AXA announced today that it has reached an agreement with Resolution Ltd to dispose part of its UK life & savings operations

AXA announced today that it has agreed to sell to Resolution Ltd its UK-based traditional life and pensions businesses, its IFA protection and corporate pension businesses, and its annuity businesses for consideration of £2.75 billion (or ca. €3.3 billion). This sale is consistent with AXA’s intention to focus on growing its wealth management business in the UK life & savings market.

This potential transaction does not call into question the AXA Group’s continuing long-term commitment to the UK market going forward. AXA UK will continue to develop its leading AXA Wealth Management operations, comprising the AXA wrap platform (‘Elevate’), Architas Multi-Manager, AXA Wealth International (including Isle of Man) and the AXA Winterthur Wealth specialist pensions and investments operations, as well as its AXA Direct Protection business. This capital efficient business represented 41% of total UK Life APE and 69% of total UK Life NBV in 2009.

The Group also remains fully committed to all its other UK-based businesses including AXA Insurance, AXA PPP Healthcare, Bluefin and the UK operations of AXA Investment Managers.

“As we have shown in the past, we are committed to focus on businesses that benefit from the right combination of scale, competitive position, growth prospects and profitability, as this is the best way to create sustainable value for our clients, our distributors, our staff and our shareholders”, said Henri de Castries, Chairman and CEO of the AXA Group.

“With this transaction, we are selling to Resolution businesses, notably protection and group pensions, which will benefit from Resolution’s bigger scale in these activities. We will focus on our UK wealth management business where we are among the leaders and plan to continue to grow fast.”


**Rationale for the transaction**

This transaction underlines AXA’s focus in life & savings on further optimizing capital allocation throughout the Group, towards identified business lines (including Health, Protection and Unit-Linked) and geographies (including high growth markets).

In recent years, AXA’s strategy in the UK life & savings market has concentrated on optimizing its traditional businesses notably by lowering their capital requirements, and on repositioning its operations towards the more profitable wealth management activities – as reflected in a number of key initiatives such as the launch of Architas Multi-Manager and the ‘Elevate’ wrap platform.

Through this transaction, AXA UK has the opportunity to accelerate this repositioning and focus on its wealth management operations. These operations have a market leading position with the scale, products and services to be well positioned for market and regulatory changes such as the FSA’s Retail Distribution Review (RDR) scheduled for 2012, which will lead to products with more transparent charges and limited commission-based sales.

“This is a significant step in AXA UK’s strategy that sharpens our focus on future profitable growth and builds on the market leading position that we have developed in our wealth management business, as well as in our other businesses: general insurance, healthcare insurance and Bluefin.” said Nicolas Moreau, CEO of AXA UK

**Impacts for the AXA Group**

The consideration of £2.75 billion (or ca. €3.3 billion) consists of £2.25 billion (or ca. €2.7 billion) in cash and £0.50 billion (or ca. €0.6 billion) of Resolution Ltd senior Deferred Consideration Notes, which bear an effective interest rate of 6.5% per annum and are repayable in instalments over an 8 year period (4 year duration) and which are subject to early repayment in full in certain circumstances including an IPO of any UK insurance business of the Resolution Ltd Group. The face value of the Notes and consequently the consideration may be reduced by up to £0.15 billion depending on the amount of inherited estate which is found to be releasable from the AXA Sun Life long term fund following testing at December 31, 2010. Based on its current expectations with respect to the amount to be released from the inherited estate, management does not currently anticipate a price adjustment.

The purchase price to be received by AXA corresponds to:
- 0.86x² FY09 EV of the sold business adjusted for AXA APH shares (£3.2 billion),
- 19x adjusted³ FY09 underlying earnings of the sold business

After the buy-back of €0.9 billion of AXA APH shares currently held by AXA Life UK, net cash proceeds would be €1.7 billion for the AXA Group. These proceeds would be dedicated to funding the further development of the UK wealth management business and to redeploying capital more efficiently throughout the AXA Group, while maintaining a strong balance sheet.

The transaction would have the following impacts on AXA:
- Ca. €-1.4 billion exceptional capital loss accounted for in net income in 2010,
- Ca. €+0.8 billion on shareholders’ equity net of intangibles,
- +4 pts on Solvency I, which was estimated above 180% at March 31, 2010,
- -1 pt on debt gearing, which was 26% at December 31, 2009,
- Ca. €-0.5 billion on Group EV, which was €30.4 billion at December 31, 2009.

