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FOR IMMEDIATE RELEASE

Primus Guaranty reports Fourth Quarter Net Income of \$13.7 million, or \$0.31 per diluted share
Full Year 2004 was \$23.7 million, or \$0.59 per diluted share

Hamilton, Bermuda – February 9, 2005 – Primus Guaranty, Ltd. (“Primus Guaranty”) (NYSE: PRS), a leading provider of credit protection, today announced net income of \$13.7 million, or \$0.31 per diluted share for its fourth quarter 2004, compared with \$14.8 million, or \$0.44 per diluted share for the fourth quarter of 2003. The quarterly net income for fourth quarters 2004 and 2003 include net realized and unrealized gains of \$10.1 million and \$14.3 million respectively for the periods. The weighted average common diluted shares outstanding was 44.4 million in the fourth quarter 2004, compared with 34 million in the same period of 2003. As previously discussed, the company incurred a one-time expense in the fourth quarter 2004 of \$3.3 million, or \$0.08 per diluted share, due to the accelerated vesting of employee restricted stock and options as a result of its initial public offering. In the same period for 2003 there was a non-recurring expense of \$3.2 million, or \$0.09 per diluted share, related to the accelerated amortization of software costs.

“2004 was a very successful and exciting year for Primus, highlighted by our initial public offering and listing on the NYSE in the third quarter. There are a number of other achievements that I am pleased with, including achieving significant growth in our economic results and exceeding our portfolio growth targets for the year. Our portfolio grew to approximately \$10.5 billion at year-end despite a challenging spread environment for a number of months during the year”, said Thomas Jasper, Chief Executive Officer. “Additionally, in the fourth quarter, we marketed our second credit swap asset management transaction in which we manage a portfolio of credit default swaps on behalf of third parties. Our expanding asset management business is indicative of the company’s ability to leverage its core expertise, maximizing the talents of the Primus team.

In 2005, our focus will be on continuing the profitable growth of our core business of selling credit protection, capturing additional opportunities in the asset management area and finding new areas of growth that complement our strategy and core competencies.”

Results for quarter ended December 31, 2004

Net income for the quarter ended December 31, 2004 was \$13.7 million, a decrease of \$1.1 million from the same quarter in 2003. Total revenues increased by \$251 thousand to \$24.8 million, whereas total expenses were \$1.1 million higher in the fourth quarter of 2004. Details of the changes in revenues and expenses are provided below.

Net credit swap revenue, which comprises net premiums earned, as well as realized and unrealized gains and losses on the swap portfolio, decreased 9.3% to \$21.6 million in the fourth quarter of 2004

from \$23.8 million for the same period in 2003. The decline is primarily attributable to lower realized gains from the termination of swaps sold and unrealized losses on the portfolio of credit swaps purchased for investment purposes. These declines are partly offset by higher net premium income.

Reflecting growth in the company's credit swap portfolio, premiums earned on credit swaps sold increased 25.4% to \$11.9 million in the fourth quarter of 2004 from \$9.5 million for the same period in 2003. Premium expense on credit swaps purchased as short-term investments was \$400 thousand in the fourth quarter of 2004, an increase of \$381 thousand from the fourth quarter of 2003. The significant increase in premium expense on credit swaps purchased was due to increased size of notional and full quarter activity, as the strategy was launched during the fourth quarter of 2003.

Realized gains on the portfolio of credit swaps sold were \$173 thousand in the fourth quarter of 2004, compared with realized gains of \$3.2 million in the fourth quarter of 2003. Realized losses on the portfolio of credit swaps sold were \$348 thousand in the fourth quarter of 2004, of which \$339 thousand was attributable to credit mitigation activity, compared with \$50 thousand in the fourth quarter of 2003. Net realized gains on the portfolio of credit swaps purchased for short-term investment purposes were \$123 thousand for the fourth quarter of 2004 compared to \$28 thousand in the same period of 2003.

