Zurich, 24 March 2009

Swiss Life with profit of CHF 345 million and solid capital base – agreement on strategic partnership with Talanx

Swiss Life and Talanx have agreed on a strategic partnership for cooperation in key business areas. Talanx will acquire a stake of up to 9.9% in Swiss Life and will take over a participation of 8.4% in MLP from Swiss Life's holdings. In addition, Swiss Life confirms the preliminary figures for 2008 presented on 20 February 2009. The net profit for the 2008 financial year comes to CHF 345 million and the capital base is solid, with shareholders' equity at CHF 6.6 billion. On the basis of these results, the Board of Directors will propose to the Annual General Meeting of Shareholders the distribution of a dividend of CHF 5 per share. As announced earlier, former Bâloise Group CEO Frank Schnewlin will be nominated for election to the Board of Directors. In addition, AWD founder and Swiss Life shareholder Carsten Maschmeyer is being nominated to the Board.

Swiss Life and Talanx have agreed on a strategic partnership for cooperation in key business areas. The two companies will cooperate in distribution through AWD, in the international business with life insurance solutions, in life reinsurance, in operations involving selected products in certain defined areas and in the reciprocal use of public investment funds. Talanx will acquire a stake of up to 9.9% in Swiss Life to fortify this partnership. It currently holds 2.9% of Swiss Life and is acquiring another 3% out of Swiss Life's treasury shares in the next few days. Talanx will further build up the stake in Swiss Life by purchasing shares on the market. Talanx is not seeking a seat on Swiss Life’s Board of Directors. Talanx will also acquire an 8.4% stake in MLP from Swiss Life. Swiss Life intends to reduce its remaining stake in MLP of 15.9% to below 10% and is currently holding discussions with potential buyers and MLP in this regard. Independently of each other, Swiss Life and Talanx will each seek to cooperate with MLP within the new structure. Both companies will fully respect MLP's current business model as an independent financial services and asset management provider. Further information on the cooperation between Swiss Life and Talanx can be found in today's joint media release.

Further progress in implementation of strategy

Swiss Life made further progress in the implementation of its strategy in the 2008 financial year. In Switzerland, Swiss Life maintained its position as market leader. New products, further increases in efficiency and an organisation geared even more closely to client requirements will continue to improve Swiss Life's competitive position in its home market. In France, Swiss Life has consistently outperformed the market in recent years thanks to a well-diversified distribution network, an attractive range of products and its excellent position in the health insurance business. In Germany, Swiss Life has been a preferred provider in the broker distribution channel for many years. The cooperation with AWD and the launch of the first product in the promising variable annuity family have significantly strengthened Swiss Life’s competitive position in this market going forward.

CHF 345 million in net profit

Swiss Life's net profit for 2008 came to CHF 345 million. After allowing for minority interests, the profit attributable to shareholders came to CHF 350 million. This translates into (diluted) earnings per share of CHF 10.88 and a return on equity of 5.0%. The stated profit includes extraordinary gains after taxes on the sales of the Dutch and Belgian business as well as of Banca del Gottardo amounting to CHF 1488 million. Continuing operations resulted in a loss of CHF 1143 million for 2008, compared with a profit of CHF 726 million the previous year. This disappointing outcome is attributable to the extremely negative trend on the financial markets since the end of September and its impact on the financial result, which declined steeply from the previous year's figure of CHF 4935 million to CHF 451 million, due to the necessary impairments on investments and the losses realised in the course of minimising risks. The profit also includes an impairment of CHF 159 million (EUR 100 million) on the stake in MLP.

