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VALIDUS ANNOUNCES RECORD FIRST QUARTER NET INCOME OF \$223.2 MILLION

DILUTED OPERATING EARNINGS PER SHARE OF \$1.83

DILUTED BOOK VALUE PER SHARE OF \$34.79 AT MARCH 31, 2013

DILUTED BOOK VALUE PER SHARE PLUS ACCUMULATED DIVIDENDS OF \$41.57

Pembroke, Bermuda, April 25, 2013 - Validus Holdings, Ltd. ("Validus" or the "Company") (NYSE: VR) today reported net income available to Validus of \$223.2 million, or \$1.90 per diluted common share for the three months ended March 31, 2013, compared to \$124.2 million, or \$1.18 per diluted common share, for the three months ended March 31, 2012.

Net operating income available to Validus for the three months ended March 31, 2013 was \$215.6 million, or \$1.83 per diluted common share, compared to \$92.9 million, or \$0.88 per diluted common share, for the three months ended March 31, 2012.

Commenting on the financial results for the quarter ended March 31, 2013, Validus' Chairman and CEO Ed Noonan stated: "Our results were excellent with Validus reporting record first quarter net income in the amount of \$223.2 million. Diluted operating earnings were \$1.83 per share and we grew diluted book value per share in the quarter by 5.3% inclusive of our special dividend and recently increased common share dividend. Both gross and net premiums written at Validus Re grew measurably, largely due to the agricultural reinsurance business we described in our earnings call a quarter ago and the business we acquired from Flagstone. All three of our segments - Validus Re, Talbot and AlphaCat - reported strong earnings which taken together allowed us to achieve a record result for the first quarter.

Validus' market leading short tail focused franchise continues to thrive in as a result of our commitment to underwriting profitability above all else. Conditions are competitive but rates remain more than adequate in our core classes of business. The hard work we have devoted to building a company of Validus' size and stature continues to pay dividends as we are able to attract new talent, capital and profitable business."

Net income available to Validus, net operating income available to Validus, diluted earnings per share and diluted operating earnings per share by Validus entity for the three months ended March 31, 2013 were as follows:

| | Net Income Available to Validus | Diluted Earnings Per Share Available to Validus | Net Operating Income Available to Validus | Diluted Operating Earnings Per Share Available to Validus |
|---|--|--|--|--|
| (Expressed in millions of U.S. dollars, except per share information) | | | | |
| Validus Re | \$ 194.4 | | \$ 182.3 | |
| PaCRE, Ltd. | (0.3) | | 0.2 | |
| Other AlphaCat Companies | 17.4 | | 18.2 | |
| Talbot | 55.6 | | 59.7 | |
| Corporate & Eliminations | (43.9) | | (44.8) | |
| Total | \$ 223.2 | \$ 1.90 | \$ 215.6 | \$ 1.83 |

Net operating income (loss), a non-GAAP financial measure, is defined as net income (loss) excluding net realized and unrealized gains (losses) on investments, foreign exchange gains (losses), income (loss) from investment affiliates and non-recurring items. Net operating income (loss) available (attributable) to Validus is defined as net operating income (loss) as defined above, but excludes income (loss) available (attributable) to noncontrolling interest. Reconciliations of these measures to net income (loss) and net income (loss) available (attributable) to Validus, the most directly comparable GAAP measures, are presented at the end of this release.

First Quarter 2013 Results

Highlights for the first quarter include the following:

- Gross premiums written for the three months ended March 31, 2013 were \$1,104.8 million compared to \$837.3 million for the three months ended March 31, 2012, an increase of \$267.5 million, or 31.9%.
- Net premiums earned for the three months ended March 31, 2013 were \$531.1 million compared to \$451.2 million for the three months ended March 31, 2012, an increase of \$79.9 million, or 17.7%.
- Underwriting income for the three months ended March 31, 2013 was \$210.1 million compared to \$69.3 million for the three months ended March 31, 2012, an increase of \$140.8 million, or 203.3%.
- Combined ratio of 60.5% which included \$65.8 million of favorable loss reserve development on prior accident years, benefiting the loss ratio by 12.4 percentage points.
- Net operating income available to Validus for the three months ended March 31, 2013 was \$215.6 million compared to \$92.9 million for the three months ended March 31, 2012, an increase of \$122.8 million, or 132.2%.
- Net income available to Validus for the three months ended March 31, 2013 was \$223.2 million compared to \$124.2 million for the three months ended March 31, 2012, an increase of \$99.0 million, or 79.7%.
- Annualized return on average equity of 22.5% and annualized net operating return on average equity of 21.8%.