Fourth quarter unrealized gains of \$11.2 million on credit swaps sold were up 2.2% compared to the fourth quarter of 2003 unrealized gains of \$10.9 million, as premiums levels at the end of 2004 contracted to levels similar to those prevailing on December 31, 2003. The portfolio of credit swaps purchased as short-term investments experienced an unrealized loss of \$1 million in the fourth quarter of 2004, compared with a \$23 thousand gain for the fourth quarter of 2003.

Interest income for the fourth quarter of 2004 was \$2.3 million compared with \$702 thousand for the same quarter in 2003. This was due to the increase in our average invested balances and higher investment yields. Average balances were \$422 million for the fourth quarter 2004, compared with \$256 million in same quarter for 2003. The increase was attributable to the IPO proceeds of approximately \$110.7 million, proceeds from the issuance of \$75 million of subordinated deferrable interest notes in July 2004, together with the retention of cash earnings over the period. The average investment yield increased to 2.20% in the fourth quarter of 2004, up 111 basis points from an average of 1.09% in the fourth quarter of 2003. The increase in yield was primarily due to increases in short-term market interest rates.

Credit swap asset management fees for the fourth quarter 2004 were \$12 thousand. There were no such fees in 2003, as the asset management initiative was launched in 2004. Asset management fees are earned ratably over the life of the contract, which is generally 5 years, and an additional contingent fee would be received at the end of the contract if certain pre-agreed success conditions are met.

Total operating expenses, excluding financing costs, were \$10 million for the fourth quarter 2004, compared with \$9.5 million in the fourth quarter of 2003. The total operating expenses of \$10 million include the one-time expense of \$3.3 million, or \$0.08 per diluted share, which is attributable to the accelerated vesting of employee restricted stock and options as a result of the initial public offering.

Compensation expenses were \$6.7 million in the fourth quarter of 2004, compared with \$3.6 million in the same period of 2003. The increase in expenses was attributable to higher expenses associated with the accelerated vesting of employee restricted stock and options. Other operating expenses for the fourth quarter of 2004 were similar to the expenses in the same quarter of 2003, except for an

additional expense of \$3.2 million that was recorded in the fourth quarter of 2003, for the accelerated amortization of software that was no longer in use.

Financing costs, comprising distributions on preferred shares and interest expense, were \$1.1 million in the fourth quarter of 2004, compared with \$489 thousand in the fourth quarter of 2003. The increase in financing costs was primarily attributable to the interest expense associated with the issuance of \$75 million of subordinated deferrable interest notes in July 2004 coupled with an increase in market interest rates during the fourth quarter of 2004.

Results for year ended December 31, 2004

Net income for the year ended December 31, 2004 was \$23.7 million, compared with \$78.5 million in 2003. Total revenues for 2004 were \$53.8 million, compared with \$106.1 million in 2003. Total expenses, including financing costs, were \$30.0 million in 2004, compared with \$27.8 million in 2003. Details of the changes in revenues and expenses are provided below.

Net credit swap revenue, which comprises premiums earned, as well as realized and unrealized gains and losses on the swap portfolio, decreased 53.8% to \$47.7 million in 2004 from \$103.3 million for the same period in 2003. The decrease is mostly attributable to a decline in unrealized gains on credit swaps sold, which were \$1.9 million in 2004, compared with \$46.5 million in 2003. Unrealized losses in the portfolio of credit swaps purchased as short-term investments were \$2.2 million in 2004; the unrealized gains in 2003 were \$23 thousand.

Premiums earned on credit swaps sold increased 11.2% to \$43.5 million in 2004 from \$39.1 million for the same period in 2003. The increase was primarily due to the growth in the portfolio of credit swaps sold to \$10.5 billion at December 31, 2004 from \$6.3 billion at the end of 2003. Premium expense on credit swaps purchased as short-term investments was \$927 thousand in 2004, an increase of \$908 thousand from 2003 full year expense of \$19 thousand. The primary reason for the increase in premium expense is the fact that the strategy of purchasing credit swaps for short-term investments was adopted in the fourth quarter of 2003 and only a partial year's expense was recognized in 2003.