Result from operations hit by developments on the financial markets

Continuing operations produced an operating loss of CHF 842 million. The insurance business in Switzerland was hit the hardest by the distortions on the financial markets. Swiss Life recorded a loss of CHF 748 million for this segment, compared to a profit of CHF 650 million the year before. The operating results from the insurance business in

France and Germany also recorded a significant decline against the previous year due to the impact of the financial market crisis on the financial result. A segment profit of CHF 40 million was achieved in France and CHF 29 million in Germany. The loss of CHF 36 million in the Insurance Other segment, which comprises the companies in Luxembourg and Liechtenstein, is mainly attributable to the investments in building up the new product platform in Luxembourg and the geographical expansion of the business with high net worth individuals. At CHF 94 million, the Investment Management segment achieved a result in line with the previous year's figure, despite the adverse market environment. The AWD Group has been consolidated in the figures reported by the Swiss Life Group since the end of March 2008 and published as a segment. This segment turned in a loss of CHF 41 million. AWD's operating results were down significantly in the UK and Austria because of the financial market crisis. The segment result also includes restructuring costs of around CHF 40 million for the refocusing of business in the UK and an expenditure of CHF 21 million for the amortisation of the customer relationship assets taken on in the acquisition.

Growth momentum slowed

The Swiss Life Group’s gross premiums, policy fees and deposits received under insurance and investment contracts totalled CHF 18.5 billion in 2008. Adjusted for the contribution of the ERISA companies sold in the course of 2007, this corresponds to a decline of 4% in premiums. Above all, the downturn is due to the lower income from deposits under insurance and investment contracts. At CHF 13.3 billion, net earned premiums were held at the previous year's level. In **Switzerland**, following the strong growth of 11% the previous year and the company's reserved approach with regard to the promotions offered by many competitors, Swiss Life posted a slight drop of 3% in premiums to CHF 8172 million. Around 80% of the premium volume was derived from occupational benefits insurance (BVG). Premium volume, at CHF 6476 million, went down 3% in this area. Swiss Life's share of the market stood at 32% (2007: 34%). Premium income for individual insurance declined by 1% to CHF 1696 million and the market share also receded slightly to 19%. With an overall market share of 28%, Swiss Life maintained its leading position in its home market in 2008. In **France**, Swiss Life generated a total of CHF 5763 million in premium income. On a comparable basis, Swiss Life grew premium income by 4% (8% in local currency), whereby life insurance increased by 7% (11% in local currency) and health insurance by 2% (5% in local currency). In **Germany**, premium income receded by 8% (-5% in local currency) to CHF 1977 million, mainly because of the market-driven collapse of the single premiums business. Periodic premiums were held stable. In the second half of the year Swiss Life launched new products and adapted existing ones, resulting in positive premium income growth. Along with the intensification of cooperation with AWD, the traditional broker distribution channel also contributed to an upswing in new business. The companies in **Liechtenstein and Luxembourg**, which mainly conduct cross-border business, posted gross premiums of CHF 2.6 billion in 2008. This represents a 20% decline on the prior-year figure and primarily reflects the focus of high net worth individuals on liquidity as a result of the aggravation of the financial market crisis in the fourth quarter of last year. Fee income from asset management and other commission income increased from CHF 196 million to CHF 950 million due to the first-time consolidation of AWD.

Financial result burdened by high impairments

The crisis on the US real estate market, which did not directly affect Swiss Life in any way, had a negative impact on almost all asset classes in 2008. The necessary impairments on investments and the realisation of losses to reduce balance sheet risks resulted in a huge reduction in the financial result on investments held at own risk in insurance business, bringing it down from CHF 4207 million to CHF 279 million for this extraordinary year. Direct investment income matched the previous year's level, however, and once more a direct return on investment of 4.1% was achieved. Including asset changes relevant to the income statement, losses realised in connection with the reduction of balance sheet risks and asset management costs, the net investment return came to 0.3% (2007: 3.8%). The total investment return of 0.5% (2007: 1.0%) also includes the asset changes directly reflected in equity. When the fair value of investments not considered at market value is taken into account, the total investment performance came to -0.7%. Swiss Life significantly reduced the balance sheet risks in the wake of the dramatic developments on the financial markets in the second half of 2008. The adjusted asset allocation aims to generate earnings which exceed the benefits guaranteed to clients, even under persistently difficult market conditions and at today's low interest levels. These measures proved effective in recent months.

