

VALIDUS RE

Validus Holdings, Ltd.
Investor Financial Supplement - Second Quarter 2007

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Validus Reinsurance, Ltd.
19 Par-la-ville Road
Hamilton, HM 11 Bermuda
Telephone: (441) 278-9000
Facsimile: (441) 278-9090
Website: www.validusre.bm
Mailing Address: Suite 1790 48 Par-la-ville Road
Hamilton, HM 11 Bermuda

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Validus Holdings, Ltd. Table of Contents

<u>Section</u>	<u>Page</u>
Table of Contents.....	2
Explanatory Notes.....	3
<u>Validus Consolidated</u>	
Consolidated Financial Highlights.....	4
Summary Consolidated Balance Sheets.....	5
Computation of Book Value per Common Share and Diluted Book Value per Common Share.....	6
Consolidated Statements of Operations and Comprehensive Income (Loss).....	7
Consolidated Statements of Operations and Comprehensive Income (Loss) - Underwriting Income Format.....	8
Consolidated Statements of Cash Flows.....	9
Computation of Earnings Per Share Data.....	10
Dilutive Shares for Earnings Per Share Calculation.....	11
Gross Written Premium by Class and Line of Business and Treaty Type.....	12
Line of Business Treaty Type Detail (Gross Premium Written).....	13
Underwriting Results by Class of Business - Six months ended June 30.....	14
Underwriting Results by Class of Business - Three months ended June 30.....	15
Analysis of Reserves for Losses and Loss Expenses.....	16
Losses and Loss Ratios by Class.....	17
Consolidated Investment Portfolio Composition and Net Investment Income.....	18
Fixed Maturity Portfolio Credit Quality and Maturity Profile.....	19
Capitalization.....	20
<u>Talbot Consolidated</u>	
Talbot Holdings Ltd.....	21
Summary Talbot Balance Sheets.....	22
Talbot Statements of Operations and Comprehensive Income (Loss).....	23
Talbot Statements of Operations and Comprehensive Income (Loss) - Underwriting Income Format.....	24
Gross Written Premium by Class and Treaty Type - Talbot.....	25
Underwriting Results by Class of Business - Six months ended June 30, 2007 - Talbot.....	26
Underwriting Results by Class of Business - Three Months Ended June 30, 2007 - Talbot.....	27
Analysis of Reserves for Losses and Loss Expenses - Talbot.....	28
Losses and Loss Ratios by Class - Talbot.....	29
Consolidated Investment Portfolio Composition - Talbot.....	30
Fixed Maturity Portfolio Credit Quality and Maturity Profile - Talbot.....	31
<u>Pro Forma Combined</u>	
Pro Forma Combined - Validus Holdings Ltd. and Talbot Holdings Ltd.....	32
Pro Forma Combined Balance Sheet - June 30, 2007.....	33
Pro Forma Combined Income Statement - Three Months Ended June 30, 2007.....	34
Pro Forma Combined Income Statement - Three Months Ended March 31, 2007.....	35
Pro Forma Combined Income Statement - Year Ended December 31, 2006.....	36

Validus Holdings, Ltd. Explanatory Notes

Basis of Presentation

- All financial information contained herein is unaudited, however, certain information contained herein relating to the years ended December 31, 2006 and 2005 is derived from or agrees to audited financial information.
- 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. In addition, Aerospace, Life and A&H, Terrorism, Workers' Compensation lines of business have been combined into one reporting line, 'Other specialty'.
- 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

Talbot Holdings Ltd.

- On July 2, 2007, Validus announced it completed its acquisition of Talbot Holdings ("Talbot"). The Validus data for 2005, 2006 and 2007 refer only to the company prior to its acquisition of Talbot. As part of this supplement, the results of Talbot are reported separately, and a combined basis on a pro forma has also been presented.

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.
- Underwriting income (loss) is a measure of profitability that takes into account net premiums earned and other insurance related income as revenue and net loss and loss expenses, acquisition costs and underwriting related general and administrative expenses as expenses. Underwriting income (loss) is the difference between revenues and expense items.
- Annualized effective investment yield is calculated by dividing the investment income generated from invested assets and other investments by the average balance of the assets managed by our portfolio managers and our other investments.

Validus Holdings, Ltd.

Consolidated Financial Highlights

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

		At or for the		At or for the		At or for the
		three months ended		six months ended		year ended
		June 30,	June 30,	June 30,	June 30,	December 31,
		2007	2006	2007	2006	2006
Highlights	Net income	\$ 70,754	\$ 29,691	\$ 127,502	\$ 44,369	\$ 183,097
	Operating income (a)	75,172	29,349	128,842	44,494	182,119
	Gross premiums written	174,300	110,574	552,370	358,779	540,789
	Net premiums earned	133,030	66,455	244,522	108,863	306,514
	Total assets	2,364,911	1,523,639	2,364,911	1,014,453	1,646,423
	Total shareholders' equity	1,323,947	1,042,620	1,323,947	999,806	1,192,523
Per share data	<u>Earnings per basic share</u>					
	Net income (loss)	\$ 1.21	\$ 0.51	\$ 2.18	\$ 0.76	\$ 3.13
	Operating income (loss)	1.29	0.50	2.20	0.76	3.11
	<u>Earnings per diluted share</u>					
	Net income (loss)	\$ 1.17	\$ 0.51	\$ 2.11	\$ 0.76	\$ 3.11
	Operating income (loss)	1.24	0.50	2.13	0.76	3.09
	<u>Book value per share</u>					
	Reported	\$ 22.64	\$ 17.83	\$ 22.64	\$ 17.83	\$ 20.39
	With investments at amortized cost	22.70	17.94	22.70	17.94	20.38
	<u>Diluted book value per share (b)</u>					
Reported	\$ 21.59	\$ 17.60	\$ 21.59	\$ 17.60	\$ 19.73	
With investments at amortized cost	21.64	17.68	21.64	17.68	19.71	
Financial ratios	Losses and loss expenses ratio	32.1%	46.9%	36.5%	51.0%	29.8%
	Policy acquisition costs ratio	13.4%	12.7%	12.3%	12.8%	11.8%
	General and administrative expenses ratio	9.8%	14.6%	10.7%	15.9%	15.1%
	Expense ratio	<u>23.2%</u>	<u>27.3%</u>	<u>23.0%</u>	<u>28.7%</u>	<u>26.9%</u>
	Combined ratio	<u>55.3%</u>	<u>74.2%</u>	<u>59.5%</u>	<u>79.7%</u>	<u>56.7%</u>
	Annualized return on average equity (c)	<u>22.0%</u>	<u>11.5%</u>	<u>20.3%</u>	<u>8.8%</u>	<u>17.0%</u>
	Annualized operating return on average equity (d)	<u>23.4%</u>	<u>11.4%</u>	<u>20.5%</u>	<u>8.9%</u>	<u>17.0%</u>

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. Average shareholders' equity is the average of the beginning, ending and intervening quarter end shareholders' equity balances.

(d) - Annualized operating return on average equity is calculated by dividing the operating income for the period by the average shareholders' equity during the period. 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)

