

l'essentiel

Shareholders' Circle letter

Number 10 – September 2006

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- BUSINESS TRENDS
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Dear shareholders,

AXA's performance in the first half of 2006 marks another successful milestone on our path to Ambition 2012. AXA is delivering on its organic growth and profitability objectives in all business segments. Our organization, as well as our efforts in terms of product innovation, productivity and distribution, are bearing fruit. The AXA Group is therefore aligned with its market plan, based on strong organic growth

and targeted acquisitions.

The strength of the Group and the performance of our local teams put us in a perfect position to successfully integrate Winterthur and further leverage the benefits of being global.

*Henri de Castries,
Chairman of the Management Board*

A handwritten signature in black ink, appearing to read 'H. de Castries'.



Be Life Confident

FIRST HALF 2006 RESULTS

UNDERLYING EARNINGS

€ 2.1 Billion
+ 19 %

ADJUSTED EARNINGS

€ 2.9 Billion
+ 37 %

NET INCOME GROUP SHARE

€ 2.7 Billion
+ 20 %

NET INCOME GROUP SHARE PER SHARE

€ 1.46
+ 23 %

After strong performance in 2005, the first half of 2006 is another successful step toward reaching our Ambition 2012 objectives.

Strong business fundamentals in all segments

- **Life & Savings** entities delivered strong growth in 1H06, with new business premiums on an APE¹ basis up 17% to Euro 3,065 million.

New Business Value² was up 30% to Euro 670 million, resulting in a margin of 21.9%, up 2.2 points on a comparable basis compared to 1H05.

- **Property & Casualty** revenues increased by 4% to Euro 10,815 million, reflecting a good sales momentum in 2Q06.

The combined ratio improved 0.6 point to 96.9%, with all entities positively contributing to this performance.

- **Asset Management** revenues increased by 31% to Euro 2,090 million, with very strong net inflows of Euro 39 billion.

Both AXA Investment Managers and AllianceBernstein improved their cost income ratios, reaching respectively 70.5% (down 5.2 points) and 70.0%(down 1.9 points).

Definitions

APE: Annual Premium Equivalent represents 100% of new business regular premiums + 10% of new business single premiums.

Combined Ratio: the sum of claims and expenses divided by premiums. When this ratio stands at over 100%, the business makes an underwriting loss. Conversely, when the ratio is lower than 100%, it records an underwriting profit.

New Business Value: the NBV is the value of future earnings on new contracts.

Solid earnings³ growth

UNDERLYING EARNINGS were up 19%, or + 17% at constant exchange rates, to Euro 2.1 billion. Life & Savings, Property & Casualty and Asset Management segments all contributed to this performance by posting double-digit growth.

¹ Annual Premium Equivalent (APE) represents 100% of new business regular premiums plus 10% of new business single premiums. APE is group share.

² New Business Value (NBV) is group share.

³ Underlying earnings are adjusted earnings, excluding net capital gains attributable to shareholders. Adjusted earnings represent net income before the impact of exceptional operations, goodwill and related intangibles amortization/impairments, and profit or loss on financial assets (under the fair value option) and derivatives. Adjusted and underlying earnings are non-GAAP measures and as such are not audited, may not be comparable to similarly titled measures reported by other companies, and should be read together with our GAAP measures. Management uses these non-GAAP measures as key indicators of performance in assessing AXA's various businesses and believes that the presentation of these measures provides useful and important information to shareholders and investors as measures of AXA's financial performance.

For UNDERLYING EARNINGS analysis below, percentage changes between 1H06 and 1H05 are presented at constant exchange rates.

IFRS Euro million	1H05	1H06	Change	Change @ Cst FX
Life & Savings	972	1,124	+ 26 %	+ 24 %
Property & Casualty	695	780	+ 12 %	+ 11 %
International Insurance (a)	103	64	- 38 %	- 39 %
Asset Management	154	233	+ 51 %	+ 47 %
Other Financial Services & Holdings	- 163	- 212		
Total Underlying Earnings	1,761	2,090	+ 19 %	+ 17 %

(a) On June 6, 2006, AXA announced the signing of a definitive agreement to cede AXA RE's business to Paris Re Holdings Limited. As a consequence, AXA RE's contribution to underlying earnings in 1H06 (Euro 4 million) corresponds mainly to the run-off of 2005 and previous year reserves (AXA RE's contribution to 1H05 underlying earnings was Euro 55 million).

Life & Savings underlying earnings increased by 24% to Euro 1,224 million. All margins contributed to this result, in line with trends recorded in full year 2005. Excluding positive non-recurring items⁴ in 1H05 in Japan (Euro 47 million), Life & Savings underlying earnings were up 30% in 1H06, as gross margin increased 15% while expenses were up 8%.

Property & Casualty underlying earnings were up 11% to Euro 780 million, mainly driven by a 0.6 point improvement in the combined ratio to 96.9%, together with the effect of increased volumes. All regions contributed positively to this performance.

