



AMLIN

AMLIN PLC

2004 Preliminary Results

8 March 2005

Roger Taylor – Chairman

Charles Philipps – Chief Executive

Richard Hextall – Finance Director

Tony Holt – Underwriting Director



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

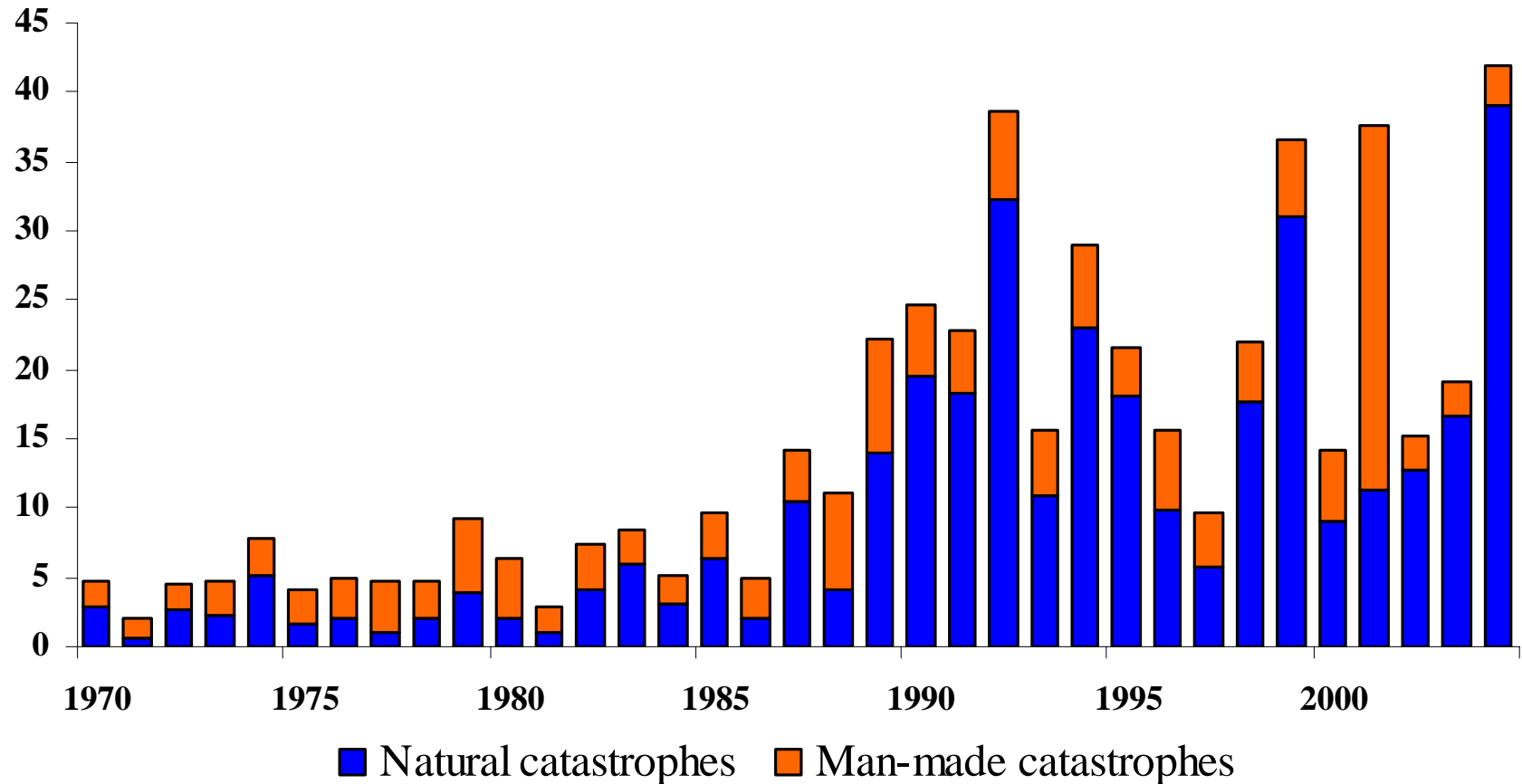


- Another set of excellent results
 - PBT: £121.6m; ROE 22.3%; RoNTA 26.9%
 - Net windstorm losses £74 million
- Strong 2005 earnings outlook
- Trading conditions better than expected
- Dividend up 220% to 8p and commitment to 2006
- Focus on balance sheet management for ROE
- Vision and strategy extended to 2009

