

Zurich, 26 August 2009

First-half results 2009

Swiss Life sets course for profitable growth and realises cost savings – reduction of 520 jobs in Switzerland by 2012

- **Swiss Life achieved a profit of CHF 172 million from continuing operations in the first six months of 2009 (+13%; HY 2008: CHF 152 million); the net profit stood at CHF 139 million.**
- **The Group improved its result from operations by 11%.**
- **Adjusted for extraordinary impacts and currency effects, premiums rose 7% to CHF 10 387 million.**
- **The net investment result of 1.8% was significantly higher than the prior-year figure.**
- **Shareholders' equity came to CHF 6 752 million at the end of June 2009 (end 2008: CHF 6 609 million).**
- **The IFRS solvency ratio remained solid at 155%.**
- **Swiss Life is launching an extensive set of measures to boost competitiveness, achieve profitable growth and reduce costs.**
- **Efficiency gains and cost savings of around CHF 350 to 400 million compared to 2008 will be achieved by 2012.**
- **As a result of the cost savings, Swiss Life is making 520 job reductions in Switzerland over the next three years. A programme of measures, which was agreed on with the social partners, is in place for the employees affected to assist them with their professional reorientation.**

Bruno Pfister, Group CEO: “We can look back on a satisfactory first half in 2009. This performance results from overall improvements at operational level within the Group. Over the last few months, we have prepared the company for the persistently challenging economic environment and tougher competitive climate. With the measures

to boost competitiveness announced today, we are creating the conditions to grow profitably under our existing strategy and to exploit our business opportunities in the international life and pensions market using Swiss Life's proven strengths.”

Improvement in result from operations – good investment return

Swiss Life generated a profit of CHF 172 million from continuing operations (+13%) in the first half of the year. CHF 33 million was charged to discontinued operations in connection with the sale of Banca del Gottardo. Adjusted for extraordinary impacts and currency effects, the Group recorded a growth of 7% in premiums to CHF 10 387 million. This was especially driven by the strong growth in innovative life and pension products. Shareholders' equity amounted to CHF 6 752 million (+2%). At 155%, the Group solvency ratio under IFRS remained stable (down 3 percentage points from the year-end 2008). The statutory solvency of the parent company rose to 190%, up from 176% at the end of 2008.

Overall, the Group improved its result from operations by 11% and reduced operating expenses by 3%. Despite a very high liquidity position, the 1.8% net investment result was well above the prior-year figure (1.0%).

Results by segment

Adjusted for extraordinary impacts, premium volume in Switzerland fell by 2%. In group insurance, premiums declined by around 2% to CHF 4 578 million. At CHF 756 million, the individual life business showed a modest drop in premiums of 0.5%. Operating expenses were lowered by 8% in the first six months of 2009. The segment result for Switzerland increased by CHF 73 million over the corresponding 2008 period to CHF 193 million (+61%). This mainly reflected the improved investment income and cost reductions.

In France, the adjusted premium volume fell by 7% to CHF 2 524 million – a decline of 1% in local currency. This was mainly because Swiss Life, for profitability reasons, refrained from joining the competition on promised short-term interest rates. Swiss Life benefited from the positive trend in the health insurance market, growing premium volume by 5% in local currency. The segment result in France for the first half of 2009 went down 30% to CHF 70 million.

Premium volume increased in Germany by 7% to around CHF 971 million (+14% on a currency-adjusted basis). Both the single and periodic premium businesses outperformed the market significantly, especially in occupational disability insurance. Thanks to Swiss Life's qualification as "best select partner" for AWD in a number of product groups, there was a strong rise in new business production. Swiss Life in Germany contributed a segment result of CHF 31 million to the Group's total income (CHF +12 million / +63%).

In the Insurance Other segment, premium income rose by 70% to CHF 1 573 million in the first half. An important contribution came from the global business for high net worth individuals (Private Placement Life Insurance), which generated a premium growth of 80% to CHF 1 432 million.

With a segment loss of CHF 28 million, AWD made a negative contribution to the Swiss Life Group's half-year results. AWD's local accounts for the half-year period showed an operating loss of EUR 10.3 million (2008: EUR +27.2 million) before interest and taxes. This unsatisfactory result was impacted by a 20% decline in revenues to EUR 258 million, as well as restructuring charges at holding company level and in Austria.

Confirmation of strategy – focus on profitable growth

The strategy embarked upon last year proved its worth, despite the financial crisis and the correspondingly unpleasant market environment. Swiss Life will continue to focus on the life and pensions market, the exploitation of growth opportunities and the achievement of functional and operational excellence. At present, both the high level of costs and the dependence on the financial result due to the emphasis on traditional business are impeding Swiss Life's capacity to act.