International Insurance underlying earnings were down 39% to Euro 64 million. AXA RE: On June 6, 2006, AXA announced the signing of a definitive agreement to cede AXA RE's business to Paris Re Holdings Limited. As a consequence, AXA RE's contribution to underlying earnings in 1H06 (Euro 4 million) corresponds mainly to the run-off of 2005 and previous year reserves (AXA RE's contribution to 1H05 underlying earnings was Euro 55 million). Excluding AXA RE's contribution in 1H05, International Insurance underlying earnings were up 32%. AXA Corporate Solutions Assurance underlying earnings were up 13% to Euro 44 million, mainly driven by increased revenues, while the combined ratio remained stable, at 100.5%.

Asset Management underlying earnings were up 47% to Euro 233 million, benefiting from higher average AUM⁵ (up 19%), notably driven by very strong net inflows of Euro 39 billion. Total AUM for Asset Managers⁶ at the end of June 2006 was Euro 933 billion, up 5% at constant exchange rates versus December 31, 2005. AllianceBernstein underlying earnings increased 32% to Euro 135 million, driven by higher average AUM (+16%), a more favorable product mix and a 1.9 point improvement in the operating cost income ratio, to 70.0%. AXA Investment Managers underlying earnings increased 71% to Euro 98 million, driven by higher average AUM (+22%) and a positive client and product mix evolution, while expenses grew at a slower pace, resulting in a 5.2 point improvement in the operating cost income ratio, to 70.5%.

Others Financial Services & Holdings underlying earnings decreased by Euro 46 million to Euro -212 million. AXA SA was notably impacted by higher financial charges related to the financing of the buy-back of the FINAXA exchangeable bonds and increasing investments to develop the AXA brand.

4 Japan's 1H05 underlying earnings included non recurring elements for a net impact of Euro 47 million including a positive tax impact (Euro 188 million) reflecting the improvement in recoverability of tax losses carried forward, partly offset by additional VBI and DAC amortization due to a change in future investment assumptions (Euro -136 million).

5 Assets Under Management.

6 AllianceBernstein and AXA Investment Managers.

ADJUSTED EARNINGS: 1H06 adjusted earnings were up 37%, or 35% at constant exchange rates, to Euro 2,916 million, driven by the solid underlying earnings performance and by the very strong increase in net capital gains attributable to shareholders, to Euro 826 million. 1H06 net capital gains attributable to shareholders were realized on the back of favorable equity markets in the first 4 months of 2006.

NET INCOME stood at Euro 2.7 billion, up 20%, or 18% at constant exchange rates. Strong adjusted earnings growth was partly offset by the negative impact of rising interest rates on fixed income mutual funds under fair value option in operating entities, and on interest rate derivatives, mainly at AXA SA.

BALANCE SHEET: As of June 30, 2006, shareholders' equity was Euro 31.7 billion, down 6% compared to December 31, 2005, primarily reflecting the impact of increasing bond yields on the fair value of fixed income assets recorded through shareholders equity, and the payment of 2005 dividend, partly offset by retained earnings for the period.

Total unrealized capital gains attributable to shareholders were Euro 8.8 billion as of 06/30/06 of which:

- Euro 5.3 billion of fair value of invested assets recorded through shareholders' equity, down Euro 2.9 billion versus December 31, 2005, mainly due to the impact of increasing interest rates on fixed income securities,
- Euro 1.3 billion of unrealized capital gains on real estate and loans (not recorded through shareholders' equity), versus Euro 1.4 billion on December 31, 2005,
- Euro 2.2 billion of unrealized gain on AllianceBernstein investment (not recorded through shareholders' equity), versus Euro 2.3 billion on December 31, 2005.

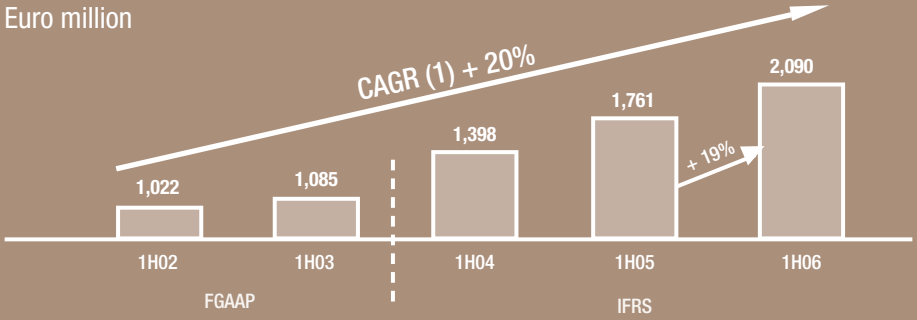
As of June 30, 2006, gearing stood at 37%, down 1 point from December 31, 2005.