	June 30, 2007	March 31, 2007	December 31, 2006	September 30, 2006	June 30, 2006
Assets					
Fixed maturities, at fair value	\$ 1,127,591	\$ 1,089,167	\$ 844,857	\$ 831,730	\$ 702,460
Short-term investments, at fair value	371,767	350,136	531,530	447,884	458,161
Cash and cash equivalents	<u>314,955</u>	<u>88,317</u>	<u>63,643</u>	<u>87,457</u>	<u>96,886</u>
Total investments and cash	1,814,313	1,527,620	1,440,030	1,367,071	1,257,507
Premiums receivable	376,814	356,294	142,408	177,634	200,725
Deferred acquisition costs	72,518	66,694	28,203	30,611	32,210
Prepaid reinsurance premiums	40,747	27,064	8,245	34,300	19,840
Securities lending collateral	35,194	16,258	12,327	-	-
Loss reserves recoverable	158	450	-	1,936	-
Net receivable for investments sold	1,862	-	-	-	-
Accrued investment income	9,355	7,683	6,456	5,572	5,919
Other assets	<u>13,950</u>	<u>10,422</u>	<u>8,754</u>	<u>7,766</u>	<u>7,438</u>
Total assets	<u>\$ 2,364,911</u>	<u>\$ 2,012,485</u>	<u>\$ 1,646,423</u>	<u>\$ 1,624,890</u>	<u>\$ 1,523,639</u>
Liabilities					
Unearned premiums	\$ 461,437	\$ 433,263	\$ 178,824	\$ 244,172	\$ 244,597
Reserve for losses and loss expense	138,132	111,555	77,363	63,211	50,872
Reinsurance balances payable	45,927	25,708	7,438	22,298	15,333
Securities lending payable	35,194	16,258	12,327	-	-
Net payable for investments purchased	-	17,209	12,850	12,944	14,602
Accounts payable and accrued expenses	10,274	7,276	15,098	10,558	5,615
Debentures payable	<u>350,000</u>	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>
Total liabilities	<u>1,040,964</u>	<u>761,269</u>	<u>453,900</u>	<u>503,183</u>	<u>481,019</u>
Shareholders' equity					
Ordinary shares	\$ 10,234	\$ 10,234	\$ 10,234	\$ 10,234	\$ 10,234
Additional paid-in capital	1,051,947	1,049,970	1,048,025	1,045,947	1,044,044
Accumulated other comprehensive (loss) income	-	-	875	1,189	(6,318)
Retained earnings (deficit)	<u>261,766</u>	<u>191,012</u>	<u>133,389</u>	<u>64,337</u>	<u>(5,340)</u>
Total shareholders' equity	<u>1,323,947</u>	<u>1,251,216</u>	<u>1,192,523</u>	<u>1,121,707</u>	<u>1,042,620</u>
Total liabilities and shareholders' equity	<u>\$ 2,364,911</u>	<u>\$ 2,012,485</u>	<u>\$ 1,646,423</u>	<u>\$ 1,624,890</u>	<u>\$ 1,523,639</u>
Book value per common share	<u>\$ 22.64</u>	<u>\$ 21.39</u>	<u>\$ 20.39</u>	<u>\$ 19.18</u>	<u>\$ 17.83</u>
Diluted book value per common share	<u>\$ 21.59</u>	<u>\$ 20.56</u>	<u>\$ 19.73</u>	<u>\$ 18.72</u>	<u>\$ 17.60</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 June 30, 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>Book Value per Common Share, Reported</i>								
<i>Book Value per Common Share</i>								
Total shareholders' equity	\$ 1,323,947	58,482,600		\$ <u>22.64</u>	\$ 1,192,523	58,482,601		\$ <u>20.39</u>
<i>Diluted Book Value per Common Share</i>								
Total shareholders' equity	\$ 1,323,947	58,482,600	-		\$ 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)	46,453	2,637,344	\$ 17.61		45,046	2,568,894	\$ 17.54	
Unvested restricted shares	-	<u>753,496</u>	-		-	<u>733,964</u>	-	
Diluted book value per common share	\$ <u>1,518,368</u>	<u>70,328,760</u>		\$ <u>21.59</u>	\$ <u>1,385,537</u>	<u>70,240,779</u>		\$ <u>19.73</u>
<i>Book Value per Common Share, with Investments at Amortized Cost</i>								
<i>Book Value per Common Share</i>								
Total shareholders' equity	\$ 1,323,947				\$ 1,192,523			
Unrealized (gain) loss on investments	<u>3,671</u>				<u>(875)</u>			
Total shareholders' equity, as adjusted	\$ <u>1,327,618</u>	58,482,600		\$ <u>22.70</u>	\$ <u>1,191,648</u>	58,482,601		\$ <u>20.38</u>
<i>Diluted Book Value per Common Share</i>								
Total shareholders' equity	\$ 1,327,618	58,482,600	-		\$ 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)	46,453	2,637,344	\$ 17.61		45,046	2,568,894	\$ 17.54	
Unvested restricted shares	-	<u>753,496</u>	-		-	<u>733,964</u>	-	
Diluted book value per common share, as adjusted	\$ <u>1,522,039</u>	<u>70,328,760</u>		\$ <u>21.64</u>	\$ <u>1,384,662</u>	<u>70,240,779</u>		\$ <u>19.71</u>

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		Six Months Ended	
	June 30,	June 30,	June 30,	June 30,
	2007	2006	2007	2006
Revenues				
Gross premiums written	\$ 174,300	\$ 110,574	\$ 552,370	\$ 358,779
Reinsurance premiums ceded	(26,780)	(16,921)	(57,738)	(25,159)
Net premiums written	147,520	93,653	494,632	333,620
Change in unearned premiums	(14,490)	(27,198)	(250,110)	(224,757)
Net premiums earned	133,030	66,455	244,522	108,863
Net investment income	19,742	13,185	38,239	24,097
Net realized (losses) gains on investments	(232)	(354)	(186)	(740)
Net unrealized (losses) gains on investments	(6,189)	-	(4,546)	-
Foreign exchange gains	2,003	696	3,392	692
Total revenues	148,354	79,982	281,421	132,912
Expenses				
Losses and loss expense	42,675	31,144	89,162	55,481
Policy acquisition costs	17,837	8,436	30,056	13,936
General and administrative expenses	13,085	9,733	26,257	17,366
Finance expenses	4,003	978	8,444	1,683
Fair value of warrants issued	-	-	-	77
Total expenses	(77,600)	(50,291)	(153,919)	(88,543)
Net income (loss) for the period	\$ 70,754	\$ 29,691	\$ 127,502	\$ 44,369
Comprehensive income (loss)				
Unrealized gains (losses) arising during period	-	(3,283)	-	(7,163)
Adjustment for reclassification of gains (losses) realized in income	-	354	-	740
Comprehensive income (loss)	\$ 70,754	\$ 26,762	\$ 127,502	\$ 37,946
Earnings per share				
Weighted average number of common shares and share equivalents outstanding:				
Basic	58,482,600	58,482,601	58,482,601	58,471,659
Diluted	60,647,354	58,591,802	60,431,373	58,550,661
Basic earnings (loss) per share	\$ 1.21	\$ 0.51	\$ 2.18	\$ 0.76
Diluted earnings (loss) per share	\$ 1.17	\$ 0.51	\$ 2.11	\$ 0.76

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		Six Months Ended	
	June 30,	June 30,	June 30,	June 30,
	2007	2006	2007	2006
Gross premiums written	\$ 174,300	\$ 110,574	\$ 552,370	\$ 358,779
Reinsurance premiums ceded	(26,780)	(16,921)	(57,738)	(25,159)
Net premiums written	147,520	93,653	494,632	333,620
Change in unearned premiums	(14,490)	(27,198)	(250,110)	(224,757)
Net premiums earned	133,030	66,455	244,522	108,863
Losses and loss expenses	42,675	31,144	89,162	55,481
Policy acquisition costs	17,837	8,436	30,056	13,936
General and administrative expenses	13,085	9,733	26,257	17,366
Total underwriting deductions	73,597	49,313	145,475	86,783
Underwriting income (loss)	59,433	17,142	99,047	22,080
Net investment income	19,742	13,185	38,239	24,097
Finance expenses	(4,003)	(978)	(8,444)	(1,683)
Operating income	\$ 75,172	\$ 29,349	\$ 128,842	\$ 44,494
Fair value of warrants issued	-	-	-	(77)
Net realized (losses) gains on investments	(232)	(354)	(186)	(740)
Net unrealized (losses) gains on investments	(6,189)	-	(4,546)	-
Foreign exchange gains (losses)	2,003	696	3,392	692
Net income (loss) for the period	\$ 70,754	\$ 29,691	\$ 127,502	\$ 44,369
Comprehensive income (loss)				
Unrealized gains (losses) arising during period	-	(3,283)	-	(7,163)
Adjustment for reclassification of gains (losses) realized in income	-	354	-	740
Comprehensive income (loss)	\$ 70,754	\$ 26,762	\$ 127,502	\$ 37,946
Selected Ratios				
Net premiums written/Gross premiums written	84.6%	84.7%	89.5%	93.0%
Losses and loss expenses	32.1%	46.9%	36.5%	51.0%
Policy acquisition costs	13.4%	12.7%	12.3%	12.8%
General and administrative expenses	9.8%	14.6%	10.7%	15.9%
Expense ratio	23.2%	27.3%	23.0%	28.7%
Combined ratio	55.3%	74.2%	59.5%	79.7%

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)

	Six Months Ended	
	June 30,	June 30,
	2007	2006
Cash flows provided by operating activities		
Net income (loss) for the period	\$ 127,502	\$ 44,369
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Stock compensation expense	3,922	3,752
Net realized losses (gains) on sales of investments	186	740
Net unrealized gains on investments	4,546	-
Fair value of warrants expensed	-	77
Amortization of discounts on fixed maturities	(3,740)	(4,594)
Change in:		
Premiums receivable	(234,406)	(200,725)
Deferred acquisition costs	(44,315)	(32,210)
Prepaid reinsurance premiums	(32,502)	(19,840)
Loss reserves recoverable	(158)	-
Accrued investment income	(2,898)	(2,686)
Other assets	(3,196)	(1,756)
Unearned premiums	282,612	244,597
Reserve for losses and loss expense	60,769	50,872
Reinsurance balances payable	38,489	15,333
Accounts payable and accrued expenses	(4,824)	4,004
Net cash provided by operating activities	191,987	101,933
Cash flows used in investing activities		
Proceeds on sales and maturity of investments	420,622	244,484
Purchases of fixed maturities	(722,688)	(703,702)
Net Maturities (purchases) of short-term investments, net	163,391	(78,571)
Increase in securities lending collateral	(22,867)	-
Net cash used in investing activities	(161,542)	(537,789)
Cash flows provided by (used in) provided by financing activities		
Net proceeds on issuance of debentures payable	198,000	146,250
Issue of common shares, net	-	(11,996)
Increase in securities lending payable	22,867	-
Net cash provided by (used in) financing activities	220,867	134,254
Net increase (decrease) in cash	251,312	(301,602)
Cash and cash equivalents - Beginning of period	63,643	398,488
Cash and cash equivalents - End of period	\$ 314,955	\$ 96,886
Interest paid during the period	\$ 6,802	\$ -
Losses paid during the period	\$ 28,551	\$ 4,609

Validus Holdings, Ltd.

