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Validus Holdings, Ltd.

Investor Financial Supplement - First Quarter 2007

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Validus Holdings, Ltd. Explanatory Notes

Basis of Presentation

- All financial information contained herein is unaudited, except for the financial data relating to the years ended December 31, 2006 and 2005.
- Results reported for the period ended December 31, 2005 cover the period from October 19, 2005 (date of incorporation) to December 31, 2005.
- Unless otherwise noted, dollar amounts are in thousands of US dollars, except for share and per share amounts and ratio information.
- Certain amounts in prior periods have been reclassified to conform to current period presentation. These reclassifications include the inclusion of share based compensation expense in general and administrative expenses and the corresponding expense ratios, and the combination of fees relating to our credit facility (previously included in general and administrative expenses) with interest expense to comprise finance fees.
- A reverse stock split of the outstanding shares of Validus Holdings, Ltd., was approved by a vote by the shareholders, effective immediately following resolution at the Company's Annual General Meeting on March 1, 2007, whereby each 1.75 outstanding shares was consolidated into 1 share, and the par value of the Company's shares was increased to US \$0.175 per share. This share consolidation has been reflected retroactively in this financial supplement.
- "NA" = Not applicable
- "NM" = Not meaningful

Financial Measures

In presenting our results, we include certain financial measures which are important for an understanding of our overall results of operations. We believe that these measures are important to investors and other interested parties, and that such persons benefit from having a consistent basis for comparison with other companies within the industry. However, these measures may not be comparable to similarly titled measures used by companies either inside or outside of the insurance industry.

- Diluted book value per share is calculated based on total shareholders' equity plus the assumed proceeds from the exercise of outstanding options and warrants, divided by the sum of shares, options, warrants and share equivalents outstanding (assuming their exercise).
- Operating income is calculated based on net income (loss) excluding net realized gains (losses), net unrealized gains (losses) on investments, gains (losses) arising from translation of non-US\$ denominated balances and excluding the fair value of warrants issued. This measure focuses on the underlying fundamentals of our operations without the influence of realized gains (losses) from the sale of investments, translation of non-US\$ currencies 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.

Validus Holdings, Ltd.

Consolidated Financial Highlights

(US Dollars in thousands, except share and per share information)

		At or for the three months ended		At or for the year ended	At or for the period ended
		March 31, 2007	March 31, 2006	December 31, 2006	December 31, 2005
Highlights	Net income	\$ 56,748	\$ 14,678	\$ 183,097	\$ (49,708)
	Operating income (a)	53,670	15,145	182,119	(625)
	Gross premiums written	378,070	248,205	540,789	-
	Net premiums earned	111,492	42,408	306,514	-
	Total assets	2,012,485	1,253,263	1,646,423	1,014,453
	Total shareholders' equity	1,251,216	1,013,913	1,192,523	999,806
Per share data	<u>Earnings per basic share</u>				
	Net income (loss)	\$ 0.97	\$ 0.25	\$ 3.13	\$ (0.85)
	Operating income (loss)	0.92	0.26	3.11	(0.01)
	<u>Earnings per diluted share</u>				
	Net income (loss)	\$ 0.94	\$ 0.25	\$ 3.11	\$ (0.85)
	Operating income (loss)	0.89	0.26	3.09	(0.01)
	<u>Book value per share</u>				
	Reported	\$ 21.39	\$ 17.34	\$ 20.39	\$ 17.11
	With investments at amortized cost	21.35	17.39	20.38	17.11
	<u>Diluted book value per share (b)</u>				
	Reported	\$ 20.56	\$ 17.13	\$ 19.73	\$ 16.93
With investments at amortized cost	20.52	17.23	19.71	16.93	
Financial ratios	Losses and loss expenses ratio	41.7%	57.4%	29.8%	NA
	Policy acquisition costs ratio	11.0%	13.0%	11.8%	NA
	General and administrative expenses ratio	11.8%	18.0%	15.1%	NA
	Expense ratio	22.8%	31.0%	26.9%	NA
	Combined ratio	64.5%	88.4%	56.6%	NA
	Annualized return on average equity (c)	18.6%	5.8%	16.7%	NM

Notes:

(a) Operating income is calculated based on net income (loss) excluding net realized gains (losses), net unrealized gains (losses), gains (losses) arising from translation of non-US\$ denominated balances and excluding the fair value of warrants issued. This measure focuses on the underlying fundamentals of our operations without the influence of realized gains (losses) from the sale of investments, translation of non-US\$ currencies 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.

(b) Diluted book value per share is calculated based on total shareholders' equity plus the assumed proceeds from the exercise of outstanding options and warrants, divided by the sum of shares, options, warrants and share equivalents outstanding (assuming their exercise).

(c) - Annualized return on average equity is calculated by dividing the net income for the period by the average shareholders' equity during the period. Quarterly average shareholders' equity is the average of the beginning and ending shareholders' equity balances. Yearly average shareholders' equity is the average of the beginning, ending and intervening quarter end shareholders' equity balances.

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Validus Holdings, Ltd.

