

Media Release

Helvetia in the 2008 financial year: excellent operating profit – consistently strong capital position – impressive dividend payment

In a very challenging market environment, Helvetia Group once again proved the excellent health of its insurance business in the 2008 financial year. With an excellent technical result, a solvency margin of 207.7 percent and a mostly stable equity base, Helvetia maintained its strong capital position and boasts a very solid risk profile. Helvetia posted a very attractive profit of CHF 230.5 million, and the Shareholders' Meeting will be requested to approve an impressive dividend payment of CHF 13.50 per share.

St. Gallen, 17 March 2009 / Helvetia Group generated a profit after tax of CHF 230.5 million (previous year CHF 402 million) in the 2008 financial year. In spite of the global economic crisis the company generated an excellent operating result for its core business and an investment result that is satisfactory in the current circumstances. The growth of 6.4 percent (in original currency) recorded in the direct business segment underlines the Group's great potential for growth. At CHF 2,773.7 million (previous year CHF 2,850.6 million), the equity base was maintained at a consistently high level. The solvency margin of 207.7 percent means that the Group still has more than double the required capital resources. Helvetia Group is therefore one of the best capitalised insurance companies in Europe, which reinforces its position as a stable and reliable partner for more than 2 million insurance customers.

«Our operating result for the 2008 financial year was excellent, and our core business is healthy and profitable. All insurance lines and country markets contribute to this pleasing trend», says Stefan Loacker, CEO of Helvetia Group. «We gained market share while at the same time improving our cost situation. Due to the worldwide financial market crisis, Helvetia had to book substantial writedowns too, but thanks to our consistent and effective risk management, the impact on our balance sheet was not severe. We are and remain solidly capitalised.»

Healthy growth and excellent operating result

In the life segment, the business volume improved from CHF 2,910.2 million to CHF 3,152.0 million, equalling an excellent currency-adjusted growth rate of 9.4 percent. Due to the difficult conditions in the investment business, however, the life insurance segment made a negative contribution of CHF 7.7 million before tax to the Group result. The current capital market environment and interest rate trends also had a negative impact on the embedded value, which fell to CHF 2,037.2 million. At 15.3 percent, new business profitability was stable.

Thanks to the contributions of the country markets, the direct non-life business enjoyed good growth of 2.6 percent. The actuarial quality of the non-life segment, which was already at a high level, improved

even further: thanks to a good claims experience, a very healthy and top-quality portfolio and effective cost discipline, the net combined ratio is excellent at 89.9 percent. Non-life business did extremely well with a profit of CHF 350.2 million before tax thanks to the excellent technical result and good premium growth in spite of the competitive environment. In addition to the technical result, the earnings statement was also boosted by a one-off contribution of CHF 196.9 million resulting from the review of the reserve loadings carried out in the first half of the year.

Persistently strong capital position and solid risk profile

In 2008, the dramatic developments on the capital markets cast a gloom upon the investment business. However, our conservative investment strategy, the level of diversification and the top quality of the investments in our portfolio stood the test of these difficult times. Helvetia Group successfully cushioned the impact of the rapidly deteriorating global investment markets on its portfolio with comprehensive and consistent hedging measures. With an overall performance of +0.9 per cent, our investment result is therefore satisfactory against the background of the financial market meltdown.

Compared to the market, Helvetia's capital position is extremely good and its risk profile is solid, as attested by the solvency margin of 207.7 percent and the mostly stable equity base of CHF 2,773.7 million (down 2.7 percent year-on-year). Our cautious investment policy and uniform approach to risk management will remain important cornerstones of Helvetia's business operations.

Strategy of profitable growth confirmed

The convincing operating result confirms that Helvetia is on the right track with its strategy of healthy organic growth in the life and non-life segments. The traditionally excellent quality of Helvetia's portfolio was consistently protected. The acquisitions strengthened the Group's position in specific markets and also opened up new sales channels. This is in particular true for Italy, where the purchase of Chiara Vita provided us with exclusive access to the Banco di Desio network with its strong potential. The purchase of Padana Assicurazioni gave Helvetia access to the 40,000 employees of the ENI energy group. The acquisition of a specialised insurance portfolio in Austria enabled Helvetia to triple its Austrian transport business volume and improve its position to one of the top five insurance providers in this attractive market segment.