Computation of Earnings Per Share Data

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

	Three Months Ended					
	June 30, 2007			June 30, 2006		
	Operating income	Net income	Comprehensive income	Operating income	Net income	Comprehensive income
Numerator	\$ 75,172	\$ 70,754	\$ 70,754	\$ 29,349	\$ 29,691	\$ 26,762
<i>Basic EPS calculation:</i>						
Weighted average number of common shares outstanding:	58,482,600	58,482,600	58,482,600	58,482,601	58,482,601	58,482,601
Basic earnings per share	\$ 1.29	\$ 1.21	\$ 1.21	\$ 0.50	\$ 0.51	\$ 0.46
<i>Diluted EPS calculation:</i>						
Weighted average number of common shares outstanding:	58,482,600	58,482,600	58,482,600	58,482,601	58,482,601	58,482,601
<i>Share equivalents:</i>						
Warrants	1,732,297	1,732,297	1,732,297	-	-	-
Stock options	-	-	-	-	-	-
Unvested restricted shares	432,457	432,457	432,457	109,201	109,201	109,201
Weighted average number of diluted common shares outstanding:	60,647,354	60,647,354	60,647,354	58,591,802	58,591,802	58,591,802
Diluted earnings per share	\$ 1.24	\$ 1.17	\$ 1.17	\$ 0.50	\$ 0.51	\$ 0.46

	Six Months Ended					
	June 30, 2007			June 30, 2006		
	Operating income	Net income	Comprehensive income	Operating income	Net income	Comprehensive income
Numerator	\$ 128,842	\$ 127,502	\$ 127,502	\$ 44,494	\$ 44,369	\$ 37,946
<i>Basic EPS calculation:</i>						
Weighted average number of common shares outstanding:	58,482,601	58,482,601	58,482,601	58,471,659	58,471,659	58,471,659
Basic earnings per share	\$ 2.20	\$ 2.18	\$ 2.18	\$ 0.76	\$ 0.76	\$ 0.65
<i>Diluted EPS calculation:</i>						
Weighted average number of common shares outstanding:	58,482,601	58,482,601	58,482,601	58,471,659	58,471,659	58,471,659
<i>Share equivalents:</i>						
Warrants	1,551,227	1,551,227	1,551,227	-	-	-
Stock options	-	-	-	-	-	-
Unvested restricted shares	397,545	397,545	397,545	79,002	79,002	79,002
Weighted average number of diluted common shares outstanding:	60,431,373	60,431,373	60,431,373	58,550,661	58,550,661	58,550,661
Diluted earnings per share	\$ 2.13	\$ 2.11	\$ 2.11	\$ 0.76	\$ 0.76	\$ 0.65

Notes:

Stock options which carry an average exercise price of \$17.61 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		Six months ended	
	June 30, 2007	June 30, 2006	June 30, 2007	June 30, 2006
Average fair value per share	\$ 22.01	\$ 17.50	\$ 21.44	\$ 17.50
Basic weighted average common shares outstanding	58,482,600	58,482,601	58,482,601	58,471,659
Add: weighted average unvested restricted shares	753,496	708,132	743,725	683,882
Proceeds from unrecognized restricted share expense	\$ 7,066	\$ (10,481)	\$ 7,422	\$ 10,585,391
Less: restricted shares bought back via treasury method	(321,039)	(598,931)	(346,180)	(604,880)
Add: weighted average dilutive warrants outstanding	8,455,320	8,452,169	8,455,320	8,452,169
Weighted average exercise price per share	\$ 17.50	\$ 17.50	\$ 17.50	\$ 17.50
Less: warrants bought back via treasury method	(6,723,023)	(8,452,169)	(6,904,093)	(8,452,169)
Add: weighted average dilutive options outstanding	2,637,344	2,478,467	2,632,672	2,393,591
Weighted average exercise price per share	\$ 17.61	\$ 17.50	\$ 17.61	\$ 17.50
Proceeds from unrecognized option expense	\$ 14,148	\$ 16,531	\$ 14,288	\$ 15,386
Less: options bought back via treasury method	(2,637,344)	(2,478,467)	(2,632,672)	(2,393,591)
Weighted average dilutive shares outstanding	\$ 60,647,354	\$ 58,591,802	\$ 60,431,373	\$ 58,550,661

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				Six months ended			
	June 30, 2007		June 30, 2006		June 30, 2007		June 30, 2006	
	GPW	%	GPW	%	GPW	%	GPW	%
Property	\$ 156,681	89.9%	\$ 103,885	94.0%	\$ 395,471	71.6%	\$ 248,965	69.4%
Marine	9,147	5.2%	2,632	2.3%	110,297	20.0%	69,517	19.4%
Other specialty	8,472	4.9%	4,057	3.7%	46,602	8.4%	40,297	11.2%
Total	\$ 174,300	100.0%	\$ 110,574	100.0%	\$ 552,370	100.0%	\$ 358,779	100.0%

Treaty Type	Three months ended				Six months ended			
	June 30, 2007		June 30, 2006		June 30, 2007		June 30, 2006	
	GPW	%	GPW	%	GPW	%	GPW	%
Cat XOL	\$ 148,601	85.3%	\$ 86,291	78.0%	\$ 311,147	56.3%	\$ 196,405	54.7%
Per Risk XOL	13,440	7.7%	12,835	11.6%	106,922	19.4%	78,985	22.0%
Proportional	12,259	7.0%	11,448	10.4%	134,301	24.3%	83,389	23.3%
Total	\$ 174,300	100.0%	\$ 110,574	100.0%	\$ 552,370	100.0%	\$ 358,779	100.0%

Notes:

Other Specialty includes Aviation, Workers' Compensation, Terrorism, Life and A&H, and Financial lines of business.

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				Six Months Ended			
		June 30, 2007		June 30, 2006		June 30, 2007		June 30, 2006	
		GPW	%	GPW	%	GPW	%	GPW	%
Property	Cat XOL	\$ 145,824	83.7%	\$ 82,747	74.8%	\$ 286,742	51.9%	\$ 175,020	48.8%
	Per Risk XOL	6,120	3.5%	10,791	9.8%	18,857	3.4%	20,020	5.6%
	Proportional	<u>4,737</u>	<u>2.7%</u>	<u>10,347</u>	<u>9.4%</u>	<u>89,872</u>	<u>16.3%</u>	<u>53,925</u>	<u>15.0%</u>
		156,681	89.9%	103,885	94.0%	395,471	71.6%	248,965	69.4%
Marine	Cat XOL	1,242	0.7%	1,073	1.0%	287	0.1%	2,856	0.8%
	Per Risk XOL	7,320	4.2%	1,559	1.3%	87,365	15.8%	54,306	15.1%
	Proportional	<u>585</u>	<u>0.3%</u>	<u>-</u>	<u>0.0%</u>	<u>22,645</u>	<u>4.1%</u>	<u>12,355</u>	<u>3.4%</u>
		9,147	5.2%	2,632	2.3%	110,297	20.0%	69,517	19.4%
Other Specialty	Cat XOL	1,535	0.9%	2,471	2.2%	24,118	4.4%	18,529	5.2%
	Per Risk XOL	-	0.0%	485	0.4%	700	0.1%	4,659	1.3%
	Proportional	<u>6,937</u>	<u>4.0%</u>	<u>1,101</u>	<u>1.0%</u>	<u>21,784</u>	<u>3.9%</u>	<u>17,109</u>	<u>4.8%</u>
		<u>8,472</u>	<u>4.9%</u>	<u>4,057</u>	<u>3.7%</u>	<u>46,602</u>	<u>8.4%</u>	<u>40,297</u>	<u>11.2%</u>
Total									
		\$ 174,300	100.0%	\$ 110,574	100.0%	\$ 552,370	100.0%	\$ 358,779	100.0%

Notes:

Other Specialty includes Aviation, Workers' Compensation, Terrorism, Life and A&H, and Financial lines of business.