Notable Loss Events

During the three months ended March 31, 2013, the Company did not incur losses from notable loss events. For the three months ended March 31, 2012, the Company incurred \$98.9 million of losses from notable loss events, which represented 21.9 percentage points of the loss ratio. Including the impact of \$14.4 million of reinstatement premiums, the effect of these events on first quarter 2012 net income was a decrease of \$84.5 million. The Company's loss ratio, excluding prior year development, and notable loss events for the three months ended March 31, 2013 and 2012 was 39.7% and 36.2%, respectively.

| Three Months Ended March 31, 2013 | | | | | | |
|--|------------------------------|-----------|------------------------------|-----------|------------------------------|-----------|
| (Dollars in thousands) | | | | | | |
| First Quarter 2013 Notable Loss Events | Validus Re | | Talbot | | Total | |
| Description | Net Losses and Loss Expenses | % of NPE | Net Losses and Loss Expenses | % of NPE | Net Losses and Loss Expenses | % of NPE |
| None | \$ — | —% | \$ — | —% | \$ — | —% |
| Total | \$ — | —% | \$ — | —% | \$ — | —% |

| Three Months Ended March 31, 2012 | | | | | | |
|--|----------------------------------|--------------|----------------------------------|-------------|----------------------------------|--------------|
| (Dollars in thousands) | | | | | | |
| First Quarter 2012 Notable Loss Events (b) | Validus Re (a) | | Talbot | | Total | |
| Description | Net Losses and Loss Expenses (c) | % of NPE | Net Losses and Loss Expenses (c) | % of NPE | Net Losses and Loss Expenses (c) | % of NPE |
| Costa Concordia Grounding | \$ 62,798 | 24.8% | \$ 13,399 | 6.9% | \$ 76,197 | 16.9% |
| Cat 67 Tornadoes | 22,699 | 9.0% | 14 | —% | 22,713 | 5.0% |
| Total | \$ 85,497 | 33.8% | \$ 13,413 | 6.9% | \$ 98,910 | 21.9% |

- (a) The results of operations for Flagstone are consolidated only from the November 30, 2012 date of acquisition.
- (b) These notable loss event amounts were based on management's estimates following a review of the company's potential exposure and discussions with certain clients and brokers. Given the magnitude of these events, and other uncertainties inherent in loss estimation, meaningful uncertainty remains regarding losses from these events and the Company's actual ultimate net losses from these events may vary materially from these estimates.
- (c) Net of reinsurance but not net of reinstatement premiums. Total reinstatement premiums were \$14.4 million for the three months ended March 31, 2012.

Validus Re Segment Results

Gross premiums written for the three months ended March 31, 2013 were \$748.0 million compared to \$566.9 million for the three months ended March 31, 2012, an increase of \$181.1 million, or 31.9%. Gross premiums written for the three months ended March 31, 2013 included \$326.0 million of property premiums, \$161.4 million of marine premiums and \$260.5 million of specialty premiums compared to \$318.5 million of property premiums, \$198.4 million of marine premiums and \$50.0 million of specialty premiums for the three months ended March 31, 2012.

Net premiums earned for the three months ended March 31, 2013 were \$303.1 million compared to \$253.0 million for the three months ended March 31, 2012, an increase of \$50.1 million, or 19.8%.

The combined ratio for the three months ended March 31, 2013 was 51.5% compared to 72.0% for the three months ended March 31, 2012, a decrease of 20.5 percentage points.

The loss ratio for the three months ended March 31, 2013 was 24.2% compared to 49.1% for the three months ended March 31, 2012, a decrease of 24.9 percentage points. The loss ratio for the three months ended March 31, 2013 included favorable loss reserve development on prior accident years of \$28.8 million, benefiting the loss ratio by 9.5 percentage points.

AlphaCat Segment Results

Gross premiums written from our consolidated entities for the three months ended March 31, 2013 were \$96.5 million compared to \$3.5 million for the three months ended March 31, 2012, an increase of \$93.0 million.

