



MAIDEN HOLDINGS, LTD

## **Maiden Holdings, Ltd. Reports First Quarter Net Income of \$13.6 Million and Operating Earnings of \$16.2 Million**

May 4, 2010 (GlobeNewswire via COMTEX News Network) -- Book Value of \$10.10 Per Share Up 5.0% Since Year End 2009

### First Quarter 2010 Financial Highlights

- Net income of \$13.6 million up 3.6% from first quarter 2009
- Net operating earnings(1) of \$16.2 million compared with \$16.8 million in first quarter of 2009
- Income from operations totaled \$25.6 million up 16.5% from first quarter 2009
- Net earned premium of \$263.9 million increased 25.6% from first quarter of 2009
- Net investment income of \$17.6 million up 23.3% from first quarter 2009
- Total investments of \$1.7 billion up 3.9% from year end 2009
- Annualized return on equity of 8.1% and operating (1) return on equity of 9.4%
- Combined ratio of 97.1% compared with 95.4% in the first quarter of 2009
- American Capital Acquisition Corporation (ACAC) 25% quota share agreement commenced March 1, 2010

HAMILTON, Bermuda, May 4, 2010 (GLOBE NEWSWIRE) -- Maiden Holdings, Ltd. (Nasdaq:MHL) today reported first quarter 2010 net income of \$13.6 million or \$0.19 per diluted share and net operating earnings (1) of \$16.2 million or \$0.23 per diluted share.

"Maiden's results reflect continued solid underlying fundamentals in the face of a challenging quarter for the reinsurance industry overall and once again highlight the differentiated value of our non-catastrophe specialist approach," said Art Raschbaum, President and CEO of Maiden Holdings, Ltd. "We generated income from operations of \$25.6 million this quarter and our teams continue to see increased opportunities to deliver our relationship-oriented products and services to our target regional and specialty property and casualty clients."

Raschbaum continued, "Our disciplined approach to our non-catastrophe, lower volatility, relationship model positions us well to capture additional opportunities and our new agreement with ACAC agreement generated approximately \$22 million of net written premium and \$2 million of earned premium in the month of March. We expect this relationship to further strengthen the top and bottom line over the next 12 months and beyond."

Shareholders' equity of \$710.0 million grew \$33.4 million during the quarter and book value per share increased 5.0% to \$10.10 from \$9.62 at year end 2009.

### First Quarter 2010 Results:

Net written premium totaled \$311.3 million compared with \$336.5 million in the first quarter of 2009. Net earned premium of \$263.9 million increased 25.6% from \$210.1 million for the same period last year.

Net investment income of \$17.6 million increased 23.3% from \$14.3 million in the first quarter of 2009.

Loss and loss adjustment expenses of \$170.3 million rose \$24.0 million from \$146.3 million in the first quarter of 2009. Results reflected a loss ratio of 64.5% compared with 69.6% for the same period a year ago.

Commission and other acquisition expenses together with general and administrative expenses of \$85.9 million increased \$31.8 million from the year ago quarter and reflected a total expense ratio of 32.6% compared with 25.8%. General and

administrative expenses for the quarter totaled \$8.6 million and reflected a general and administrative expense ratio of 3.3% compared to 3.6% in the first quarter of 2009.

The combined ratio for the first quarter totaled 97.1% compared with 95.4% in the first quarter of 2009.

Income from operations of \$25.6 million increased \$3.6 million, or 16.5%, from \$22.0 million in the first quarter of 2009.

Total assets of \$2.7 billion increased 3.5% from \$2.6 billion from year end 2009. Total investable assets of \$2.1 billion which include total investments, cash, restricted cash, cash equivalents and the loan to a related party, remained relatively stable from year end 2009. Shareholders' equity totaled \$710.0 million up 5.0% from \$676.5 million at year end 2009.

During the first quarter of 2010, the Board of Directors declared a dividend of \$0.065 per share.