Realized gains on the portfolio of credit swaps sold were \$5.5 million in 2004, compared with \$18.3 million in 2003. In 2004, realized losses on the portfolio of credit swaps sold were \$1.1 million, of which \$886 thousand was attributable to credit mitigation activity, compared with \$264 thousand in 2003. Net realized gains on the portfolio of credit swaps purchased for short-term investment purposes were \$1.1 million for full year 2004 compared with \$28 thousand in 2003.

Interest income increased to \$4.9 million in 2004 from \$2.6 million in 2003, primarily due to the increased in average investment balances and higher average investment yields. Average balances were \$372 million for full year 2004, compared with \$241 million in 2003. The increase was attributable to the issuance of \$75 million of subordinated deferrable interest notes in July 2004, together with the retention of cash earnings over the period and net proceeds of \$110.7 million from the initial public offering. The average investment yield increased to 1.30% in 2004, compared with 1.08% in 2003. The increase in yield was primarily due to increases in short-term market interest rates.

Total expenses were \$30.0 million for 2004, compared with \$27.8 million for 2003. Compensation expense was \$17.8 million, compared with \$11.7 million in 2003. \$3.3 million of the increase is due to the accelerated vesting of employee restricted stock and options upon the IPO. The

remainder of the increase is attributable to the growth in the number of staff, increased compensation levels, and additional stock and option expense associated with new awards granted in 2004.

Operating expenses, other than compensation, were \$9.2 million in 2004, compared with \$14.2 million in the same period in 2003. The principal reason for the decline was an expense of \$3.2 million for the accelerated amortization of software costs incurred in 2003.

Financing costs, comprising distributions on preferred shares and interest expense, were \$3.0 million in 2004 compared with \$1.9 million for 2003. The increase is attributable to interest expense associated with the issuance of \$75 million of subordinated deferrable interest notes in July 2004 together with an increase in market interest rates during the latter part of 2004.

Balance Sheet

At December 31, 2004, total assets were \$542.8 million, up 69% from total assets of \$321.4 million at December 31, 2003. This increase was due primarily to proceeds received in connection with the issuance of \$75 million of subordinated deferrable interest notes in July 2004 by Primus Financial Products and the \$110.7 million received from the initial public offering, completed in October 2004. At December 31, 2004, shareholders' equity was \$361 million, a 68% increase from shareholders' equity of \$214.8 million at December 31, 2003. The increase in shareholders equity stemmed primarily from the issuance of 9.1 million shares in connection with our initial public offering.

Credit Swap Portfolios

At December 31, 2004, our portfolio of credit swaps sold totaled \$10.5 billion, up 68% from our portfolio of credit swaps sold of \$6.3 billion at December 31, 2003. The credit swap portfolio's weighted average credit ratings at December 31, 2004 were A/A3, the same as at December 31, 2003. There were 476 reference entities in the portfolio at December 31, 2004 compared with 347 reference entities at December 31, 2003. For the full year 2004 there were no credit events on our credit swap portfolio.

The portfolio of credit swaps purchased as short-term investments was \$468 million at December 31, 2004, compared with a balance of \$130 million at December 31, 2003.

Other Performance Data

In managing our business and assessing its growth and profitability from a strategic and financial planning perspective, we believe it is appropriate to consider both our United States GAAP financial results as well as the impact on those results of fair value accounting and the termination of credit swaps. Therefore, we evaluate what our economic results would have been if we excluded from revenue the amounts of any unrealized gains and losses on our portfolio of credit swaps sold, and any realized gains from terminations of credit swaps sold prior to maturity, although we amortize those gains over the remaining original lives of the terminated contracts.

