

Zurich, 28 August 2008

Swiss Life generated a net profit of CHF 1637 million and a premium volume of CHF 10.9 billion in the first six months of 2008

- **Net profit: CHF 1637 million (CHF 635 million; +158%)**
- **Profit from operations: CHF 227 million (CHF 610 million; -63%)**
- **Financial result: CHF 1215 million (CHF 3367 million; -64%)**
- **Premiums excl. ERISA: CHF 10 888 million (CHF 10 385 million; +5%)**
- **Equity: CHF 7240 million (CHF 7277 million; -1%)**
- **Embedded value: CHF 12 555 million (CHF 12 837 million; -2%)**

Bruno Pfister, Group CEO, commented on the 2008 half-year results as follows: “We consistently advanced the implementation of our strategy in a challenging market environment. Despite the unfavourable market conditions, we successfully maintained our growth momentum. Our product initiatives are beginning to show results and we have strengthened our distribution capabilities. The turbulence on the financial markets has, however, rendered it impossible for us to achieve our financial targets this year. We expect a profit for 2008 of between CHF 1.8 and 1.9 billion.”

Result hit by negative financial market developments

The Swiss Life Group generated a net profit of CHF 1.6 billion in the first six months of 2008, including CHF 1.5 billion in extraordinary gains from the disposal of the Dutch and Belgian insurance operations and of Banca del Gottardo. The net profit from continuing operations came to CHF 152 million (-64%), a drop of approximately CHF 270 million year-on-year due to the 2.2 billion decrease in the financial result. This decline in the financial result could only be partly offset by the CHF 1.6 billion reduction in policyholder participation.

The Group reported a CHF 227 million profit from continuing operations (-63%), to which insurance contributed CHF 218 million (-64%). Insurance business in Switzerland (CHF 120 million; -65%), France (CHF 100 million; -49%) and Germany (CHF 19 million; -67%) was down on the same period last year because of the significantly lower financial result. In the wake of the investments made in the cross-border business, the Insurance Other segment, posted a loss of CHF 21 million. Investment Management, which manages the insurance assets of the Swiss Life Group on a commission basis as well as third-party mandates, came to CHF 48 million. This was a good performance in keeping with the prior-year level. The AWD Group, which has been consolidated in the accounts since the end of March, contributed CHF 5 million to the profit from operations.

Growth momentum upheld despite unfavourable market conditions

In continuing operations the Swiss Life Group reported CHF 10.9 billion in gross premiums, policy fees and deposits received under insurance and investment contracts. Net of the ERISA companies, this represents an increase of 5%. Following the 10% advance in premium income recorded the previous year, gross written premiums in Switzerland dipped 2% to CHF 5.9 billion in the first half of 2008. Swiss Life continued to experience strong growth abroad, improving its premium volume by 14% to CHF 5.0 billion. This growth was largely driven by Swiss Life in France (+17%) and the Liechtenstein-based business targeting high net worth individuals (+61%).

Asset impairments pull down the investment result

The financial market performance in the first six months of 2008 was disappointing to investors. Rising interest rates on fixed-interest investments and the widening of credit spreads led to losses in fair value, and equity prices in Europe decreased on average by 20%. Against this background, Swiss Life achieved a direct return on investment of 2.1% in its insurance business in the period under review (2007 HY: 2.0% on a comparable basis). Whereas net capital gains of CHF 516 million were generated in the same period last year, a net capital loss and impairments to the amount of CHF 1.2 billion were posted for the first half of 2008. Taking into account the changes in asset positions relevant to the income statement, together with asset management costs, the net investment return on the insurance portfolio fell to 1.0% (2007 HY: 2.4%). The overall investment performance of the insurance business amounted to -1.2% (2007 HY: 0.4%) and also includes the changes in asset valuations directly reflected in equity, which were negatively impacted by rising interest rates.

Investments in growth initiatives abroad and efficiency improvements in Switzerland

Net insurance benefits and claims and changes in the technical reserves increased in line with premium growth, climbing 3% to CHF 8.5 billion. Due to the unsatisfactory financial result, policyholder participation, at CHF 77 million (-95%), was very low. Operating expenses increased by 12% to CHF 1.5 billion. Operating costs were up 11% on a comparable basis. This figure reflects investments made in various product and growth initiatives, notably relating to private placement life insurance, the expansion of the wealth management business in France, and the establishment of the variable annuities product factory in Luxembourg. The regulatory changes introduced in Germany also drove up costs. In Switzerland efficiency was enhanced and the operating costs were cut by another 4%.