Managed gross premiums written, including our non-consolidated affiliates, AlphaCat Re 2011 and AlphaCat Re 2012, for the three months ended March 31, 2013 were \$96.0 million compared to \$77.4 million for the three months ended March 31, 2012, an increase of \$18.6 million or 24.1%.

Net premiums earned for the three months ended March 31, 2013 were \$27.6 million compared to \$2.7 million for the three months ended March 31, 2012, an increase of \$25.0 million.

The combined ratio for the three months ended March 31, 2013 was 24.5% compared to 50.3% for the three months ended March 31, 2012, a decrease of 25.8 percentage points.

Talbot Segment Results

Gross premiums written for the three months ended March 31, 2013 were \$293.5 million compared to \$293.3 million for the three months ended March 31, 2012, an increase of \$0.3 million, or 0.1%. Gross premiums written for the three months ended March 31, 2013 included \$78.0 million of property premiums, \$124.7 million of marine premiums and \$90.8 million of specialty premiums compared to \$81.5 million of property premiums, \$110.0 million of marine premiums and \$101.7 million of specialty premiums for the three months ended March 31, 2012.

Net premiums earned for the three months ended March 31, 2013 were \$200.3 million compared to \$195.5 million for the three months ended March 31, 2012, an increase of \$4.8 million, or 2.4%.

The combined ratio for the three months ended March 31, 2013 was 71.9% compared to 92.6% for the three months ended March 31, 2012, a decrease of 20.7 percentage points.

The loss ratio for the three months ended March 31, 2013 was 35.6% compared to 55.1% for the three months ended March 31, 2012, a decrease of 19.5 percentage points. The loss ratio for the three months ended March 31, 2013 included favorable loss reserve development on prior accident years of \$37.0 million, benefiting the loss ratio by 18.5 percentage points.

Corporate Results

Corporate results include executive and board expenses, internal and external audit expenses, interest and costs incurred in connection with the Company's senior notes and junior subordinated deferrable debentures and other costs relating to the Company as a whole. General and administrative expenses for the three months ended March 31, 2013 were \$15.9 million compared to \$14.7 million for the three months ended March 31, 2012, an increase of \$1.1 million, or 7.8%. Share compensation expenses for the three months ended March 31, 2013 were \$(0.6) million compared to \$2.2 million for the three months ended March 31, 2012, a decrease of \$2.7 million, or 126.6%. Included in the Validus Re segment general and administrative expenses are \$13.4 million of Flagstone expenses which were incurred for the three months ended March 31, 2013.

Investments

Net investment income for the three months ended March 31, 2013 was \$25.6 million compared to \$27.8 million for the three months ended March 31, 2012, a decrease of \$2.1 million, or 7.6%.

Net realized gains on investments for the three months ended March 31, 2013 were \$1.7 million compared to \$7.5 million for the three months ended March 31, 2012, a decrease of \$5.8 million, or 77.2%.

Net unrealized losses on investments for the three months ended March 31, 2013 were \$(7.2) million compared to gains of \$20.7 million for the three months ended March 31, 2012, a decrease of \$27.9 million, or 135.0%.

Finance Expenses

Finance expenses for the three months ended March 31, 2013 were \$24.4 million compared to \$16.3 million for the three months ended March 31, 2012, an increase of \$8.2 million, or 50.2%.

Shareholders' Equity and Capitalization

As at March 31, 2013, total shareholders' equity was \$4.4 billion including \$487.4 million of noncontrolling interest. Shareholders' equity available to Validus was \$3.9 billion as at March 31, 2013. Diluted book value per common share was \$34.79 at March 31, 2013, compared to \$35.22 at December 31, 2012. Diluted book value per common share is a non-GAAP financial measure. A reconciliation of this measure to shareholders' equity is presented at the end of this release.

Total capitalization at March 31, 2013 was \$5.2 billion, including \$540.2 million of junior subordinated deferrable debentures and \$247.1 million of senior notes.

