News release

Swiss Re

Swiss Re announces preliminary and unaudited 2008 results
Warren Buffett to invest CHF 3 billion in Swiss Re via Berkshire Hathaway Inc.

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Zurich, 5 February 2009 – Swiss Re Group announced today that it expects to report a net loss for the full year 2008 of approximately CHF 1 billion. Shareholders' equity at 31 December 2008 is estimated to be between CHF 19 billion and CHF 20 billion. The Group is taking significant measures to reinforce its capital strength. In addition to ongoing de-risking in its investment portfolio, the Group is raising CHF 3 billion of capital from Berkshire Hathaway Inc., subject to shareholder approval, and will consider further equity raising of up to CHF 2 billion, subject to market conditions.

''We are disappointed with our overall results in 2008, but our core business - Property & Casualty and Life & Health - is performing well,'' said Jacques Aigrain, Swiss Re's Chief Executive Officer. "We have taken steps to protect our capital strength to ensure the continued trust of our clients, and we continue to manage our business in a disciplined, conservative manner. Warren Buffett's agreement to invest in Swiss Re is a testament to the strength of our franchise.''

Based on preliminary and unaudited figures, Swiss Re expects to report a net loss for the full year of approximately CHF 1 billion. The Group's strong underwriting performance was offset by negative investment results primarily due to mark-to-market losses recognised in income and impairments on its investment portfolio. These losses were partly counterbalanced by the Group's hedging programme.

Shareholders' equity is expected to be between CHF 19 billion and CHF 20 billion. The reduction in shareholders' equity in the fourth quarter is primarily due to unrealised losses on investments and the impact of exchange rate fluctuations.

Underlying operating performance is excellent due to strong client solution focus and disciplined underwriting
Swiss Re's focus on underwriting quality provides a strong base from which to serve increased client demand for reinsurance solutions.

Swiss Re continued to deliver strong Property & Casualty results, with an expected full year combined ratio of 97.4% (95.6% excluding unwind of discount).

The underlying Life & Health business remains strong with a benefit ratio for the full year of approximately 85.5%.

Increased client demand for reinsurance solutions
Demand for reinsurance has increased, as many clients seek protection to offset the erosion of their capital. The Group expects to report an increase in rates of around 2%, leading to a volume increase of around 6%, at constant foreign exchange rates. As the reinsurance premium cycle continues to harden, Swiss Re is well positioned to provide clients with effective solutions.

Financial Markets activities disbanded with refocus on asset management
As part of an overall de-risking, financial markets activities have been disbanded, and the remaining activities have been reorganized into two distinct units. The Asset Management unit is responsible for managing the assets generated through the (re)insurance activities, and is linked with Products Underwriting and Client Markets to provide insurance-related solutions to clients. The US GAAP return on Asset Management investments for the full year is estimated to be around 5%, while the total return is a small positive.

The Legacy unit manages products no longer offered by the Group. These include the structured Credit Default Swaps (SCDS), the portfolio Credit Default Swaps, Financial Guarantee Re and the former trading businesses of Financial Markets. These businesses produced a mark-to-market loss for the full year of approximately CHF 6 billion, including mark-to-market losses of CHF 2 billion for SCDS.

Capital actions reinforce Swiss Re's balance sheet
Actions to strengthen its capital position, including the CHF 3 billion investment from Berkshire Hathaway, give the Group the financial flexibility to capitalize on client opportunities.

The Group has surplus regulatory capital, but it estimates that at 31 December 2008 it was between CHF 1.5 and CHF 2.0 billion below the level required to maintain its current "AA" rating. The Board of Directors has concluded that it is in the best interest of the Group to seek to re-establish a strong level of capital. Based on current estimates, the total amount of capital to be raised is likely to be up to CHF 5 billion. As part of this effort, the Group and Berkshire Hathaway have agreed in principle that Berkshire Hathaway will invest CHF 3 billion in Swiss Re. The final closing of the investment is subject to shareholder approval. The investment is expected to be in the form of a convertible perpetual capital instrument issued by Swiss Re with a 12% coupon. At Berkshire Hathaway's option, it will be convertible after three years into Swiss Re shares, with a price of CHF 25 per share (subject to anti-dilution adjustments).

Warren Buffett commented, "We are delighted to have this opportunity to increase our investment in Swiss Re. I am very impressed by Jacques Aigrain and his management team."

Consistent with the focus of maintaining a strong capital position for client opportunities and shareholders, Swiss Re intends to ask the General Assembly for authorisation for a rights offering to existing shareholders of up to CHF 2 billion, subject to market conditions.

Additionally, the Board proposes to reduce the dividend for 2008 to a nominal amount.

The Group has also agreed, subject to regulatory approval, to enter into an adverse development cover with Berkshire Hathaway on the Group's total Property & Casualty reserves. The contract will provide total coverage of CHF 5 billion.

Well-positioned to take advantage of client opportunities
Swiss Re's (re)insurance business is strong, and the Group's actions today will better enable it to further support its client base. The combination of capital actions, including the investment from Berkshire Hathaway, the additional rights offering, and a reduction in dividend, coupled with significant de-risking of the investment portfolio, will further position the Group to deliver high-quality client solutions and benefit from the improvement in (re)insurance markets.

The information provided in this release is preliminary and all figures mentioned are based on preliminary and unaudited data. Final results may change. Swiss Re will report its full year 2008 results on 19 February 2009.

Telephone conferences

Swiss Re will comment on today's announcement during the below analyst and investor conference calls, as well as a media conference call.