Further efficiency gains targeted

Insurance benefits and the change in the mathematical reserve showed a net reduction of 3% to CHF 12.9 billion. The significantly lower financial result and the special situation in several countries due to valuation differences between local valuation guidelines and IFRS guidelines resulted in income for Swiss Life of CHF 429 million from policyholder participation. Operating costs climbed 8% on a comparable basis because of investments in new business areas and growth initiatives. In Switzerland, on the other hand, operating costs were reduced by a further 3%. Strict cost management continues to be a high priority for Swiss Life. In this connection Swiss Life announced plans in November 2008 to streamline its Corporate Center in Zurich, leading to further cost savings of CHF 90 million. Swiss Life is systematically continuing with the separation of tasks between the Corporate Center and the business units in order to reduce complexity and increase efficiency. Some areas of the Group IT & Operations division will thus be transferred to the management structure for the Swiss business. At Group level, only a functional management unit will remain. The role of the Group Chief Technology & Operations Officer on the Corporate Executive Board will be discontinued with this redistribution of responsibilities. Reto Himmel, who exercised this function up to now, will therefore be leaving Swiss Life in May 2009. The Board of Directors and the Corporate Executive Board would like to thank Reto Himmel for his major contribution to the successful restructuring and development of the company in recent years, and wish him all the best for the future.

Primarily as a result of the first-time consolidation of the AWD Group, operating expenses increased from CHF 2.5 billion to CHF 3.3 billion overall. Because of the dissolution of tax provisions no longer required and current losses which could only be partially deferred the company posted a tax income of 29 million for 2008. In 2007, tax expenses totalled CHF 122 million.

Solid capital base with solvency ratio at 159%

Liabilities from insurance operations went down 7% to CHF 113.3 billion. More than half of this reduction is due to currency effects. Contract terminations in Switzerland and the negative trend in the financial markets also contributed to the decline. Despite the severity of the financial market crisis in the second half of 2008, Swiss Life ended the year with a solid capital base. Swiss Life significantly reduced its balance sheet risks at the right time in the second half of 2008 to protect shareholders' equity from further negative repercussions of the financial market crisis. Shareholders' equity for the Swiss Life Group stood at around CHF 6609 million on 31 December 2008, representing a decline of 9% on the prior-year figure. The Group solvency ratio on an IFRS basis came to 159% at the end of the year. The embedded value amounted to CHF 8.5 billion at the end of 2008, representing a decline of 34% in the reporting period and an embedded value per share of CHF 241. The decrease is due in particular to the negative trend on the financial markets, as well as the reduced expectations for future returns.

Proposals to the Annual General Meeting of shareholders

On the basis of these results, the Board of Directors will propose that, on 7 May 2009, the Annual General Meeting of Shareholders approve the distribution of a dividend of CHF 5 per share. This is to take the form of a repayment of par value, as in previous years. The Board of Directors will also propose that the shares bought back through a second trading line (3 003 500 shares, or 8.6% of the shares outstanding) in the context of the share buyback programme be cancelled. Bruno Gehrig and Pierfranco Riva will resign from the Board of Directors at this year's General Meeting. Rolf Dörig, who was newly elected to the Board of Directors at the Annual General Meeting in May 2008, will succeed Bruno Gehrig as Chairman of the Board. As announced on 12 December 2008, Frank Schnewlin, former Bâloise Group CEO and previously member of the Zurich Financial Services Group's Corporate Executive Board, will be proposed for election to the Board of Directors. Carsten Maschmeyer will be proposed to shareholders as an additional Member of the Board of Directors. Carsten Maschmeyer, 49, is founder of the AWD Group and the Swiss Life Group's largest individual shareholder with a participation of around 8%. Rolf Dörig on Carsten Maschmeyer's nomination: "I am very pleased that Carsten Maschmeyer is being nominated as a member of our Board. As a major shareholder with a long-term interest in the company, a profound knowledge of the market and outstanding expertise in distribution, he will be a valuable addition." Because of his nomination to the Board of Directors of Swiss Life, Carsten Maschmeyer is resigning from his present function as Co-CEO of AWD with effect from 31 March 2009. Carsten Maschmeyer will retain ties with AWD in his new function and will be available to AWD for events relating to distribution. Manfred Behrens, currently Co-CEO of AWD along with Carsten Maschmeyer, will assume the role of CEO in full.