During the fourth quarter of 2004, unrealized gains on the portfolio of credit swaps sold were \$11.2 million. Realized gains on the portfolio of credit swaps sold were \$173 thousand and the amortization of previously realized gains was \$1.7 million.

For the full year of 2004, net unrealized gains on the portfolio of credit swaps sold were \$2.0 million. Realized gains on the portfolio of credit swaps sold were \$5.5 million and the amortization of previously realized gains was \$6.2 million.

Earnings Conference Call

Primus Guaranty will host a conference call Wednesday, February 9, 2005, at 11:00 AM (ET) with access available via Internet and telephone. To access the live conference call, dial (800) 299-0433 (toll-free domestic) or (617) 801-9712 (international). The access code is 70470196. Please call to register at least 10 minutes before the conference call begins. A replay of the call will be available for two weeks via telephone starting at approximately 1:00 PM (ET) on Wednesday, February 9, 2005, and can be accessed at (888) 286-8010 (toll-free domestic) or (617) 801-6888 (international). The access code is 20349019. The webcast will be live as well as archived for one month on Primus Guaranty's website: www.primusguaranty.com. To access the webcast, refer to the investor relations section of the website, and click on webcast icon in center of page.

About Primus Guaranty

Primus Guaranty, Ltd., through its principal operating subsidiary, Primus Financial Products, LLC, offers protection against the risk of default on investment grade credit obligations. Primus Financial assumes these risks through the sale of credit default swaps to dealers, banks and portfolio managers. As a swap counterparty, Primus Financial is rated Aaa by Moody's Investor Service, Inc. and AAA by Standard & Poor's Rating Services. Another subsidiary of Primus Guaranty, Primus Asset Management, Inc., manages the credit swap portfolios of Primus Financial and third parties.

The company, which is traded on the New York Stock Exchange under the symbol PRS, has over \$526 million in assets at September 30, 2004. Primus Guaranty is a Bermuda company, with the operations of its principal subsidiaries, Primus Financial Products and Primus Asset Management, headquartered in New York, New York.

Safe Harbor Statement

Some of the statements included in this press release, particularly those anticipating future financial performance, business prospects, growth and operating strategies and similar matters, are forward-looking statements that involve a number of risks and uncertainties. For those statements, we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. For a discussion of the factors that could affect our actual results please refer to the risk factors identified from time to time in our SEC reports, including, but not limited to, our 10-Q, as filed with the SEC.

Primus Guaranty, Ltd.
Consolidated Statements of Financial Condition
(dollars in 000s except per share amounts)

	December 31,	
	2004	2003
Assets		
Cash and cash equivalents.....	\$ 320,989	\$ 257,967
Short-term investments	161,101	3,968
Accrued interest receivable	1,381	129
Accrued premiums on credit swaps.....	3,349	3,642
Premiums receivable on credit swaps.....	197	140
Premiums receivable on financial guarantees	800	1,201
Asset management fee receivable	15	—
Prepaid expenses	868	395
Total current assets.....	488,700	267,442
Unrealized gain on credit swaps, at fair value.....	46,517	46,594
Fixed assets, less accumulated depreciation of \$493 in 2004; \$259 in 2003 and \$45 in 2002.....	1,800	1,651
Internal use software costs, less accumulated amortization of \$5,862 in 2004; \$4,176 in 2003 and \$1,803 in 2002	4,297	5,473
Income tax receivable	313	269
Debt issuance costs	1,125	—
Total assets.....	\$ 542,752	\$ 321,429
Liabilities and shareholders' equity		
Accounts payable	\$ 906	\$ 653
Compensation payable	5,317	5,474
Brokerage fees payable	14	50
Current state and local taxes payable	45	—
Interest payable	364	—
Total current liabilities	6,646	6,177
Long-term debt.....	75,000	—
Unrealized loss on credit swaps, at fair value	259	68
Deferred rent payable.....	455	473
Deferred financial guarantee premiums	805	1,201
Unrealized loss on sublease.....	—	39
Deferred credit swap premiums	69	112
Total liabilities	83,234	8,070
Preferred securities of subsidiary	98,521	98,521
Commitments and contingencies <i>(see Note 14)</i>		
Shareholders' equity:		
Common stock, \$0.08 par value, 62,500,000 shares authorized, 42,789,406; 2,600,000; 2,570,988 shares issued and outstanding at December 31, 2004; 2003; 2002.....	3,535	230
Additional Paid-in-Capital	264,860	1,325
Convertible Preferred stock.....	—	143,908
Warrants.....	612	1,070
Retained earnings (accumulated deficit)	91,990	68,305
Total shareholders' equity	360,997	214,838
Total liabilities and shareholders' equity.....	\$ 542,752	\$ 321,429