Summary Consolidated Balance Sheets

(US Dollars in thousands, except share and per share information)

	March 31, 2007	December 31, 2006	September 30, 2006	June 30, 2006	March 31, 2006	December 31, 2005
Assets						
Fixed maturities, at fair value	\$ 1,089,167	\$ 844,857	\$ 831,730	\$ 702,460	\$ 661,343	\$ 236,748
Short-term investments, at fair value	350,136	531,530	447,884	458,161	161,422	374,052
Cash and cash equivalents	88,317	63,643	87,457	96,886	216,922	398,488
Total investments and cash	1,527,620	1,440,030	1,367,071	1,257,507	1,039,687	1,009,288
Premiums receivable	356,294	142,408	177,634	200,725	168,031	-
Deferred acquisition costs	66,694	28,203	30,611	32,210	29,261	-
Prepaid reinsurance premiums	27,064	8,245	34,300	19,840	7,085	-
Securities lending collateral	16,258	12,327	-	-	-	-
Loss reserves recoverable	450	-	1,936	-	-	-
Accrued investment income	7,683	6,456	5,572	5,919	5,608	3,233
Other assets	10,422	8,754	7,766	7,438	3,591	1,932
Total assets	<u>\$ 2,012,485</u>	<u>\$ 1,646,423</u>	<u>\$ 1,624,890</u>	<u>\$ 1,523,639</u>	<u>\$ 1,253,263</u>	<u>\$ 1,014,453</u>
Liabilities						
Unearned premiums	\$ 433,263	\$ 178,824	\$ 244,172	\$ 244,597	\$ 204,644	\$ -
Reserve for losses and loss expense	111,555	77,363	63,211	50,872	24,337	-
Reinsurance balances payable	25,708	7,438	22,298	15,333	5,550	-
Securities lending payable	16,258	12,327	-	-	-	-
Net payable for investments purchased	17,209	12,850	12,944	14,602	2,283	-
Accounts payable and accrued expenses	7,276	15,098	10,558	5,615	2,536	14,647
Debentures payable	150,000	150,000	150,000	150,000	-	-
Total liabilities	<u>761,269</u>	<u>453,900</u>	<u>503,183</u>	<u>481,019</u>	<u>239,350</u>	<u>14,647</u>
Shareholders' equity						
Ordinary shares	\$ 10,234	\$ 10,234	\$ 10,234	\$ 10,234	\$ 10,234	\$ 10,224
Additional paid-in capital	1,049,970	1,048,025	1,045,947	1,044,044	1,042,101	1,039,185
Accumulated other comprehensive (loss) income	-	875	1,189	(6,318)	(3,389)	105
Retained earnings (deficit)	191,012	133,389	64,337	(5,340)	(35,032)	(49,708)
Total shareholders' equity	<u>1,251,216</u>	<u>1,192,523</u>	<u>1,121,707</u>	<u>1,042,620</u>	<u>1,013,913</u>	<u>999,806</u>
Total liabilities and shareholders' equity	<u>\$ 2,012,485</u>	<u>\$ 1,646,423</u>	<u>\$ 1,624,890</u>	<u>\$ 1,523,639</u>	<u>\$ 1,253,263</u>	<u>\$ 1,014,453</u>
Book value per common share	<u>\$ 21.39</u>	<u>\$ 20.39</u>	<u>\$ 19.18</u>	<u>\$ 17.83</u>	<u>\$ 17.34</u>	<u>\$ 17.11</u>
Diluted book value per common share	<u>\$ 20.56</u>	<u>\$ 19.73</u>	<u>\$ 18.72</u>	<u>\$ 17.60</u>	<u>\$ 17.18</u>	<u>\$ 16.93</u>

Validus Holdings, Ltd.

Computation of Book Value per Common Share and Diluted Book Value per Common Share

(US Dollars in thousands, except share and per share information)

	At March 31, 2007				At December 31, 2006			
	Equity Amount	Shares	Exercise Price (a)	Book Value per Share	Equity Amount	Shares	Exercise Price (a)	Book Value per Share
<i><u>Book Value per Common Share, Reported</u></i>								
<i>Book Value per Common Share</i>								
Total shareholders' equity	\$ 1,251,216	58,482,601		\$ 21.39	\$ 1,192,523	58,482,601		\$ 20.39
<i>Diluted Book Value per Common Share</i>								
Total shareholders' equity	\$ 1,251,216	58,482,601	-		\$ 1,192,523	58,482,601	-	
Assumed exercise of outstanding warrants (b)	147,968	8,455,320	\$ 17.50		147,968	8,455,320	\$ 17.50	
Assumed exercise of outstanding stock options (b)	46,444	2,637,344	\$ 17.61		45,046	2,568,894	\$ 17.54	
Unvested restricted shares	-	753,496	-		-	733,964	-	
Diluted book value per common share	\$ 1,445,628	70,328,761		\$ 20.56	\$ 1,385,537	70,240,779		\$ 19.73
<i><u>Book Value per Common Share, with Investments at Amortized Cost</u></i>								
<i>Book Value per Common Share</i>								
Total shareholders' equity	\$ 1,251,216				\$ 1,192,523			
Less net unrealized gain on investments	(2,518)				(875)			
Total shareholders' equity, as adjusted	\$ 1,248,698	58,482,601		\$ 21.35	\$ 1,191,648	58,482,601		\$ 20.38
<i>Diluted Book Value per Common Share</i>								
Total shareholders' equity	\$ 1,248,698	58,482,601	-		\$ 1,191,648	58,482,601	-	
Assumed exercise of outstanding warrants (b)	147,968	8,455,320	\$ 17.50		147,968	8,455,320	\$ 17.50	
Assumed exercise of outstanding stock options (b)	46,444	2,637,344	\$ 17.61		45,046	2,568,894	\$ 17.54	
Unvested restricted shares	-	753,496	-		-	733,964	-	
Diluted book value per common share, as adjusted	\$ 1,443,110	70,328,761		\$ 20.52	\$ 1,384,662	70,240,779		\$ 19.71

Notes:

(a) Weighted average exercise price for those warrants and stock options which have exercise price lower than book value per share.

