



Swiss Re launches mandatory convertible securities of approximately EUR 640 million

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Zurich, 1 July 2004 – Swiss Re announces the launch of an offering of mandatory convertible securities due 2007, which is expected to generate proceeds of approximately EUR 640 million. The offering will in part refinance existing debt and further increases Swiss Re's financial strength. The instrument will rely on share capital already approved in 2001.

The bookbuilding period for the mandatory convertible securities is expected to run until the close of trading at the SWX Swiss Exchange today. The offer price and the final terms and conditions will be determined and announced after close of the bookbuilding period.

The securities are mandatorily convertible into ordinary shares of Swiss Re on or around 23 July 2007. They will be issued by a non-Swiss fully-owned subsidiary of the Group and are guaranteed by Swiss Reinsurance Company.

Underlying shares previously committed to Swiss Re's convertible bond issued in 2001 will be reallocated to support today's transaction. The reallocation will be made possible by the purchase of call options which offset the exposure to deliver Swiss Re shares under the 2001 convertible bond. None of the conditional capital increase approved by the Annual General Meeting of Swiss Re in May 2004 will be used for this transaction.

The mandatory convertible securities will pay a coupon, which is expected to be between 6.125% and 6.625% per annum payable annually. Swiss Re will participate in any future share price appreciation of up to 20% of the reference share price.

The mandatory convertible securities are expected to receive high equity capital treatment from rating agencies.

The joint lead managers may take up a substantial proportion of the mandatory convertible securities and in that capacity retain, purchase or sell them for their own purposes.

The offering is being made to institutional investors only, outside the United States, Canada, Japan, Australia and Italy.

Notes to editors

Swiss Re

Swiss Re is one of the world's leading reinsurers and the world's largest life and health reinsurer. The company operates through more than 70 offices in over 30 countries. Swiss Re has been in the reinsurance business since its foundation in Zurich, Switzerland, in 1863. Through its three business groups Property & Casualty, Life & Health and Financial Services, Swiss Re offers a wide variety of products to manage capital and risk. Traditional reinsurance products, including a broad range of property and casualty as well as life and health covers and related services, 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.

Disclaimer

This is not an offer of securities. The securities will not be offered for sale in the United States, Italy, Australia, Canada or Japan. The mandatory convertible securities, and the shares into which the mandatory convertible securities will be converted, are not being registered under the US Securities Act of 1933, as amended (the "Securities Act") and may not be offered or sold in the United States or to or for the account or benefit of US persons (as such terms are defined in Regulation S under the Securities Act).

Stabilisation/FSA.

In the United Kingdom, this announcement is directed exclusively at persons who have professional experience in matters relating to investments that fall within article 19 or 49 of the Financial Services Markets Act 2000 (Financial Promotion) Order 2001. The mandatory convertible securities will be issued only to such persons.

Cautionary note on forward-looking statements

Certain statements contained herein are forward-looking. These statements 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 our 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:

- cyclical nature of the reinsurance industry;
- changes in general economic conditions, particularly in our core markets;
- uncertainties in estimating reserves;

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- the performance of financial markets;
 - expected changes in our investment results as a result of the changed composition of our investment assets or changes in our investment policy;
 - the frequency, severity and development of insured claim events;
 - acts of terrorism and acts of war;
 - changes in rating agency policies or practices;
 - mortality and morbidity experience;
 - policy renewal and lapse rates;
 - the change in or loss of one or more of the financial or claims-paying ratings of one or more of our subsidiaries;
 - changes in levels of interest rates;
 - political risks in the countries in which we operate or in which we insure risks;
 - extraordinary events affecting our clients, such as bankruptcies and liquidations;
 - risks associated with implementing our business strategies;
 - changes in currency exchange rates;
 - changes in laws and regulations, including changes in accounting standards and taxation requirements; and
 - changes in competitive pressures.

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