Primus Guaranty, Ltd.
Consolidated Statements of Operations
(amounts in 000s except per share data)

	Three months ended December 31,		Year ended December 31,	
	2004	2003	2004	2003
	(unaudited)			
Revenues				
Net credit swap revenue	\$ 21,563	\$ 23,776	\$ 47,729	\$ 103,326
Premiums earned on financial guarantees	100	-	395	-
Interest income	2,316	702	4,850	2,617
Rental income	-	27	40	107
Asset management fees	12	-	15	-
Foreign currency revaluation	765	-	726	-
Total net revenues	<u>24,756</u>	<u>24,505</u>	<u>53,755</u>	<u>106,050</u>
Expenses				
Employee compensation and benefits	6,659	3,557	17,801	11,701
Excess-of-loss insurance policy premium	-	-	-	727
Professional and legal fees	1,254	1,017	2,414	3,398
Fixed asset depreciation and amortization	497	3,786	1,951	5,829
Technology and data feeds	449	307	1,363	1,316
Rent	194	185	744	692
Bank fees	136	141	576	529
Rating agency fees	57	119	346	494
Brokerage expense	87	123	602	442
Interest expense	505	-	881	-
Other	631	255	1,208	769
Total expenses	<u>10,469</u>	<u>9,490</u>	<u>27,886</u>	<u>25,897</u>
Distributions on preferred securities of subsidiary ...	(589)	(489)	(2,138)	(1,854)
Income (loss) before benefit (provision)				
for income taxes	13,698	14,526	23,731	78,299
Benefit (provision) for income taxes	49	299	(46)	172
Net Income (loss) available to common shares	<u>\$ 13,747</u>	<u>\$ 14,825</u>	<u>\$ 23,685</u>	<u>\$ 78,471</u>
Earnings (loss) per common share:				
Basic	\$ 0.32	\$ 5.89	\$ 1.44	\$ 31.18
Diluted	\$ 0.31	\$ 0.44	\$ 0.59	\$ 2.33
Average common shares outstanding:				
Basic	42,957	2,517	16,486	2,517
Diluted	44,401	34,002	40,256	33,737

Primus Guaranty, Ltd.
Summary Financial Information

(amounts in 000's except per share data)

