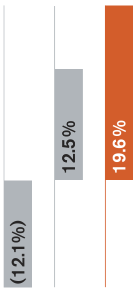
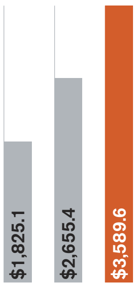
Patrick Thiele
President and Chief Executive Officer

2001 2002 2003



Operating Return on Beginning Common Shareholders' Equity



Net Premiums Written
($ millions)

To Our Shareholders:

2003 was an exceptionally good year for PartnerRe. We finished our tenth year with an extraordinary 19.6% operating return on beginning Common Shareholders' equity. In our 2002 report, I said that I was confident that 2003 would be the year that PartnerRe reached its full potential. Indeed, 2003 was the year that it all came together – the market, our strategic diversification and our improved execution capabilities. I'd like to go through each of these factors in detail.

Market Conditions

Both the reinsurance and investment markets were strong in 2003, and PartnerRe participated in their recovery to the fullest.

From a reinsurance market perspective, 2003 was outstanding. Pricing, terms and conditions continued to increase and tighten from 2002, starting with a very strong January 1, 2003 renewal. Virtually all lines showed improvement in the year.

A significant driver in 2003 was casualty business. The insurance and reinsurance industry continued to report a record number of losses in such specialty lines as medical malpractice, professional liability and D&O from both the current and prior underwriting years, which continued to drive significant price increases.

Politicians and lawyers can debate the reasons for the surge in losses and can argue about what, if anything, needs to be done about the issue. The role of the insurance and reinsurance industry is to provide coverage at a price that will account for the escalating costs and make a profit while doing so. Given the current circumstances, I think the industry did a credible job, despite having to true up prior accident years, after underestimating the loss trend in the late 1990s.

In the shorter tailed lines, prices remained strong throughout the year. Property and catastrophe prices stabilized, while pricing for specialty lines was more mixed, with increases in the credit, surety and engineering lines and stable-to-weaker prices at year-end in aviation and energy. In the U.S., where the broker-driven market tends to react quickly in pricing, the recovery matured on the property side. Europe, given its different distribution model, reacts more slowly and entered the year at an earlier stage of the pricing cycle. Therefore, property prices increased as the year progressed.

The investment market also had a positive impact on the shareholder value of reinsurance companies. While the 20-year bull market in fixed income securities may have ended, 2003 was a good year for long-term investors like reinsurers. Interest rates, by and large, increased moderately over the year, declining in the first half and increasing in the second, so we earned slightly more than our coupon.

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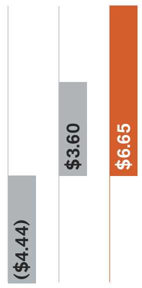
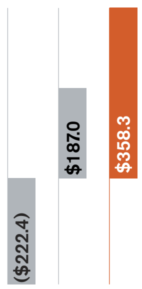


Diluted Operating Earnings (Loss) per Common Share



Operating Income Available to Common Shareholders (Loss)
($ millions)

2003 was an excellent year in terms of equity returns. Global equity markets rebounded by approximately 35% in the major markets. This rebound helped to replenish the industry's capital base and added to shareholders' equity, the best indicator of industry value.

Losses, the last major driver of industry value, also were well behaved. Although hurricanes Fabian and Isabelle in the Atlantic and Typhoon Maemi in the Pacific caused substantial damage, they did not have a large impact on the industry. And with the exception of the aforementioned casualty losses from prior years, there were no "headline" catastrophe losses and relatively few large losses in other lines. Again, an exceptional year.

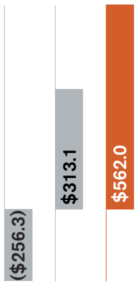
Strategic Direction

PartnerRe's record performance in 2003 was also a result of the strategies we have put in place over the last five years and our ability to execute them.

First and most important is our focus on reinsurance. This focus, coupled with our global spread and our deep technical skills in virtually every line of reinsurance, enables us to respond quickly to market conditions in any segment, country or market. We believe that this blend of focus and diversification is the right strategy for our clients and shareholders.

Second, we entered the current part of the cycle with our financial integrity intact. Our strategic commitment to unquestionable financial strength provided us with access to a superior spread of risks.

And third, our commitment to intelligent risk-taking proved its merit in this market. We believe that we can only make an appropriate return if we take real risk and volatility from our clients. This leads us to write the more difficult lines. That is where our clients need us most and where the greatest return was in 2003.



Comprehensive Income (Loss)
($ millions)

Diluted Book Value per Common Share

Execution Capabilities

While we believe that our strategy provides the best framework for our performance, it is our execution of that strategy that delivers our success. Markets come and go, and strategies alone do not differentiate companies. In a business like reinsurance, superior execution wins. Organizations that execute consistently with a high degree of efficiency and effectiveness will outperform the competition over the long term. Solid processes and systems, people with strong skills and consistency are key.

