HAMILTON, Bermuda--(BUSINESS WIRE)--Apr. 25, 2012-- Everest Re Group, Ltd. (NYSE: RE) today reported net income of $304.7 million, or $5.68 per diluted common share, for the first quarter of 2012, compared to a net loss of $315.9 million, or $5.81 per common share, for the first quarter of 2011. Excluding realized capital gains and losses, after-tax operating income\(^1\) was $239.9 million, or $4.48 per diluted common share, for the first quarter 2012, compared to an after-tax operating loss\(^1\) of $323.6 million, or $5.95 per common share, for the same period last year.

Commenting on the Company's results, Chairman and Chief Executive Officer, Joseph V. Taranto said, "We are extremely pleased with our results this quarter, having generated comprehensive income in excess of $400 million, an annualized operating ROE of 17%, and growth in book value per share, adjusted for dividends, of 7% in the quarter. Our underwriting portfolio, particularly for catastrophe exposed risks, has seen strong upward rate momentum, which is adding meaningfully to the risk-adjusted returns we are able to achieve. We expect market momentum to continue and we remain well positioned to capitalize on opportunities as they arise."

Operating highlights for the first quarter of 2012 included the following:

- Gross written premiums were $1.05 billion, a decrease of 2% when compared to the first quarter of 2011. However, adjusting for the impact of reinstatement premiums and foreign currency fluctuations, gross written premiums were up just over 1%, quarter over quarter, with reinsurance premiums up 9% on this same basis.
- The loss ratio was 60.4% for the quarter compared to 123.6% in the first quarter of 2011. Excluding catastrophe losses, reinstatement premiums, and prior year development, the attritional loss ratio was 57.6% compared to 59.8% for the same period last year.
- Net investment income for the current quarter was $152.4 million, down when compared to $178.7 million for 2011, primarily due to higher investment income on limited partnership investments in the prior year.
- Cash flow from operations remained strong at $165.7 million for the quarter.
- During the quarter, the Company repurchased 1.4 million of its common shares at an average price of $90.73 and a total cost of $125.0 million. The repurchases were made pursuant to a share repurchase authorization, provided by the Company's Board of Directors, under which there remains 5.9 million shares available.
- Shareholders' equity ended the quarter at $6.33 billion, up from $6.07 billion at year end 2011. Book value per share increased 6.5% from $112.99 at December 31, 2011 to $120.30 at March 31, 2012.

This news release contains forward-looking statements within the meaning of the U.S. federal securities laws. We intend these forward-looking statements to be covered by the safe harbor provisions for forward-looking statements in the U.S. Federal securities laws. These statements involve risks and uncertainties that could cause actual results to differ materially from those contained in forward-looking statements made on behalf of the Company. These risks and uncertainties include the impact of general economic conditions and conditions affecting the insurance and reinsurance industry, the adequacy of our reserves, our ability to assess underwriting risk, trends in rates for property and casualty insurance and reinsurance, competition, investment market fluctuations, trends in insured and paid losses, catastrophes, regulatory and legal uncertainties and other factors described in our latest Annual Report on Form 10-K. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Everest Re Group, Ltd. is a Bermuda holding company that operates through the following subsidiaries: Everest Reinsurance Company, Everest National Insurance Company and Everest Indemnity Insurance Company provide property and casualty insurance to policyholders in the U.S.

Everest Reinsurance Company (Ireland), Limited provides reinsurance to non-life insurers in Europe. Everest National Insurance Company and Everest Security Insurance Company provide property and casualty insurance to policyholders in the U.S.

Everest Indemnity Insurance Company offers excess and surplus lines insurance in the U.S. Everest Insurance Company of Canada provides property and casualty insurance to policyholders in Canada. Additional information on Everest Re Group companies can be found at the Group's web site at http://www.everestregroup.com.

A conference call discussing the first quarter results will be held at 10:30 a.m. Eastern Time on April 26, 2012. The call will be available on the Internet through the Company's web site or at http://www.streetevents.com.