(b) Using the "as-if-converted" method, assuming all proceeds received upon exercise of warrants and stock options will be retained by the Company and the resulting common shares from exercise remain outstanding.

Validus Holdings, Ltd.

Consolidated Statements of Operations and Comprehensive Income (Loss)

(US Dollars in thousands, except share and per share information)

	Three Months Ended				Year Ended	
	March 31, 2007	December 31, 2006	September 30, 2006	June 30, 2006	March 31, 2006	December 31, 2006
Revenues						
Gross premiums written	\$ 378,070	\$ 65,505	\$ 116,505	\$ 110,574	\$ 248,205	\$ 540,789
Reinsurance premiums ceded	(30,958)	355	(38,892)	(16,921)	(8,238)	(63,696)
Net premiums written	347,112	65,860	77,613	93,653	239,967	477,093
Change in unearned premiums	(235,620)	39,293	14,885	(27,198)	(197,559)	(170,579)
Net premiums earned	111,492	105,153	92,498	66,455	42,408	306,514
Net investment income	18,497	17,652	16,272	13,185	10,912	58,021
Net realized (losses) gains on investments	46	(208)	(154)	(354)	(386)	(1,102)
Net unrealized gains on investments	1,643	-	-	-	-	-
Foreign exchange gains (losses)	1,389	1,096	369	696	(4)	2,157
Total revenues	133,067	123,693	108,985	79,982	52,930	365,590
Expenses						
Losses and loss expense	46,487	24,265	11,577	31,144	24,337	91,323
Policy acquisition costs	12,219	11,498	10,638	8,436	5,500	36,072
General and administrative expenses	13,172	15,225	13,641	9,733	7,633	46,232
Finance expenses	4,441	3,653	3,453	978	705	8,789
Fair value of warrants issued	-	-	-	-	77	77
Total expenses	(76,319)	(54,641)	(39,309)	(50,291)	(38,252)	(182,493)
Net income (loss) for the period	\$ 56,748	\$ 69,052	\$ 69,676	\$ 29,691	\$ 14,678	\$ 183,097
Comprehensive income (loss)						
Unrealized gains (losses) arising during period	-	(522)	7,353	(3,283)	(3,880)	(332)
Adjustment for reclassification of gains (losses) realized in income	-	208	154	354	386	1,102
Comprehensive income (loss)	\$ 56,748	\$ 68,738	\$ 77,183	\$ 26,762	\$ 11,184	\$ 183,867
Earnings per share						
Weighted average number of common shares and share equivalents outstanding:						
Basic	58,482,601	58,482,601	58,482,601	58,482,601	58,460,716	58,477,130
Diluted	60,215,392	59,745,784	58,651,163	58,591,802	58,509,519	58,874,567
Basic earnings (loss) per share	\$ 0.97	\$ 1.18	\$ 1.19	\$ 0.51	\$ 0.25	\$ 3.13
Diluted earnings (loss) per share	\$ 0.94	\$ 1.16	\$ 1.19	\$ 0.51	\$ 0.25	\$ 3.11

Validus Holdings, Ltd.

Consolidated Statements of Operations and Comprehensive Income (Loss) - Underwriting Income Format

(US Dollars in thousands, except share and per share information)

	Three Months Ended				Year Ended	
	March 31,	December 31,	September 30,	June 30,	March 31,	December 31,
	2007	2006	2006	2006	2006	2006
Gross premiums written	\$ 378,070	\$ 65,505	\$ 116,505	\$ 110,574	\$ 248,205	\$ 540,789
Reinsurance premiums ceded	(30,958)	355	(38,892)	(16,921)	(8,238)	(63,696)
Net premiums written	347,112	65,860	77,613	93,653	239,967	477,093
Change in unearned premiums	(235,620)	39,293	14,885	(27,198)	(197,559)	(170,579)
Net premiums earned	111,492	105,153	92,498	66,455	42,408	306,514
Losses and loss expenses	46,487	24,265	11,577	31,144	24,337	91,323
Policy acquisition costs	12,219	11,498	10,638	8,436	5,500	36,072
General and administrative expenses	13,172	15,225	13,641	9,733	7,633	46,232
Total underwriting deductions	71,878	50,988	35,856	49,313	37,470	173,627
Underwriting income (loss)	39,614	54,165	56,642	17,142	4,938	132,887
Net investment income	18,497	17,652	16,272	13,185	10,912	58,021
Finance expenses	(4,441)	(3,653)	(3,453)	(978)	(705)	(8,789)
Operating income	\$ 53,670	\$ 68,164	\$ 69,461	\$ 29,349	\$ 15,145	\$ 182,119
Fair value of warrants issued	-	-	-	-	(77)	(77)
Net realized (losses) gains on investments	46	(208)	(154)	(354)	(386)	(1,102)
Net unrealized (losses) gains on investments	1,643	-	-	-	-	-
Foreign exchange gains (losses)	1,389	1,096	369	696	(4)	2,157
Net income (loss) for the period	\$ 56,748	\$ 69,052	\$ 69,676	\$ 29,691	\$ 14,678	\$ 183,097
Comprehensive income (loss)						
Unrealized gains (losses) arising during period	-	(522)	7,353	(3,283)	(3,880)	(332)
Adjustment for reclassification of gains (losses) realized in income	-	208	154	354	386	1,102
Comprehensive income (loss)	\$ 56,748	\$ 68,738	\$ 77,183	\$ 26,762	\$ 11,184	\$ 183,867
Selected Ratios						
Net premiums written/Gross premiums written	91.8%	100.5%	66.6%	84.7%	96.7%	88.2%
Losses and loss expenses	41.7%	23.1%	12.5%	46.9%	57.4%	29.8%
Policy acquisition costs	11.0%	10.9%	11.5%	12.7%	13.0%	11.8%
General and administrative expenses	11.8%	14.5%	14.7%	14.6%	18.0%	15.1%
Expense ratio	22.8%	25.4%	26.2%	27.3%	31.0%	26.9%
Combined ratio	64.5%	48.5%	38.8%	74.2%	88.4%	56.6%