In 2003, we continued to improve our execution capabilities:

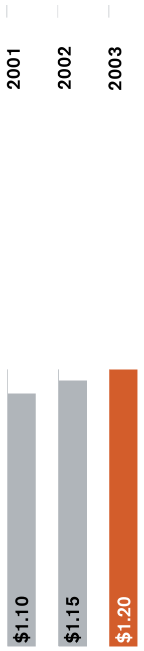
- At the end of 2002, we finalized the installation of our new worldwide underwriting platform. During 2003, we implemented the integrated information technology systems for all of our operations worldwide, making reporting, exposure analysis and planning more efficient and more effective.
- Our actuarial expertise was enhanced, leading to increased refinement of our pricing and reserving processes.
- We further aligned our property and casualty underwriting structure to our non-U.S. client markets.
- We continued to leverage our 10-year success story in client and broker relations.
- We strengthened our finance and accounting functions at the operating levels, giving us more timely and relevant information.
- We refinanced our Preferred Shares, lowering the cost of the Company's capital, while maintaining a good rate of return for shareholders.

2003 Results

Our ability to execute our strategy and optimize our systems, processes and people helped us achieve record results. Looking at our performance against 2002:

- Operating return on beginning equity reached 19.6%, up from 12.5%.
- Operating income for the year was $358 million, an increase of 92%.
- Comprehensive income was $562 million, up 80%.
- Shareholders' equity finished at $2,594 million, an increase of 25%.
- Net premiums written for the year were $3,590 million, up 35%.

We are especially proud that we could accomplish all of this in our tenth year.



Dividends Declared and Paid per Common Share

2004 and Beyond

In the shorter term, we expect 2004 to be another excellent year for PartnerRe and its shareholders. It is clear that we are entering the second half of the reinsurance pricing cycle. Unless there are significant catastrophes, an unusual level of large losses or accelerating casualty losses, prices will fall behind loss trends, leading to declining underwriting year profitability. In this environment, our strategy will provide the framework for our success. In our 2002 report, we outlined our five-point strategy. That strategy is designed to position the Company to perform over the entire reinsurance cycle. Therefore, we believe we are well positioned to meet the challenges of the current cycle. Each point of our strategy works both independently and together to ensure stability, maximize profitability and maintain financial security and integrity.

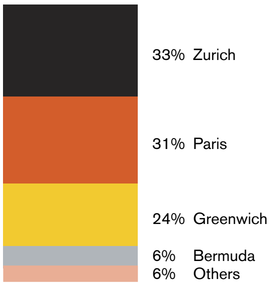
Profitability levels will develop at different times for different lines in different markets. Our strategy positions us well to anticipate market developments before they arise and quickly manage the downward cycle in declining markets, as well as take advantage of attractive markets anywhere in the world.

Because we have the broker and client relations and underwriting skills in place, we will be able to attract the best business at the most appropriate price. The best business, we believe, will be the higher return, higher risk business.

We remain committed to the effective and efficient management of our capital, a critical factor in achieving superior long-term returns. We will reduce portfolio risk and optimize our income overall by moving capital to areas of higher return or redeploying capital by returning it to our shareholders.

Conservative financial management, strong reserving and superior asset management are essential complements to good underwriting in order to achieve consistently superior returns. We are committed to maintaining a strong and transparent balance sheet and delivering superior returns through our investments, reserves and use of capital.

All actions taken at PartnerRe are executed within the context of our overriding aim: to provide an appropriate return to shareholders. That long-term goal supported by our strategic direction will carry us through the cycle. We will consolidate our gains and protect our strong position within the industry. The growth that we have seen over the last three years will abate as we move further into the next phase of the cycle. Nevertheless, we expect an operating return on equity well above our long-term goal of 13% for the next several years, barring unusual levels of large losses.



Distribution of Employees
Total: 897

Acknowledgments

2003 caps a decade of phenomenal growth and achievement for PartnerRe. Later in this report you will see a graphic representation of how far PartnerRe has come in 10 years and just how large an accomplishment 2003 was.

PartnerRe was formed in 1993. At that time, we were in one line of business, we had $1 billion of capital, about 150 clients, 8 employees and approximately $16 million in premiums. We prospered as a catastrophe reinsurance specialist through 1996, made the transition to multi-line reinsurer in 1997 and 1998, contended with the soft years of 1999 and 2000 and were extremely well positioned to participate in the improving market in the last two years.

Today, PartnerRe is one of the world's leading global reinsurance companies with $3.2 billion of capital, 1,800 clients, 897 employees worldwide and $3.6 billion of premiums. During that 10-year period, PartnerRe's shareholders have received a total compound return of 13.4%, appropriately compensating them for the capital provided and risk assumed.

Such remarkable success would not be possible without the dedication and commitment of an extraordinary group of people – the employees of PartnerRe (they are listed on pages 104 and 105). I would like to thank all of the people who have worked so hard to ensure that PartnerRe continues to operate at the high standards needed to provide consistent value to our shareholders and substantial capacity to our clients.

I would also like to thank our shareholders, clients and brokers – our partners – for the strong support you have provided PartnerRe in 2003 and other years. We appreciate your continued confidence in our Company, our team and our vision for the future.

Patrick Thiele
President and Chief Executive Officer