Record year for insured catastrophes



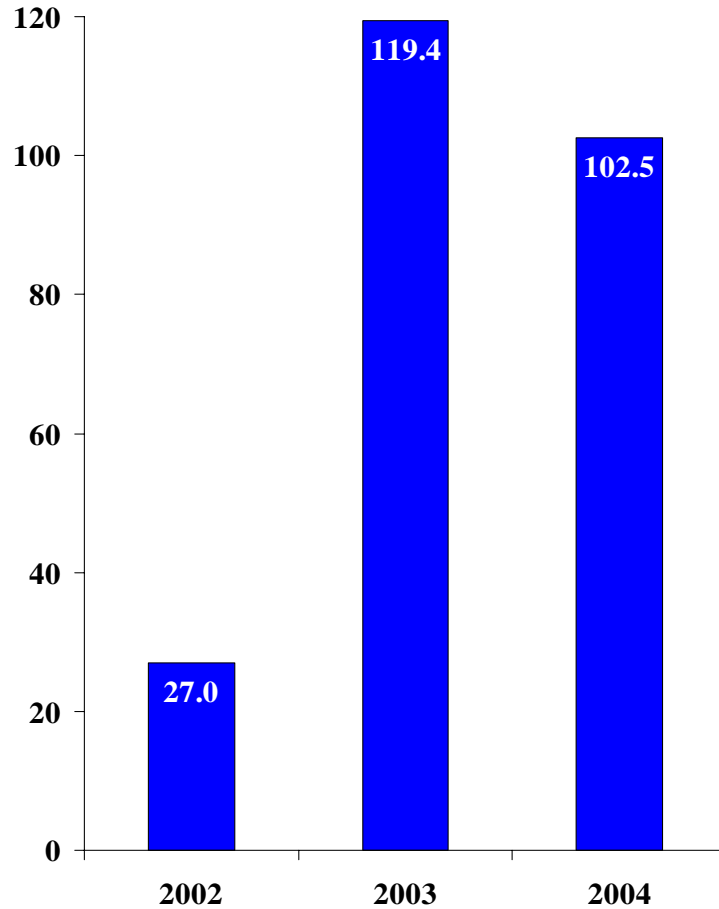
in USD bn,
at 2004 prices



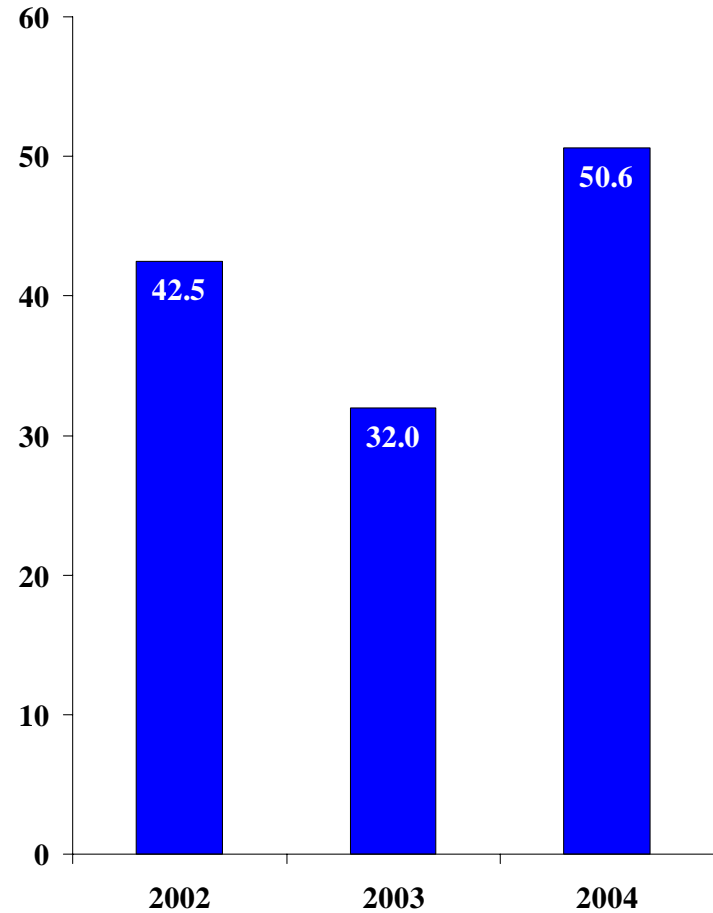
All areas performed well



Underwriting contribution (£m)