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 - Six months ended June 30

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

	Six months ended June 30, 2007				Six months ended June 30, 2006			
	Property	Marine	Specialty (b)	Total	Property	Marine	Specialty (b)	Total
Gross premiums written	\$ 395,471	\$ 110,297	\$ 46,602	\$ 552,370	\$ 248,965	\$ 69,517	\$ 40,297	\$ 358,779
Reinsurance premiums ceded	(23,674)	(32,639)	(1,425)	(57,738)	(15,545)	(9,614)	-	(25,159)
Net premiums written	371,797	77,658	45,177	494,632	233,420	59,903	40,297	333,620
Change in unearned premiums	(188,882)	(42,724)	(18,504)	(250,110)	(159,466)	(37,292)	(27,999)	(224,757)
Net premiums earned	182,915	34,934	26,673	244,522	73,954	22,611	12,298	108,863
Losses and loss expenses	66,671	11,351	11,140	89,162	38,998	9,617	6,866	55,481
Policy acquisition costs	23,449	3,470	3,137	30,056	9,865	2,908	1,163	13,936
Total underwriting deductions before G&A	90,120	14,821	14,277	119,218	48,863	12,525	8,029	69,417
Underwriting income before G&A	92,795	20,113	12,396	125,304	25,091	10,086	4,269	39,446
General and administrative expenses				26,257				17,366
Total underwriting deductions				145,475				86,783
Underwriting income				99,047				22,080
Net investment income				38,239				24,097
Finance expenses				(8,444)				(1,683)
Operating income (a)				\$ 128,842				\$ 44,494
Fair value of warrants issued				-				(77)
Net realized (losses) gains on investments				(186)				(740)
Net unrealized (losses) gains on investments				(4,546)				-
Foreign exchange gain				3,392				692
Net income (loss) for the period				\$ 127,502				\$ 44,369
Selected Ratios								
Net premiums written/Gross premiums written	94.0%	70.4%	96.9%	89.5%	93.8%	86.2%	100.0%	93.0%
Losses and loss expenses	36.4%	32.5%	41.8%	36.5%	52.7%	42.5%	55.8%	51.0%
Policy acquisition costs	12.8%	9.9%	11.8%	12.3%	13.3%	12.9%	9.5%	12.8%
General and administrative expenses				10.7%				15.9%
Expense ratio				23.0%				28.7%
Combined ratio				59.5%				79.7%

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.

(b) Other Specialty includes Aviation, Workers' Compensation, Terrorism, Life and A&H, and Financial lines of business.

Validus Holdings, Ltd.

Underwriting Results by Class of Business - Three months ended June 30

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

	Three Months Ended June 30, 2007				Three Months Ended June 30, 2006			
	Property	Marine	Other Specialty (b)	Total	Property	Marine	Other Specialty (b)	Total
Gross premiums written	\$ 156,681	\$ 9,147	\$ 8,472	\$ 174,300	\$ 103,885	\$ 2,632	\$ 4,057	\$ 110,574
Reinsurance premiums ceded	(23,674)	(3,106)	-	(26,780)	(14,045)	(2,876)	-	(16,921)
Net premiums written	133,007	6,041	8,472	147,520	89,840	(244)	4,057	93,653
Change in unearned premiums	(35,245)	13,782	6,973	(14,490)	(42,550)	12,220	3,132	(27,198)
Net premiums earned	97,762	19,823	15,445	133,030	47,290	11,976	7,189	66,455
Losses and loss expenses (recoveries)	36,736	3,535	2,404	42,675	27,199	2,812	1,133	31,144
Policy acquisition costs	13,874	2,349	1,614	17,837	6,172	1,601	663	8,436
Total underwriting deductions before G&A	50,610	5,884	4,018	60,512	33,371	4,413	1,796	39,580
Underwriting income before G&A	47,152	13,939	11,427	72,518	13,919	7,563	5,393	26,875
General and administrative expenses				13,085				9,733
Total underwriting deductions				73,597				49,313
Underwriting income				59,433				17,142
Net investment income				19,742				13,185
Finance expenses				(4,003)				(978)
Operating income (a)				\$ 75,172				\$ 29,349
Fair value of warrants issued				-				-
Net realized gains (losses) on investments				(232)				(354)
Net unrealized gains (losses) on investments				(6,189)				-
Foreign exchange gains				2,003				696
Net income for the period				\$ 70,754				\$ 29,691
Selected Ratios								
Net premiums written/Gross premiums written	84.9%	66.0%	100.0%	84.6%	86.5%	-9.3%	100.0%	84.7%
Losses and loss expenses	37.6%	17.8%	15.6%	32.1%	57.5%	23.5%	15.8%	46.9%
Policy acquisition costs	14.2%	11.8%	10.4%	13.4%	13.1%	13.4%	9.2%	12.7%
General and administrative expenses				9.8%				14.6%
Expense ratio				23.2%				27.3%
Combined ratio				55.3%				74.2%

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.

(b) Other Specialty includes Aviation, Workers' Compensation, Terrorism, Life and A&H, and Financial lines of business.

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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)

	At June 30, 2007			At December 31, 2006		
	Gross	Reinsurance		Gross	Reinsurance	
		Recoverable	Net		Recoverable	Net
Property	\$ 104,573	\$ 158	\$ 104,415	\$ 59,385	\$ -	\$ 59,385
Marine	20,783	-	20,783	9,866	-	9,866
Other Specialty (a)	12,776	-	12,776	8,112	-	8,112
Total	<u>\$ 138,132</u>	<u>\$ 158</u>	<u>\$ 137,974</u>	<u>\$ 77,363</u>	<u>\$ -</u>	<u>\$ 77,363</u>

	At June 30, 2007			At December 31, 2006		
	Case	IBNR	Total	Case	IBNR	Total
	Reserves		Reserves	Reserves		Reserves
Property	\$ 35,196	\$ 69,377	\$ 104,573	\$ 32,187	\$ 27,198	\$ 59,385
Marine	6,125	14,658	20,783	3,637	6,229	9,866
Other Specialty (a)	2,676	10,100	12,776	2,290	5,822	8,112
Total	<u>\$ 43,997</u>	<u>\$ 94,135</u>	<u>\$ 138,132</u>	<u>\$ 38,114</u>	<u>\$ 39,249</u>	<u>\$ 77,363</u>

(a) Other Specialty includes Aviation, Workers' Compensation, Terrorism, Life and A&H, and Financial lines of business.

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							
	June 30, 2007				June 30, 2006			
	Property	Marine	Other Specialty (b)	Total	Property	Marine	Other Specialty (b)	Total
Net reserves at period beginning	\$ 78,477	\$ 17,668	\$ 14,960	\$ 111,105	\$ 11,799	\$ 6,805	\$ 5,733	\$ 24,337
Incurred losses - current year	43,779	5,708	2,673	52,160	27,200	2,811	1,133	31,144
Change in prior accident years	(7,043)	(2,173)	(269)	(9,485)	-	-	-	-
Incurred losses	36,736	3,535	2,404	42,675	27,200	2,811	1,133	31,144
Paid losses	(10,797)	(420)	(4,589)	(15,806)	(729)	(120)	(3,760)	(4,609)
Net reserves at period end	104,416	20,783	12,775	137,974	38,270	9,496	3,106	50,872
Losses recoverable	158	-	-	158	-	-	-	-
Gross reserves at period end	\$ 104,574	\$ 20,783	\$ 12,775	\$ 138,132	\$ 38,270	\$ 9,496	\$ 3,106	\$ 50,872
Net premiums earned	\$ 97,762	\$ 19,823	\$ 15,445	\$ 133,030	\$ 47,290	\$ 11,976	\$ 7,189	\$ 66,455
Current year loss ratio	44.8%	28.8%	17.3%	39.2%	57.5%	23.5%	15.8%	46.9%
Prior accident year adjustments	-7.2%	-11.0%	-1.7%	-7.1%	0.0%	0.0%	0.0%	0.0%
Net loss ratio	37.6%	17.8%	15.6%	32.1%	57.5%	23.5%	15.8%	46.9%
Paid to incurred	29.4%	11.9%	190.9%	37.0%	2.7%	4.3%	331.9%	14.8%

	At or for the Six Months Ended							
	June 30, 2007				June 30, 2006			
	Property	Marine	Other Specialty (b)	Total	Property	Marine	Other Specialty (b)	Total
Net reserves at period beginning	\$ 59,385	\$ 9,866	\$ 8,112	\$ 77,363	\$ -	\$ -	\$ -	\$ -
Incurred losses - current year	77,041	13,499	11,412	101,952	38,999	9,616	6,866	55,481
Change in prior accident years (a)	(10,370)	(2,148)	(272)	(12,790)	-	-	-	-
Incurred losses	66,671	11,351	11,140	89,162	38,999	9,616	6,866	55,481
Paid losses	(21,641)	(434)	(6,476)	(28,551)	(729)	(120)	(3,760)	(4,609)
Net reserves at period end	104,415	20,783	12,776	137,974	38,270	9,496	3,106	50,872
Losses recoverable	158	-	-	158	-	-	-	-
Gross reserves at period end	\$ 104,573	\$ 20,783	\$ 12,776	\$ 138,132	\$ 38,270	\$ 9,496	\$ 3,106	\$ 50,872
Net premiums earned	\$ 182,915	\$ 34,934	\$ 26,673	\$ 244,522	\$ 73,954	\$ 22,611	\$ 12,298	\$ 108,863
Current year loss ratio	42.1%	38.6%	42.8%	41.7%	52.7%	42.5%	55.8%	51.0%
Prior accident year adjustments	-5.7%	-6.1%	-1.0%	-5.2%	0.0%	0.0%	0.0%	0.0%
Net loss ratio	36.4%	32.5%	41.8%	36.5%	52.7%	42.5%	55.8%	51.0%
Paid to incurred	32.5%	3.8%	58.1%	32.0%	1.9%	1.2%	54.8%	8.3%

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.

