



Barclays Investor Conference  
September 16, 2009

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

This presentation release contains, and Montpelier Re may from time to time make, written or oral “forward-looking” statements within the meaning of the United States (the “U.S.”) federal securities laws, pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, that are not historical facts, including statements about our beliefs and expectations. All forward-looking statements are based upon current plans, estimates and projections. Forward-looking statements rely on a number of assumptions concerning future events and are subject to a number of uncertainties and various risk factors, many of which are outside the Company’s control, that could cause actual results to differ materially from such statements. See “*Risk Factors*” contained in our Annual Report on Form 10-K for the fiscal year ended December 31, 2008, as filed with the Securities and Exchange Commission. In particular, statements using words such as “may,” “should,” “estimate,” “expect,” “anticipate,” “intend,” “believe,” “predict,” “potential,” or words of similar import generally involve forward-looking statements.

Important events and uncertainties that could cause the actual results, future dividends or future common share repurchases to differ include, but are not necessarily limited to: market conditions affecting our common share price; the possibility of severe or unanticipated losses from natural or man-made catastrophes, in particular catastrophes that are weather-related; the effectiveness of our loss limitation methods; our dependence on principal employees; our ability to execute the business plan of our new insurance and reinsurance initiatives effectively, including the integration of those operations into our existing operations; increases in our general and administrative expenses due to new business ventures, which expenses may not be recoverable through additional profits; the cyclical nature of the reinsurance business; the levels of new and renewal business achieved; opportunities to increase writings in our core property and specialty reinsurance and insurance lines of business and in specific areas of the casualty reinsurance market and our ability to capitalize on those opportunities; the sensitivity of our business to financial strength ratings established by independent rating agencies; the inherent uncertainty of our risk management process, which is subject to, among other things, industry loss estimates and estimates generated by modeling techniques; the accuracy of estimates reported by cedants and brokers on pro-rata contracts and certain excess of loss contracts where the deposit premium is not specified in the contract; the inherent uncertainties of establishing reserves for loss and loss adjustment expenses, particularly on longer-tail classes of business such as casualty; unanticipated adjustments to premium estimates; changes in the availability, cost or quality of reinsurance or retrocessional coverage; changes in general economic and financial market conditions; changes in and impact of governmental legislation or regulation, including changes in tax laws in the jurisdictions where we conduct business; our ability to assimilate effectively the additional regulatory issues created by our entry into new markets; the amount and timing of reinsurance recoverables and reimbursements we actually receive from our reinsurers; the overall level of competition, and the related demand and supply dynamics in our markets relating to growing capital levels in the reinsurance industry; declining demand due to increased retentions by cedants and other factors; the impact of terrorist activities on the economy; rating agency policies and practices; unexpected developments concerning the small number of insurance and reinsurance brokers upon whom we rely for a large portion of revenues; our dependence as a holding company upon dividends or distributions from our insurance and reinsurance operating subsidiaries; and the impact of foreign currency fluctuation. These and other events that could cause actual results to differ are discussed in detail in “*Risk Factors*” contained in our annual report on Form 10-K for the year ended December 31, 2008, which we have filed with the Securities and Exchange Commission.

Montpelier 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.

- Incorporated in Bermuda Nov. 2001
- Listed on NYSE (“MRH”) Oct. 2002
- Recognized leader in property catastrophe and short-tail reinsurance with experienced management team
- Globally diversified with underwriting operations in Bermuda, London, and the US providing flexible and scalable platform
- Proprietary “CATM” pricing and risk management systems
- Strong balance sheet, prudent capital management
- Excellent financial results in first half of 2009
- Business mix well positioned for current pricing cycle

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<b>Exchange / Ticker:</b>	<b>NYSE / “MRH”</b>
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<b>Share Price (9/9/09):</b>	<b>\$16.12</b>
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<b>Shares Outstanding:</b>	<b>86,383,542</b>
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<b>Shareholder’s Equity (6/30/09):</b>	<b>\$1.60 billion</b>
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<b>Fully Converted Book Value Per Share:</b>	<b>\$18.12</b>
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<b>Annual Dividend / Yield:</b>	<b>\$0.30 / 1.9%</b>
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<b>Employees:</b>	<b>188</b>
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**Tony Taylor**  
Executive Chairman