Share Repurchases

A summary of the share repurchases made to date under the Company's previously announced share repurchase program is as follows:

| Effect of share repurchases: | Share Repurchase Activity (Expressed in thousands of U.S. dollars except for share and per share information) | | | | |
|--|--|---------|-----------|-----------|---------------------------------|
| | As at December 31, 2012 (cumulative) | January | February | March | Quarter ended March 31, 2013 |
| Aggregate purchase price (a) | \$ 1,206,845 | \$ — | \$ 36,559 | \$ 33,132 | \$ 69,691 |
| Shares repurchased | 43,138,057 | — | 1,017,380 | 887,009 | 1,904,389 |
| Average price (a) | \$ 27.98 | \$ — | \$ 35.93 | \$ 37.35 | \$ 36.59 |
| Estimated cumulative net accretive (dilutive) impact on: | | | | | |
| Diluted BV per common share (b) | | | | | 1.80 |
| Diluted EPS - Quarter (c) | | | | | 0.49 |

| Effect of share repurchases: | Share Repurchase Activity (Expressed in thousands of U.S. dollars except for share and per share information) | | | |
|------------------------------|--|-----------|----------------------|------------------------------|
| | As at March 31, 2013 | April | As at April 23, 2013 | Cumulative to Date Effect |
| Aggregate purchase price (a) | \$ 1,276,536 | \$ 59,372 | \$ 59,372 | \$ 1,335,908 |
| Shares repurchased | 45,042,446 | 1,580,949 | 1,580,949 | 46,623,395 |
| Average price (a) | \$ 28.34 | \$ 37.55 | \$ 37.55 | \$ 28.65 |

(a) Share transactions are on a trade date basis through April 23, 2013 and are inclusive of commissions. Average share price is rounded to two decimal places.

(b) As the average price per share repurchased during the periods 2009 to 2013 was lower than the book value per common share, the repurchase of shares increased the Company's period ending book value per share.

(c) The estimated impact on diluted earnings per share was calculated by comparing reported results versus i) net income per share plus an estimate of lost net investment income on the cumulative share repurchases divided by ii) weighted average diluted shares outstanding excluding the weighted average impact of cumulative share repurchases. The impact of cumulative share repurchases was accretive to diluted earnings per share.

Conference Call

The Company will host a conference call for analysts and investors on April 26, 2013 at 10:00 AM (Eastern) to discuss the first quarter 2013 financial results and related matters. The conference call may be accessed by dialing 1-800-510-0146 (toll-free U.S.) or 1-617-614-3449 (international) and entering the passcode 66093699. Those who intend to participate in the conference call should register at least ten minutes in advance to ensure access to the call. A telephone replay of the conference call will be available through May 10, 2013, by dialing 1-888-286-8010 (toll-free U.S.) or 1-617-801-6888 (international) and entering the passcode 44838840.

This conference call will also be available through a live audio webcast accessible through the Investor Relations section of the Company's website located at www.validusholdings.com. A replay of the webcast will be available at the Investor Relations section of the Company's website through May 10, 2013. In addition, a financial supplement relating to the Company's financial results for the three months ended March 31, 2013 is available in the Investor Relations section of the Company's website.

About Validus Holdings, Ltd.

Validus Holdings, Ltd. is a provider of reinsurance, insurance, and insurance linked securities management operating through three primary segments, Validus Reinsurance, Ltd., Talbot Holdings Ltd. and AlphaCat Managers, Ltd. Validus Reinsurance, Ltd. ("Validus Re") is a Bermuda based reinsurer focused on short tail lines of reinsurance. Talbot Holdings Ltd. ("Talbot") is the Bermuda parent of the specialty insurance group primarily operating within the Lloyd's insurance market through Syndicate 1183. AlphaCat Managers, Ltd. ("AlphaCat") is a Bermuda based investment adviser, managing third-party capital in insurance linked securities and other investments in the property catastrophe reinsurance space.

Validus Holdings, Ltd.

