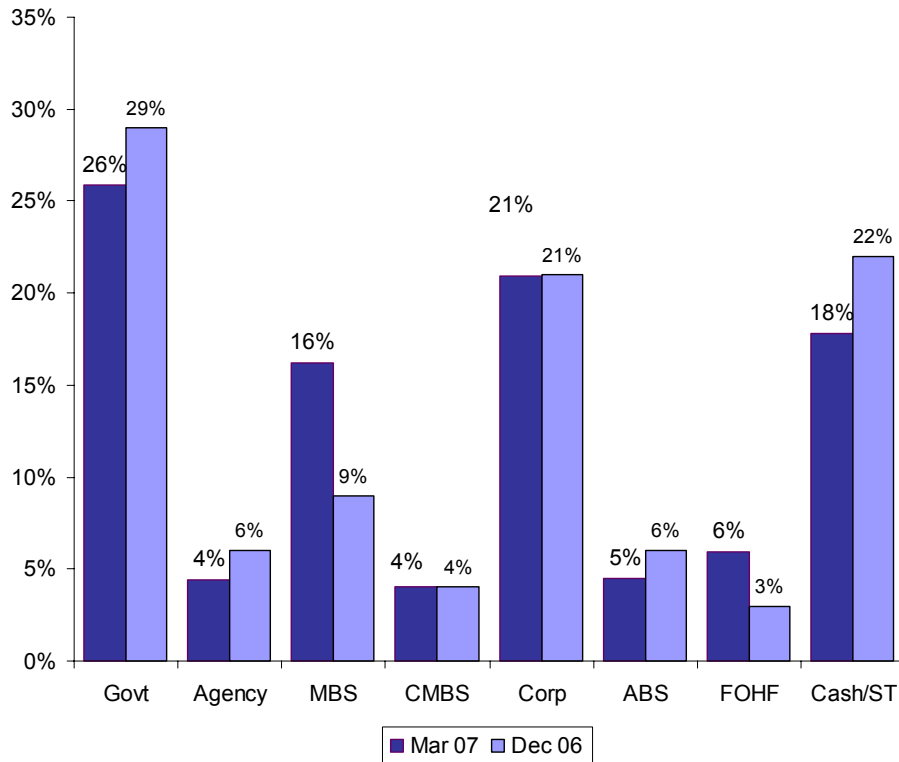


(\*) including cash and cash equivalents but excluding FoHF - Initial investments in Fund of Hedge Funds were made on April 1, 2006 with subsequent investment on February 1, 2007.



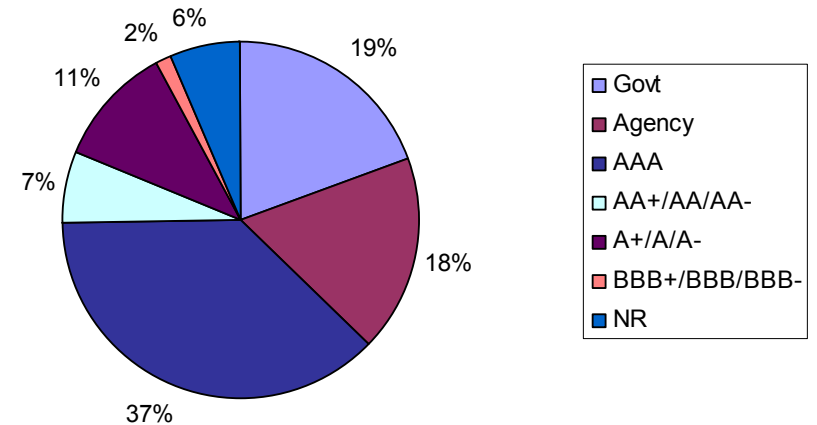
# Investment Portfolio

## Asset Class Allocation



## Portfolio Credit Ratings

(as at March 31, 2007)



Indicator (S&P Ratings)	Actual as at March 31, 2007	Actual as at December 31, 2006
Fund of Hedge Funds	6%	3%
Overall Portfolio Rating	AAA	AAA
Overall Fixed Income Rating	AA+	AAA



## 2007 Guidance

### Full 2007 Year Outlook

	February 9, 2007	May 3, 2007
GWP	\$1.9 billion $\pm$ 5%	\$1.8 billion $\pm$ 5%
% Premium Ceded	6% – 8% of GWP	6% – 8% of GWP
Combined Ratio	83% – 88%*	83% – 88%*
Investment Income	\$230 – \$250 million	\$250 – \$270 million
Tax Rate	16% to 19%	16% to 19%
Assumed Average Cat-Load	\$135 million	\$115 million (remainder of year)

Implied ROE of 16% – 20%

\* Assumes no major losses or prior year reserve movements

AHL: NYSE