- Top executives average more than 20 years of market experience



**Chris Harris**  
President & CEO



**Stan Kott**  
CEO US Ops



**Tom Busher**  
EVP & COO [\*]



**Richard Chattock**  
5151 Active UW



**David Sinnott**  
EVP & CUO



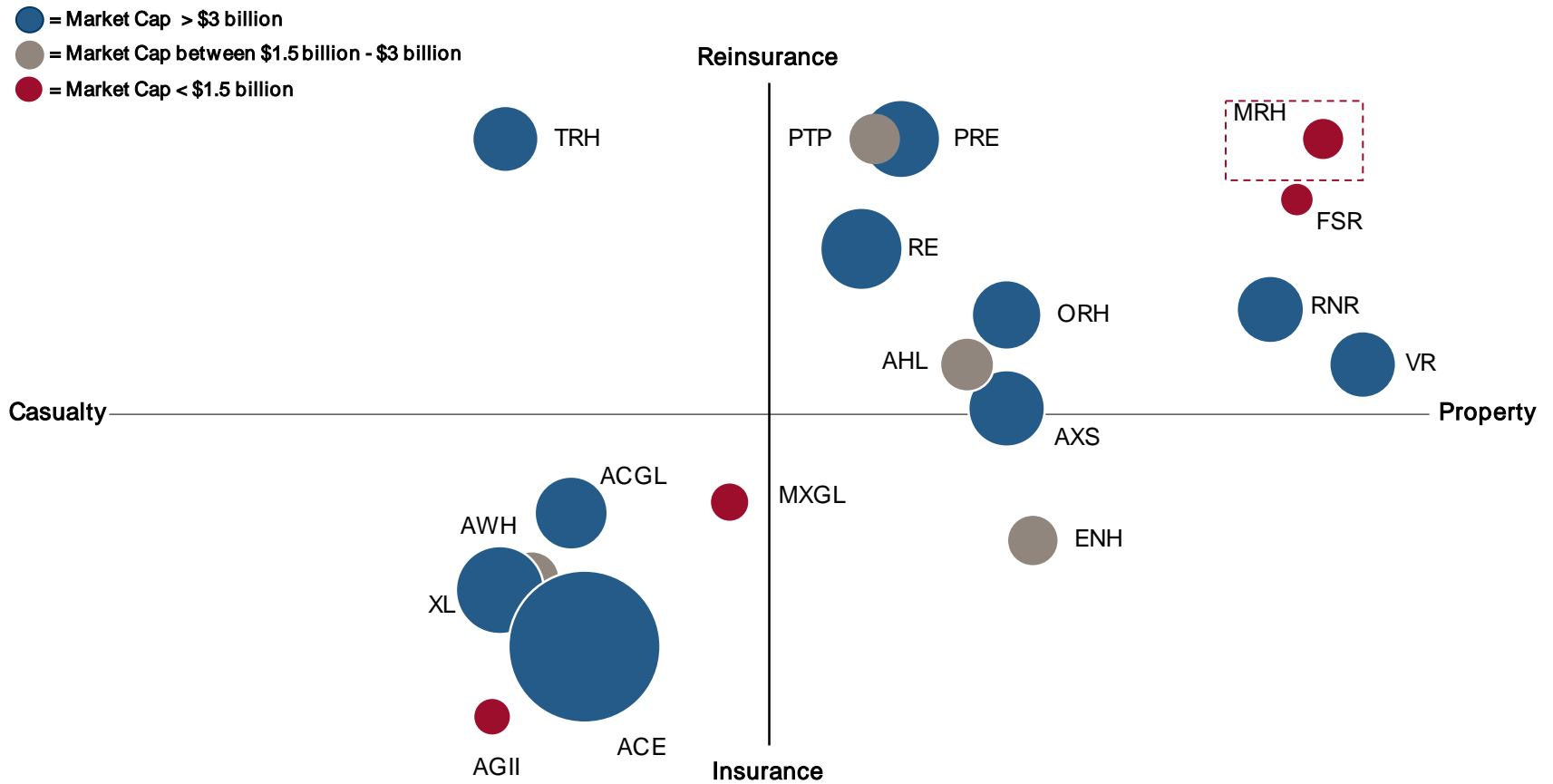
**Mike Paquette**  
EVP & CFO



**Tim Aman**  
Chief Risk Officer



**Steve Larson**  
Chief Actuary



Source: Credit Suisse, Company filings, Factset as of 9/9/09.  
 Note: Size of bubbles representative and indicative of market cap.