(1) Please see the Non-GAAP Financial Measures table for additional information on these non-GAAP financial measures and reconciliation of this measure to GAAP measures.

#### Conference Call

Maiden CEO Art Raschbaum and CFO John Marshaleck will review these results tomorrow morning via teleconference and live audio webcast beginning at 10:00 a.m. AT (9:00 a.m. ET).

To participate please access one of the following no later than 9:55 a.m. AT (8:55 a.m. ET):

1. .877.734.5373 for U.S. callers

1. 973.200.3059 for callers outside the U.S.

Webcast: [www.maiden.bm/presentations\\_conferences](http://www.maiden.bm/presentations_conferences)

A replay of the conference call will be available beginning at 1:00 p.m. Atlantic Time (12:00 p.m. ET) on Wednesday, May 5, 2010 through May 12, 2010. To listen to the replay please dial toll free: 1 .800.642.1687 (U.S. callers) or toll 1.706.645.9291 (callers outside the U.S.) and enter the Passcode: 69886387; or access [www.maiden.bm/presentations\\_conferences](http://www.maiden.bm/presentations_conferences).

#### About Maiden Holdings, Ltd.

Maiden Holdings, Ltd. is a Bermuda holding company formed in 2007 to offer customized reinsurance products and services to regional and specialty insurance companies in the United States and Europe.

The Maiden Holdings, Ltd. logo is available at <http://www.globenewswire.com/newsroom/prs/?pkgid=5006>

#### Forward Looking Statements

This release contains "forward-looking statements" which are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. The forward-looking statements are based on the Company's current expectations and beliefs concerning future developments and their potential effects on the Company. There can be no assurance that actual developments will be those anticipated by the Company. Actual results may differ materially from those projected as a result of significant risks and uncertainties, including non-receipt of the expected payments, changes in interest rates, effect of the performance of financial markets on investment income and fair values of investments, developments of claims and the effect on loss reserves, accuracy in projecting loss reserves, the impact of competition and pricing environments, changes in the demand for the Company's products, the effect of general economic conditions, adverse state and federal legislation, regulations and regulatory investigations into industry practices, developments relating to existing agreements, heightened competition, changes in pricing environments, and changes in asset valuations. Additional information about these risks and uncertainties, as well as others that may cause actual results to differ materially from those projected is contained in Item 1A. Risk Factors in the Company's Annual Report on Form 10-K for the year ended December 31, 2009 as updated in periodic filings with the SEC. The Company undertakes no obligation to publicly update any forward-looking statements, except as may be required by law.

Maiden Holdings, Ltd.

Balance Sheet

(in thousands (000's), except per share data)

	3/31/2010 (Unaudited)	12/31/2009 (Audited)
Assets		
Fixed maturities, available-for-sale, at fair value (amortized cost \$1,669,433; \$1,623,382)	\$1,726,472	\$1,661,692
Other investments, at fair value (cost \$5,681; \$5,684)	5,601	5,549
	-----	-----
Total investments	1,732,073	1,667,241
Cash and cash equivalents	62,743	107,396
Restricted cash and cash equivalents	117,639	144,944
Accrued investment income	12,582	11,405
Reinsurance balances receivable, net	299,237	208,495
Prepaid reinsurance	26,268	28,752
Losses recoverable on unpaid losses	16,464	11,984
Loan to related party	167,975	167,975
Deferred commission and other acquisition costs	178,254	172,983
Other assets	12,464	11,818
Intangible assets, net	49,832	51,284
Goodwill	52,617	52,617
	-----	-----
Total Assets	\$2,728,148	\$2,636,894
	=====	=====
Liabilities and Shareholders' Equity		
Liabilities		
Loss and loss adjustment expense reserves	\$1,048,930	\$1,006,320
Unearned premiums	629,940	583,478
Accrued expenses and other liabilities	47,864	60,044
Securities sold under agreements to repurchase, at contract value	76,324	95,401
Junior subordinated debt	215,140	215,125
	-----	-----
Total Liabilities	2,018,198	1,960,368
	-----	-----
Shareholders' Equity:		
Common shares	713	713
Additional paid-in capital	576,298	576,086
Treasury stock	(3,801)	(3,801)
Accumulated other comprehensive income	56,959	32,747
Retained earnings	79,781	70,781
	-----	-----
Total Shareholders' Equity	709,950	676,526