(b) Other Specialty includes Aviation, Workers' Compensation, Terrorism, Life and A&H, and Financial lines of business.

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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)

<u>Total cash and investments</u>	<u>June 30, 2007</u>		<u>December 31, 2006</u>	
	<u>Fair Value (\$)</u>	<u>(%)</u>	<u>Fair Value (\$)</u>	<u>(%)</u>
U.S. Government and Government Agency	\$ 229,870	12.7%	\$ 119,731	8.3%
Corporate	276,494	15.2%	222,989	15.5%
Asset-backed and mortgage -backed securities	621,227	34.2%	502,137	34.9%
Total fixed maturities	1,127,591	62.1%	844,857	58.7%
Total short-term investments	371,767	20.5%	531,530	36.9%
Total investments	1,499,358	82.6%	1,376,387	95.6%
Cash and cash equivalents	314,955	17.4%	63,643	4.4%
Total cash and investments	\$ 1,814,313	100.0%	\$ 1,440,030	100.0%

<u>Net investment income</u>	<u>Three months ended</u>		<u>Six months ended</u>	
	<u>June 30, 2007</u>	<u>June 30, 2006</u>	<u>June 30, 2007</u>	<u>June 30, 2006</u>
Fixed maturities and short-term investments	\$ 19,035	\$ 10,239	\$ 37,111	\$ 18,287
Cash and cash equivalents	1,252	3,374	2,182	6,560
Total gross investment income	20,287	13,613	39,293	24,847
Investment expenses	(545)	(428)	(1,054)	(750)
Net investment income	\$ 19,742	\$ 13,185	\$ 38,239	\$ 24,097

Annualized effective investment yield (a)	4.73%	4.59%	4.70%	4.25%
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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)	June 30, 2007		December 31, 2006	
	Fair Value (\$)	(%)	Fair Value (\$)	(%)
AAA	\$ 875,602	77.7%	\$ 644,106	76.2%
AA	89,745	8.0%	69,087	8.2%
A+	72,849	6.5%	58,285	6.9%
A	50,776	4.5%	44,136	5.2%
A-	23,741	2.1%	22,759	2.7%
BBB	14,878	1.3%	6,484	0.8%
	<u>\$ 1,127,591</u>	<u>100.0%</u>	<u>\$ 844,857</u>	<u>100.0%</u>

Total fixed maturities by maturity	June 30, 2007		December 31, 2006	
	Fair Value (\$)	(%)	Fair Value (\$)	(%)
Due in one year or less	\$ 67,633	6.0%	\$ 67,920	8.0%
Due after one year through five years	413,432	36.7%	255,739	30.3%
Due after five years through ten years	13,976	1.2%	5,207	0.6%
Due after ten years	11,322	1.0%	13,854	1.6%
	<u>506,363</u>	<u>44.9%</u>	<u>342,720</u>	<u>40.6%</u>
Asset-backed and mortgage-backed securities	<u>621,228</u>	<u>55.1%</u>	<u>502,137</u>	<u>59.4%</u>
	<u>\$ 1,127,591</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.

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Validus Holdings, Ltd.

Capitalization

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

	<u>June 30, 2007</u>		<u>December 31, 2006</u>	
	<u>Commitment</u>	<u>In Use</u>	<u>Commitment</u>	<u>In Use</u>
<u>Debt and financing arrangements</u>				
Three year unsecured letter of credit facility	\$ 200,000	\$ -	\$ 100,000	\$ -
Five year letter of credit facility	500,000	84,493	200,000	78,323
9.069% Junior Subordinated Deferrable Debentures (a)	150,000	150,000	150,000	150,000
8.480% Junior Subordinated Deferrable Debentures (b)	<u>200,000</u>	<u>200,000</u>	<u>-</u>	<u>-</u>
Total debt and financing arrangements	<u>\$ 1,050,000</u>	<u>\$ 434,493</u>	<u>\$ 450,000</u>	<u>\$ 228,323</u>
 <u>Capitalization</u>				
Borrowings drawn under credit facility		\$ -		\$ -
Junior Subordinated Deferrable Debentures		350,000		150,000
Ordinary shares - capital and surplus		1,323,947		1,191,648
Accumulated other comprehensive income (loss)		<u>-</u>		<u>875</u>
Total shareholders' equity		<u>1,323,947</u>		<u>1,192,523</u>
Total capitalization (c)		<u>\$ 1,673,947</u>		<u>\$ 1,342,523</u>
Debt to total capitalization		<u>20.9%</u>		<u>11.2%</u>
Debt (excluding Junior Debentures) to total capitalization		<u>0.0%</u>		<u>0.0%</u>

Notes:

(a) The 9.069% Junior Subordinated Deferrable Debentures ("9.069% 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) The 8.480% Junior Subordinated Deferrable Debentures ("8.480% Junior Debentures") were issued on June 21, 2007, mature on June 15, 2037, are redeemable at the Company's option at par beginning June 15, 2012, and require quarterly interest payments at a rate of 8.480% per annum.

Talbot Holdings Ltd.

Selected Financial Information - Second Quarter 2007

The following presentation is for informational purposes only

Talbot Holdings Ltd.

Summary Talbot Balance Sheets

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

	June 30, 2007	March 31, 2007	December 31, 2006
Assets			
Fixed maturities, at fair value	\$ 188,067	\$ 197,485	\$ 524,483
Short-term investments, at fair value	366,523	317,628	28,446
Cash and cash equivalents	<u>353,705</u>	<u>371,825</u>	<u>278,231</u>
Total investments and cash	908,295	886,938	831,160
Receivables	84,005	77,735	46,065
Accrued premium income	168,346	143,406	140,440
Deferred acquisition costs	70,029	61,516	55,841
Prepaid reinsurance premiums	51,525	71,717	9,178
Reinsurance recoverable on paid and unpaid losses	191,704	204,675	228,124
Accrued investment income	7,692	6,188	7,717
Current taxes recoverable	741	276	275
Other assets	<u>27,884</u>	<u>7,314</u>	<u>13,509</u>
Total assets	<u>\$ 1,510,221</u>	<u>\$ 1,459,765</u>	<u>\$ 1,332,309</u>
Liabilities			
Unearned premiums	\$ 355,131	\$ 321,505	\$ 281,928
Reserve for losses and loss expense	755,117	730,503	711,014
Reinsurance balances payable	80,108	113,363	59,127
Current taxation	(4,996)	1,610	1,735
Deferred taxation	17,846	15,052	14,704
Net payable for investments purchased	-	-	-
Accounts payable and accrued expenses	68,072	70,731	76,552
Long term debt	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>1,271,278</u>	<u>1,252,764</u>	<u>1,145,060</u>
Preference Shares	80,767	81,376	79,128
Shareholders' equity			
Ordinary shares	\$ 115	\$ 100	\$ 100
Additional paid-in capital	17,219	5,214	5,065
Treasury shares	-	(613)	(613)
Accumulated other comprehensive (loss) income	(349)	(16)	(681)
Retained earnings (deficit)	<u>141,191</u>	<u>120,940</u>	<u>104,250</u>
Total shareholders' equity	<u>158,176</u>	<u>125,625</u>	<u>108,121</u>
Total liabilities and shareholders' equity	<u>\$ 1,510,221</u>	<u>\$ 1,459,765</u>	<u>\$ 1,332,309</u>

Talbot Holdings Ltd.