**Montpelier is focused on short-tail reinsurance, the most attractively priced segment of the market**



## What has changed:

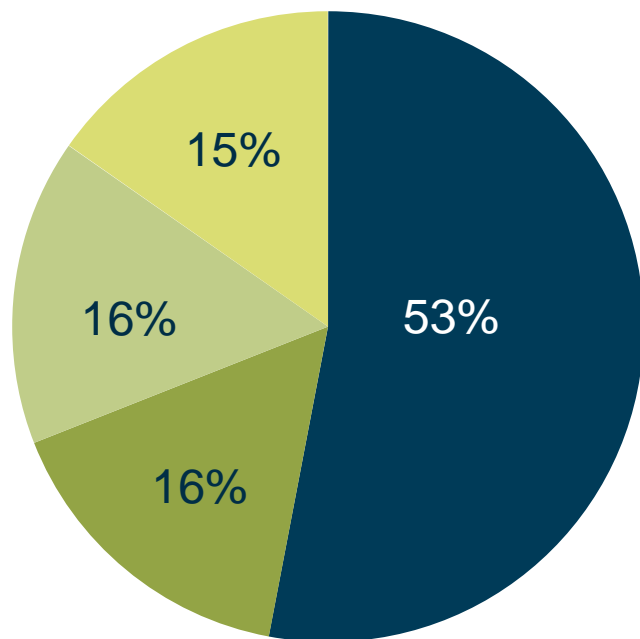
1. Broader platform and product mix = more underwriting talent and wider opportunity set to complement core property treaty portfolio
2. Company's risk tolerance reduced

## What has not changed:

1. Focus on maximizing growth in fully converted BVPS subject to risk constraints
2. Opportunistic underwriting philosophy paired with effective capital management
3. Market leadership in property catastrophe

**Reduce expected earnings volatility and increase expected return by using our broader operating platform to leverage capital more efficiently**

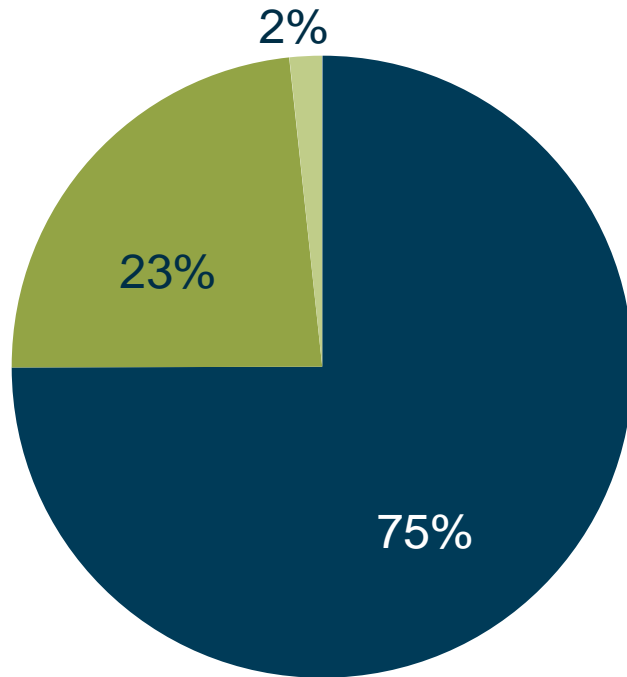
12 months ending  
June 30, 2009 (\$590m)



- Property Cat Reinsurance
- Property Specialty Reinsurance
- Other Specialty Reinsurance
- Individual Risk

- Property Cat
  - 65% US, 35% International
  - YTD rate increase of 10%
- Property Specialty
  - Pro rata and risk excess of loss treaties
  - Aim is to minimize natural catastrophe exposures
- Other Specialty
  - Shorter-tail: Engineering, terrorism, aviation, and crop
  - Longer-tail: Medical malpractice, general liability
- Individual Risk
  - Includes all insurance and facultative reinsurance

