

AXA to sell its Canadian operations

AXA announced today that it has agreed to sell its Canadian operations in Property & Casualty and Life & Savings insurance to Intact Financial Corporation for a total cash consideration of CAD 2.6 billion (or ca. Euro 1.9 billion). This corresponds to implied 2010 multiples of 13x underlying earnings and 1.9x book value. This transaction should generate an exceptional capital gain of approximately Euro 0.9 billion, which will be accounted for in Net Income. In addition, AXA is entitled to receive up to CAD 100 million (or ca. Euro 72 million) in contingent considerations based on profitability metrics over a period of 5 years.

AXA considers that the proposed sale to Intact Financial Corporation, a leading P&C insurer in Canada, is the most efficient way to maximize value creation.

“The sale of our Canadian operations comes after several similar transactions and represents a further step in our strategy of redeploying capital towards geographies with higher long term growth prospects” said Henri de Castries, Chairman and Chief Executive Officer of AXA. “I would like to take the opportunity on behalf of the Board of Directors and the Management Committee to thank the Canadian teams for their engagement and for the business they have built over the years.”

Full year 2010 underlying earnings of AXA’s Canadian operations were Euro 149 million, of which Euro 139 million in Property & Casualty with a combined ratio of 92% and Euro 10 million in Life & Savings. AXA Canada was ranked #6 in the Canadian P&C industry in 2010¹.

AXA’s Canadian operations affected by this proposed transaction will be treated as discontinued operations in AXA’s 2011 consolidated financial statements. As a consequence, their earnings until the closing date will be accounted for in Net Income. Excluding Canadian operations, 2010 Group all year combined ratio would have been 99.5% instead of 99.1%, and current year combined ratio would have been 102.6% instead of 102.4%.

Estimated impacts on AXA expected at the closing date:

- +6 points on Solvency I ratio, which was 182% at December 31, 2010;
- Ca. +5 points on Economic Capital ratio, which was 178% at December 31, 2010;
- -3 points on debt gearing, which was 28% at December 31, 2010. This would offset the net impact from transactions previously announced in 2011.

The parties expect the sale to close before the end of 3Q 2011, subject to customary closing conditions and regulatory approvals for a transaction of this type.

¹ Source : Canadian Insurance – 2010 annual statistical issue

Appendix – AXA Canada key figures

In Euro million

	FY10
Revenues	
P&C	1,428
Life & Savings	132
Total	1,559
<i>% of Group gross revenues</i>	<i>1.7%</i>
Underlying earnings	
P&C	139
Life & Savings	10
Total	149
<i>% of Group underlying earnings</i>	<i>3.8%</i>
Combined ratio	91.8%

About the AXA Group

The AXA Group is a worldwide leader in insurance and asset management, with 214,000 employees serving 95 million clients. In 2010, IFRS revenues amounted to Euro 91 billion and IFRS underlying earnings to Euro 3.9 billion. AXA had Euro 1,104 billion in assets under management as of December 31, 2010.

The AXA ordinary share is listed on compartment A of Euronext Paris under the ticker symbol CS (ISN FR 0000120628 – Bloomberg: CS FP – Reuters: AXAF.PA). AXA's American Depository Shares are also quoted on the OTC QX platform under the ticker symbol AXAHY.

The AXA Group is included in the main international SRI indexes, such as Dow Jones Sustainability Index (DJSI) and FTSE4GOOD.

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
Sylvie Gleises: +33.1.40.75.49.05
Thomas Hude: +33.1.40.75.97.24
Solange Brossollet: +33.1.40.75.73.60
Florian Bezault: +33.1.40.75.59.17
Jennifer Lawn: +1.212.314.64.08

AXA Media Relations:

Armelle Vercken: +33.1.40.75.46.42
Sara Gori: +33.1.40.75.48.17
Guillaume Borie: +33.1.40.75.49.98
Hélène Caillet: +33.1.40.75.55.51
Brice Le Roux: +33.1.40.75.57.26

AXA Individual shareholder 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, 2010, 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.