"To remain competitive in the closely-fought life and pensions market and to enhance our ability to compete, we must focus more strongly on client needs and product profitability and further reduce our cost base," commented CEO Bruno Pfister. Swiss Life has thus introduced initiatives in all its markets to boost client orientation, efficiency and profitability. The efficiency increases which will run into 2012 will cut costs by around CHF 350 to 400 million, compared to 2008. CHF 90 million of the cost savings were already announced in November 2008 as part of the process to streamline the

Group's head office. A large share will be realised in the Swiss division (CHF 188 million) and at AWD (CHF 95 million).

Therefore, there will be around 520 job reductions in Switzerland by 2012. 480 will take place in the Swiss division: 220 through releases and around 200 through natural fluctuation; 60 vacancies have been deliberately left open in recent months. The job reductions will primarily affect areas which are not involved in advising and delivering services to clients. Ivo Furrer, CEO Switzerland: "The decision to reduce jobs was not an easy one for us to take – but our current costs are placing a great strain on our company in the medium term. The job reduction process has been carefully planned. It will incorporate a programme of measures worked out with the social partners and in force since 2004. We will exploit natural fluctuation and the possibilities offered by working hour models. Employees affected will receive individual assistance and support with their professional reorientation. Our aim is to offer new professional perspectives to employees being released." Based on its previous track record with these support measures, Swiss Life is confident that this aim will be met. All staff affected by the reductions in the Swiss division will be informed of their personal situation by 2 October 2009 at the latest.

Great progress at Swiss division

Swiss Life has launched a series of initiatives to expand its position going forward and to implement its client-oriented growth strategy. It is thus strengthening the sales force with the aim of generating substantial premium growth. To achieve this, Swiss Life will optimise its distribution organisation by January 2010. Besides lowering the number of general agencies from 58 to 42, the new organisation will intensify market development and its delivery of client services. Ivo Furrer: "In the future, 50 sales managers will support insurance consultants with their advisory and sales activities, enabling us to further improve the high quality of our advisory services to clients." Swiss Life is also investing in a highly productive sales force infrastructure and in training. As part of its group insurance strategy, Swiss Life is extending its product portfolio towards becoming a "full-range provider", in addition to offering its full insurance model. This will enable the company to increase its market share in the area of autonomous pension fund solutions. Swiss Life is also intensifying cooperation with AWD with the aim of writing around 10% to 15% of new business in individual insurance through this distribution channel up and into 2012.

Efficiency enhancement programme and restructuring at AWD

In view of the difficult market environment, AWD is introducing a series of measures to accelerate its efficiency enhancement programme and its restructuring. The holding functions will be downsized as a result. In the future the management holding will concentrate on coordination and controlling activities for the AWD Group, while reducing marketing and administration costs. In addition, the back office functions of the distribution organisations in Germany will be optimised and gradually centralised. In Austria, AWD will be repositioned by adapting the distribution structure and costs to the diminished market potential brought on by the financial crisis. In the UK, the break-even result for the first half confirms AWD's objective of achieving a sustainable turnaround in this market in 2009. The initiatives implemented to further strengthen the brand are a significant investment in the future of the AWD Group. All the measures in this programme will help return AWD to profitability and set the course for future growth.

At its Investors' Day on 15 December 2009, Swiss Life will inform about the progress in implementing the strategy.

Transmission of today's events and additional documentation

Today's events will be broadcast at 9 a.m. (English presentation for analysts and investors) and 11:15 a.m. (German presentation for the media) on www.swisslife.com. All additional documentation on the half-year results can also be found on the website.

Contact

Media Relations

Phone +41 43 284 77 77
media.relations@swisslife.ch

Investor Relations

Phone +41 43 284 52 76
investor.relations@swisslife.ch

www.swisslife.com

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 has been part of the Swiss Life Group since 2008. Hanover-based AWD is one of the leading European financial services providers in the medium- and high-income client segments and offers its clients personal and holistic financial planning in ten countries.

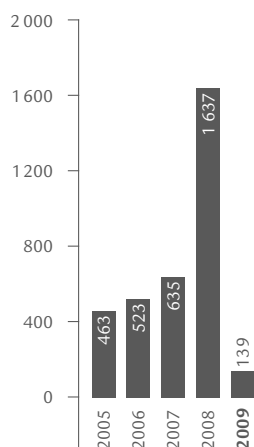
Swiss Life Holding Ltd, registered in Zurich, was founded in 1857 as Schweizerische Rentenanstalt. The shares of Swiss Life Holding Ltd are listed on the SIX Swiss Exchange (SLHN). The Swiss Life Group employs a staff of around 9000.