Transmission of today's events and additional documentation

As usual, Group CEO Bruno Pfister and Group CFO Thomas Müller will present the detailed 2008 results in English at 09:00 a.m. for analysts and investors and in German at 11:15 a.m. for the media. Rolf Dörig, Delegate of the Swiss Life Board of Directors and Carsten Maschmeyer, Co-CEO of AWD, will also attend the media conference. Both events will be transmitted on www.swisslife.com. All additional documentation can also be found there.

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Swiss Life

The Swiss Life Group is one of Europe's leading providers of life insurance and pension solutions. In Switzerland, France and Germany, the Group offers individuals and corporations comprehensive advice and a broad range of products through its own sales force as well as brokers and banks. Swiss Life provides international corporations with employee benefits solutions from a single source, and is one of the global leaders in structured life and pension products for international high net worth individuals.

The AWD Group became part of the Swiss Life Group in 2008. Hanover-based AWD is one of Europe's top financial services providers for the medium- and high-income customer segments. AWD offers its clients independent financial advisory services. Around 6000 advisors and intermediaries work for the AWD Group in ten European countries.

Swiss Life Holding Ltd, registered in Zurich, was founded in 1857 as Schweizerische Rentenanstalt. The shares of Swiss Life Holding Ltd are listed on the SIX Swiss Exchange (SLHN). The Swiss Life Group employs a staff of around 9000.

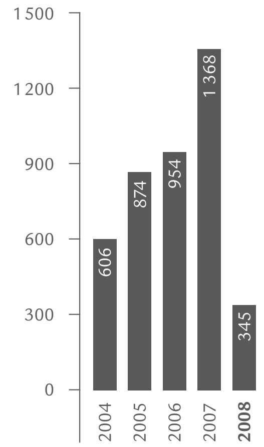
Year-on-year comparison Swiss Life Group			
In CHF million (if not stated otherwise)	**2008**	2007	+/–
Premium volume			
Gross written premiums, policy fees and deposits received	**18 515**	21 213	–12.7%
Figures from consolidated statement of income			
Net earned premiums	**13 254**	13 316	–0.5%
Net earned policy fees	**260**	389	–33.2%
Financial result	**451**	4 935	–90.9%
Total income	**15 356**	18 971	–19.1%
Net insurance benefits and claims	**–12 915**	–13 268	–2.7%
Policyholder participation	**429**	–1 746	n.a.
Operating expense	**–3 319**	–2 489	33.3%
Total expense	**–16 198**	–17 958	–9.8%
Result from operations	**–842**	1 013	n.a.
Net result from continuing operations	**–1 143**	726	n.a.
Net profit from discontinued operations	**1 488**	642 [1]	n.a.
Net profit	**345**	1 368	–74.8%
Net profit attributable to			
Equity holders of Swiss Life Holding	**350**	1 345	–74.0%
Minority interest	**–5**	23	n.a.
Figures from consolidated balance sheet			
Equity incl. minority interest	**6 652**	7 334	–9.3%
Insurance reserves	**113 308**	121 829	–7.0%
Balance sheet total	**134 791**	179 757	–25.0%
Share performance			
Basic earnings per share (in CHF)	**10.88**	40.76	–73.3%
Diluted earnings per share (in CHF)	**10.88**	39.60	–72.5%
Dividend paid per share (in CHF)	**17.00**	7.00	142.9%
Total dividend payout to shareholders	**596**	245	143.3%
Year-end price (in CHF)	**72.40**	283.00	–74.4%
Year-end market capitalisation	**2 540**	9 894	–74.3%
Further key figures			
Return on equity (as %)	**5.0**	18.1	–72.4%
Assets under control	**134 326**	138 946	–3.3%
Year-end embedded value	**8 457**	12 837	–34.1%
Value of new business	**78**	118	–33.9%
Number of employees (full-time equivalents)	**8 184**	8 556	–4.3%

[1] including reserve release of CHF 304 million due to change in Dutch law.