Talbot Statements of Operations and Comprehensive Income (Loss)

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

	Three Months		Six Months
	Ended		Ended
	June 30, 2007	March 31, 2007	June 30, 2007
Revenues			
Gross premiums written	\$ 202,381	\$ 198,805	\$ 401,186
Reinsurance premiums ceded	(5,860)	(91,067)	(96,927)
Net premiums written	196,521	107,738	304,259
Change in unearned premiums	(50,890)	23,037	(27,853)
Net premiums earned	145,631	130,775	276,406
Net investment income	10,178	9,703	19,881
Net realized gains (losses) on investments	92	(1,322)	(1,230)
Net unrealized gains on investments	-	-	-
Other income	1,222	943	2,165
Foreign exchange gains (losses)	1,351	(168)	1,183
Total revenues	158,474	139,931	298,405
Expenses			
Losses and loss expense	76,257	68,585	144,842
Policy acquisition costs	31,418	30,047	61,465
General and administrative expenses	28,102	21,191	49,293
Finance expenses	19	165	184
Fair value of warrants issued	-	-	-
Total expenses	(135,796)	(119,988)	(255,784)
Income - before taxes for the period	22,678	19,943	42,621
Income tax charge	(189)	(1,005)	(1,194)
Net income	\$ 22,489	\$ 18,938	\$ 41,427
Comprehensive income (loss)			
Foreign currency translation adjustment	(86)	115	29
Unrealized gains (losses) arising during period	(276)	(46)	(322)
Adjustment for reclassification of gains (losses) realized in income	29	596	625
Comprehensive income	\$ 22,156	\$ 19,603	\$ 41,759

Talbot Holdings Ltd.

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

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

	Three Months		Six Months
	Ended		Ended
	June 30, 2007	March 31, 2007	June 30, 2007
Gross premiums written	\$ 202,381	\$ 198,805	\$ 401,186
Reinsurance premiums ceded	<u>(5,860)</u>	<u>(91,067)</u>	<u>(96,927)</u>
Net premiums written	196,521	107,738	304,259
Change in unearned premiums	<u>(50,890)</u>	<u>23,037</u>	<u>(27,853)</u>
Net premiums earned	<u>145,631</u>	<u>130,775</u>	<u>276,406</u>
Losses and loss expenses	76,257	68,585	144,842
Policy acquisition costs	31,418	30,047	61,465
General and administrative expenses	<u>28,102</u>	<u>21,191</u>	<u>49,293</u>
Total underwriting deductions	<u>135,777</u>	<u>119,823</u>	<u>255,600</u>
Underwriting income	9,854	10,952	20,806
Net investment income	10,178	9,703	19,881
Other income	1,222	943	2,165
Finance expenses	(19)	(165)	(184)
Income tax charge	<u>(189)</u>	<u>(1,005)</u>	<u>(1,194)</u>
Operating income	\$ 21,046	\$ 20,428	\$ 41,474
Net realized gains (losses) on investments	92	(1,322)	(1,230)
Net unrealized (losses) gains on investments	-	-	-
Foreign exchange gains (losses)	<u>1,351</u>	<u>(168)</u>	<u>1,183</u>
Net income	\$ 22,489	\$ 18,938	\$ 41,427
Comprehensive income (loss)			
Foreign currency translation adjustment	(86)	115	29
Unrealized gains (losses) arising during period	(276)	(46)	(322)
Adjustment for reclassification of gains (losses) realized in income	<u>29</u>	<u>596</u>	<u>625</u>
Comprehensive income	\$ 22,156	\$ 19,603	\$ 41,759
Selected Ratios			
Net premiums written/Gross premiums written	97.1%	54.2%	75.8%
Losses and loss expenses	52.4%	52.4%	52.4%
Policy acquisition costs	21.6%	23.0%	22.2%
General and administrative expenses	<u>19.3%</u>	<u>16.2%</u>	<u>17.8%</u>
Expense ratio	<u>40.9%</u>	<u>39.2%</u>	<u>40.1%</u>
Combined ratio	<u>93.2%</u>	<u>91.6%</u>	<u>92.5%</u>

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 RE

Talbot Holdings Ltd.

Gross Written Premium by Class and Treaty Type - Talbot

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

Class of Business (a)	Three months ended June 30, 2007		Six months ended June 30, 2007	
	GPW	%	GPW	%
Marine & Energy	\$ 72,175	35.7%	\$ 149,976	37.4%
Commercial Property	38,479	19.0%	60,940	15.2%
Other Specialty (b)	91,727	45.3%	190,270	47.4%
Total	\$ 202,381	100.0%	\$ 401,186	100.0%

Treaty Type	Three months ended June 30, 2007		Six months ended June 30, 2007	
	GPW	%	GPW	%
Direct	\$ 115,016	56.8%	\$ 208,858	52.1%
Assumed				
Facultative	58,787	29.0%	117,697	29.3%
Treaty	28,578	14.1%	74,631	18.6%
Total Assumed	87,365	43.2%	192,328	47.9%
Total	\$ 202,381	100.0%	\$ 401,186	100.0%

Note:

(a) Class of business classification generally consistent with that of Validus, may not represent future allocations.

(b) Other specialty class includes war, political violence and political risks, financial institutions, treaty and specialty classes. Treaty class includes some property risks.

Talbot Holdings Ltd.

Underwriting Results by Class of Business - Six months ended June 30, 2007 - Talbot

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

	Six Months Ended June 30, 2007			
	Marine & Energy	Commercial Property	Other Specialty (c)	Total
Gross premiums written	\$ 149,976	\$ 60,940	\$ 190,270	\$ 401,186
Reinsurance premiums ceded	(22,270)	(17,569)	(57,088)	(96,927)
Net premiums written	127,706	43,371	133,182	304,259
Change in unearned premiums	(15,485)	5,084	(17,452)	(27,853)
Net premiums earned	112,222	48,455	115,729	276,406
Losses and loss expenses	66,121	23,019	55,702	144,842
Policy acquisition costs	25,405	10,073	25,986	61,465
Total underwriting deductions before G&A	91,527	33,092	81,689	206,307
Underwriting income (loss) before G&A	20,695	15,363	34,041	70,099
General and administrative expenses				49,293
Total underwriting deductions				255,600
Underwriting income (loss)				20,806
Net investment income				19,881
Other income				2,165
Finance expenses				(184)
Operating income (a)				\$ 42,668
Net realized (losses) gains on investments				(1,230)
Net unrealized (losses) gains on investments				-
Foreign exchange gain				1,183
Net income (loss) - before taxes for the period				\$ 42,621
Selected Ratios				
Net premiums written/Gross premiums written	85.2%	71.2%	70.0%	75.8%
Losses and loss expenses	58.9%	47.5%	48.1%	52.4%
Policy acquisition costs	22.6%	20.8%	22.5%	22.2%
General and administrative expenses				17.8%
Expense ratio				40.1%
Combined ratio				92.5%

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.

(b) Class of business classification generally consistent with that of Validus, may not represent future allocations.

(c) Other specialty class includes war, political violence and political risks, financial institutions, treaty and specialty classes. Treaty class includes some property risks.

Talbot Holdings Ltd.

Underwriting Results by Class of Business - Three Months Ended June 30, 2007 - Talbot

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

	<u>Three Months Ended June 30, 2007</u>			
	<u>Marine & Energy</u>	<u>Commercial Property</u>	<u>Other Specialty (c)</u>	<u>Total</u>
Gross premiums written	\$ 72,175	\$ 38,479	\$ 91,727	\$ 202,381
Reinsurance premiums ceded	<u>(1,157)</u>	<u>(827)</u>	<u>(3,875)</u>	<u>(5,860)</u>
Net premiums written	71,018	37,652	87,852	196,520
Change in unearned premiums	<u>(12,172)</u>	<u>(12,813)</u>	<u>(25,906)</u>	<u>(50,891)</u>
Net premiums earned	58,845	24,839	61,946	145,631
Losses and loss expenses (recoveries)	34,583	11,716	29,959	76,258
Policy acquisition costs	<u>13,102</u>	<u>5,036</u>	<u>13,280</u>	<u>31,418</u>
Total underwriting deductions before G&A	47,685	16,752	43,239	107,676
Underwriting income (loss) before G&A	11,161	8,087	18,707	37,955
General and administrative expenses				<u>28,102</u>
Total underwriting deductions				<u>135,778</u>
Underwriting income (loss)				9,854
Net investment income				10,178
Other income				1,222
Finance expenses				<u>(19)</u>
Operating income (a)				<u>\$ 21,235</u>
Net realized gains on investments				92
Net unrealized gains on investments				-
Foreign exchange gains				<u>1,351</u>
Net income (loss) - before taxes for the period				<u>\$ 22,678</u>
Selected Ratios				
Net premiums written/Gross premiums written	98.4%	97.8%	95.8%	97.1%
Losses and loss expenses	58.8%	47.2%	48.4%	52.4%
Policy acquisition costs	22.3%	20.3%	21.4%	21.6%
General and administrative expenses				<u>19.3%</u>
Expense ratio				<u>40.9%</u>
Combined ratio				<u>93.2%</u>

Notes:

(a) Operating income is calculated based on net income (loss) excluding net realized and unrealized gains (losses). This measure focuses on the underlying fundamental 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.