Notes: Operating income is calculated based on net income (loss) excluding net realized gains (losses), net unrealized gains (losses), gains (losses) arising from translation of non-US\$ denominated balances and excluding the fair value of warrants issued. This measure focuses on the underlying fundamentals of our operations without the influence of realized gains (losses) from the sale of investments, translation of non-US\$ currencies 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.

Validus Holdings, Ltd.

Consolidated Statements of Cash Flows

(US Dollars in thousands, except share and per share information)

	Three Months Ended				Year Ended	
	March 31, 2007	December 31, 2006	September 30, 2006	June 30, 2006	March 31, 2006	December 31, 2006
Cash flows provided by operating activities						
Net income (loss) for the period	\$ 56,748	\$ 69,052	\$ 69,677	\$ 29,690	\$ 14,678	\$ 183,097
Adjustments to reconcile net income (loss) to net cash provided by operating activities:						
Stock compensation expense	1,945	2,223	1,905	1,943	1,809	7,880
Net realized losses (gains) on sales of investments	(46)	208	154	354	386	1,102
Net unrealized gains on investments	(1,643)	-	-	-	-	77
Fair value of warrants expensed	(1,643)	-	-	-	77	77
Amortization of discounts on fixed maturities	(2,627)	(3,343)	(2,974)	(1,998)	(2,596)	(10,911)
Change in:						
Premiums receivable	(213,886)	35,226	23,091	(32,694)	(168,031)	(142,408)
Deferred acquisition costs	(38,491)	2,408	1,599	(2,949)	(29,261)	(28,203)
Prepaid reinsurance premiums	(18,819)	26,055	(14,460)	(12,755)	(7,085)	(8,245)
Loss reserves recoverable	(450)	1,936	(1,936)	-	-	-
Accrued investment income	(1,227)	(885)	348	(311)	(2,375)	(3,223)
Other assets	(1,668)	(988)	(329)	(97)	(1,659)	(3,073)
Unearned premiums	254,439	(65,348)	(425)	39,953	204,644	178,824
Reserve for losses and loss expense	34,192	14,152	12,339	26,535	24,337	77,363
Reinsurance balances payable	18,270	(14,860)	6,965	9,783	5,550	7,438
Accounts payable and accrued expenses	(7,822)	4,541	4,942	3,079	925	13,487
Net cash provided by operating activities	77,272	70,377	100,896	60,533	41,399	273,205
Cash flows used in investing activities						
Proceeds on sales and maturity of investments	163,758	119,410	85,682	111,577	138,798	449,576
Purchases of fixed maturities	(401,955)	(166,148)	(175,673)	(143,521)	(566,190)	(1,045,523)
Net Maturities (purchases) of short-term investments, net	183,956	(47,308)	(20,334)	(294,997)	216,426	(146,212)
Increase in securities lending collateral	(3,932)	(12,327)	-	-	-	(12,327)
Net cash used in investing activities	(58,173)	(106,373)	(110,325)	(326,941)	(210,966)	(754,486)
Cash flows provided by (used in) provided by financing activities						
Net proceeds on issuance of debentures payable	-	-	-	146,250	-	146,250
Issue of common shares, net	-	(145)	-	-	(11,996)	(12,141)
Increase in securities lending payable	3,932	12,327	-	-	-	12,327
Net cash provided by (used in) financing activities	3,932	12,182	-	146,250	(11,996)	146,436
Net increase (decrease) in cash	23,031	(23,814)	(9,429)	(120,158)	(181,563)	(334,845)
Cash and cash equivalents - Beginning of period	63,643	87,457	96,963	216,925	398,488	398,488
Cash and cash equivalents - End of period	\$ 88,317	\$ 63,643	\$ 87,457	\$ 96,768	\$ 216,925	\$ 63,643
Interest paid during the period	\$ 3,401	\$ 3,401	\$ 3,401	\$ -	\$ -	\$ 6,802
Losses paid during the period	\$ 12,746	\$ 8,178	\$ 1,174	\$ 4,608	\$ -	\$ 13,960

Validus Holdings, Ltd.