- Analyst conference calls at 09h00 CET and 15h00 CET
- Media conference call at 11h00 CET

Please join the conference using the phone numbers below.
You are kindly requested to dial in 10 minutes prior to the start:

09h00 Analyst & Investor Call

Switzerland	+41 (0)22 417 7115
Germany	+49 (0)69 2222 2219
France	+33 (0)1 70 99 42 67
UK	+44 (0)20 7138 0833

11h00 Media Call

Switzerland	+41 (0)22 417 7115
Germany	+49 (0)30 2215 1090
France	+33 (0)1 70 99 42 88
UK	+44 (0)20 7138 0844

15h00 Analyst & Investor Call

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Notes to editors

Swiss Reinsurance Company Ltd
Swiss Re is a leading and highly diversified global reinsurer. The company operates through offices in more than 25 countries. Founded in Zurich, Switzerland, in 1863, Swiss Re offers financial services products that enable risk-taking essential to enterprise and progress. The company's traditional reinsurance products and related services for property and casualty, as well as the life and health business are complemented by insurance-based corporate finance solutions and supplementary services for comprehensive risk management. Swiss Re is rated "AA-" by Standard & Poor's, "Aa2" by Moody's and "A+" by A.M. Best.

Important Note
This announcement is not a prospectus or prospectus equivalent document, but an advertisement. It does not constitute an offer to sell or the solicitation of an offer to subscribe or purchase any of the securities described herein in Switzerland, in the United States or in any other jurisdiction. Any such offer would be made by means of a prospectus or offering memorandum in compliance with applicable securities laws and listing rules, which prospectus or offering memorandum would contain detailed information about Swiss Re, its business, operations and management, and the offering, as well as Swiss Re's financial statements. Any rights and any securities of Swiss Re to be offered and sold in the United States will not be registered under the U.S. Securities Act of 1933 and will not be offered, sold or delivered in the United States, except on the basis of applicable exemptions from registration. There will be no public offering of securities in the United States. Any such rights and securities will, subject to exceptions, not be offered in Australia, Canada, Japan or South Africa or any other jurisdiction in which it is would not be permissible to make an offer of such rights and securities, or to or for the benefit of any national, resident or citizen of Australia, Canada, Japan or South Africa or any such other jurisdiction, and any such rights and securities will not be offered, sold, resold, delivered, allotted, taken up, transferred or renounced in any of these jurisdictions. Neither the contents of the Swiss Re web site nor any web site accessible by hyperlinks on the Swiss Re web site is incorporated in, or forms a part of, this announcement.

Cautionary note on forward-looking statements
Certain statements and illustrations contained herein are forward-looking. These statements and illustrations provide current expectations of future events based on certain assumptions and include any statement that does not directly relate to a historical fact or current fact. Forward-looking statements typically are identified by words or phrases such as "anticipate", "assume", "believe", "continue", "estimate", "expect", "foresee", "intend", "may increase" and "may fluctuate" and similar expressions or by future or conditional verbs such as "will", "should", "would" and "could". These forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause Swiss Re's actual results, performance, achievements or prospects to be materially different from any future results, performance, achievements or prospects expressed or implied by such statements. Such factors include, among others:

- the direct and indirect impact of the continuing deterioration in the financial markets and the efficacy of efforts to strengthen financial institutions and stabilise the credit markets and the broader financial system;
- changes in global economic conditions and the effects of the global economic downturn;

- the occurrence of other unanticipated market developments or trends;
- Swiss Re's ability to maintain sufficient liquidity and access capital markets, including sufficient liquidity to cover potential recapture of reinsurance agreements, early calls of debt or debt-like arrangements and collateral calls under derivative contracts due to actual or perceived deterioration of Swiss Re's financial strength;
- the effect of market conditions, including the global credit and equity markets, and the level and volatility of equity prices, interest rates, credit spreads, currency values and other market indices, on Swiss Re's investment assets;
- changes in Swiss Re's investment result as a result of changes in its investment policy or the changed composition of Swiss Re's investment assets, and the impact of the timing of any such changes relative to changes in market conditions;
- uncertainties in valuing credit default swaps and other credit-related instruments;
- possible inability to realize amounts on sales of securities on Swiss Re's balance sheet equivalent to its mark-to-market values recorded for accounting purposes;
- the possibility that Swiss Re's hedging arrangements may not be effective;
- the lowering or loss of one of the financial strength or other ratings of one or more companies in the Group;
- risks associated with implementing Swiss Re's business strategies;
- the cyclicality of the reinsurance industry;
- uncertainties in estimating reserves;
- the frequency, severity and development of insured claim events;
- acts of terrorism and acts of war;
- mortality and morbidity experience;
- policy renewal and lapse rates;
- extraordinary events affecting Swiss Re's clients and other counterparties, such as bankruptcies, liquidations and other credit-related events;
- political risks in the countries in which Swiss Re operates or in which it insures risks;
- the impact of current, pending and future legislation, regulation and regulatory and legal actions;
- the impact of significant investments, acquisitions or dispositions, and any delays, unexpected costs or other issues experienced in connection with any such transactions, including, in the case of acquisitions, issues arising in connection with integrating acquired operations;
- changing levels of competition; and
- operational factors, including the efficacy of Swiss Re's risk management and other internal procedures in assessing and managing the foregoing risks.

These factors are not exhaustive. Swiss Re operates in a continually changing environment and new risks emerge continually. Readers are cautioned not to place undue reliance on forward-looking statements. Swiss Re undertakes no obligation to publicly revise or update any forward-looking statements, whether as a result of new information, future events or otherwise.