	For the Three Months Ended							
	December 31, 2004	September 30, 2004	June 30, 2004	March 31, 2004	December 31, 2003	September 30, 2003	June 30, 2003	March 31, 2003
	(Unaudited)							
Revenues								
Net credit swap revenue	21,563	\$ 23,331	\$ 5,865	\$ (3,030)	\$ 23,776	\$ 21,804	\$ 45,961	\$ 11,785
Premiums earned on financial guarantees	100	99	97	99	-	-	-	-
Interest income earned	2,316	1,166	716	652	702	607	635	673
Rental income	-	-	13	27	27	26	27	27
Asset management fees	12	3	-	-	-	-	-	-
Foreign exchange revaluation	765	66	(32)	(73)	-	-	-	-
	<u>24,756</u>	<u>24,665</u>	<u>6,659</u>	<u>(2,325)</u>	<u>24,505</u>	<u>22,437</u>	<u>46,623</u>	<u>12,485</u>
Expenses								
Compensation	6,659	3,858	3,861	3,423	3,557	3,112	2,615	2,417
Technology and data feeds	449	243	364	307	307	330	377	302
Professional and legal fees	1,254	382	363	415	1,017	480	1,129	772
Rent	194	193	184	173	185	164	165	178
Fixed asset depreciation and amortization	497	494	486	474	3,786	689	682	1,399
Other operating expenses	911	713	577	531	638	523	550	523
Financing costs	1,094	778	605	542	489	534	610	221
	<u>11,058</u>	<u>6,661</u>	<u>6,440</u>	<u>5,865</u>	<u>9,979</u>	<u>5,832</u>	<u>6,128</u>	<u>5,812</u>
Income (loss) before income taxes	13,698	18,004	219	(8,190)	14,526	16,605	40,495	6,673
Income tax expense (benefit)	(49)	(22)	45	72	(299)	22	(32)	137
Net income (loss)	<u>\$ 13,747</u>	<u>\$ 18,026</u>	<u>\$ 174</u>	<u>\$ (8,262)</u>	<u>\$ 14,825</u>	<u>\$ 16,583</u>	<u>\$ 40,527</u>	<u>\$ 6,536</u>
Per Share and Share Data								
Basic earnings per share	\$ 0.32	\$ 4.23	\$ 0.05	\$ (3.21)	\$ 5.89	\$ 6.59	\$ 16.11	\$ 2.70
Weighted average common shares outstanding - basic	42,957	4,264	3,527	2,570	2,517	2,517	2,515	2,421
Diluted earnings per share	\$ 0.31	\$ 0.51	\$ 0.01	\$ (3.21)	\$ 0.44	\$ 0.49	\$ 1.20	\$ 0.20
Weighted average common shares outstanding - diluted	44,401	35,219	34,768	2,570	34,002	33,965	33,843	33,241
Net credit swap revenue components								
<i>Credit swaps sold</i>								
Premium income	\$ 11,894	\$ 11,192	\$ 10,398	\$ 10,010	\$ 9,485	\$ 10,303	\$ 10,179	\$ 9,145
Realized gains	173	3,251	948	1,161	3,224	7,360	5,960	1,769
Realized losses	(348)	(778)	(13)	-	(50)	-	-	(214)
Change in unrealized gains/losses	11,153	10,998	(5,285)	(14,967)	10,912	4,170	29,636	1,736
<i>Credit swaps purchased as short-term investments</i>								
Premium expense	(400)	(279)	(126)	(122)	(19)	-	-	-
Realized gains	174	346	319	421	28	-	-	-
Realized losses	(51)	(34)	(47)	-	-	-	-	-
Change in unrealized gains/losses	(1,027)	(1,335)	(313)	450	23	-	-	-
<i>Credit swaps purchased to offset credit risk on certain swaps sold</i>								
Premium expense	(23)	(23)	(23)	(23)	(28)	(23)	(24)	(60)
Realized gains	-	-	-	-	-	-	-	-
Realized losses	-	-	-	-	-	-	(448)	-
Change in unrealized gains/losses	18	(7)	7	40	201	(6)	658	(591)
Net credit swap revenue	<u>\$ 21,563</u>	<u>\$ 23,331</u>	<u>\$ 5,865</u>	<u>\$ (3,030)</u>	<u>\$ 23,776</u>	<u>\$ 21,804</u>	<u>\$ 45,961</u>	<u>\$ 11,785</u>

Primus Guaranty, Ltd.
Summary Financial Information

(amounts in 000's except per share data)