Consolidated Balance Sheets

As at March 31, 2013 and December 31, 2012

(Expressed in thousands of U.S. dollars, except share and per share information)

| | <u>March 31, 2013</u> | <u>December 31, 2012</u> |
|--|-----------------------|--------------------------|
| Assets | | |
| Fixed maturities, at fair value (amortized cost: 2013—\$5,616,693; 2012—\$5,008,514) | \$ 5,676,552 | \$ 5,085,334 |
| Short-term investments, at fair value (amortized cost: 2013—\$368,404; 2012—\$1,112,929) | 367,619 | 1,114,250 |
| Other investments, at fair value (amortized cost: 2013—\$552,233; 2012—\$583,068) | 532,786 | 564,448 |
| Cash and cash equivalents | 1,369,224 | 1,219,379 |
| Total investments and cash | 7,946,181 | 7,983,411 |
| Investments in affiliates | 128,448 | 172,329 |
| Premiums receivable | 1,195,430 | 802,159 |
| Deferred acquisition costs | 219,504 | 146,588 |
| Prepaid reinsurance premiums | 200,577 | 99,593 |
| Securities lending collateral | 1,914 | 225 |
| Loss reserves recoverable | 429,252 | 439,967 |
| Paid losses recoverable | 15,831 | 46,435 |
| Income taxes recoverable | 2,203 | — |
| Intangible assets | 109,529 | 110,569 |
| Goodwill | 20,393 | 20,393 |
| Accrued investment income | 19,708 | 21,321 |
| Other assets | 275,430 | 177,274 |
| Total assets | \$ 10,564,400 | \$ 10,020,264 |
| Liabilities | | |
| Reserve for losses and loss expenses | \$ 3,357,691 | \$ 3,517,573 |
| Unearned premiums | 1,381,829 | 894,362 |
| Reinsurance balances payable | 187,048 | 138,550 |
| Securities lending payable | 2,380 | 691 |
| Deferred income taxes | 21,800 | 20,259 |
| Net payable for investments purchased | 33,101 | 38,346 |
| Accounts payable and accrued expenses | 111,323 | 167,577 |
| AlphaCat variable funding notes | 290,588 | — |
| Senior notes payable | 247,117 | 247,090 |
| Debentures payable | 540,212 | 540,709 |
| Total liabilities | 6,173,089 | 5,565,157 |
| Commitments and contingent liabilities | | |
| Shareholders' equity | | |
| Common shares, 571,428,571 authorized, par value \$0.175 (Issued: 2013—152,963,762; 2012—152,698,191; Outstanding: 2013—106,282,441; 2012—107,921,259) | 26,769 | 26,722 |
| Treasury shares (2013—46,681,321; 2012—44,776,932) | (8,169) | (7,836) |
| Additional paid-in-capital | 2,096,512 | 2,160,478 |
| Accumulated other comprehensive (loss) | (12,738) | (2,953) |
| Retained earnings | 1,801,516 | 1,844,416 |
| Total shareholders' equity available to Validus | 3,903,890 | 4,020,827 |
| Noncontrolling interest | 487,421 | 434,280 |
| Total shareholders' equity | 4,391,311 | 4,455,107 |
| Total liabilities and shareholders' equity | \$ 10,564,400 | \$ 10,020,264 |

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Validus Holdings, Ltd.

Consolidated Statement of Operations

For the three months ended March 31, 2013 and 2012

(Expressed in thousands of U.S. dollars, except share and per share information)

| | Three Months Ended March 31, | |
|---|-------------------------------------|-------------------|
| | 2013 | 2012 |
| Underwriting income | | |
| Gross premiums written | \$ 1,104,760 | \$ 837,289 |
| Reinsurance premiums ceded | (187,216) | (107,052) |
| Net premiums written | 917,544 | 730,237 |
| Change in unearned premiums | (386,483) | (279,038) |
| Net premiums earned | 531,061 | 451,199 |
| Underwriting deductions | | |
| Losses and loss expenses | 144,771 | 231,989 |
| Policy acquisition costs | 93,611 | 78,132 |
| General and administrative expenses | 80,279 | 66,375 |
| Share compensation expenses | 2,318 | 5,438 |
| Total underwriting deductions | 320,979 | 381,934 |
| Underwriting income | \$ 210,082 | \$ 69,265 |
| Net investment income | 25,649 | 27,760 |
| Other income | 2,685 | 8,891 |
| Finance expenses (a) | (24,446) | (16,279) |
| Operating income before taxes and income from operating affiliates | \$ 213,970 | \$ 89,637 |
| Tax benefit (expense) | 318 | (139) |
| Income from operating affiliates | 3,523 | 3,367 |
| Net operating income | \$ 217,811 | \$ 92,865 |
| Net realized gains on investments | 1,721 | 7,532 |
| Net unrealized (losses) gains on investments | (7,237) | 20,671 |
| Income from investment affiliate | 1,477 | — |
| Foreign exchange gains | 6,922 | 3,166 |
| Net income | \$ 220,694 | \$ 124,234 |
| Net loss attributable to noncontrolling interest | 2,549 | — |
| Net income available to Validus | \$ 223,243 | \$ 124,234 |
| Selected ratios: | | |
| Net premiums written / Gross premiums written | 83.1% | 87.2% |
| Losses and loss expenses | 27.3% | 51.4% |
| Policy acquisition costs | 17.6% | 17.3% |
| General and administrative expenses (b) | 15.6% | 15.9% |
| Expense ratio | 33.2% | 33.2% |
| Combined ratio | 60.5% | 84.6% |