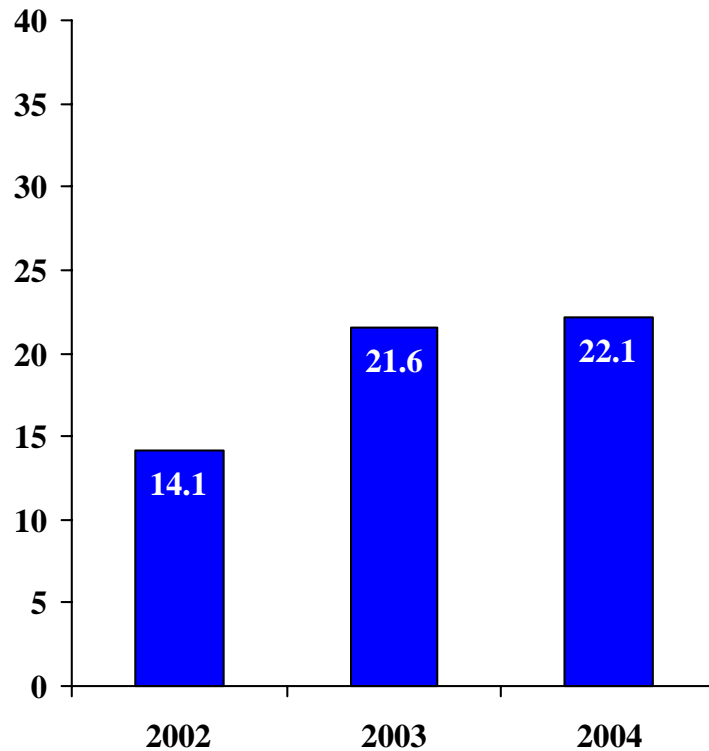
Investment contribution (£m)



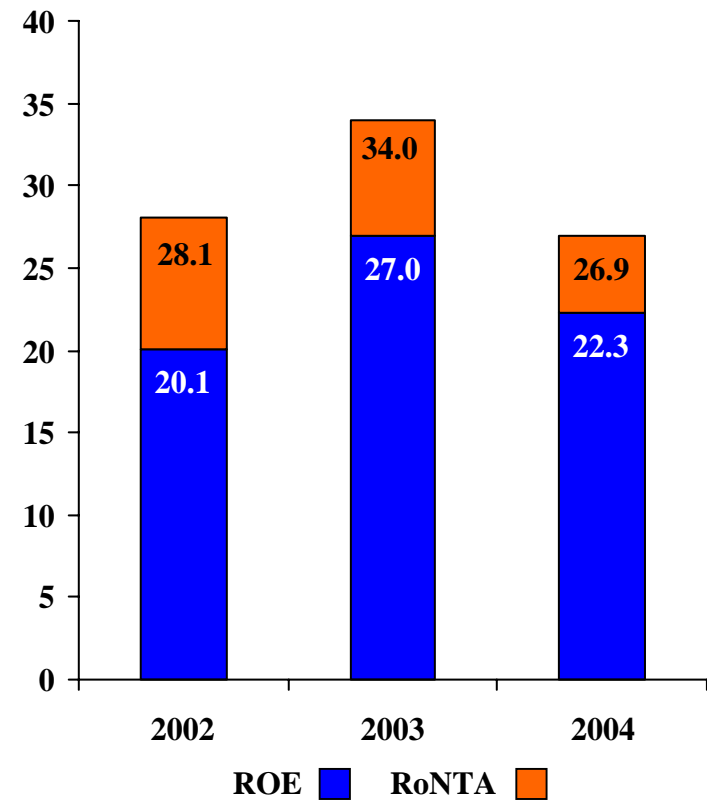


Excellent shareholder returns

Earnings per share (p)



Return on equity/net tangible assets (%)



Note: Return on equity/net tangible assets calculated based on opening shareholders funds but adjusted for equity issued in the period

Results summary



	2004	2003	Change
	£m	£m	
Gross premium	945.6	937.4	1%
Net premium	790.2	787.6	-
Earned premium	696.3	684.7	2%
Profit before tax	121.6	120.3	1%
Tax	(35.6)	(37.0)	(4%)
	86.0	83.3	3%
Return on equity	22.3%	27.0%	(17%)
Earnings per share	22.1p	21.6p	2%
Dividends per share	8.0p	2.5p	220%
Net tangible assets per share	99.1p	84.6p	18%