	Full Year	
	December 31, 2004	December 31, 2003
Revenues		
Net credit swap revenue	\$ 47,729	\$ 103,326
Premiums earned on financial guarantees	395	-
Interest income earned	4,850	2,617
Rental income	40	107
Asset management fees	15	-
Foreign exchange revaluation	726	-
	<u>53,755</u>	<u>106,050</u>
Expenses		
Compensation	17,801	11,701
Technology and data feeds	1,363	1,316
Professional and legal fees	2,414	3,398
Rent	744	692
Fixed asset depreciation and amortization	1,951	6,556
Other operating expenses	2,732	2,234
Financing costs	3,019	1,854
	<u>30,024</u>	<u>27,751</u>
Income (loss) before income taxes	23,731	78,299
Income tax expense (benefit)	46	(172)
Net income (loss)	<u>\$ 23,685</u>	<u>\$ 78,471</u>
Per Share and Share Data		
Basic earnings per share	\$ 1.44	\$ 31.18
Weighted average common shares outstanding - basic	16,486	2,517
Diluted earnings per share	\$ 0.59	\$ 2.33
Weighted average common shares outstanding - diluted	40,256	33,737
Net credit swap revenue components		
<i>Credit swaps sold</i>		
Premium income	\$ 43,494	\$ 39,112
Realized gains	5,533	18,313
Realized losses	(1,139)	(264)
Change in unrealized gains/losses	1,899	46,454
<i>Credit swaps purchased as short-term investments</i>		
Premium expense	(927)	(19)
Realized gains	1,260	28
Realized losses	(132)	-
Change in unrealized gains/losses	(2,225)	23
<i>Credit swaps purchased to offset credit risk on certain swaps sold</i>		
Premium expense	(92)	(135)
Realized gains	-	-
Realized losses	-	(448)
Change in unrealized gains/losses	58	262
Net credit swap revenue	<u>\$ 47,729</u>	<u>\$ 103,326</u>

Primus Guaranty, Ltd.

Summary Financial Information
Fourth Quarter 2004
(dollars in 000's)

	As of							
	December 31, 2004	September 30, 2004	June 30, 2004	March 31, 2004	December 31, 2003	September 30, 2003	June 30, 2003	March 31, 2003
	(Unaudited)							
Assets								
Cash and cash equivalents	\$ 320,989	\$ 357,539	\$ 272,523	\$ 240,548	\$ 257,967	\$ 247,982	\$ 236,255	\$ 224,508
Short-term investments	161,101	3,429	3,441	23,624	3,968	3,002	-	36
Unrealized gain on credit swaps, at fair value	46,517	37,072	29,121	32,446	46,594	35,458	31,250	6,814
Receivable from underwriters	-	114,797	-	-	-	-	-	-
Other assets	14,145	13,262	14,948	12,946	12,900	16,181	16,675	16,890
Total assets	<u>542,752</u>	<u>526,099</u>	<u>320,033</u>	<u>309,564</u>	<u>321,429</u>	<u>302,623</u>	<u>284,180</u>	<u>248,248</u>
Liabilities								
Long-term debt of subsidiary	75,000	75,000	-	-	-	-	-	-
Compensation accrual	5,317	4,479	3,042	1,604	5,474	3,643	2,251	1,193
Unrealized loss on credit swaps, at fair value	259	958	2,664	394	68	66	22	5,882
Other liabilities	2,658	3,271	2,169	2,065	2,528	664	558	630
Total liabilities	<u>83,234</u>	<u>83,708</u>	<u>7,875</u>	<u>4,063</u>	<u>8,070</u>	<u>4,373</u>	<u>2,831</u>	<u>7,705</u>
Preferred securities of subsidiary	98,521	98,521	98,521	98,521	98,521	98,521	98,521	98,521
Shareholder's equity								
Equity	269,007	265,626	153,420	147,155	146,533	146,250	145,931	145,650
Retained earnings (accumulated deficit)	91,990	78,244	60,217	59,825	68,305	53,479	36,897	(3,628)
Total shareholder's equity	<u>360,997</u>	<u>343,870</u>	<u>213,637</u>	<u>206,980</u>	<u>214,838</u>	<u>199,729</u>	<u>182,828</u>	<u>142,022</u>
Total liabilities and shareholder's equity	<u>\$ 542,752</u>	<u>\$ 526,099</u>	<u>\$ 320,033</u>	<u>\$ 309,564</u>	<u>\$ 321,429</u>	<u>\$ 302,623</u>	<u>\$ 284,180</u>	<u>\$ 248,248</u>