(a) Finance expenses increased during the quarter due to the AlphaCat companies.

(b) The general and administrative expense ratio includes share compensation expenses.

Validus Holdings, Ltd.

Consolidated Segment Underwriting Income (Loss)

For the three months ended March 31, 2013 and 2012

(Expressed in thousands of U.S. dollars, except share and per share information)

| | Three Months Ended March 31, | |
|-------------------------------------|-------------------------------------|-------------|
| | 2013 | 2012 |
| <u>Validus Re</u> | | |
| Gross premiums written | \$ 747,963 | \$ 566,866 |
| Reinsurance premiums ceded | (125,728) | (30,001) |
| Net premiums written | 622,235 | 536,865 |
| Change in unearned premiums | (319,101) | (283,856) |
| Net premiums earned | 303,134 | 253,009 |
| Underwriting deductions | | |
| Losses and loss expenses | 73,402 | 124,206 |
| Policy acquisition costs | 51,744 | 38,790 |
| General and administrative expenses | 29,441 | 17,252 |
| Share compensation expenses | 1,413 | 1,872 |
| Total underwriting deductions | 156,000 | 182,120 |
| Underwriting income | 147,134 | 70,889 |
| <u>AlphaCat</u> | | |
| Gross premiums written | \$ 96,516 | \$ 3,518 |
| Reinsurance premiums ceded | — | — |
| Net premiums written | 96,516 | 3,518 |
| Change in unearned premiums | (68,899) | (855) |
| Net premiums earned | 27,617 | 2,663 |
| Underwriting deductions | | |
| Losses and loss expenses | — | — |
| Policy acquisition costs | 2,638 | 256 |
| General and administrative expenses | 4,037 | 1,032 |
| Share compensation expenses | 77 | 52 |
| Total underwriting deductions | 6,752 | 1,340 |
| Underwriting income | 20,865 | 1,323 |
| <u>Talbot</u> | | |
| Gross premiums written | \$ 293,530 | \$ 293,253 |
| Reinsurance premiums ceded | (94,737) | (103,399) |
| Net premiums written | 198,793 | 189,854 |
| Change in unearned premiums | 1,517 | 5,673 |
| Net premiums earned | 200,310 | 195,527 |
| Underwriting deductions | | |
| Losses and loss expenses | 71,369 | 107,783 |
| Policy acquisition costs | 40,526 | 38,738 |
| General and administrative expenses | 30,912 | 33,348 |
| Share compensation expenses | 1,405 | 1,348 |
| Total underwriting deductions | 144,212 | 181,217 |
| Underwriting income | 56,098 | 14,310 |

Validus Holdings, Ltd.

Consolidated Segment Underwriting Income (Loss) - Continued

For the three months ended March 31, 2013 and 2012

(Expressed in thousands of U.S. dollars, except share and per share information)

| | Three Months Ended March 31, | |
|--|-------------------------------------|------------------|
| | 2013 | 2012 |
| <u>Corporate & Eliminations</u> | | |
| Gross premiums written | \$ (33,249) | \$ (26,348) |
| Reinsurance premiums ceded | 33,249 | 26,348 |
| Net premiums written | — | — |
| Change in unearned premiums | — | — |
| Net premiums earned | — | — |
| Underwriting deductions | | |
| Losses and loss expenses | — | — |
| Policy acquisition costs | (1,297) | 348 |
| General and administrative expenses | 15,889 | 14,743 |
| Share compensation expenses | (577) | 2,166 |
| Total underwriting deductions | 14,015 | 17,257 |
| Underwriting (loss) | (14,015) | (17,257) |
| Total underwriting income | \$ 210,082 | \$ 69,265 |

Validus Holdings, Ltd.