Impressive dividend even in difficult times

Thanks to our strong capital base, sturdy risk profile and excellent, broad-based technical result, the company can request the Shareholders' Meeting to approve an impressive dividend of CHF 13.50 per share (previous year CHF 15.00) even in these uncertain times. This enables Helvetia Group to maintain its solid solvency margin while at the same time allowing its shareholders to participate in its excellent operating result.

Stefan Loacker is convinced: «Our business model is very robust and has proved itself in these difficult times. Helvetia Group will continue to do everything in its power to always be a reliable partner

for its insurance customers. We will therefore consistently and cautiously forge ahead with our current strategy of profitable growth.»

Notes

- n Today at 09:00 there will be a media conference in German and at 11:30 an analysts' meeting and conference call in English.
- n The letter to the shareholders, annual report and presentation to the media and analysts' conference are available on the internet at www.helvetia.com/en/media with immediate effect.
- n You will find the most important key figures in the fact sheet.

You can also access this media release on our website at www.helvetia.com/en/media.

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About Helvetia Group

In the past 150 years, Helvetia Group grew from a number of Swiss and foreign insurance companies into a successful insurance group that does business everywhere in Europe. Today, Helvetia has branch offices in Switzerland, Germany, Austria, Spain, Italy and France, and routes some of its investment and financing activities through subsidiaries and fund companies in Luxembourg and Jersey. The Group is headquartered in St.Gallen in Switzerland. Helvetia is active in the life, property and casualty and reinsurance segments, and almost 4,600 employees provide services to more than two million customers. With a business volume of CHF 5.7 billion, Helvetia posted a net profit of CHF 230.5 million in the 2008 financial year. The Helvetia Holding registered share is part of the Swiss Performance Index (SPI) and is traded on the SIX Swiss Exchange under the symbol HELN.

Cautionary note regarding forward-looking statements

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This document may contain projections or other forward-looking statements related to the Helvetia Group which, by their very nature, involve inherent risks and uncertainties, and risks exist that predictions, forecasts, projections and other outcomes described or implied in forward-looking statements will not be achieved. We caution you that a number of important factors could cause results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. These factors include: (1) changes in general economic conditions, in particular in the markets in which we operate; (2) the performance of financial markets; (3) changes in interest rates; (4) changes in currency exchange rates; (5) changes in laws and regulations, including accounting policies or practices; (6) risks associated with implementing our business strategies; (7) the frequency, magnitude and general development of insured events; (8) mortality and morbidity rates; and (9) policy renewal and lapse rates. We caution you that the foregoing list of important factors is not exhaustive; when evaluating forward-looking statements, you should carefully consider the foregoing factors and other uncertainties. All forward-looking statements are based on information available to the Helvetia Group on the date of its publication and the Helvetia Group assumes no obligation to update such statements unless otherwise required by applicable law.

The purpose of this document is to inform the shareholders of Helvetia Group and the public of the business performance of Helvetia Group in 2008. This document does not constitute an offer or a solicitation to exchange, buy or subscribe for securities, nor does it constitute an offering circular within the meaning of Art. 652 a of the Swiss Code of Obligations or a listing prospectus within the meaning of the listing rules of SWX Swiss Exchange. Should the Helvetia Group make one or more capital increases in the future, investors should make their decision to buy or subscribe for new shares or other securities solely on the basis of the relevant offering circular. This document is also available in German, French and Italian. The German version is binding.