IFRS <i>Euro million</i> <i>Except per share amounts</i>	1H05	1H06	Change		1H06 per share (a)	Change
			Change	@ Cst FX		
Underlying Earnings	1,761	2,090	+ 19 %	+ 17 %	1.12	+ 21 %
Net capital gains	370	826				
Adjusted Earnings	2,132	2,916	+ 37 %	+ 35 %	1.56	+ 39 %
Profit or loss on financial assets (under Fair Value option) and derivatives	119	-275				
Exceptional operations	27	92				
Goodwill & related intangibles	- 4	- 4				
Net income, group share	2,274	2,729	+ 20 %	+ 18%	1.46	+ 23%

(a) Fully diluted. Weighted average number of fully diluted shares was 1,911 million in HY06 versus 1,958 million in 1H05.

STRONG UNDERLYING EARNINGS' GROWTH

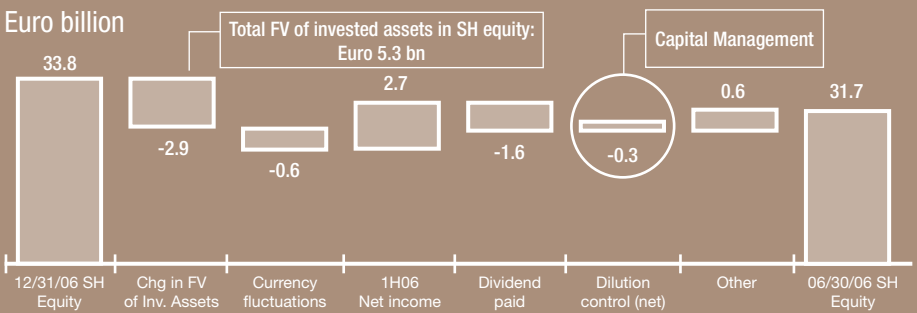
Euro million



(1) Compounded Annual Growth Rate.

SHAREHOLDER'S EQUITY IS EURO 31.7 BILLION ON JUNE 30, 2006

Euro billion

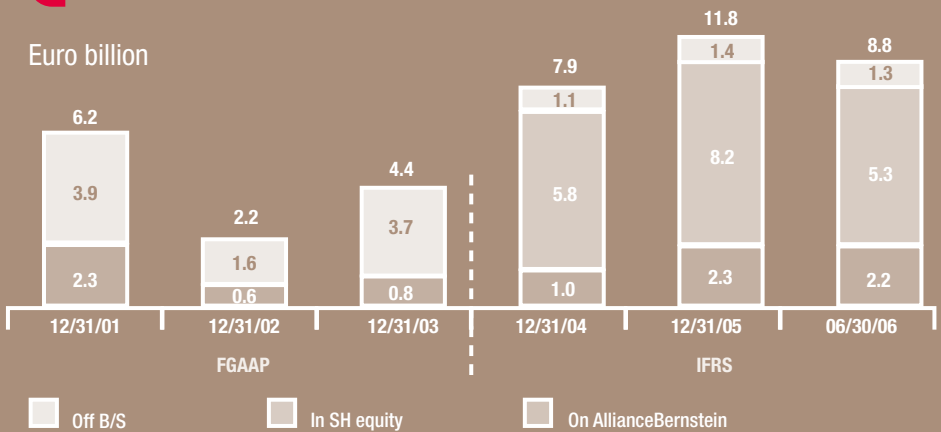


➔ The underlying ROE (1) reached 16.7% in 1H06.

(1) Annualized ROE. Based on average shareholder's equity excluding change in fair value on invested assets and derivatives recorded in OCI.

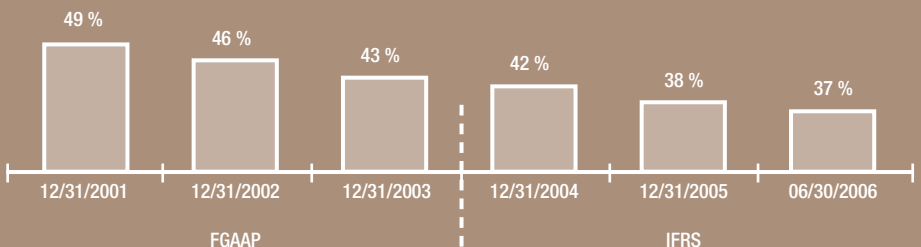
UNREALIZED CAPITAL GAINS ATTRIBUTABLE TO SHAREHOLDERS: STILL STRONG DESPITE INCREASED INTEREST RATES AND FLAT EQUITY MARKETS

Euro billion



CONTINUED DELEVERAGING OF THE BALANCE SHEET

Gearing ratio



■ Estimated impact of Winterthur acquisition on gearing ratio would be to increase it by 2 to 3 points.

AGENDA 2006

■ Forum de l'investissement (Investment Forum) in Paris:	October 13
■ Consultative Committee of Individual Shareholders in Paris:	October 31
■ Shareholder's meeting in Marseille:	November 7
■ First nine months 2006 Activity Indicators Release:	November 9
■ Salon Actionaria (Actionaria Forum) in Paris:	November 17-18

CONTACT

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