Recipients are encouraged to visit the Company's web site to view supplemental financial information on the Company's results. The supplemental information is located at http://www.everestregroup.com in the “Financial Reports” section of the “Investor Center”. The supplemental financial information may also be obtained by contacting the Company directly.
The Company generally uses after-tax operating income (loss), a non-GAAP financial measure, to evaluate its performance. After-tax operating income (loss) consists of net income (loss) excluding after-tax net realized capital gains (losses) as the following reconciliation displays:

<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>March 31,</td>
<td>2012 (unaudited)</td>
</tr>
<tr>
<td></td>
<td>Per Diluted</td>
<td>Per</td>
</tr>
<tr>
<td></td>
<td>Common Amount</td>
<td>Common</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Share</td>
</tr>
<tr>
<td>Net income (loss)</td>
<td>$304,704</td>
<td>$5.68</td>
</tr>
<tr>
<td>After-tax net realized</td>
<td>64,776</td>
<td>1.21</td>
</tr>
<tr>
<td>capital gains (losses)</td>
<td></td>
<td>7,668</td>
</tr>
<tr>
<td>After-tax operating income</td>
<td>$239,928</td>
<td>$4.48</td>
</tr>
<tr>
<td>(loss)</td>
<td></td>
<td>($323,562)</td>
</tr>
</tbody>
</table>

(Some amounts may not reconcile due to rounding.)

Although net realized capital gains (losses) are an integral part of the Company's insurance operations, the determination of net realized capital gains (losses) is independent of the insurance underwriting process. The Company believes that the level of net realized capital gains (losses) for any particular period is not indicative of the performance of the underlying business in that particular period. Providing only a GAAP presentation of net income (loss) makes it more difficult for users of the financial information to evaluate the Company's success or failure in its basic business, and may lead to incorrect or misleading assumptions and conclusions. The Company understands that the equity analysts who follow the Company focus on after-tax operating income (loss) in their analyses for the reasons discussed above. The Company provides after-tax operating income (loss) to investors so that they have what management believes to be a useful supplement to GAAP information concerning the Company's performance.

--Financial Details Follow--

EVEREST RE GROUP, LTD.
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
Income tax expense (benefit) 38,117 (25,776)

NET INCOME (LOSS) $304,704 $(315,894)

Other comprehensive income (loss), net of tax:
Unrealized appreciation (depreciation) ("URA(D)"") on securities arising during the period 80,127 (40,807)
Less: reclassification adjustment for realized losses (gains) included in net income (loss) 242 16,318
Total URA(D) on securities arising during the period 80,369 (24,489)
Foreign currency translation adjustments 15,870 28,822
Pension adjustments 984 746
Total other comprehensive income (loss), net of tax 97,223 5,079

COMPREHENSIVE INCOME (LOSS) $401,927 $(310,815)

EARNINGS PER COMMON SHARE:
Basic $5.70 $(5.81)
Diluted 5.68 (5.81)
Dividends declared 0.48 0.48

EVEREST RE GROUP, LTD.
CONSOLIDATED BALANCE SHEETS

(Dollars and share amounts in thousands, except par value per share)

<table>
<thead>
<tr>
<th>March 31, 2012</th>
<th>December 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>(unaudited)</td>
<td>(audited)</td>
</tr>
</tbody>
</table>

ASSETS:
Fixed maturities - available for sale, at market value $12,391,745 $12,293,524
Fixed maturities - available for sale, at fair value 64,936 113,606
Equity securities - available for sale, at market value (cost: 2012, $450,592; 2011, $463,620) 458,752 448,930
Equity securities - available for sale, at fair value 1,211,337 1,249,106
Short-term investments 943,566 685,332
Other invested assets (cost: 2012, $574,575; 2011, $558,232) 574,575 558,232
Cash 472,047 448,651
Total investments and cash 16,116,958 15,797,381
Accrued investment income 125,889 130,193
Premiums receivable 1,045,107 1,077,548
Reinsurance receivables 574,330 580,339
Funds held by reinsureds 271,652 267,295
Deferred acquisition costs 370,355 378,026
Prepaid reinsurance premiums 80,895 85,409
Deferred tax asset 295,107 332,783
Federal income taxes recoverable 44,891 41,623
Other assets 240,216 202,958
TOTAL ASSETS $19,165,400 $18,893,555

LIABILITIES:
Reserve for losses and loss adjustment expenses $10,029,343 $10,123,215
Future policy benefit reserve 66,842 67,187
Unearned premium reserve 1,431,046 1,412,778
Funds held under reinsurance treaties 1,431,046 1,412,778
Commission reserves 48,306 55,103
Other net payable to reinsurers 48,306 55,103
5.4% Senior notes due 10/15/2014 249,870 249,858
6.6% Long term notes due 5/1/2067 238,355 238,354
Junior subordinated debt securities payable 329,897 329,897
Accrued interest on debt and borrowings 12,092 4,781
Equity index put option liability 63,546 69,729
Other liabilities 312,901 217,186
Total liabilities 12,834,402 12,822,180
SHAREHOLDERS’ EQUITY:

Preferred shares, par value: $0.01; 50,000 shares authorized; no shares issued and outstanding - -

