

PartnerRe Ltd.
Consolidated Statements of Cash Flows
(Expressed in thousands of U.S. dollars)

For the year ended December 31, 2006	For the year ended December 31, 2007	For the year ended December 31, 2008	
			Cash flows from operating activities
\$ 749,332	\$ 717,812	\$ 46,567	Net income
			Adjustments to reconcile net income to net cash provided by operating activities:
22,311	1,800	7,923	Amortization of net premium on investments
(47,160)	72,492	531,360	Net realized and unrealized investment (gains) losses
			Changes in:
(390,470)	127,748	—	Net (purchases) sales of trading securities
(12,328)	209,659	(284,771)	Reinsurance balances, net
49,126	15,500	2,708	Reinsurance recoverable on paid and unpaid losses
50,049	(34,958)	155,427	Funds held by reinsured companies
(73,207)	(55,642)	(20,289)	Deferred acquisition costs
71,614	15,663	(22,680)	Net tax assets and liabilities
(73,617)	16,620	651,021	Unpaid losses and loss expenses including life policy benefits
22,280	(20,362)	61,411	Unearned premiums
100,501	145,499	36,540	Other changes in operating assets and liabilities
23,343	15,551	(6,219)	Other, net
491,774	1,227,382	1,158,998	Net cash provided by operating activities
			Cash flows from investing activities
3,897,715	4,100,792	6,045,475	Sales of fixed maturities
731,133	963,975	844,948	Redemptions of fixed maturities
(5,620,788)	(6,362,080)	(8,093,855)	Purchases of fixed maturities
27,532	175,169	189,452	Sales of short-term investments
295,005	143,040	4,537	Redemptions of short-term investments
(209,743)	(272,496)	(212,189)	Purchases of short-term investments
9,669,692	1,707,193	1,677,671	Sales of equities
(9,236,119)	(1,653,316)	(1,338,682)	Purchases of equities
8,689	4,332	(61,451)	Other, net
(436,884)	(1,193,391)	(944,094)	Net cash used in investing activities
			Cash flows from financing activities
(125,417)	(130,931)	(134,627)	Cash dividends paid to shareholders
—	(275,039)	(110,017)	Repurchase of common shares
17,225	37,907	222,736	Proceeds from issuance of common and treasury shares
—	—	(220,000)	Redemption of long-term debt
—	—	250,000	Proceeds from issuance of senior notes
(9,594)	(10,414)	(10,006)	Contract fees on forward sale agreement
244,096	—	—	Net issue of capital efficient notes
(200,000)	—	—	Net redemption of trust preferred securities
(73,690)	(378,477)	(1,914)	Net cash used in financing activities
6,210	10,593	(29,605)	Effect of foreign exchange rate changes on cash
(12,590)	(333,893)	183,385	(Decrease) increase in cash and cash equivalents
1,001,378	988,788	654,895	Cash and cash equivalents — beginning of year
\$ 988,788	\$ 654,895	\$ 838,280	Cash and cash equivalents — end of year
			Supplemental cash flow information:
\$ 26,869	\$ 65,457	\$ 36,007	Taxes paid
\$ 51,759	\$ 55,110	\$ 51,190	Interest paid

See accompanying Notes to Consolidated Financial Statements.