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¹ Including £26m (plus interest) to be paid on completion of certain steps in the agreed post-completion reorganisation
² Or 0.80x a pro-forma EV of £3,446m reflecting adjustments mainly on liquidity premium and cost of capital to align with Resolution Ltd methodology and assumptions
³ FY09 underlying earnings adjusted for £-106m one-off gain related to internal restructuring of an annuity portfolio, £+16m dividend on AAPH shares and on the business retained
Approximately 2,200 AXA employees would be transferred to the Resolution Ltd Group on completion of the transaction.

This transaction is subject to certain covenants and conditions customary for a transaction of this nature, including the approval of the shareholders of Resolution Ltd and the receipt of regulatory approvals. The closing is expected to take place in 3Q 2010.

**FY09 AXA Life UK key figures**

*In £m*

<table>
<thead>
<tr>
<th></th>
<th>APE</th>
<th>NBV</th>
<th>NBV Margin</th>
<th>NB IRR</th>
<th>Net inflows</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retained</td>
<td>344</td>
<td>60</td>
<td>18%</td>
<td>13%</td>
<td>920</td>
</tr>
<tr>
<td>Sold</td>
<td>496</td>
<td>27</td>
<td>5%</td>
<td>8%</td>
<td>-1,820</td>
</tr>
<tr>
<td>Total UK Life</td>
<td>840*</td>
<td>87</td>
<td>10%</td>
<td>9%</td>
<td>-900</td>
</tr>
</tbody>
</table>

* including £14m APE of non modelled businesses

**FY09 AXA Life UK Adjusted EV**

*In £m*

<table>
<thead>
<tr>
<th></th>
<th>ANAV</th>
<th>VIF</th>
<th>Published EV</th>
<th>AAPH Adjusted EV</th>
<th>Retained</th>
<th>Sold</th>
</tr>
</thead>
<tbody>
<tr>
<td>EV retained vs. sold business</td>
<td>1,045</td>
<td>1,813</td>
<td>2,858</td>
<td>709</td>
<td>3,567</td>
<td>374</td>
</tr>
</tbody>
</table>
About AXA
AXA Group is a worldwide leader in Financial Protection. AXA's operations are diverse geographically, with major operations in Europe, North America and the Asia/Pacific area. For full year 2009, IFRS revenues amounted to Euro 90.1 billion and IFRS underlying earnings to Euro 3.9 billion. AXA had Euro 1,015 billion in assets under management as of December 31, 2009.

The AXA ordinary share is listed on compartment A of Euronext Paris under the ticker symbol CS (ISIN FR0000120628 – Bloomberg: CS FP – Reuters: AXAF.PA). AXA’s American Depository Shares are also quoted on the OTC QX platform under the ticker symbol AXAHY.

This press release is available on the AXA Group website: www.axa.com

**AXA Investor Relations:**
Mattieu Rouot: +33.1.40.75.46.85
Gilbert Chahine: +33.1.40.75.56.07
Paul-Antoine Cristofari: +33.1.40.75.73.60
Sylvie Gleises: +33.1.40.75.49.05
Thomas Hude: +33.1.40.75.97.24
George Guerrero: +1.212.314.28.68

**AXA Media Relations:**
Emmanuel Touzeau: +33.1.40.75.46.74
Armelle Vercken: +33.1.40.75.46.42
Sara Gori: +33.1.40.75.58.06

**AXA UK:**
Stephen Hoffman: +44.207.920.5014

**AXA Individual shareholders Relations:** +33.1.40.75.48.43

**IMPORTANT LEGAL INFORMATION AND CAUTIONARY STATEMENTS CONCERNING FORWARD-LOOKING STATEMENTS**

Certain statements contained herein are forward-looking statements including, but not limited to, statements that are predictions of or indicate future events, trends, plans or objectives. Undue reliance should not be placed on such statements because, by their nature, they are subject to known and unknown risks and uncertainties. Please refer to the section “Cautionary statements” in page 2 of AXA’s Document de Référence for the year ended December 31, 2009, for a description of certain important factors, risks and uncertainties that may affect AXA's business. AXA undertakes no obligation to publicly update or revise any of these forward-looking statements, whether to reflect new information, future events or circumstances or otherwise.