Common shares, par value: $0.01; 200,000 shares authorized; (2012) 66,721 and (2011) 66,455 outstanding before treasury shares 667 665

Additional paid-in capital 1,901,322 1,892,988

Accumulated other comprehensive income (loss), net of deferred income tax expense (benefit) of $121,121 at 2012 and $112,969 at 2011 464,201 366,978

Treasury shares, at cost; 14,096 shares (2012) and 12,719 shares (2011) (1,198,969) (1,073,970)

Retained earnings 5,163,777 4,884,714

Total shareholders’ equity 6,330,998 6,071,375

TOTAL LIABILITIES AND SHAREHOLDERS’ EQUITY $19,165,400 $18,893,555

EVEREST RE GROUP, LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS

(Dollars in thousands)

Three Months Ended

March 31,

2012 2011

(unaudited)

CASH FLOWS FROM OPERATING ACTIVITIES:

Net income (loss) $304,704 $(315,894)

Adjustments to reconcile net income to net cash provided by operating activities:

Decrease (increase) in premiums receivable 37,271 (118,423)

Decrease (increase) in funds held by reinsureds, net (2,266) 16,843

Decrease (increase) in reinsurance receivables 20,782 17,218

Decrease (increase) in federal income taxes recoverable (3,309) (57,306)

Decrease (increase) in deferred tax asset 30,005 19,240

Decrease (increase) in prepaid reinsurance premiums 5,993 17,027

Increase (decrease) in reserve for losses and loss adjustment expenses (172,164) 546,447

Increase (decrease) in future policy benefit reserve (345) (218)

Increase (decrease) in unearned premiums 12,593 (7,131)

Increase (decrease) in other net payable to reinsurers (3,122) (22,684)

Change in equity adjustments in limited partnerships (12,520) (36,305)

Change in other assets and liabilities, net 26,334 125,238

Non-cash compensation expense 5,722 3,446

Amortization of bond premium (accrual of bond discount) 14,766 12,752

Amortization of underwriting discount on senior notes 13 12

Net realized capital (gains) losses (98,719) (12,156)

Net cash provided by (used in) operating activities 165,738 188,106

CASH FLOWS FROM INVESTING ACTIVITIES:

Proceeds from fixed maturities matured/called - available for sale, at market value 410,377 438,264

Proceeds from fixed maturities matured/called - available for sale, at fair value - 6,900

Proceeds from fixed maturities sold - available for sale, at market value 218,078 530,910

Proceeds from fixed maturities sold - available for sale, at fair value 59,281 32,952

Proceeds from equity securities sold - available for sale, at market value 20,243 27,096

Proceeds from equity securities sold - available for sale, at fair value 203,656 56,667

Distributions from other invested assets 8,219 86,559

Cost of fixed maturities acquired - available for sale, at market value (612,674) (954,632)

Cost of fixed maturities acquired - available for sale, at fair value (3,124) (8,076)

Cost of equity securities acquired - available for sale, at market value (6,452) (87,128)

Cost of equity securities acquired - available for sale, at fair value (113,345) (128,642)

Cost of other invested assets acquired (11,912) (24,558)

Cost of businesses acquired - (63,100)

Net change in short-term investments (257,705) 132,939
Net change in unsettled securities transactions  |  38,822  |  (127,860 )
Net cash provided by (used in) investing activities  |  (6,536 )  |  (81,709 )

**CASH FLOWS FROM FINANCING ACTIVITIES:**
- Common shares issued during the period, net  |  2,611  |  1,678
- Purchase of treasury shares  |  (124,999)  |  (37,611 )
- Revolving credit borrowings  |  -  |  (10,000 )
- Dividends paid to shareholders  |  (25,641 )  |  (26,045 )
- Net cash provided by (used in) financing activities  |  (148,029)  |  (71,978 )

**EFFECT OF EXCHANGE RATE CHANGES ON CASH**  |  12,223  |  (8,680 )

Net increase (decrease) in cash  |  23,396  |  25,739
Cash, beginning of period  |  448,651  |  258,408
Cash, end of period  |  $472,047  |  $284,147

**SUPPLEMENTAL CASH FLOW INFORMATION:**
- Income taxes paid (recovered)  |  $11,184  |  $11,924
- Interest paid  |  5,698  |  5,519

Non-cash transaction:
- Net assets acquired and liabilities assumed from business acquisitions  |  -  |  19,130

Source: Everest Re Group, Ltd.

Everest Global Services, Inc.
Elizabeth B. Farrell, 908-604-3169
Vice President, Investor Relations