Total Liabilities and Shareholders' Equity	\$2,728,148	\$2,636,894
Book value per share	10.10	9.62
Common shares outstanding	70,291,757	70,291,289

Maiden Holdings, Ltd.  
Income Statement  
(in thousands (000's), except per share data)  
(Unaudited)

	For the Three Months Ended March 31, 2010	For the Three Months Ended March 31, 2009
Revenues:		
Gross premiums written	\$327,382	\$336,548
Net premiums written	\$311,291	\$336,548
Decrease (increase) in unearned premiums	(47,362)	(126,456)
Net earned premium	263,929	210,092
Net investment income	17,581	14,259
Net realized investment gains (losses)	312	(1,930)
Total revenues	281,822	222,421
Expenses:		
Net loss and loss adjustment expenses	170,285	146,288
Commission and other acquisition expenses	77,396	46,631
General and administrative expenses	8,552	7,535
Total expenses	256,233	200,454
Income from operations	25,589	21,967
Other expense		
Amortization of intangible assets	(1,452)	(1,564)
Foreign exchange loss	(1,153)	(213)
Subordinated debt interest expense	(9,115)	(7,090)
	(11,720)	(8,867)

Income before income taxes	13,869	13,100
Income taxes:		
Current tax expense	--	--
Deferred tax expense	300	--
	-----	-----
Income tax expense	300	--
	-----	-----
Net income	\$13,569	\$13,100
	=====	=====
Operating earnings (1)	\$16,162	\$16,807
	=====	=====
Basic earnings per common share	\$0.19	\$0.19
	=====	=====
Diluted earnings per common share	\$0.19	\$0.19
	=====	=====
Basic operating earnings per common share	\$0.23	\$0.25
	=====	=====
Diluted operating earnings per common share	\$0.23	\$0.25
	=====	=====
Dividends declared per common share	\$0.065	\$0.06
	=====	=====
Weighted average number of basic shares outstanding	70,291,312	67,687,664
Weighted average number of diluted shares outstanding	70,776,794	67,937,790
Net Loss and loss adjustment expense ratio	64.5%	69.6%
Commission and other acquisition expense ratio	29.3%	22.2%
General and administrative expense ratio	3.3%	3.6%
	-----	-----
Combined ratio	97.1%	95.4%
	=====	=====
Annualized return on equity	8.1%	10.1%
Annualized return on equity on operating earnings	9.4%	13.0%

Maiden Holdings, Ltd.  
Non - GAAP Financial Measure  
(in thousands (000's), except per share data)  
(Unaudited)

	For the Three Months Ended March 31, 2010	For the Three Months Ended March 31, 2009
Reconciliation of net income to net operating earnings:		
Net income	\$13,569	\$13,100
Add (subtract)		
Net realized investment (gains) losses	(312)	1,930
Foreign exchange and other (gains) losses	1,153	213
Amortization of intangibles	1,452	1,564
Non-cash deferred tax charge	300	--
	-----	-----
Operating earnings (1)	\$16,162	\$16,807
	=====	=====

Operating earnings per common share:

Basic earnings per share	\$0.23	\$0.25
Diluted earnings per share	\$0.23	\$0.25

(1) Net operating earnings is a non-GAAP financial measure defined by the Company as net income excluding realized investment gains and losses, foreign exchange and other gains and losses, amortization of intangible assets and non-cash deferred tax charge and should not be considered as an alternative to net income. The Company's management believes that net operating earnings is a useful indicator of trends in the Company's underlying operations. The Company's measure of net operating earnings may not be comparable to similarly titled measures used by other companies.

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