(b) Class of business classification generally consistent with that of Validus, may not represent future allocations.

(c) Other specialty class includes war, political violence and political risks, financial institutions, treaty and specialty classes. Treaty class includes some property risks

Talbot Holdings Ltd.

Analysis of Reserves for Losses and Loss Expenses - Talbot

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

	At June 30, 2007			At December 31, 2006		
	Gross	Reinsurance	Net	Gross	Reinsurance	Net
		Recoverable			Recoverable	
Marine & Energy	\$ 377,929	\$ 121,163	\$ 256,766	\$ 360,764	\$ 141,022	\$ 219,743
Commercial Property	141,564	24,903	116,661	155,212	33,059	122,153
Other Specialty (b)	<u>235,624</u>	<u>20,983</u>	<u>214,641</u>	<u>195,037</u>	<u>23,012</u>	<u>172,025</u>
Total	<u>\$ 755,117</u>	<u>\$ 167,049</u>	<u>\$ 588,068</u>	<u>\$ 711,015</u>	<u>\$ 197,093</u>	<u>\$ 513,921</u>

	At June 30, 2007			At December 31, 2006		
	Case	IBNR	Total	Case	IBNR	Total
	Reserves		Reserves	Reserves		Reserves
Marine & Energy	\$ 229,904	\$ 148,025	\$ 377,929	\$ 217,819	\$ 142,947	\$ 360,765
Commercial Property	84,649	56,915	141,564	107,741	47,471	155,212
Other Specialty (b)	<u>65,842</u>	<u>169,782</u>	<u>235,624</u>	<u>69,543</u>	<u>125,494</u>	<u>195,037</u>
Total	<u>\$ 380,395</u>	<u>\$ 374,722</u>	<u>\$ 755,117</u>	<u>\$ 395,103</u>	<u>\$ 315,912</u>	<u>\$ 711,015</u>

Notes:

(a) Class of business classification generally consistent with that of Validus, may not represent future allocations.

(b) Other specialty class includes war, political violence and political risks, financial institutions, treaty and specialty classes.

Treaty class includes some property risks.

Talbot Holdings Ltd.

Losses and Loss Ratios by Class - Talbot

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

	At or for the Three Months Ended June 30, 2007			
	Marine & Energy	Commercial Property	Other Specialty (b)	Total
Net reserves at period beginning	\$ 231,591	\$ 128,620	\$ 192,134	\$ 552,345
Incurring losses - current quarter	34,583	11,716	29,959	76,258
Change in prior accident years (a)	-	-	-	-
Incurring losses	34,583	11,716	29,959	76,258
Paid losses	(11,490)	(24,683)	(9,355)	(45,528)
Change in provision for bad debts on recoverables	(249)	(51)	(43)	(343)
Foreign exchange	2,331	1,058	1,947	5,336
Net reserves at period end	256,766	116,660	214,642	588,068
Losses recoverable	121,163	24,903	20,983	167,049
Gross reserves at period end	\$ 377,929	\$ 141,563	\$ 235,625	\$ 755,117
Net premiums earned	\$ 58,845	\$ 24,839	\$ 61,946	\$ 145,631
Current year loss ratio	58.8%	47.2%	48.4%	52.4%
Prior accident year adjustments	0.0%	0.0%	0.0%	0.0%
Net loss ratio	58.8%	47.2%	48.4%	52.4%
Paid to incurred	33.2%	210.7%	31.2%	59.7%

	At or for the Six Months Ended June 30, 2007			
	Marine & Energy	Commercial Property	Other Specialty (b)	Total
Net reserves at period beginning	\$ 219,743	\$ 122,153	\$ 172,025	\$ 513,921
Incurring losses - current period	66,121	23,019	55,702	144,842
Change in prior accident years	-	-	-	-
Incurring losses	66,121	23,019	55,702	144,842
Paid losses	(30,943)	(29,477)	(14,967)	(75,387)
Change in provision for bad debts on recoverables	(518)	(106)	(90)	(714)
Foreign exchange	2,363	1,072	1,971	5,406
Net reserves at period end	256,766	116,661	214,641	588,068
Losses recoverable	121,163	24,903	20,983	167,049
Gross reserves at period end	\$ 377,929	\$ 141,564	\$ 235,624	\$ 755,117
Net premiums earned	\$ 112,222	\$ 48,455	\$ 115,729	\$ 276,406
Current year loss ratio	58.9%	47.5%	48.1%	52.4%
Prior accident year adjustments	0.0%	0.0%	0.0%	0.0%
Net loss ratio	58.9%	47.5%	48.1%	52.4%
Paid to incurred	46.8%	128.1%	26.9%	52.0%

Notes:

(a) Class of business classification generally consistent with that of Validus, may not represent future allocations.

(b) Other specialty class includes war, political violence and political risks, financial institutions, treaty and specialty classes. Treaty class includes some property risks.

VALIDUS RE

Talbot Holdings Ltd.

Consolidated Investment Portfolio Composition - Talbot

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

<u>Total cash and investments</u>	<u>June 30, 2007</u>	
	<u>Fair Value (\$)</u>	<u>(%)</u>
U.S. Government and Government Agency	\$ 126,663	13.9%
Corporate	53,912	5.9%
Asset-backed and mortgage -backed securities	<u>7,492</u>	<u>0.8%</u>
Total fixed maturities	188,067	20.7%
Total short-term investments	<u>366,523</u>	<u>40.4%</u>
Total investments	554,590	61.1%
Cash and cash equivalents	<u>353,705</u>	<u>38.9%</u>
Total cash and investments	<u>\$ 908,295</u>	<u>100.0%</u>

Talbot Holdings Ltd.

Fixed Maturity Portfolio Credit Quality and Maturity Profile - Talbot

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

Total fixed maturities by ratings (a)	June 30, 2007	
	Fair Value (\$)	(%)
AAA	\$ 141,955	75.5%
AA	17,106	9.1%
A+	9,745	5.2%
A	10,914	5.8%
A-	3,873	2.1%
BBB	4,474	2.4%
	<u>\$ 188,067</u>	<u>100.0%</u>

Total fixed maturities by maturity	June 30, 2007	
	Fair Value (\$)	(%)
Due in one year or less	\$ 114,723	61.0%
Due after one year through five years	65,852	35.0%
Due after five years through ten years	-	0.0%
Due after ten years	-	0.0%
	<u>180,575</u>	<u>96.0%</u>
Asset-backed and mortgage-backed securities	<u>7,492</u>	<u>4.0%</u>
	<u>\$ 188,067</u>	<u>100.0%</u>

Notes:

(a) Ratings are lower of S&P or Moody's, shown at S&P rating equivalent.

Pro Forma Combined - Validus Holdings Ltd. and Talbot Holdings Ltd.
Selected Financial Information - Second Quarter 2007

The following presentation is for informational purposes only

VALIDUS RE

Pro Forma Combined - Validus Holdings, Ltd. and Talbot Holdings Ltd.