Computation of Earnings Per Share Data

(US Dollars in thousands, except share and per share information)

	Three Months Ended March 31, 2007			Three Months Ended March 31, 2006		
	Operating income	Net income	Comprehensive income	Operating income	Net income	Comprehensive income
Numerator	\$ 53,670	\$ 56,748	\$ 56,748	\$ 15,145	\$ 14,678	\$ 11,184
<i>Basic EPS calculation:</i>						
Weighted average number of common shares outstanding:	58,482,601	58,482,601	58,482,601	58,460,716	58,460,716	58,460,716
Basic earnings per share	\$ 0.92	\$ 0.97	\$ 0.97	\$ 0.26	\$ 0.25	\$ 0.19
<i>Diluted EPS calculation:</i>						
Weighted average number of common shares outstanding:	58,482,601	58,482,601	58,482,601	58,460,716	58,460,716	58,460,716
<i>Share equivalents:</i>						
Warrants	1,370,158	1,370,158	1,370,158	-	-	-
Stock options	-	-	-	-	-	-
Unvested restricted shares	362,633	362,633	362,633	48,803	48,803	48,803
Weighted average number of diluted common shares outstanding:	60,215,392	60,215,392	60,215,392	58,509,519	58,509,519	58,509,519
Diluted earnings per share	\$ 0.89	\$ 0.94	\$ 0.94	\$ 0.26	\$ 0.25	\$ 0.19

Notes:

Stock options which carry an average exercise price of \$17.52 per option are anti-dilutive and consequently are not included in weighted average diluted shares outstanding. SFAS No. 123 requires that any unrecognized stock based compensation expense that will be recorded in future periods be included as proceeds for purposes of treasury stock repurchases, which is applied against the unvested restricted shares balance.

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Validus Holdings, Ltd.

Dilutive Shares for Earnings Per Share Calculation

(US Dollars in thousands, except share and per share information)

	Three months ended March 31, 2007	Three months ended March 31, 2006
Average fair value per share	\$ 20.87	\$ 17.50
Basic weighted average common shares outstanding	58,482,601	58,460,716
Add: weighted average unvested restricted shares	733,954	659,631
Proceeds from unrecognized restricted share expense	\$ 7,749	\$ 10,689
Less: restricted shares bought back via treasury method	(371,321)	(610,828)
Add: weighted average dilutive warrants outstanding	8,454,543	8,452,169
Weighted average exercise price per share	\$ 17.50	\$ 17.50
Less: warrants bought back via treasury method	(7,084,385)	(8,452,169)
Add: weighted average dilutive options outstanding	2,568,898	2,308,714
Weighted average exercise price per share	\$ 17.54	\$ 17.50
Proceeds from unrecognized option expense	\$ 14,427	\$ 14,240
Less: options bought back via treasury method	(2,568,898)	(2,308,714)
Weighted average dilutive shares outstanding	<u>\$ 60,215,392</u>	<u>\$ 58,509,519</u>

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Validus Holdings, Ltd.

Gross Written Premium by Class and Line of Business and Treaty Type

(US Dollars in thousands, except share and per share information)

Line of Business	Three Months Ended		Three Months Ended	
	March 31, 2007		March 31, 2006	
	GPW	%	GPW	%
Property	\$ 238,789	63.2%	\$ 145,082	58.5%
Marine	101,150	26.8%	66,884	26.9%
Other Specialty				
Aerospace	19,573	5.2%	21,919	8.8%
Life and A&H	345	0.1%	1,109	0.4%
Terrorism	15,453	4.1%	11,718	4.7%
Workers Compensation	2,760	0.7%	1,493	0.6%
Total other specialty	38,131	10.1%	36,239	14.6%
Total	\$ 378,070	100.0%	\$ 248,205	100.0%

Treaty Type	Three Months Ended		Three Months Ended	
	March 31, 2007		March 31, 2006	
	GPW	%	GPW	%
Cat XOL	162,545	43.0%	166,299	67.0%
Per Risk XOL	93,482	24.7%	10,082	4.1%
Proportional	122,043	32.3%	71,824	28.9%
Total	\$ 378,070	100.0%	\$ 248,205	100.0%

Notes:

Cat XOL is comprised of Catastrophe XOL, Aggregate XOL, RPP, Second Event and Third Event covers.

Per Risk XOL is comprised of Per Event XOL and Per Risk XOL.

Proportional is comprised of Quota Share and Surplus Share.

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Validus Holdings, Ltd.

Line of Business Treaty Type Detail (Gross Premium Written)

(US Dollars in thousands, except share and per share information)

Line of Business	Treaty Type	Three Months Ended			
		March 31, 2007		March 31, 2006	
		GPW	%	GPW	%
Property	Cat XOL	\$ 140,917	37.3%	\$ 92,273	37.2%
	Per Risk XOL	12,737	3.4%	9,229	3.7%
	Proportional	<u>85,135</u>	<u>22.5%</u>	<u>43,578</u>	<u>17.6%</u>
		238,789	63.2%	145,080	58.5%
Marine	Cat XOL	(955)	-0.3%	1,783	0.7%
	Per Risk XOL	80,045	21.2%	52,746	21.3%
	Proportional	<u>22,060</u>	<u>5.8%</u>	<u>12,356</u>	<u>5.0%</u>
		101,150	26.8%	66,885	26.9%
Other Specialty					
Aerospace	Cat XOL	4,025	1.1%	1,737	0.7%
	Per Risk XOL	700	0.2%	4,174	1.7%
	Proportional	<u>14,848</u>	<u>3.9%</u>	<u>16,008</u>	<u>6.4%</u>
		19,573	5.2%	21,919	8.8%
Life and A&H	Cat XOL	345	0.1%	1,109	0.4%
Terrorism	Cat XOL	15,453	4.1%	11,719	4.7%
Workers Compensation	Cat XOL	<u>2,760</u>	<u>0.7%</u>	<u>1,493</u>	<u>0.6%</u>
Total Other Specialty		<u>38,131</u>	<u>10.1%</u>	<u>36,240</u>	<u>14.6%</u>
Total		<u>\$ 378,070</u>	<u>100.0%</u>	<u>\$ 248,205</u>	<u>100.0%</u>

Notes:

Cat XOL is comprised of Catastrophe XOL, Aggregate XOL, RPP, Second Event and Third Event covers.

