Zurich, 1 February 2005

Swiss Life strengthens position in Swiss market

- **«La Suisse» life operations to be integrated into Swiss Life**
- **Acquisition of Vaudoise group life portfolio**
- **«La Suisse» non-life business to be sold to Vaudoise and Helsana**
- **Distribution cooperation agreements with Vaudoise and Helsana**

The Swiss Life Group is taking the final significant step forward in the process of implementing its strategy of focusing on its core business. It is now integrating the life operations of its «La Suisse» subsidiary, merging the sales organisations of both companies and concentrating on the Swiss Life brand in Switzerland. In the process, it is divesting all other «La Suisse» operations, selling the «La Suisse» property and liability lines to Vaudoise and taking on the latter's group life business in return. The short-term disability and accident insurance business conducted by «La Suisse» is being sold to Helsana. Swiss Life will enter into distribution and sales cooperation agreements with Vaudoise and Helsana. Overall, Swiss Life expects annual cost savings of CHF 70 million as of 2007. Thanks to this solution, jobs at «La Suisse» will remain largely intact. Of the roughly 900 «La Suisse» positions, about 100 will be discontinued in 2005. A further 100 positions will be phased out in 2006 and 2007. A programme of measures worked out by employee representatives and management is in place to avoid redundancies.

The Swiss Life Group is taking the final significant step forward in the process of implementing its strategy of focusing on its core business. Rolf Dörig, Group CEO, is convinced that "by integrating the «La Suisse» life operations into Swiss Life, merging both companies' distribution and sales networks, and acquiring the Vaudoise group life portfolio, we are significantly strengthening our position in our domestic market, Switzerland. Furthermore, thanks to the cooperation agreements with Helsana and Vaudoise we are opening up new distribution and sales channels and will be able to offer our clients comprehensive individual insurance solutions." The Swiss Life Group expects to achieve annual cost savings of around CHF 70 million as of 2007. The majority of the total restructuring costs of approximately CHF 80 million will be charged to the 2005 financial year.

Concentrating on the Swiss Life brand in the life and pensions business

Integrating the hitherto autonomously managed «La Suisse» life business adds roughly 95 000 contracts, a premium volume of around CHF 770 million and mathematical reserves of CHF 5.4 billion to Swiss Life's portfolio. This process will involve merging the two companies' external sales organisations, which were sometimes competitors, by the beginning of April 2005. Swiss Life and «La Suisse» now have 111 locations (Swiss Life: 54, «La Suisse»: 57). Swiss Life's future distribution network will include 780 insurance consultants at 59 general agencies, organised as before into four regions. "The stronger distribution network will permit even greater exploitation of the market potential in all our sales regions, and enable us to organise the way we develop these markets on a more efficient, cost-effective basis," says Paul Müller, Swiss Life's CEO Switzerland. "We are thus creating a key precondition for Swiss Life to capture additional market share and further boost profitability," he adds.

To reinforce its core business further, Swiss Life is taking over the Vaudoise group life portfolio with around 7 300 contracts, representing a premium volume of some CHF 500 million and mathematical reserves of about CHF 3.0 billion.

Swiss Life is to assume all the rights and obligations of «La Suisse» and Vaudoise towards their clients. As Swiss Life is taking over the «La Suisse» staff concerned as well as around 40 Vaudoise employees, clients will generally continue to be served by the people they already know.

«La Suisse» non-life business to be sold to Vaudoise and Helsana

At the same time, Swiss Life is spinning off those «La Suisse» operations that are not part of its core business: the short-term disability (sick pay) and accident insurance business, with some 59 000 contracts and a premium volume of around

CHF 260 million, is being sold to Helsana. The roughly 100 employees active in this area are to transfer to Helsana. The property and liability insurance business, with approximately 205 000 contracts and a premium volume of about CHF 140 million, is going to Vaudoise, which will also be taking on the approximately 130 employees working in this area and more than 40 external sales employees. The changes will have no immediate impact on clients. Vaudoise and Helsana will maintain the existing contracts unchanged. Signing up the «La Suisse» employees concerned will also make it possible to assure continuity of service.

All the portfolio transfers, which are to have retroactive effect as of 1 January 2005, are still subject to approval by the supervisory authorities.

Distribution partnerships create new sales channels
In addition, Swiss Life is entering into agreements with Helsana and Vaudoise to collaborate in distribution. Switzerland's biggest health insurer, Helsana, will market Swiss Life's BVG solutions to its clients. In return, Swiss Life is to offer its corporate clients short-term disability and accident insurance from Helsana, which will also become a partner in the Swiss Life Network. Swiss Life will thus continue to provide comprehensive solutions for individual insurance for Swiss corporate clients and multinational companies. Following the sale of its own group life portfolio, Vaudoise will offer its clients Swiss Life's BVG solutions exclusively.

Jobs remain largely intact
The solution achieved will preserve the majority of the approximately 900 «La Suisse» jobs at the acquiring companies, Swiss Life, Vaudoise and Helsana. About 100 positions will be discontinued in central staff and backoffice functions at «La Suisse» in 2005. A further 100 positions will be phased out in 2006 and 2007. The programme of measures agreed jointly by the social partners will apply to these transactions and should prevent redundancies occurring for structural reasons. Swiss Life will provide individual support to employees affected by the staff reductions, to help them redirect their careers and enable them to identify new job prospects quickly.

Personnel changes at «La Suisse»
The changes at «La Suisse» will also involve changes at management level. Charles Relecom, 51, who has headed the company since 1999, will assume a new function

within the Swiss Life Group. Hans Weber will be appointed as the new CEO of «La Suisse». Hans Weber, 55, is an economist and has been an independent management consultant since the autumn of 2004. Over the past 25 years, he has held various management positions in the insurance sector, serving from 1990 to 2004 as CEO of PAX-Leben.

Media conference in Lausanne
Tuesday, 1 February 2005, 10.15 a.m.
Hotel Alpha Palmiers, 34 rue du petit-chêne, 1003 Lausanne
Room: Jardin

Media conference in Zurich
Tuesday, 1 February 2005, 2.00 p.m.
Swiss Life Conference Centre, Binz Centre, Grubenstrasse 49, 8045 Zurich.

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Swiss Life

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Swiss Life Holding, registered in Zurich, was founded in 1857 as the Swiss Life Insurance and Pension Company. Shares of Swiss Life Holding are listed on the SWX Swiss Exchange (SLHN). The enterprise employs around 10,000 people worldwide.

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