**12 months ending  
June 30, 2009 (\$590m)**



- Bermuda
- Lloyd's
- MUSIC

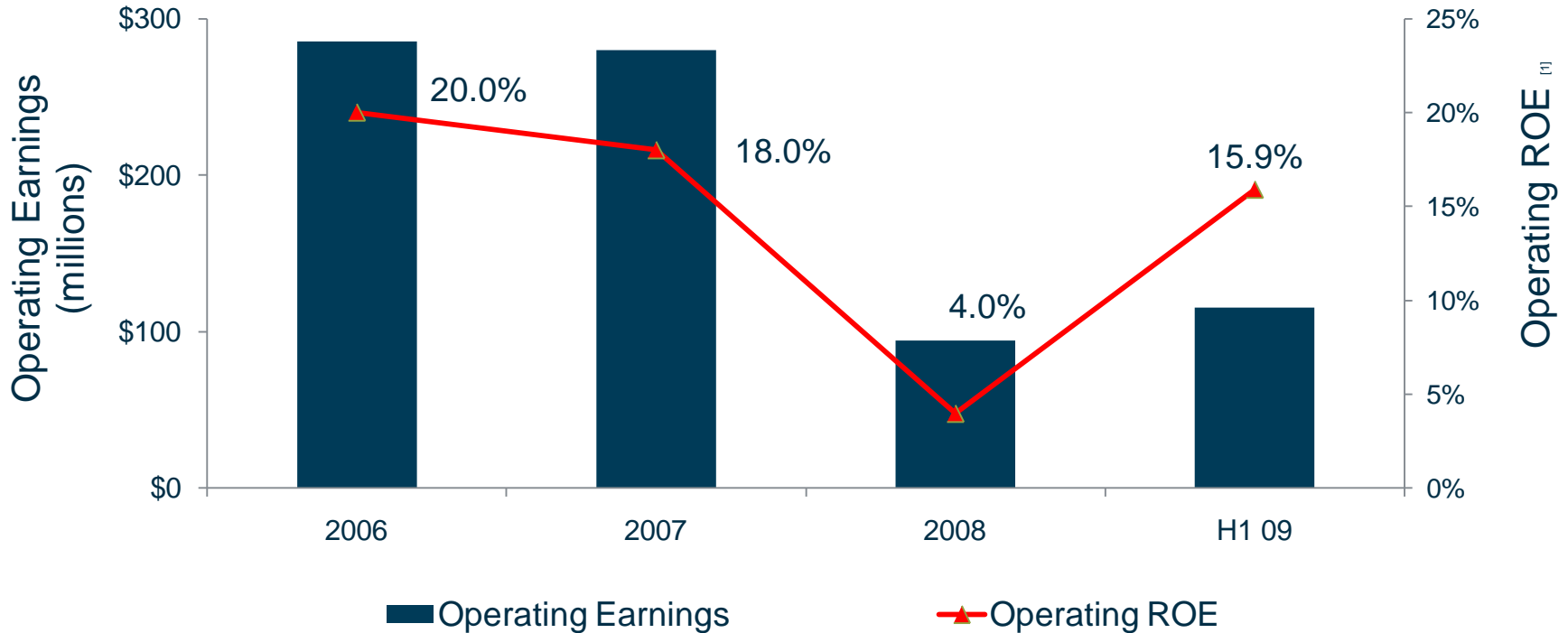
- Montpelier Re Bermuda Ltd. is the core operating platform formed in late 2001
  - Catastrophe center of excellence, recognized market leader
  - Team of 20 underwriters and risk analysts
  - Business origination built around strong broker and cedant relationships
- Lloyd's Syndicate 5151 commenced underwriting July 1, 2007
  - Operations in UK, Switzerland and US
  - Launched dedicated Managing Agent in January 2009
  - Strong growth to date
- Montpelier US Insurance Co. ("MUSIC")
  - July 1, 2008 launch with focus on small account E&S