Per Risk XOL is comprised of Per Event XOL and Per Risk XOL.

Proportional is comprised of Quota Share and Surplus Share.

Validus Holdings, Ltd.

Underwriting Results by Class of Business - Three Months Ended March 31, 2007

(US Dollars in thousands, except share and per share information)

	Three Months Ended March 31, 2007							
	Other Specialty					Workers' Comp.	Total Other Specialty	Total
	Property	Marine	Aerospace	Life and A&H	Terrorism			
Gross premiums written	\$ 238,790	\$ 101,150	\$ 19,573	\$ 345	\$ 15,453	\$ 2,760	\$ 38,131	\$ 378,070
Reinsurance premiums ceded	-	(29,533)	(1,425)	-	-	-	(1,425)	(30,958)
Net premiums written	238,790	71,617	18,148	345	15,453	2,760	36,706	347,112
Change in unearned premiums	(153,637)	(56,506)	(13,523)	(107)	(10,390)	(1,457)	(25,477)	(235,620)
Net premiums earned	85,152	15,111	4,624	238	5,064	1,303	11,229	111,492
Losses and loss expenses (recoveries)	29,935	7,816	8,560	(2)	-	178	8,736	46,487
Policy acquisition costs	9,575	1,121	874	14	460	175	649	12,219
Total underwriting deductions before G&A	39,510	8,937	9,434	12	460	353	10,258	58,706
Underwriting income (loss) before G&A	45,642	6,174	(4,809)	226	4,604	950	971	52,787
General and administrative expenses								13,172
Total underwriting deductions								71,878
Underwriting income (loss)								39,615
Net investment income								18,497
Finance expenses								(4,441)
Operating income (a)								\$ 53,671
Fair value of warrants issued								-
Net realized gains on investments								46
Net unrealized gains on investments								1,643
Foreign exchange gains								1,389
Net income for the period								\$ 56,748
Selected Ratios								
Net premiums written/Gross premiums written	100.0%	70.8%	92.7%	100.0%	100.0%	100.0%	96.3%	91.8%
Losses and loss expenses	35.2%	51.7%	185.1%	-0.8%	0.0%	13.7%	77.8%	41.7%
Policy acquisition costs	11.2%	7.4%	18.9%	5.8%	9.1%	13.5%	5.8%	11.0%
General and administrative expenses								11.8%
Expense ratio								22.8%
Combined ratio								64.5%

Notes:

(a) Operating income is calculated based on net income (loss) excluding net realized and unrealized gains (losses). This measure focuses on the underlying fundamentals of our operations without the influence of realized gains (losses) from the sale of investments and other 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.

Validus Holdings, Ltd.

Underwriting Results by Class of Business - Three Months Ended March 31, 2006

(US Dollars in thousands, except share and per share information)

	Three Months Ended March 31, 2006								
	Other Specialty						Workers' Comp.	Total Other Specialty	Total
	Property	Marine	Aerospace	Life and A&H	Terrorism				
Gross premiums written	\$ 145,082	\$ 66,884	\$ 21,919	\$ 1,109	\$ 11,718	\$ 1,493	\$ 36,239	\$ 248,205	
Reinsurance premiums ceded	(1,500)	(6,738)	-	-	-	-	-	(8,238)	
Net premiums written	143,582	60,146	21,919	1,109	11,718	1,493	36,239	239,967	
Change in unearned premiums	(116,916)	(49,512)	(20,018)	(835)	(9,153)	(1,125)	(31,131)	(197,559)	
Net premiums earned	26,666	10,634	1,901	274	2,565	368	5,108	42,408	
Losses and loss expenses (recoveries)	11,799	6,805	4,772	133	776	52	5,733	24,337	
Policy acquisition costs	3,693	1,307	178	16	243	63	500	5,500	
Total underwriting deductions before G&A	15,492	8,112	4,950	149	1,019	115	6,233	29,837	
Underwriting income (loss) before G&A	11,174	2,522	(3,049)	125	1,546	253	(1,125)	12,571	
General and administrative expenses								7,633	
Total underwriting deductions								37,470	
Underwriting income (loss)								4,938	
Net investment income								10,912	
Finance expenses								(705)	
Operating income (a)								\$ 15,145	
Fair value of warrants issued								(77)	
Net realized gains on investments								(386)	
Net unrealized gains on investments								-	
Foreign exchange gains								(4)	
Net income for the period								\$ 14,678	
Selected Ratios									
Net premiums written/Gross premiums written	99.0%	89.9%	100.0%	100.0%	100.0%	100.0%	100.0%	96.7%	
Losses and loss expenses	44.2%	64.0%	251.0%	48.5%	30.3%	14.1%	112.2%	57.4%	
Policy acquisition costs	13.8%	12.3%	9.4%	5.8%	9.5%	17.1%	9.8%	13.0%	
General and administrative expenses								18.0%	
Expense ratio								31.0%	
Combined ratio								88.4%	

Notes:

(a) Operating income is calculated based on net income (loss) excluding net realized and unrealized gains (losses) and excluding (for 2005) the fair value of warrants issued. This measure focuses on the underlying fundamentals of our operations without the influence of realized gains (losses) from the sale of investments and other 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.