Pro Forma Combined Balance Sheet - June 30, 2007

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

	Historical Validus Holdings Ltd.	Historical Talbot Holdings Ltd.	Talbot Holdings Ltd. accounting adjustments	Pro Forma Purchase adjustments	Pro Forma Finance adjustments	Pro Forma Consolidated
Assets						
Fixed maturities, at fair value	\$ 1,127,591	\$ 188,067	\$ -	\$ -	\$ -	\$ 1,315,658
Short-term investments, at fair value	371,767	366,523	-	-	-	738,290
Cash and cash equivalents	314,955	353,705	-	(389,134)	309,097	588,623
Total investments and cash	1,814,313	908,295	-	(389,134)	309,097	2,642,571
Receivables	-	84,005	(84,005)	-	-	-
Accrued premium income	-	168,346	(168,346)	-	-	-
Premiums receivable	376,814	-	252,351	(5,300)	-	623,865
Deferred acquisition costs	72,518	70,029	(3,592)	-	-	138,955
Prepaid reinsurance premiums	40,747	51,525	-	(5,938)	-	86,334
Securities lending collateral	35,194	-	-	-	-	35,194
Reinsurance recoverable on paid and unpaid losses	158	191,704	-	-	-	191,862
Net payable for investments purchased	1,862	-	-	-	-	1,862
Accrued investment income	9,355	7,692	-	-	-	17,047
Current taxes recoverable	-	741	-	-	-	741
Goodwill and other intangible assets	-	-	-	153,783	-	153,783
Other assets	13,950	27,884	-	-	-	41,834
Total assets	\$ 2,364,911	\$ 1,510,221	\$ (3,592)	\$ (246,589)	\$ 309,097	\$ 3,934,048
Liabilities						
Unearned premiums	\$ 461,437	\$ 355,131	\$ -	\$ (5,938)	\$ -	\$ 810,630
Reserve for losses and loss expense	138,132	755,117	-	-	-	893,249
Reinsurance balances payable	45,927	80,108	-	(5,300)	-	120,735
Current taxation	-	(4,996)	-	-	-	(4,996)
Deferred taxation	-	17,846	-	-	-	17,846
Securities lending payable	35,194	-	-	-	-	35,194
Accounts payable and accrued expenses	10,274	68,072	-	-	-	78,346
Debentures payable	350,000	-	-	-	-	350,000
Total liabilities	1,040,964	1,271,278	-	(11,238)	-	2,301,004
Redeemable preference shares	-	80,767	-	(80,767)	-	-
Shareholders' equity						
Ordinary shares	10,234	115	-	(115)	2,671	12,905
Treasury shares	-	-	-	-	-	-
Additional paid-in capital	1,051,947	17,219	-	(17,219)	309,426	1,361,373
Accumulated other comprehensive (loss) income	-	(349)	-	349	-	-
Retained earnings (deficit)	261,766	141,191	(3,592)	(137,599)	(3,000)	258,766
Total shareholders' equity	1,323,947	158,176	(3,592)	(154,584)	309,097	1,633,044
Total liabilities and shareholders' equity	\$ 2,364,911	\$ 1,510,221	\$ (3,592)	\$ (246,589)	\$ 309,097	\$ 3,934,048
Book value per share						
Book value per share	\$ 22.64					\$ 22.14
Diluted book value per share	\$ 21.59					\$ 20.89
Common shares outstanding	58,482,600			-	15,263,303	73,745,903
Common shares and common share equivalents outstanding	70,328,760			2,118,324	15,263,303	87,710,387

Pro Forma Combined - Validus Holdings, Ltd. and Talbot Holdings Ltd.
Pro Forma Combined Income Statement - Three Months Ended June 30, 2007

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

	Historical Validus Holdings Ltd.	Historical Talbot Holdings Ltd.	Talbot Holdings Ltd. accounting adjustments	Pro Forma Purchase adjustments	Pro Forma Finance adjustments	Pro Forma Consolidated
Revenues						
Gross premiums written	\$ 174,300	\$ 202,381	\$ -	\$ 488	\$ -	\$ 377,169
Reinsurance premiums ceded	(26,780)	(5,860)	-	(488)	-	(33,128)
Net premiums written	147,520	196,521	-	-	-	344,041
Change in unearned premiums	(14,490)	(50,890)	-	-	-	(65,380)
Net premiums earned	133,030	145,631	-	-	-	278,661
Net investment income	19,742	10,178	-	-	-	29,920
Net realized losses on investments	(232)	92	-	-	-	(140)
Net unrealized (losses) gains on investments	(6,189)	-	-	-	-	(6,189)
Other income	-	1,222	-	-	-	1,222
Foreign exchange gains	2,003	1,351	-	-	-	3,354
Total revenues	148,354	158,474	-	-	-	306,828
Expenses						
Losses and loss expense	42,675	76,257	(769)	-	-	118,163
Policy acquisition costs	17,837	31,418	-	-	-	49,255
General and administrative expenses	13,085	28,102	1,097	(1,163)	-	41,121
Finance expenses	4,003	19	-	-	4,340	8,362
Fair value of warrants issued	-	-	-	-	-	-
Total expenses	(77,600)	(135,796)	(328)	1,163	(4,340)	(216,901)
Income before taxes	70,754	22,678	(328)	1,163	(4,340)	89,927
Income tax credit	-	(189)	-	(381)	-	(570)
Net income	\$ 70,754	\$ 22,489	\$ (328)	\$ 783	\$ (4,340)	\$ 89,358
Earnings per share						
Basic earnings per share	\$ 1.21					\$ 1.21
Diluted earnings per share	\$ 1.17					\$ 1.17
Weighted average number of common shares and common share equivalents outstanding						
Basic	58,482,600			-	15,263,303	73,745,903
Diluted	60,647,354			683,152	15,263,303	76,593,809

Pro Forma Combined - Validus Holdings, Ltd. and Talbot Holdings Ltd.
Pro Forma Combined Income Statement - Three Months Ended March 31, 2007
(US Dollars in thousands, except share and per share information)

	Historical Validus Holdings Ltd.	Historical Talbot Holdings Ltd.	Talbot Holdings Ltd. accounting adjustments	Pro Forma Purchase adjustments	Pro Forma Finance adjustments	Pro Forma Consolidated
Revenues						
Gross premiums written	\$ 378,070	\$ 198,805	\$ -	\$ (12,363)	\$ -	\$ 564,512
Reinsurance premiums ceded	(30,958)	(91,067)	-	12,363	-	(109,662)
Net premiums written	347,112	107,738	-	-	-	454,850
Change in unearned premiums	(235,620)	23,037	-	-	-	(212,583)
Net premiums earned	111,492	130,775	-	-	-	242,267
Net investment income	18,497	9,703	-	-	-	28,200
Net realized losses on investments	46	(1,322)	-	-	-	(1,276)
Net unrealized (losses) gains on investments	1,643	-	-	-	-	1,643
Other income	-	943	-	-	-	943
Foreign exchange gains	1,389	(168)	-	-	-	1,221
Total revenues	133,067	139,931	-	-	-	272,998
Expenses						
Losses and loss expense	46,487	68,585	(858)	-	-	114,214
Policy acquisition costs	12,219	30,047	-	-	-	42,266
General and administrative expenses	13,172	21,191	1,837	3,426	-	39,626
Finance expenses	4,441	165	-	-	4,340	8,946
Fair value of warrants issued	-	-	-	-	-	-
Total expenses	(76,319)	(119,988)	(979)	(3,426)	(4,340)	(205,052)
Income before taxes	56,748	19,943	(979)	(3,426)	(4,340)	67,946
Income tax credit	-	(1,005)	-	339	-	(667)
Net income	\$ 56,748	\$ 18,938	\$ (979)	\$ (3,088)	\$ (4,340)	\$ 67,279
Earnings per share						
Basic earnings per share	\$ 0.97					\$ 0.91
Diluted earnings per share	\$ 0.94					\$ 0.89
Weighted average number of common shares and common share equivalents outstanding						
Basic	58,482,601			-	15,263,303	73,745,904
Diluted	60,215,392			500,847	15,263,303	75,979,542

Pro Forma Combined - Validus Holdings, Ltd. and Talbot Holdings Ltd.

Pro Forma Combined Income Statement - Year Ended December 31, 2006

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

	Historical Validus Holdings Ltd.	Historical Talbot Holdings Ltd.	Talbot Holdings Ltd. accounting adjustments	Pro Forma Purchase adjustments	Pro Forma Finance adjustments	Pro Forma Consolidated
Revenues						
Gross premiums written	\$ 540,789	\$ 648,652	\$ -	\$ (8,675)	\$ -	\$ 1,180,766
Reinsurance premiums ceded	(63,696)	(140,490)	-	8,675	-	(195,511)
Net premiums written	477,093	508,162	-	-	-	985,255
Change in unearned premiums	(170,579)	(37,588)	-	-	-	(208,167)
Net premiums earned	306,514	470,574	-	-	-	777,088
Net investment income	58,021	32,746	-	-	-	90,767
Net realized losses on investments	(1,102)	(6,279)	-	-	-	(7,381)
Other income	-	4,583	-	-	-	4,583
Foreign exchange gains	2,157	511	-	-	-	2,668
Total revenues	365,590	502,135	-	-	-	867,725
Expenses						
Losses and loss expense	91,323	183,050	(2,920)	-	-	271,453
Policy acquisition costs	36,072	115,518	-	-	-	151,590
General and administrative expenses	46,232	79,383	3,363	19,846	-	148,824
Finance expenses	8,789	986	-	-	17,360	27,135
Fair value of warrants issued	77	-	-	-	-	77
Total expenses	(182,493)	(378,937)	(443)	(19,846)	(17,360)	(599,079)
Income before taxes	183,097	123,198	(443)	(19,846)	(17,360)	268,646
Income tax credit	-	566	-	1,354	-	1,920
Net income	\$ 183,097	\$ 123,764	\$ (443)	\$ (18,492)	\$ (17,360)	\$ 270,566
Earnings per share						
Basic earnings per share	\$ 3.13					\$ 3.67
Diluted earnings per share	\$ 3.11					\$ 3.64
Weighted average number of common shares and common share equivalents outstanding						
Basic	58,477,130			-	15,263,303	73,740,433
Diluted	58,874,567			128,363	15,263,303	74,266,233