	Year-to-date June 30		% change YTD
	2009	2008	
Net premiums written	\$ 421.7	\$ 376.0	12%
Net premiums earned	\$ 274.8	\$ 259.5	6%
Net investment income	\$ 39.5	\$ 46.4	-15%
Operating income <sup>1</sup>	\$ 115.5	\$ 91.5	26%
Net income	\$ 211.3	\$ 44.4	376%
Comprehensive income	\$ 213.6	\$ 42.4	404%
Loss and loss adjustment expense ratio	28.9%	38.8%	
Combined ratio	67.6%	75.0%	
Annualized Operating ROE <sup>1</sup>	15.9%	11.5%	
Annualized Change in FCBVPS adjusted for dividends	29.3%	5.8%	

## H1 2009 Financial Performance

- 12% growth in NPW
- Strong underwriting performance - 29% loss ratio and 68% combined ratio
- \$211 million net income
- 29.3% annualized growth in book value per share, inclusive of dividends

**Strong financial performance in 2009 having passed inflection point for investment in new platforms**

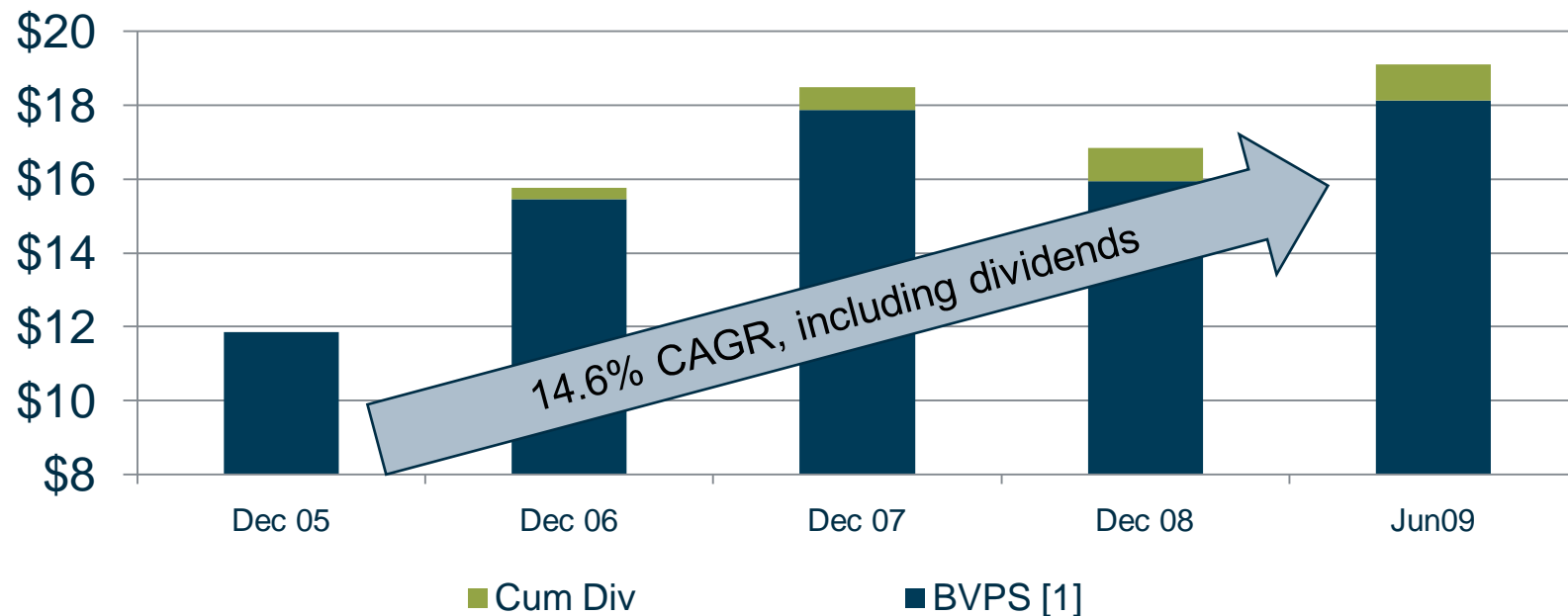


**Annualized operating ROE of 16.5% over the period**

[1] – Operating earnings and ROE is a non-GAAP measure. See Q2 Financial Supplement for more details