Primus Guaranty, Ltd.
Statistical Portfolio Information
Fourth Quarter 2004
(USD equivalent in 000's)

	December 31, 2004	September 30, 2004	June 30, 2004	For the Three Months Ended			June 30, 2003	March 31, 2003
				March 31, 2004	December 31, 2003	September 30, 2003		
	(Unaudited)							
<i>Credit Swaps Sold</i>								
End of period notional	\$ 10,544,728	\$ 9,440,873	\$ 8,626,160	\$ 7,992,598	\$ 6,291,375	\$ 6,281,319	\$ 6,228,138	\$ 5,695,234
New transaction volume	\$ 1,672,937	\$ 1,674,570	\$ 1,042,088	\$ 2,064,626	\$ 395,250	\$ 613,768	\$ 881,357	\$ 1,209,734
Maturities, assignments, unwinds and foreign exchange adjustment	\$ 569,082	\$ 859,857	\$ 408,526	\$ 363,403	\$ 385,194	\$ 560,587	\$ 348,453	\$ 165,000
Weighted average tenor - portfolio (years)	2.89	2.78	2.77	2.76	2.79	2.91	3.12	3.32
<i>Credit Swaps Purchased as Short-Term Investments</i>								
End of period notional	\$ 468,175	\$ 372,886	\$ 217,095	\$ 125,000	\$ 130,000	\$ -	\$ -	\$ -
New transaction volume	\$ 102,090	\$ 191,924	\$ 207,095	\$ 50,000	\$ 135,000	\$ -	\$ -	\$ -
Maturities, assignments, unwinds and foreign exchange adjustment	\$ 6,801	\$ 36,133	\$ 115,000	\$ 55,000	\$ 5,000	\$ -	\$ -	\$ -
Weighted average tenor - portfolio (years)	4.69	4.91	5.05	5.05	4.54	0.00	0.00	0.00
<i>Credit Swaps Purchased to Offset Credit Risk on Certain Swaps Sold</i>								
End of period notional	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 10,000
New transaction volume	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Maturities, assignments, unwinds and foreign exchange adjustment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,000	\$ -
Weighted average tenor - portfolio (years)	2.89	3.14	3.39	3.64	3.90	4.15	4.41	4.60

Primus Guaranty, Ltd.
Summary Financial Information - Other Performance Data
Fourth Quarter 2004
(dollars in 000's)

In managing our business and assessing its growth and profitability from a strategic and financial planning perspective, we believe it is appropriate to consider both our U.S. GAAP financial results as well as the impact on those results of fair value accounting and the termination of credit swaps. Therefore, we evaluate what our economic results would have been if we excluded from revenue the amounts of any unrealized gains and losses on our portfolio of credit swaps sold, and any realized gains from terminations of credit swaps so prior to maturity, although we amortize those gains over the remaining original lives of the terminated contracts, except for credit swaps purchased as investments.

	For the Three Months Ended (Unaudited)								
	December 31, 2004	September 30, 2004	June 30, 2004	March 31, 2004	December 31, 2003	September 30, 2003	June 30, 2003	March 31, 2003	
Change in unrealized fair value of credit swaps sold [gain/(loss)]	\$ 11,171	\$ 10,991	\$ (5,278)	\$ (14,927)	\$ 11,113	\$ 4,164	\$ 30,294	\$ 1,145	
Realized gains from early termination of credit swaps sold	173	3,251	948	1,161	3,224	7,360	5,960	1,769	
Amortization of realized gains from the early termination of credit swaps sold	1,681	1,542	1,500	1,452	1,317	882	462	232	