Equity and embedded value remain stable

The insurance reserves decreased by 2% to CHF 119.2 billion in the first half of 2008, primarily due to the market environment and currency factors. The assets controlled by the Swiss Life Group amounted to CHF 137.4 billion (-1%) as at 30 June 2008. At CHF 7.2 billion, the equity attributable to shareholders remained stable vis-à-vis the year-end figure, due to the extraordinary contribution from the disposals made. Group solvency was also steady on 30 June 2008 at 162%. The embedded value of Swiss Life fell by 2% to CHF 12.6 billion, or CHF 359 per share as at 30 June. This was mainly because the investment result achieved was considerably below the underlying assumptions used to calculate the embedded value. The value of new business dropped slightly year on year to CHF 55 million, whereas the margin on new business remained above 15% as in the prior-year period.

AWD Group: Solid performance in Germany and Switzerland

The AWD Group strengthened its position in Germany and Switzerland in the first half of 2008. The solid performance in both markets proves that AWD's new ownership structure does not have a negative impact on the company's business model. The 44% reduction in earnings before interest and tax to EUR 24 million and the 14% drop in sales revenues to EUR 336 million mainly stemmed from the results in the UK and Austria, as a consequence of AWD's strong focus on home financing in the UK and on investment funds and real estate equities in Austria.

Active capital management and adjustment of targets

The cancellation of the second tranche of the share buyback programme announced on 14 August 2008 does not herald a departure from the corporate policy of efficient capital management. As originally planned, Swiss Life will repurchase own shares worth CHF 1 billion this year. The company confirms the planned dividend of 600 million francs for 2008. From the 2009 financial year onwards, the distribution ratio should amount to between 40% and 60% of the reported profit.

However, due to the distortions on the financial markets in the first half of the year and their repercussions, it has become clear that the Swiss Life Group cannot achieve its financial targets for 2008. Barring unforeseen events, the company expects an overall net profit of CHF 1.8 to 1.9 billion for 2008, of which CHF 300 to 400 million from continuing operations. Furthermore, without the effect of the 2009 share buyback programme and given the persistently difficult market environment, Swiss Life will not attain the original earnings per share target set for 2009.

Bruno Pfister, Group CEO, on the outlook: "Pensions and long-term savings remains a growth market and Swiss Life is in an excellent position to reap the benefits. Our sharper focus on attractive and fast-growing customer segments, the shift in our product mix towards non-traditional solutions, the measures we have taken to reinforce and diversify our distribution capabilities, and the continuation of our attractive dividend policy all enhance our standing with customers, shareholders and employees. Looking beyond 2009, we are certain that our business model will enable us to achieve the targeted annual profit growth of 12% and a 12% return on equity."

Transmission of today's events and additional documentation

Today's events will be broadcast at 9 a.m. CET (English presentation for analysts and investors) and 11:15 a.m. CET (German presentation for the media) on www.swisslife.com. All additional documentation on the half-year results 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. The Group offers individuals and corporations a broad range of products combined with comprehensive advice through its own sales force as well as brokers and banks in Switzerland, France and Germany. It provides internationally operating corporations with employee benefits solutions from a single source, and is among the global leaders in structured life and pension products for high net worth individuals with its centres of competence in Luxembourg, Liechtenstein and Singapore.

Swiss Life is the majority shareholder of the Hanover-based AWD Group, one of Europe's top financial services providers for the medium- and high-income customer segments. AWD offers its clients independent financial advisory services. It employs around 6600 financial consultants 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 SWX Swiss Exchange (SLHN). The Swiss Life Group employs a staff of around 9000.

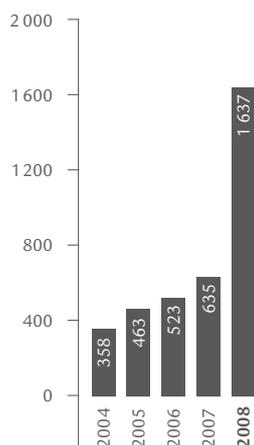
Cautionary statement regarding forward-looking information

This publication contains specific forward-looking statements, e.g. statements including terms like "believe", "assume", "expect" or similar expressions. Such forward-looking statements are subject to known and unknown risks, uncertainties and other factors which may result in a substantial divergence between the actual results, financial situation, development or performance of the company and those explicitly or implicitly presumed in these statements. Against the background of these uncertainties, readers should not place undue reliance on forward-looking statements. The company assumes no responsibility to update forward-looking statements or to adapt them to future events or developments.