[2] – H1 2009 Operating ROE is annualized

*Goal is to maximize growth in BVPS, inclusive of dividends*



**Montpelier’s financial performance <sup>[1]</sup> has been strong while developing the expanded operating platform**

[1] - Measured as growth in Fully Converted Book Value per Share, inclusive of dividends

## Conservative Reserving Track Record

- Favorable development in all years from 2002 through to present
- IBNR represents 61% of total net reserves of \$662 million

## Limited Longer-tail writings

- Casualty lines represent less than 10% of ITD premiums
- Ratio of IBNR to case reserves for casualty book is greater than 3 to 1

## Conservative Investment Portfolio

- Average credit quality of AA+ for fixed income with duration of 2.5 years
- 7% of invested assets are in equities

## Low Financial Leverage

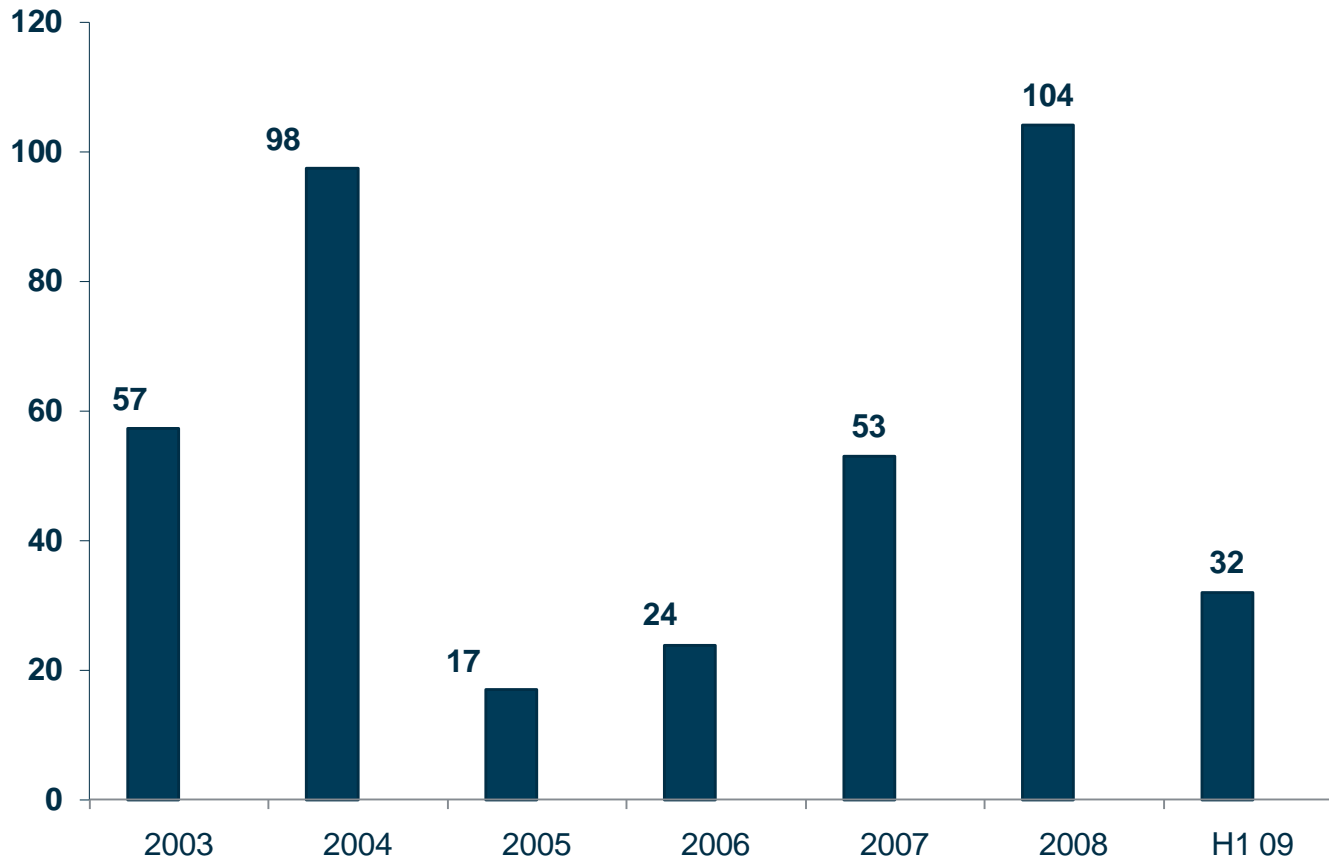
- Senior Notes - 12% of Total Capital
- Senior Notes + Trust Preferred - 17% of Total Capital