Differential analysis



	2004	2003	Change
	£m	£m	£m
Underwriting result (after expenses)	102.5	119.4	(16.9)
Investment return	50.6	32.0	18.6
	153.1	151.4	1.7
Net other charges	(31.5)	(31.1)	(0.4)
Profit before tax	121.6	120.3	1.3

Underwriting results: Syndicate 2001



	2004	2003	2002	2001
	£m	£m	£m	Ex 11/9 £m
Gross premium	942.2	1097.5	996.6	830.6
Net premium	781.6	922.0	801.0	696.4
Earned premium	751.0	867.8	703.2	493.9
Claims ratio	52%	51%	60%	67%
Expense ratio	30%	32%	32%	29%
Combined ratio	82%	83%	91%	96%

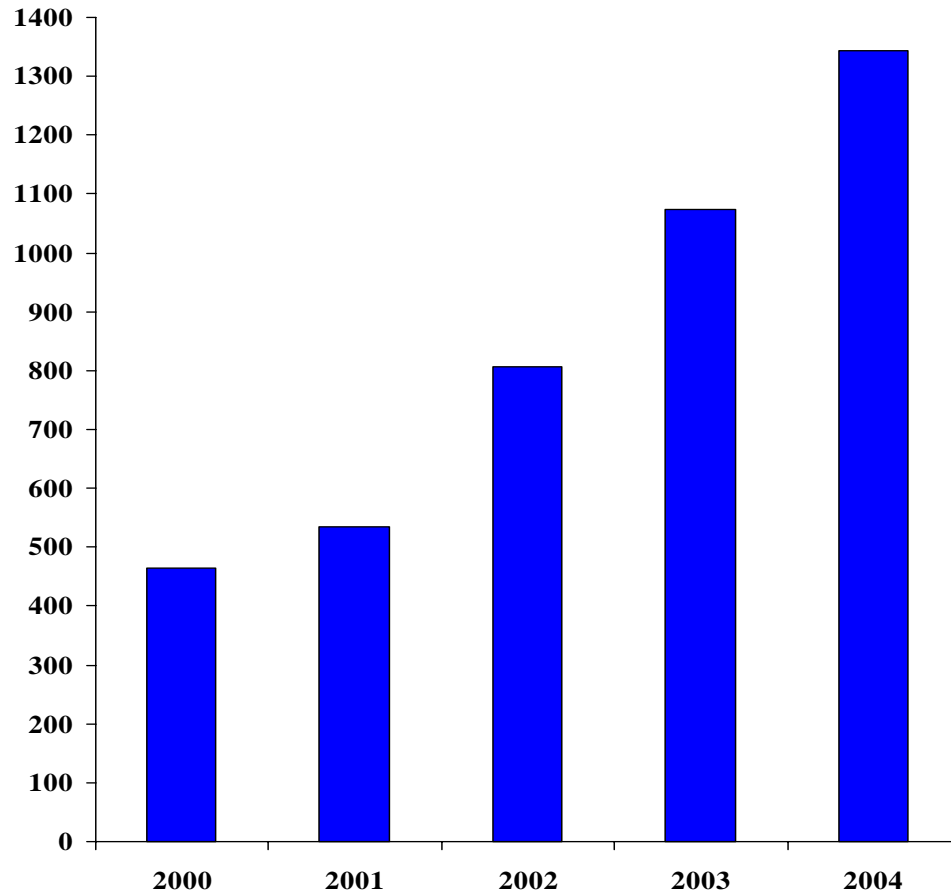
Divisional analysis: Syndicate 2001



	Total £m	Non marine £m	Aviation £m	UK £m	Marine £m
Gross premium	942.2	521.7	91.1	171.4	158.0
Net premium	781.6	425.7	60.9	152.9	142.1
Earned premium	751.0	400.0	65.5	151.3	134.2
Claims ratio	52%	50%	56%	58%	51%
Combined ratio	82%	79%	88%	83%	86%
<i>2003 Combined ratio</i>	83%	78%	92%	92%	82%