Non-GAAP Financial Measure Reconciliation

Managed Gross Premiums Written

For the three months ended March 31, 2013 and 2012

(Expressed in thousands of U.S. dollars, except share and per share information)

| | Three Months Ended | |
|--|---------------------------|------------------|
| | March 31, | March 31, |
| | 2013 | 2012 |
| Total gross premiums written | \$ 1,104,760 | \$ 837,289 |
| Adjustments for: | | |
| Gross premiums written on behalf of AlphaCat Re 2011 | (110) | 73,875 |
| Gross premiums written on behalf of AlphaCat Re 2012 | (398) | — |
| Total managed gross premiums written | \$ 1,104,252 | \$ 911,164 |

Validus Holdings, Ltd.

Non-GAAP Financial Measure Reconciliation

Net Operating Income available to Validus, Net Operating Income per share available to Validus and Annualized Net Operating Return on Average Equity

For the three months ended March 31, 2013 and 2012

(Expressed in thousands of U.S. dollars, except share and per share information)

| | Three Months Ended | |
|--|---------------------------|---------------------------|
| | March 31, 2013 | March 31, 2012 |
| Net income available to Validus | \$ 223,243 | \$ 124,234 |
| Adjustments for: | | |
| Net realized (gains) on investments | (1,721) | (7,532) |
| Net unrealized losses (gains) on investments | 7,237 | (20,671) |
| (Income) from investment affiliate | (1,477) | — |
| Foreign exchange (gains) | (6,922) | (3,166) |
| Net (loss) attributable to noncontrolling interest | (4,742) | — |
| Net operating income available to Validus | 215,618 | 92,865 |
| Less: Dividends and distributions declared on outstanding warrants | (14,464) | (1,729) |
| Net operating income available to Validus, adjusted | \$ 201,154 | \$ 91,136 |
| Net income per share available to Validus - diluted | \$ 1.90 | \$ 1.18 |
| Adjustments for: | | |
| Net realized (gains) on investments | (0.02) | (0.07) |
| Net unrealized losses (gains) on investments | 0.07 | (0.20) |
| (Income) from investment affiliate | (0.02) | — |
| Foreign exchange (gains) | (0.06) | (0.03) |
| Net (loss) attributable to noncontrolling interest | (0.04) | — |
| Net operating income per share available to Validus - diluted | \$ 1.83 | \$ 0.88 |
| Weighted average number of common shares and common share equivalents | 110,052,999 | 105,096,090 |
| Average shareholders' equity available to Validus | \$ 3,962,359 | \$ 3,493,968 |
| Annualized net operating return on average equity | 21.8% | 10.6% |

Cautionary Note Regarding Forward-Looking Statements

This press release may include forward-looking statements, both with respect to the Company and its industry, that reflect our current views with respect to future events and financial performance. Statements that include the words "expect", "intend", "plan", "believe", "project", "anticipate", "will", "may" and similar statements of a future or forward-looking nature identify forward-looking statements. All forward-looking statements address matters that involve risks and uncertainties, many of which are beyond the Company's control. Accordingly, there are or will be important factors that could cause actual results to differ materially from those indicated in such statements and, therefore, you should not place undue reliance on any such statements. We believe that these factors include, but are not limited to, the following: 1) unpredictability and severity of catastrophic events; 2) rating agency actions; 3) adequacy of Validus' risk management and loss limitation methods; 4) cyclical nature of demand and pricing in the insurance and reinsurance markets; 5) statutory or regulatory developments including tax policy, reinsurance and other regulatory matters; 6) Validus' ability to implement its business strategy during "soft" as well as "hard" markets; 7) adequacy of Validus' loss reserves; 8) continued availability of capital and financing; 9) retention of key personnel; 10) competition; 11) potential loss of business from one or more major insurance or reinsurance brokers; 12) Validus' ability to implement, successfully and on a timely basis, complex infrastructure, distribution capabilities, systems, procedures and internal controls, and to develop accurate actuarial data to support the business and regulatory and reporting requirements; 13) general economic and market conditions (including inflation, volatility in the credit and capital markets, interest rates and foreign currency exchange rates); 14) the integration of businesses Validus may acquire or new business ventures Validus may start; 15) the effect on Validus' investment portfolios of changing financial market conditions including inflation, interest rates, liquidity and other factors; 16) acts of terrorism or outbreak of war; and 17) availability of reinsurance and retrocessional coverage, as well as management's response to any of the aforementioned factors.