**Strong and liquid balance sheet**

(\$m's)	June 30 2009	Dec 31 2008
Investments and Cash	2,598	2,365
Total assets	3,144	2,798
Loss reserves	750	809
Debt	332	352
Shareholders' Equity	1,597	1,358
Total Capital	1,929	1,710
Debt/Total Capital	17.2%	20.6%
FCBVPS	\$18.12	\$15.94

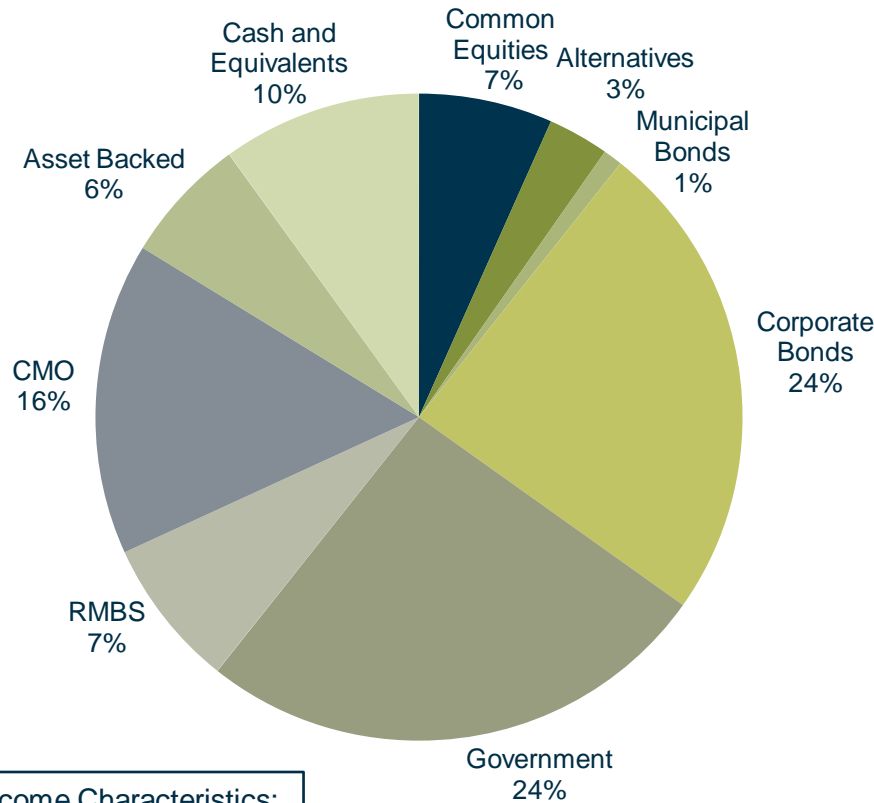
**Appropriate capital size to execute its strategy**