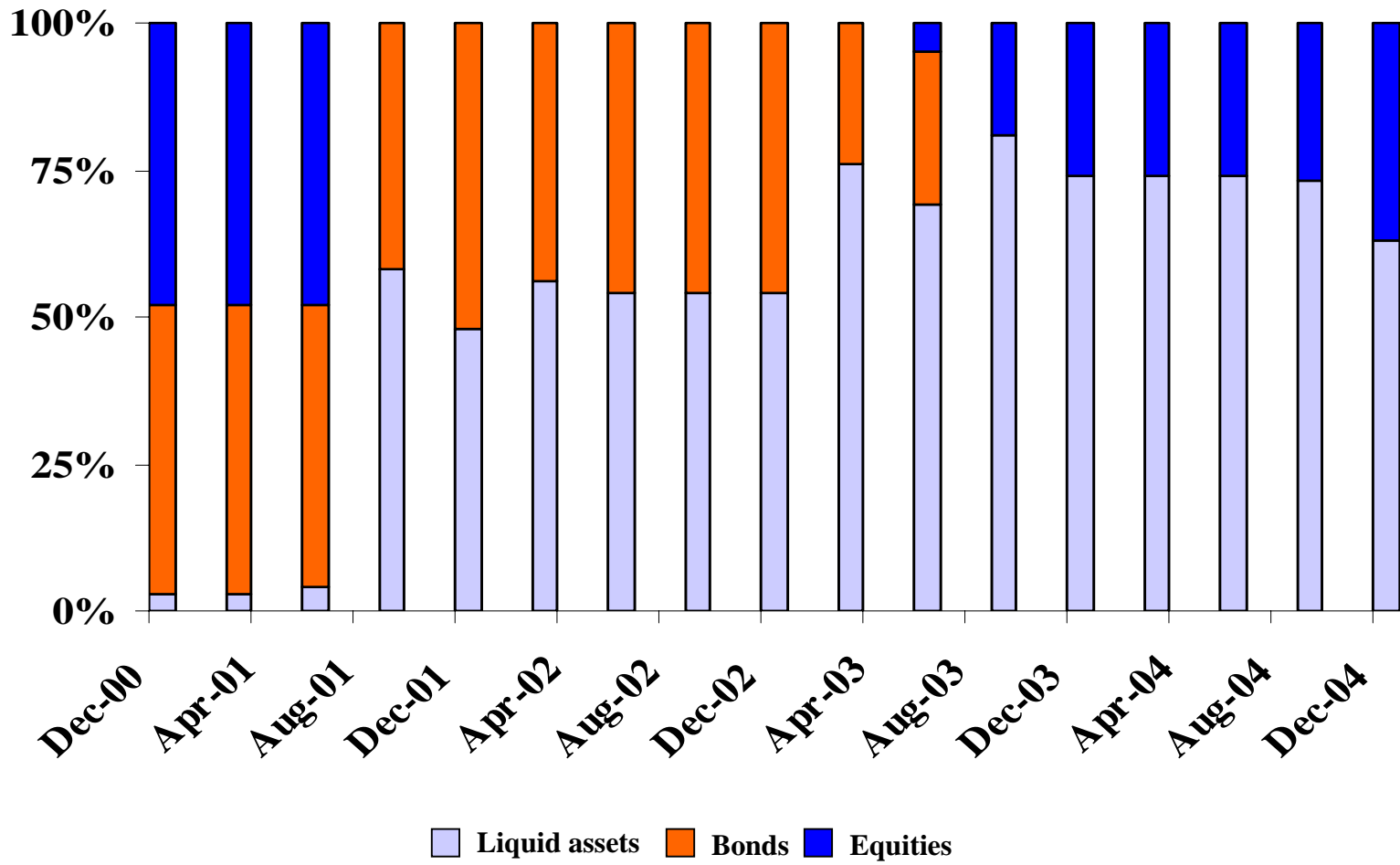
Cash and investments at 31 December



	Returns	
	2003	2004
	%	%
Equity	27.1	14.4
Bonds	3.1	4.0
Cash	2.5	4.4



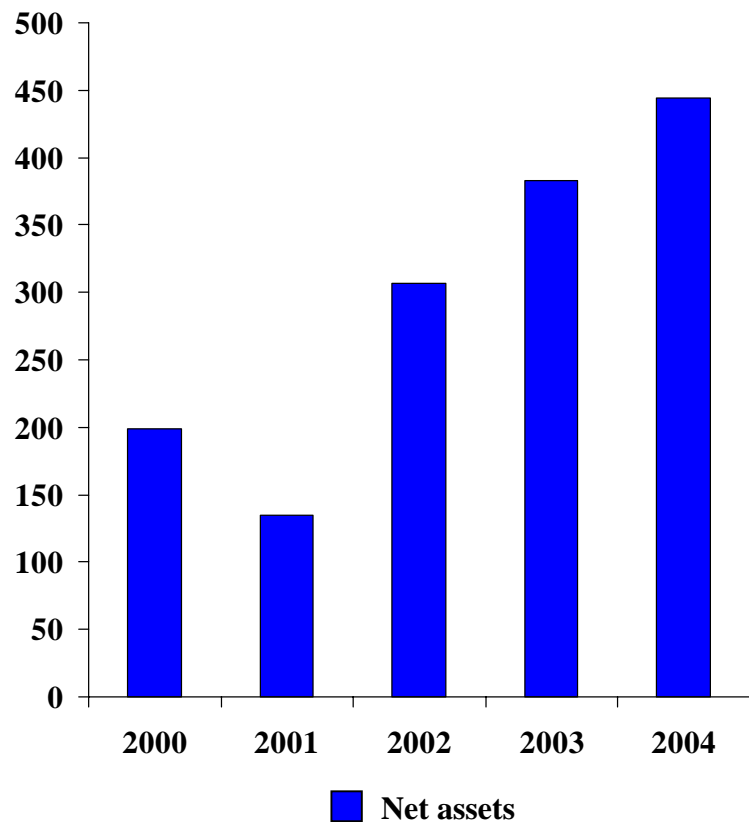
Corporate asset mix chart



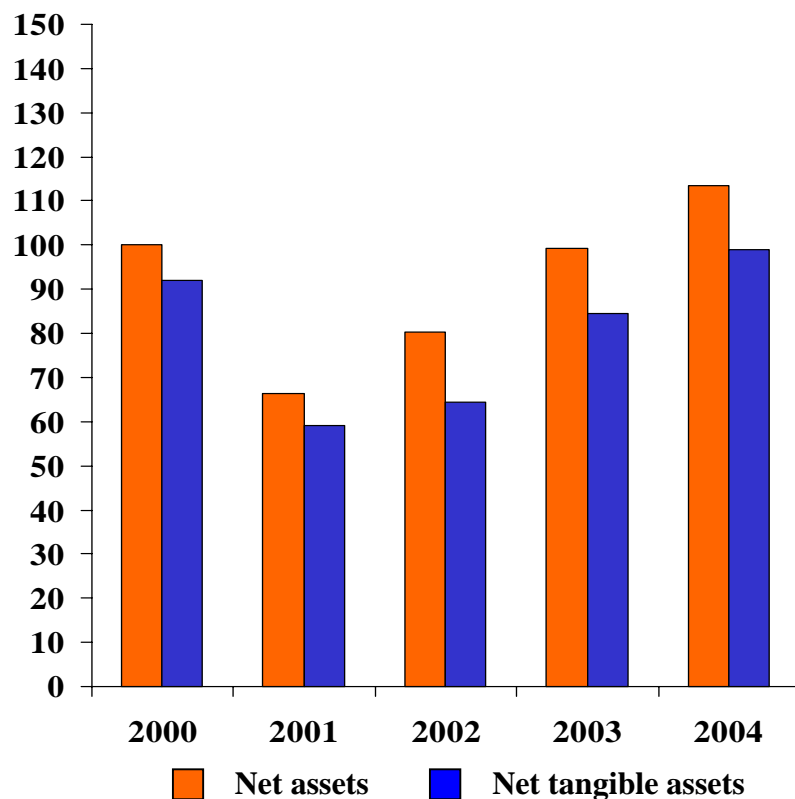
Balance sheet



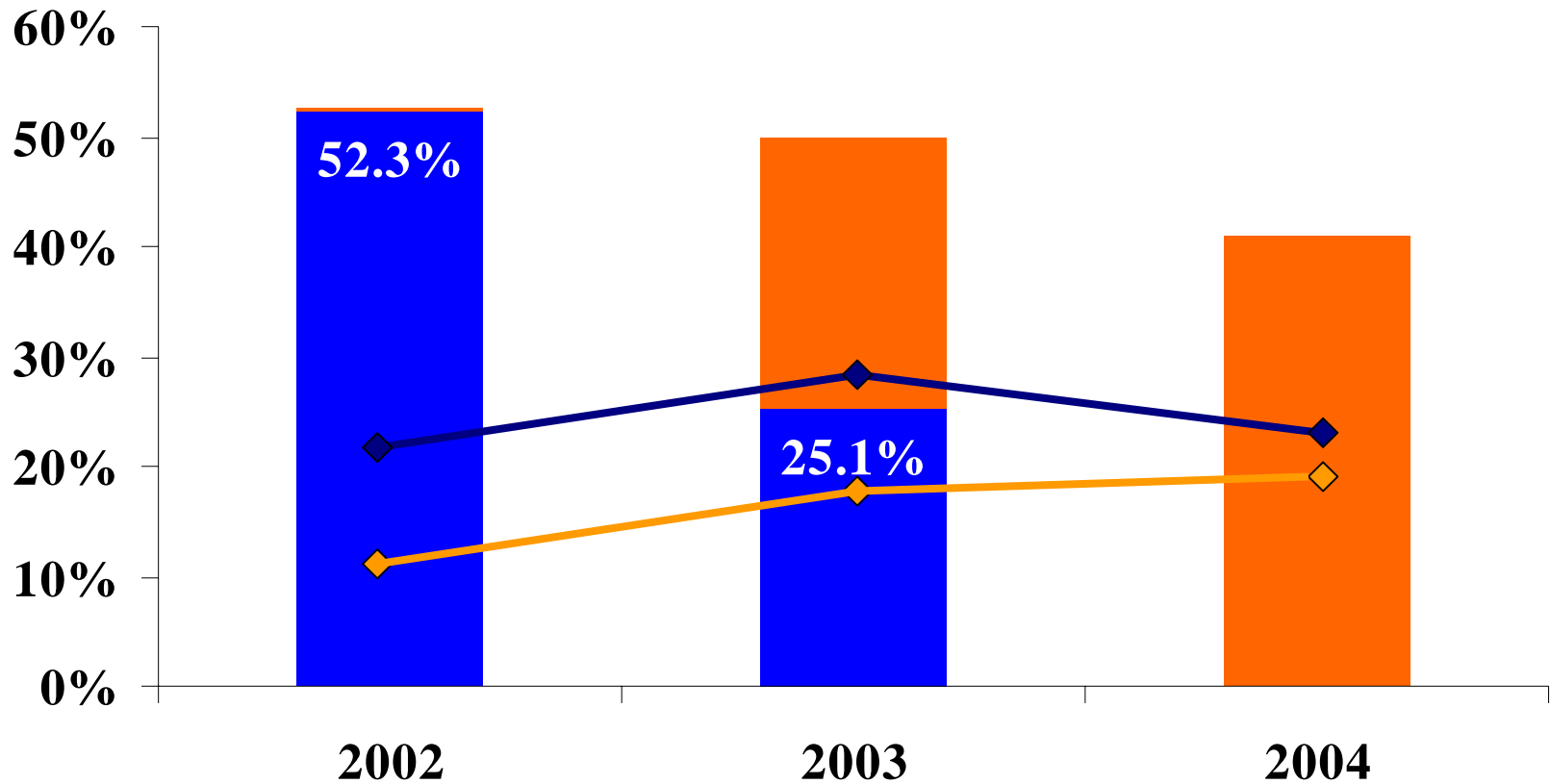
Net assets (£)



Net assets per share (p)



Leverage



■ Adjusted Gearing ■ Bridging Finance ◆ ROE % ◆ ROC %

IFRS



- Exclusion of dividends
- Syndicate capacity treated as an indefinite life asset
- Small Angerstein scheme net deficit on balance sheet
- Investments – marked to market at bid price and trading asset
- Share based payments through income statement

Rates remain good



Rating indices

Class	2000	2001	2002	2003	2004
Airline hull and liabilities	100	244	233	195	175
Marine hull	100	115	148	170	183
Employers' liability	100	115	144	158	155
Energy	100	140	172	189	165
Professional indemnity	100	110	148	180	180
US large property insurance	100	125	171	163	143
Non US catastrophe reinsurance	100	120	157	162	146
US catastrophe reinsurance	100	115	146	150	153
US Casualty	100	125	170	211	230
War	100	250	288	244	220
Fleet motor	100	121	135	142	139

■ Average 2004 renewal retention ratio of 79%

■ To date 4% rate reduction in 2005– 34% of plan written

Current trading conditions



■ Non-marine

- International CAT under most competitive pressure at 1st January renewals
- Rate rises on Caribbean CAT & expect rises on Japanese wind XLS/ renewals
- US CAT stable and expect rises in Florida
- Large ticket property is still subject to downward pressure
- Small ticket binder account more stable
- Casualty account stable