Key figures at December 31, 2008

Key share data Helvetia Holding AG

	2008	2007	Change
Group profit for the period per share in CHF	26.9	46.7	-42.5%
Consolidated equity per share in CHF	323.2	332.1	-2.7%
Year-end price of Helvetia registered shares, in CHF	228.9	407.0	-43.8%
Market capitalisation at year-end price in CHF million	1 980.6	3 521.7	-43.8%
Price/earnings ratio	8.5	8.7	
Dividend per share ¹ in CHF	13.50	15.00	-10.0%
Number of shares issued	8 652 875	8 652 875	

¹ Based on the proposal made at the Shareholders' Meeting

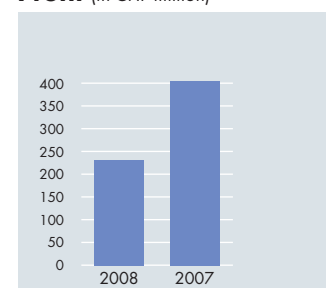
Key data in CHF million

	2008	2007	Change
Business volume	5 712.3	5 505.2	3.8%
– of which gross premiums life	3 067.0	2 893.9	6.0%
– of which gross premiums non-life	2 560.3	2 595.0	-1.3%
– of which deposits received	85.0	16.3	422.8%
Investment income	72.0	1 040.0	-93.1%
Profit before tax	295.6	505.5	-41.5%
– of which life	-7.7	190.6	-
– of which non-life	350.2	286.5	22.2%
– of which other	-46.9	28.4	-
Group profit for the period after tax	230.5	402.0	-42.7%
Investments	30 759.1	29 381.5	4.7%
Reserves for insurance and investment contracts (net)	25 754.4	25 924.7	-0.7%
Consolidated equity	2 773.7	2 850.6	-2.7%
Return on equity (%)	8.2%	14.4%	

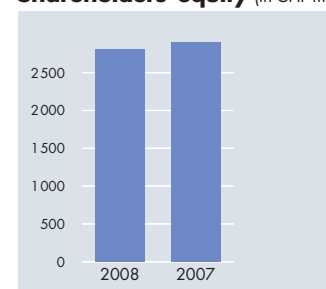
Key figures

	2008	2007	Change
Life in CHF million			
Embedded value total	2 037.2	2 223.8	-8.4%
– of which value of new business	30.0	32.3	-7.1%
Non-life (%)			
Combined ratio (gross)	88.2%	94.9%	
Combined ratio (net)	89.9%	94.5%	
Investments (%)			
Direct yield	3.3%	3.3%	
Investment performance	0.9%	2.4%	

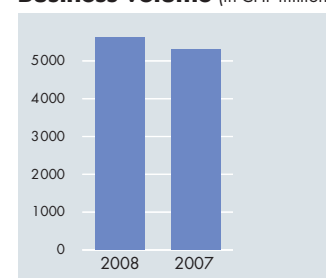
Profit (in CHF million)



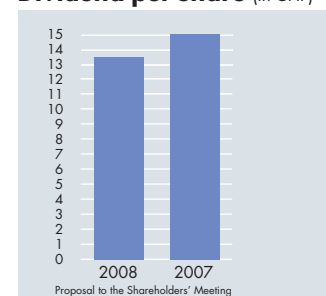
Shareholders' equity (in CHF million)



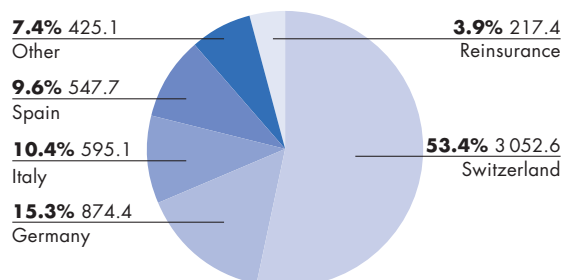
Business volume (in CHF million)



Dividend per share (in CHF)



Business volume 2008 in Mio. CHF



Important dates

17 April 2009	Ordinary Shareholders' Meeting in St.Gallen
3 Sept 2009	Publication of half-year financial results for 2009
16 March 2010	Publication of financial results for 2009
16 April 2010	Ordinary Shareholders' Meeting in St.Gallen

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