## Favorable Prior Year Reserve Development (\$m's)



**Prudent reserving track record**

## Invested Assets

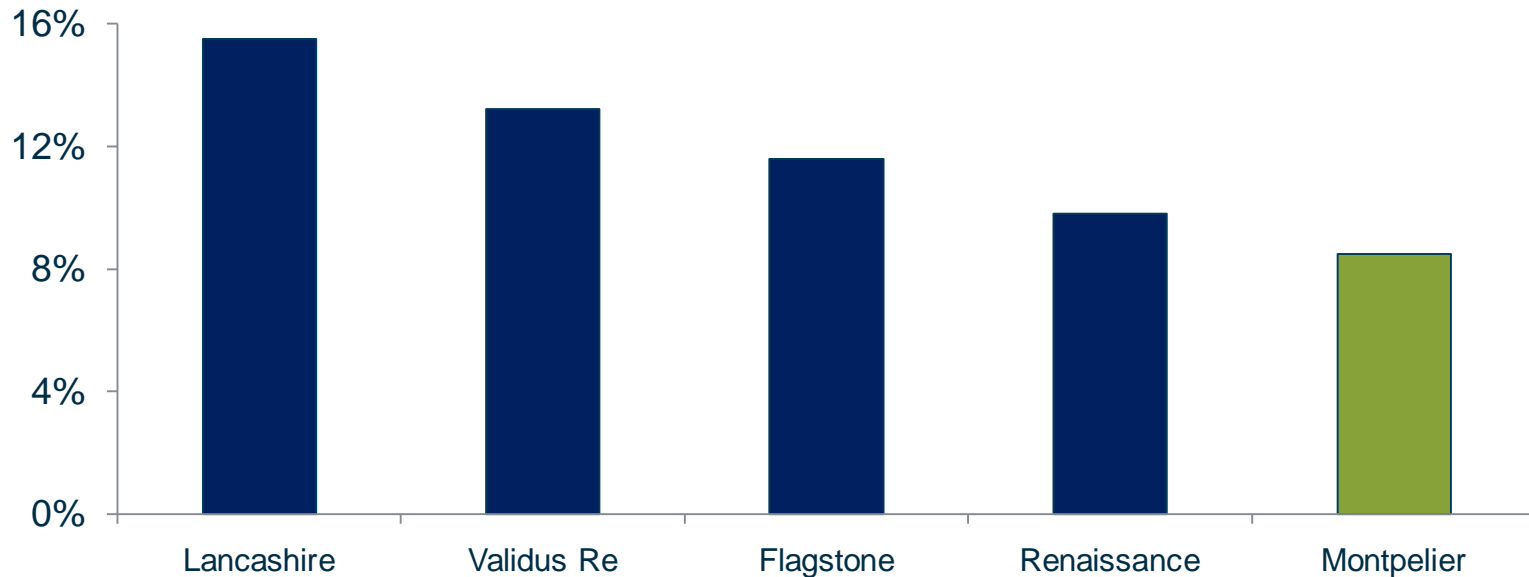


Fixed Income Characteristics:  
 Quality AA+  
 Duration 2.5 years  
 Yield to Worst 4.4%

- 90% of portfolio is liquid, high quality, short duration fixed income securities
- Duration is short to reduce exposure to increase in interest rates
- Equity target is <10%, alternatives target is < 5%
- Investment return for 6 months to June 30 was 5.3% (unannualized) with portfolio benefitting from rally in spread assets

**High quality, liquid investment portfolio**

## Net Ike & Gustav Losses as % of 12/31/07 Shareholders' Equity



- Ike loss illustrated reduction in risk profile since 2005 (zonal limits and PMLs reduced significantly)
- Losses consistent with our internal expectations
- Average modeled market share for \$50B US cat events in the range of 0.7% to 0.9% (see 10-Q disclosure)

**Material decrease in single event exposures since 2005**

- Strong financial performance accompanied by 12% growth in net premiums year to date
- Strong and conservative balance sheet, an excellent market reputation and a track record of opportunistic underwriting and capital management
- Montpelier is optimally positioned in current market as a short-tail reinsurance specialist
- No exposure to D&O, financial guarantee or surety losses from 2008
- Montpelier is the appropriate capital size to execute its strategy
- Management is focused on improving operating leverage on the existing capital base

Please visit our websites for more information  
on our company, products and team members:

[www.montpelierre.bm](http://www.montpelierre.bm)

[www.mre.bm](http://www.mre.bm)

[www.montpelier5151.co.uk](http://www.montpelier5151.co.uk)

[www.montpelierus.com](http://www.montpelierus.com)

[www.montpeliereuropa.ch](http://www.montpeliereuropa.ch)



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**Chris Harris**  
President & Chief Executive  
Officer  
Montpelier Re Holdings Ltd.

Chris joined Montpelier Re in 2002 as chief actuary and now serves as our president and chief executive officer. He has previous actuarial and underwriting experience in both the insurance and reinsurance sectors. Prior to joining Montpelier Re, he served as chief actuary North America for Allianz Risk Transfer and managed the actuarial consulting practice for KPMG Bermuda. Chris is a fellow of the Casualty Actuarial Society (FCAS), a Chartered Property and Casualty Underwriter (CPCU) and a Chartered Financial Analyst (CFA). Chris attended West Point for two years before graduating from the University of North Texas (B.S.).