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Validus Holdings, Ltd.

Analysis of Reserves for Losses and Loss Expenses

(US Dollars in thousands, except share and per share information)

	<u>At March 31, 2007</u>			<u>At December 31, 2006</u>		
	Reinsurance			Reinsurance		
	Gross	Recoverable	Net	Gross	Recoverable	Net
Property	\$ 78,927	\$ 450	\$ 78,477	\$ 59,385	\$ -	\$ 59,385
Marine	17,668	-	17,668	9,866	-	9,866
Aerospace	14,532	-	14,532	7,860	-	7,860
Life and A&H	47	-	47	49	-	49
Terrorism	-	-	-	-	-	-
Workers Compensation	381	-	381	203	-	203
Other Specialty Subtotal	14,960	-	14,960	8,112	-	8,112
Total	\$ 111,555	\$ 450	\$ 111,105	\$ 77,363	\$ -	\$ 77,363

	<u>At March 31, 2007</u>			<u>At December 31, 2006</u>		
	Case		Total	Case		Total
	Reserves	IBNR	Reserves	Reserves	IBNR	Reserves
Property	\$ 32,528	\$ 46,399	\$ 78,927	\$ 32,187	\$ 27,198	\$ 59,385
Marine	3,810	13,858	17,668	3,637	6,229	9,866
Aerospace	6,299	8,233	14,532	2,286	5,574	7,860
Life and A&H	1	46	47	-	49	49
Terrorism	-	-	-	-	-	-
Workers Compensation	9	372	381	4	199	203
Other Specialty Subtotal	6,309	8,651	14,960	2,290	5,822	8,112
Total	\$ 42,647	\$ 68,908	\$ 111,555	\$ 38,114	\$ 39,249	\$ 77,363

Validus Holdings, Ltd.

Losses and Loss Ratios by Class

(US Dollars in thousands, except share and per share information)

At or for the Three Months Ended March 31, 2007								
Other Specialty								
	Property	Marine	Aerospace	Life and A&H	Terrorism	Workers' Comp.	Total Other Specialty	Total
Net reserves at period beginning	\$ 59,385	\$ 9,866	\$ 7,860	\$ 49	\$ -	\$ 203	\$ 8,112	\$ 77,363
Incurred losses - current quarter	33,262	7,791	8,539	25	-	175	8,739	49,792
Change in prior accident years (a)	(3,327)	25	21	(27)	-	3	(3)	(3,305)
Incurred losses	29,935	7,816	8,560	(2)	-	178	8,736	46,487
Paid losses	(10,844)	(14)	(1,888)	-	-	-	(1,888)	(12,746)
Net reserves at period end	78,477	17,668	14,532	47	-	381	14,960	111,105
Losses recoverable	450	-	-	-	-	-	-	450
Gross reserves at period end	\$ 78,927	\$ 17,668	\$ 14,532	\$ 47	\$ -	\$ 381	\$ 14,960	\$ 111,555
Net premiums earned	\$ 85,152	\$ 15,111	\$ 4,624	\$ 238	\$ 5,064	\$ 1,303	\$ 11,229	\$ 111,492
Net loss (recovery) ratio	39.1%	51.6%	184.7%	10.5%	0.0%	13.4%	77.8%	44.7%
Prior accident year adjustments	-10.0%	0.3%	0.2%	-108.0%	0.0%	1.7%	0.0%	-6.6%
Paid to incurred	32.6%	0.2%	22.1%	0.0%	0.0%	0.0%	21.6%	25.6%

At or for the Three Months Ended March 31, 2006								
Other Specialty								
	Property	Marine	Aerospace	Life and A&H	Terrorism	Workers' Comp.	Total Other Specialty	Total
Net reserves at period beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Incurred losses - current quarter	11,799	6,805	4,772	133	776	52	5,733	24,337
Change in prior accident years	-	-	-	-	-	-	-	-
Incurred losses	11,799	6,805	4,772	133	776	52	5,733	24,337
Paid losses	-	-	-	-	-	-	-	-
Net reserves at period end	11,799	6,805	4,772	133	776	52	5,733	24,337
Losses recoverable	-	-	-	-	-	-	-	-
Gross reserves at period end	\$ 11,799	\$ 6,805	\$ 4,772	\$ 133	\$ 776	\$ 52	\$ 5,733	\$ 24,337
Net premiums earned	\$ 26,666	\$ 10,634	\$ 1,901	\$ 274	\$ 2,565	\$ 368	\$ 5,108	\$ 42,408
Net loss (recovery) ratio	44.2%	64.0%	251.0%	48.5%	30.3%	14.1%	112.2%	57.4%
Prior accident year adjustments	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Paid to incurred	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Notes:

(a) Unallocated Loss Adjustment Expense is apportioned to the Company's lines of business. The allocation basis was refined in the first quarter of 2007, resulting in \$1,327 of expense being reallocated to Property from Marine.

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Validus Holdings, Ltd.