The foregoing review of important factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included herein and elsewhere, including the risk factors included in Validus' most recent reports on Form 10-K and Form 10-Q and other documents of the Company on file with or furnished to the U.S. Securities and Exchange Commission ("SEC"). Any forward-looking statements made in this press release are qualified by these cautionary statements, and there can be no assurance that the actual results or developments anticipated by Validus will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, Validus or its business or operations. Except as required by law, the Company undertakes no obligation to update publicly or revise any forward-looking statement, whether as a result of new information, future developments or otherwise.

Non-GAAP Financial Measures

In presenting the Company's results, management has included and discussed certain schedules containing net operating income (loss), net operating income (loss) available (attributable) to Validus, net operating income (loss) per share, underwriting income (loss), managed gross premiums written, annualized net operating return on average equity, diluted book value per common share and diluted book value per common share plus accumulated dividends that are not calculated under standards or rules that comprise U.S. GAAP. Such measures are referred to as non-GAAP. Non-GAAP measures may be defined or calculated differently by other companies. These measures should not be viewed as a substitute for those determined in accordance with U.S. GAAP. A reconciliation of net operating income (loss) to net income (loss), the most comparable U.S. GAAP financial measure, is presented in the section above entitled "Net Operating Income (Loss), Net Operating Income (Loss) per share and Annualized Net Operating Return on Average Equity". A reconciliation of underwriting income and operating income to net income, the most comparable U.S. GAAP financial measure, is presented in the "Consolidated Statements of Operations" above. A reconciliation of managed gross premiums written to gross premiums written, the most comparable U.S. GAAP financial measure, is presented in the section above entitled "Managed Gross Premiums Written".

Underwriting income indicates the performance of the Company's core underwriting function, excluding revenues and expenses such as net investment income (loss), other income, finance expenses, gain on bargain purchase, net of expenses, net realized and unrealized gains (losses) on investments, foreign exchange gains (losses) and transaction expenses. The Company believes the reporting of underwriting income enhances the understanding of our results by highlighting the underlying profitability of the Company's core insurance and reinsurance business. Underwriting profitability is influenced significantly by earned premium growth, adequacy of the Company's pricing and loss frequency and severity.

Underwriting profitability over time is also influenced by the Company's underwriting discipline, which seeks to manage exposure to loss through favorable risk selection and diversification, its management of claims, its use of reinsurance and its ability to manage its expense ratio, which it accomplishes through its management of acquisition costs and other underwriting expenses. The Company believes that underwriting income provides investors with a valuable measure of profitability derived from underwriting activities.

Managed gross premiums written represents gross premiums written by the Company and its operating affiliates. Managed gross premiums written differs from total gross premiums written, which the Company believes is the most directly comparable GAAP measure, due to the inclusion of premiums written on behalf of the Company's operating affiliates, AlphaCat Re 2011, Ltd. and AlphaCat Re 2012, Ltd., which are accounted for under the equity method of accounting.

Annualized net operating return on average equity is presented in the section above entitled "Net Operating Income (Loss), Net Operating Income (Loss) per share and Annualized Net Operating Return on Average Equity." A reconciliation of diluted book value per common share and diluted book value per common share plus accumulated dividends to book value per common share, the most comparable U.S. GAAP financial measure, is presented in the section above entitled "Book Value and Diluted Book Value Per Common Share." Net operating income (loss) is calculated based on net income (loss) excluding net realized gains (losses) on investments, net unrealized gains (losses) on investments, foreign exchange gains (losses), income (loss) from investment affiliates and non-recurring items. Realized gains (losses) from the sale of investments are driven by the timing of the disposition of investments, not by our operating performance. Gains (losses) arising from translation of non-US\$ denominated balances are unrelated to our underlying business. Net operating income (loss) available (attributable) to Validus is defined as net operating income (loss) as defined above, but excluding income (loss) available (attributable) to noncontrolling interest.