■ Marine

- Offshore energy stabilising following a large loss from Hurricane Ivan
- Hull rate rises moderating
- War subject to strong competitive pressure
- Yacht & Bloodstock rates flat

Current trading conditions



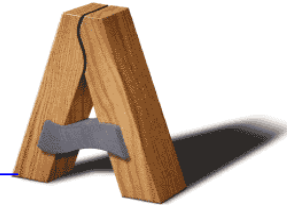
Aviation

- Continued pressure on airline rates due to 3 years of low loss frequency
- Continued rate improvements in product and airport liabilities

UK commercial

- Growing pressure on motor rates but our portfolio is only subject to modest negative price movement
- Professional indemnity account competitive
- Employers liability rates subject to small reductions

Current trading summary



- Against the benchmark of 2001 to 2003 underwriting years 2005 pricing should produce a good result
- 2004 despite 5 significant CAT losses will still produce a good underwriting profit
- Time to maintain our market share and not drive for aggressive growth
- Still a market of opportunities and no need to shrink other than isolated areas

Positive outlook

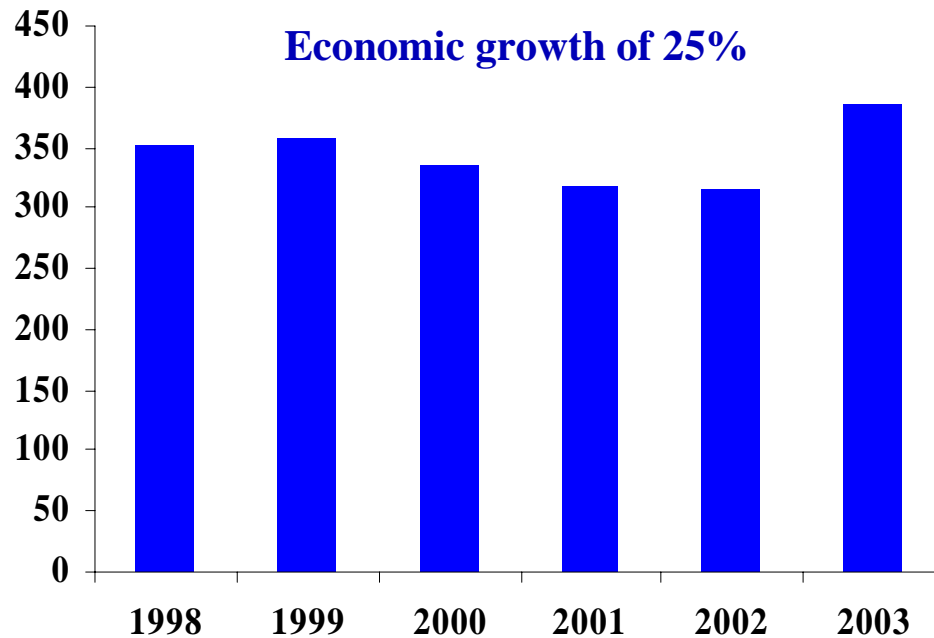





- £500.8 million on unearned premium written at excellent rates
- Strong and consistently applied reserving
- Good January renewal season with 2005 renewal rates to date down only 3%
- Investment funds up 25%, at £1.3 billion at 31 December – increased ownership will maintain growth
- Lower Lloyd's costs with reshaping of Central Fund financing



Longer term outlook

US Capital & Surplus - 1994 to 2003 (\$bn)



-  **Lloyd's Franchise performance management**
-  **Rating agency pressure for financial return**
-  **Liability reserving deficiencies**
-  **Signs of good capital management**

Vision to 2009



- **The global reference point for quality in our markets**
- Profit focussed underwriting excellence
- Thorough understanding of client needs
- First class service standards
- Management of insurance cycle
 - Underwriting and reinsurance strategies
 - Capital and investment strategies
- **To deliver superior shareholder returns over long term**

Summary



- Third year in succession of ROE in excess of 20%
- Result in worst year for catastrophes is further demonstration of strength of business
- Underwriting conditions remain favourable
- Still finding means of improving business and return potential
- Higher dividends with strong cash flow to support them going forward
- Strategic goal to become “global reference point for quality” in our markets



Questions & Answers



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