

AXA Investment Managers 2011 Results

*Resilience in a challenging environment
Perfectly positioned for future growth*

- **Stable assets under management**
- **Net new money back to equilibrium**
- **Growth in revenues**
- **Significant increase in profitability above pre-crisis levels**
- **Continued improvement in investment performance across asset classes**

Dominique Carrel-Billiard, CEO of the AXA IM Group, commented on the results, "AXA IM's performance in 2011 confirms the soundness of our multi-expert asset management model which has yet again proved resilient in an extremely challenging environment for the industry. The investment performance generated for clients has continued to improve and demonstrates the value of our active management approach in difficult market conditions.

"The much enhanced profitability of AXA IM in 2011 exceeding pre-crisis levels, has confirmed the success of our past efforts to reinforce and fine tune our multi-expert model. The agility and innovation of independent investment teams combined with the scale of one of the largest global and diversified asset managers in the world, has enabled AXA IM to retain and win new clients in a testing and uncertain environment.

"Although 2012 will continue to be challenging for the financial sector, as a long term investor dedicated to active management, AXA IM is ideally placed to capture the opportunities presented to investors by evolving markets. We will continue to foster partnerships based on trust and transparency with our clients and capitalise on our solutions approach to address the ever growing and complex investment needs of clients globally."

Statistical indicators

AXA IM's **assets under management** at the end of December 2011 were at €512 billion, reducing by only 0.8% mainly due to adverse market impact and a change in scope of assets managed for a key third party client¹.

Having spent most of the year in positive territory, AXA IM ended the year with **net new money** at negative €1.2 billion, against negative €20.2 billion in 2010 and €18.5 billion in 2009. Excluding AXA Rosenberg (€-5 billion outflows) and the voluntary exit from unprofitable employee shareholding plan schemes (€-2 billion), net inflows amounted to €+6 billion, mainly driven by strong flows into AXA IM's joint venture businesses in Asia, inflows picked up by AXA IM's alternatives investment platforms as well as by the judgemental equities and fixed income expertises. A significant proportion of inflows came from institutional clients.

¹ Selling of AXA UK Life business to buyout fund Resolution

Revenues were up **by 6%** to €1,151 million, mainly due to higher performance fees, real estate transaction fees and a better product mix. AXA IM has created a positive leverage while continuing to reap the benefits of its scalable operating model seeing a drop in non-staff costs compared to 2010 with operating expenses at €670 million. As a result, AXA IM's **operating profit** grew by 12% to €215 million in 2011, clearly reflecting the success of AXA IM's multi-expert strategy from both a shareholder and client perspective.

2011 investment platform highlights

AXA IM delivered strong investment performance to clients in 2011 with 85% of AXA IM's retail assets invested in funds ranked in the 1st and 2nd quartiles. The long term active approach of AXA IM's independent investment teams has paid off in consistent and solid performance over 1, 3 and 5 years. AXA IM's unconstrained portfolios beat comparative benchmarks by 0.75% and 0.3% over 1 and 3 years (annualised) respectively.²

In 2011, AXA IM continued to evolve its offering to clients bringing to market a range of solutions and products that addressed the changing investment landscape and client needs. Inflation protection, diversification, downside protection and the need for higher yielding investments were some of the investor needs that AXA IM addressed in 2011.

Given the prevailing environment of low interest rates, AXA IM extended its short duration bond range and launched additional RedEx share classes across its fixed income fund range. Leveraging its unique solutions expertise, AXA IM continued to develop solutions aiming to minimise the downside risk for investors through innovations such as the SolEx share classes for equity funds.

Global equity and credit funds were brought to market to cater for investors aiming to exploit the benefits of diversification across regions alongside additions to AXA IM's Global High Yield Bond range. With new regulatory regimes impacting every aspect of financial markets, AXA IM was also a first mover in many of its alternative investment platforms to launch new vehicles including AXA Secondary Fund V; commercial real estate debt funds, structured credit vehicles and AXA IM's innovative Tail Risk offering.

Corporate developments

In reinforcing the multi-expert model in 2011, AXA IM created a global COO role to enhance the way in which the framework of support functions contributes to the performance and efficiency of the investment platforms and distribution teams. AXA Rosenberg has become a fully integrated investment expertise of AXA IM with the ability now to draw upon a larger pool of distribution and operational functions to support this key investment platform. AXA IM's investment solutions capabilities have been re-focused to ensure that timely and relevant solutions are accessible to clients globally across asset classes.

Reflecting AXA IM's commitment to the multi-expert approach to asset management, new appointments were made to the AXA IM Management Board to increase representation of investment functions at the most strategic level of the business. AXA IM's distribution capabilities continued to be strengthened throughout 2011 with several appointments in key markets including the UK and Nordics and Southern Europe as well as in AXA IM's global consultant relations team. Similarly AXA IM invested in talent across its investment expertises with key hires in fixed income, fund of hedge funds and real estate.

² Source for all performance data: AXA IM, as at 31 December 2011

2012 outlook

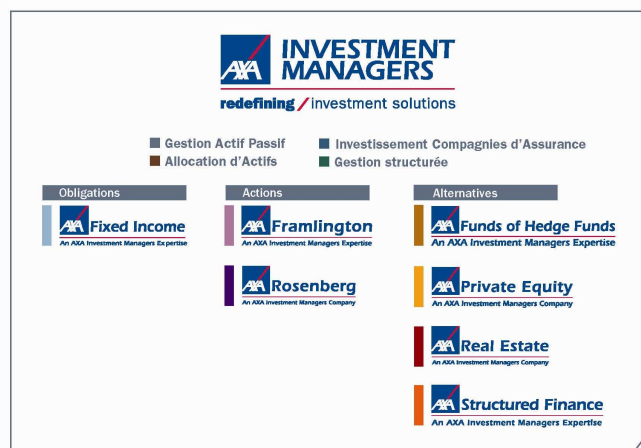
Following a busy year of product innovation in 2011, with a strong pipeline of ideas to come, 2012 will be a year of strengthening market share for AXA IM. Superior investment performance and the innovation of investment solutions across asset classes will remain a priority in 2012. Whilst continuing to strengthen distribution capabilities across all regions, AXA IM will focus on Europe and Asia. Given the wider economic and business environment, diligence in cost management coupled with the right investment in human capital will enable AXA IM to continue to build on the progress made in 2011 and optimise its business model further in 2012.

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About AXA Investment Managers

AXA Investment Managers is a multi-expert asset management company within the AXA Group, a global leader in financial protection and wealth management. AXA IM is one of the largest European-based asset managers with €512 billion in assets under management as of the end of December 2011. AXA IM employs 2,400 people around the world and operates out of 23 countries.

Visit our website: www.axa-im.com



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