Consolidated Investment Portfolio Composition and Net Investment Income

(US Dollars in thousands, except share and per share information)

Total cash and investments	March 31, 2007		December 31, 2006	
	Fair Value (\$)	(%)	Fair Value (\$)	(%)
U.S. Government and Government Agency	\$ 217,697	14.3%	\$ 119,731	8.3%
Corporate	295,494	19.3%	222,989	15.5%
Asset-backed and mortgage -backed securities	575,976	37.7%	502,137	34.9%
Total fixed maturities	1,089,167	71.3%	844,857	58.7%
Total short-term investments	350,136	22.9%	531,530	36.9%
Total investments	1,439,303	94.2%	1,376,387	95.6%
Cash and cash equivalents	88,317	5.8%	63,643	4.4%
Total cash and investments	\$ 1,527,620	100.0%	\$ 1,440,030	100.0%

Net investment income	Three months ended	
	March 31, 2007	March 31, 2006
Fixed maturities and short-term investments	\$ 18,076	\$ 8,052
Cash and cash equivalents	931	3,182
Total gross investment income	19,007	11,234
Investment expenses	(510)	(322)
Net investment income	\$ 18,497	\$ 10,912

Annualized effective investment yield (a)	4.99%	4.26%
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Notes:

(a) Annualized effective investment yield is calculated by dividing net investment income by the average balance of the assets managed by our portfolio managers and our other investments.

VALIDUS RE

Validus Holdings, Ltd.

Fixed Maturity Portfolio Credit Quality and Maturity Profile

(US Dollars in thousands, except share and per share information)

Total fixed maturities by ratings (a)	March 31, 2007		December 31, 2006	
	Fair Value (\$)	(%)	Fair Value (\$)	(%)
AAA	\$ 824,242	75.7%	\$ 644,106	76.2%
AA	104,003	9.5%	69,087	8.2%
A+	62,265	5.7%	58,285	6.9%
A	67,622	6.2%	44,136	5.2%
A-	24,553	2.3%	22,759	2.7%
BBB	6,482	0.6%	6,484	0.8%
	<u>\$ 1,089,167</u>	<u>100.0%</u>	<u>\$ 844,857</u>	<u>100.0%</u>

Total fixed maturities by maturity	March 31, 2007		December 31, 2006	
	Fair Value (\$)	(%)	Fair Value (\$)	(%)
Due in one year or less	\$ 85,776	7.9%	\$ 67,920	8.0%
Due after one year through five years	404,074	37.1%	255,739	30.3%
Due after five years through ten years	7,857	0.7%	5,207	0.6%
Due after ten years	15,484	1.4%	13,854	1.6%
	<u>513,191</u>	<u>47.1%</u>	<u>342,720</u>	<u>40.6%</u>
Asset-backed and mortgage-backed securities	<u>575,976</u>	<u>52.9%</u>	<u>502,137</u>	<u>59.4%</u>
	<u>\$ 1,089,167</u>	<u>100.0%</u>	<u>\$ 844,857</u>	<u>100.0%</u>

Notes:

(a) Ratings are lower of S&P or Moody's, shown at S&P rating equivalent. For investments where Moody's and S&P ratings are not available, Fitch ratings are used and presented in S&P's equivalent rating.

Validus Holdings, Ltd.

Capitalization

(US Dollars in thousands, except share and per share information)

	March 31, 2007		December 31, 2006		September 30, 2006		June 30, 2006		March 31, 2006	
	Commitment	In Use	Commitment	In Use	Commitment	In Use	Commitment	In Use	Commitment	In Use
Debt and financing arrangements										
Three year unsecured letter of credit facility	\$ 200,000	\$ -	\$ 100,000	\$ -	\$ 100,000	\$ -	\$ 100,000	\$ -	\$ 100,000	\$ -
Five year letter of credit facility	500,000	82,991	200,000	78,323	200,000	-	200,000	-	200,000	-
Junior Subordinated Deferrable Debentures (a)	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	-	-
Total debt and financing arrangements	\$ 850,000	\$ 232,991	\$ 450,000	\$ 228,323	\$ 450,000	\$ 150,000	\$ 450,000	\$ 150,000	\$ 300,000	\$ -
Capitalization										
Borrowings drawn under credit facility		\$ -		\$ -		\$ -		\$ -		\$ -
Junior Subordinated Deferrable Debentures		150,000		150,000		150,000		150,000		-
Ordinary shares - capital and surplus		1,251,216		1,191,648		1,120,518		1,048,938		1,017,302
Accumulated other comprehensive income (loss)		-		875		1,189		(6,318)		(3,389)
Total shareholders' equity		1,251,216		1,192,523		1,121,707		1,042,620		1,013,913
Total capitalization (b)		\$ 1,401,216		\$ 1,342,523		\$ 1,271,707		\$ 1,192,620		\$ 1,013,913
Debt to total capitalization		<u>10.7%</u>		<u>11.2%</u>		<u>11.8%</u>		<u>12.6%</u>		<u>0.0%</u>
Debt (excluding Junior Debentures) to total capitalization		<u>0.0%</u>		<u>0.0%</u>		<u>0.0%</u>		<u>0.0%</u>		<u>0.0%</u>

Notes:

(a) The Junior Subordinated Deferrable Debentures ("Junior Debentures") were issued on June 15, 2006, mature on June 15, 2036, are redeemable at the Company's option at par beginning June 15, 2011, and require quarterly interest payments at a rate of 9.069% per annum.

(b) Total capitalization equals total shareholders' equity plus borrowings drawn under credit facility and Junior Subordinated Deferrable Debenture.