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 important factors which may result in a substantial divergence between the actual results, financial situation, development, performance or expectations of Swiss Life and those explicitly or implicitly presumed in these statements. Against the background of these uncertainties, readers are cautioned that these statements are only projections and that no undue reliance should be placed on such forward-looking statements. Neither Swiss Life nor any of its directors, officers, employees or advisors nor any other person connected or otherwise associated with Swiss Life makes any representation or warranty, express or implied, as to the accuracy or completeness of the information contained in this publication. Neither Swiss Life nor any of the aforementioned persons shall have any liability whatsoever for loss howsoever arising, directly or indirectly, from any use of this information. Furthermore, Swiss Life assumes no responsibility to publicly update or alter its forward-looking statements or to adapt them, whether as a result of new information, future events or developments or any other reason.

First half year net profit

In CHF million



Period-on-period comparison Swiss Life Group			
In CHF million (if not stated otherwise)	2009 HY	2008 HY	+/-
Premium volume			
Gross written premiums, policy fees and deposits received	10 387	10 888	-4.6%
Figures from consolidated statement of income			
Net earned premiums	7 508	8 557	-12.3%
Net earned policy fees	111	126	-11.9%
Financial result	2 122	1 215	74.7%
Total income	10 174	10 418	-2.3%
Net insurance benefits and claims	-7 446	-8 459	-12.0%
Policyholder participation	-651	-77	n.m.
Operating expense	-1 646	-1 456	13.0%
Total expenses	-9 923	-10 191	-2.6%
Profit from operations	251	227	10.6%
Net profit from continuing operations	172	152	13.2%
Net result from discontinued operations	-33	1 485	n.m.
Net profit	139	1 637	-91.5%
<i>Net profit attributable to</i>			
equity holders of Swiss Life Holding	142	1 638	-91.3%
non-controlling interests	-3	-1	n.m.
Further key figures			
Annualised return on equity (in %)	4.3	50.2	-91.4%
Share performance			
Basic earnings per share (in CHF)	4.58	49.71	-90.8%
Diluted earnings per share (in CHF)	4.56	49.06	-90.7%
In CHF million (if not stated otherwise)	30.06.2009	31.12.2008	+/-
Figures from consolidated balance sheet			
Equity	6 793	6 652	2.1%
Insurance reserves	118 027	113 308	4.2%
Balance sheet total	138 375	134 791	2.7%
Further key figures			
Assets under control	139 356	134 326	3.7%
Value of new business (MCEV)	76	n.a.	n.a.
Number of employees (full-time equivalents)	8 075	8 184	-1.3%

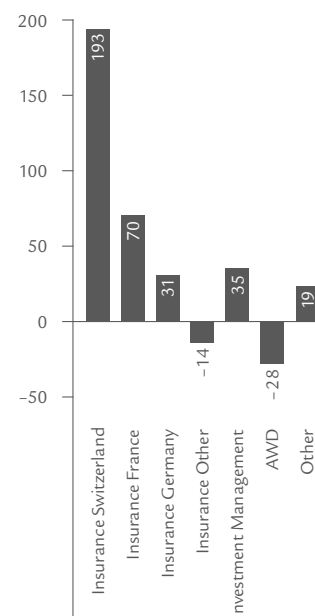
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Key figures by segment			
In CHF million	2009 HY	2008 HY	+/-
Insurance Switzerland			
Gross written premiums, policy fees and deposits received	5 334	5 907	-9.7%
Segment result	193	120	60.8%
Insurance France			
Gross written premiums, policy fees and deposits received	2 524	3 168	-20.3%
Segment result	70	100	-30.0%
Insurance Germany			
Gross written premiums, policy fees and deposits received	971	908	6.9%
Segment result	31	19	63.2%
Insurance Other			
Gross written premiums, policy fees and deposits received	1 573	928	69.5%
Segment result	-14	-21	33.3%
Investment Management			
Commission income	118	131	-9.9%
Segment result	35	48	-27.1%
AWD (consolidated since 19.03.2008)			
Commission income	383	253	51.4%
Segment result	-28	5	n.m.
Other			
Commission income	4	5	-20.0%
Segment result	19	16	18.8%

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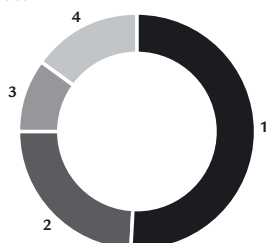
First half year 2009 segment result

In CHF million



First half year 2009 gross written premiums, policy fees and deposits received per insurance segment

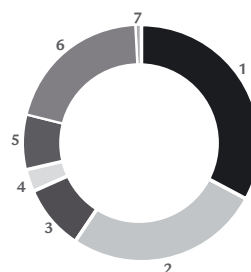
Total: 100%



- 1 Switzerland 51%
- 2 France 24%
- 3 Germany 10%
- 4 Other 15%

Employees (full-time equivalents) by segment as at 30.06.2009

Total 8075 full-time equivalents



- 1 Insurance Switzerland 2669
- 2 Insurance France 2161
- 3 Insurance Germany 736
- 4 Insurance Other 242
- 5 Investment Management 603
- 6 AWD (internal services) 1661
- 7 Other 3