Overview of Figures

First half year net profit

In CHF million



Period-on-period comparison Swiss Life Group

In CHF million (if not stated otherwise)	30.06.2008	30.06.2007	+/-%
Premium volume			
Gross written premiums, policy fees and deposits received, net of ERISA companies sold in 2007	10 888	12 265	-11.2%
	10 888	10 385	4.8%
Selected figures from the Consolidated Statement of Income			
Net earned premiums	8 557	8 396	1.9%
Net earned policy fees	126	224	-43.8%
Financial result (for the account and risk of the Swiss Life Group)	1 215	3 367	-63.9%
Total income	10 418	12 084	-13.8%
Net insurance benefits and claims	-8 459	-8 246	2.6%
Policyholder participation	-77	-1 685	-95.4%
Operating expense	-1 456	-1 295	12.4%
Total expenses	-10 191	-11 474	-11.2%
Profit from operations	227	610	-62.8%
Net profit from continuing operations	152	425	-64.2%
Net profit from discontinued operations	1 485	210	n. a.
Net profit	1 637	635	n. a.
<i>Net profit attributable to</i>			
equity holders of Swiss Life Holding Ltd	1 638	615	n. a.
minority interest	-1	20	n. a.
Further key figures			
Annualised return on equity (as %)	50.2	17.3	n. a.
Share performance			
Basic earnings per share (in CHF)	49.71	18.41	n. a.
Diluted earnings per share (in CHF)	49.06	17.72	n. a.

In CHF million (if not stated otherwise)	30.06.2008	31.12.2007	+/-%
Selected figures from the Consolidated Balance Sheet			
Equity	7 286	7 334	-0.7%
Insurance reserves	119 201	121 829	-2.2%
Balance sheet total	139 836	179 757	-22.2%
Further key figures			
Assets under control	137 369	138 946	-1.1%
Embedded Value	12 555	12 837	-2.2%
Value of new business (first half year, continuing operations)	55	65	-15.4%
Number of employees (full-time equivalents)	8 457	8 556	-1.2%

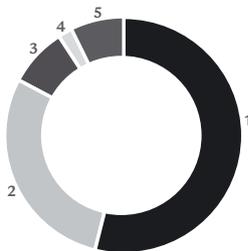
Due to the sale of its Dutch and Belgian operations (29.04.2008) and of Banca del Gottardo (07.03.2008), Swiss Life adjusted the presentation of its Financial Statements in accordance with the relevant regulations, gearing them to the continuing operations. The units sold were fully consolidated up to the completion of the transaction concerned, but only their net contribution to the net profit is included in the Consolidated Statement of Income. The previous year's figures in the Statement of Income have been adjusted accordingly to enhance comparability. In the Balance Sheet, the assets and liabilities of the units sold are stated separately.

Key figures by segment

In CHF million	30.06.2008	30.06.2007	+/-%
Insurance Switzerland			
Gross written premiums, policy fees and deposits received	5 907	6 001	-1.6%
Segment result	120	344	-65.1%
Insurance France			
Gross written premiums, policy fees and deposits received,	3 168	4 595	-31.1%
net of ERISA companies sold in 2007	3 168	2 715	16.7%
Segment result	100	198	-49.5%
Insurance Germany			
Gross written premiums, policy fees and deposits received	908	994	-8.7%
Segment result	19	57	-66.7%
Insurance Other			
Gross written premiums, policy fees and deposits received	928	715	29.8%
Segment result	-21	9	n. a.
Investment Management			
Asset management and other commission income	131	126	4.0%
Segment result	48	47	2.1%
AWD (consolidated since 19.03.2008)			
Asset management and other commission income	253	-	n. a.
Segment result	5	-	n. a.
Other			
Asset management and other commission income	5	4	25.0%
Segment result	16	41	-61.0%

Gross written premiums, policy fees and deposits received by country

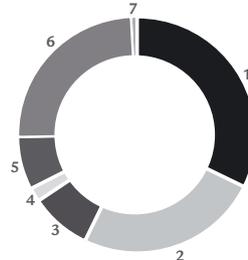
Total 100%



- 1 Switzerland 54%
- 2 France 29%
- 3 Germany 8%
- 4 Luxembourg 2%
- 5 Liechtenstein 7%

Number of employees (full-time equivalents) as at 30.06.2008

Total: 8457 employees



- 1 Insurance Switzerland 2746
- 2 Insurance France 2135
- 3 Insurance Germany 712
- 4 Insurance Other 158
- 5 Investment Management 614
- 6 AWD (internal services) 2089
- 7 Other 3