Due to the sale of its Dutch and Belgian operations and of Banca del Gottardo, Swiss Life adjusted the presentation of its Financial Statements as of 2007 in accordance with the relevant regulations, gearing them to continuing operations. The units sold were fully consolidated up to the completion of the transaction concerned, but only their net contribution to the net profit was included in the Consolidated Statement of Income. The 2007 figures in the Statement of Income also include the contribution from the ERISA companies, which have since been sold.

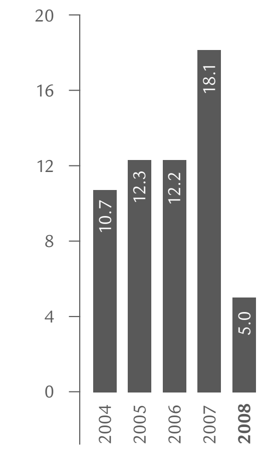
Net profit

In CHF million



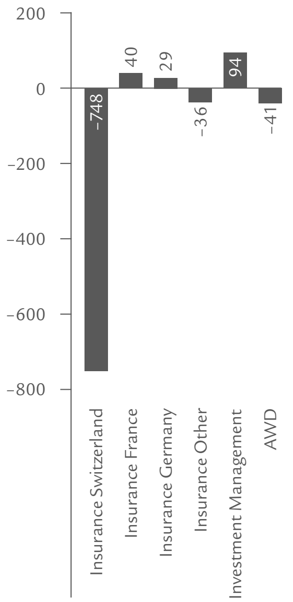
Return on equity

as %



Segment result

In CHF million

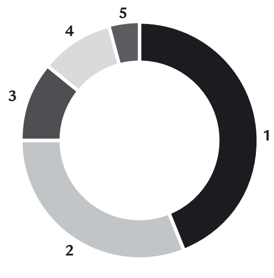


Key figures for Insurance			
In CHF million	**2008**	2007	+/–%
Switzerland			
Gross written premiums, policy fees and deposits received	**8 172**	8 413	–2.9%
Segment result	**–748**	650	n.a.
France [1]			
Gross written premiums, policy fees and deposits received	**5 763**	7 411	–22.2%
Segment result	**40**	324	–87.7%
Germany			
Gross written premiums, policy fees and deposits received	**1 977**	2 158	–8.4%
Segment result	**29**	65	–55.4%
Other			
Gross written premiums, policy fees and deposits received	**2 639**	3 294	–19.9%
Segment result	**–36**	8	n.a.

[1] The figures for 2007 also include the contribution from the ERISA companies, which have since been sold. On a comparable basis, the premium volume grew by 4% (8% in local currency) and the segment result decreased from CHF 187 million to CHF 40 million.

Gross written premiums, policy fees and deposits received by country

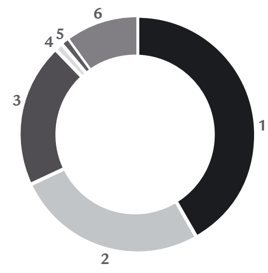
Total 100%



1 Switzerland 44%
2 France 31%
3 Germany 11%
4 Liechtenstein 10%
5 Luxembourg 4%

Employees (full-time equivalents) by country as at 31.12.2008

Total 8 184 employees



1 Switzerland 3 426
2 France 2 159
3 Germany 1 613
4 Luxembourg 86
5 Liechtenstein 93
6 Other 807