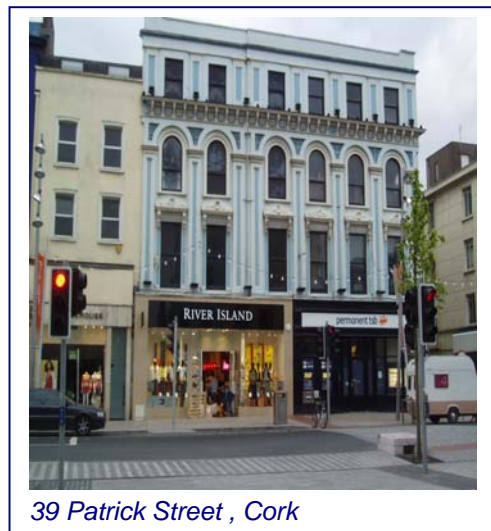


Irish Property Market Update

We expect that we could see capital values in the overall Irish Commercial Property Market fall by up to 35% for 2009 over the full year. A property income return of over 7% per annum would reduce the negative capital value returns giving a total return fall of around 28% for 2009. Please note that these returns are based on overall market valuations and do not reflect any of the costs of buying or selling properties, taxes or management costs.

Breaking property news in June: The Dáil passed the Land and Conveyancing Law Reform Bill 2006 which aims to remove "upwards only" rent reviews on new leases. The legislation only applies to future leases and both existing leases and agreements for lease which are already in place are not affected. The Act is expected to come into force in January 2010 and has potential implications for property valuations as it introduces uncertainty to the rental income stream. The Minister for Finance may consider introducing a further provision under which professionally advised tenants would be free to contract out of the Act if they wish, prior to the Act coming into force.



Irish Property Fund Update

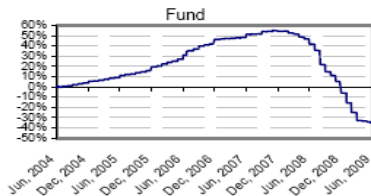
Our Property Fund at its current valuation reflects a yield of around 7%. Our Irish Property Fund (Life) is on a "full disposals" pricing basis as a result of the large number of encashment and switch requests. **The full disposals pricing basis reflects two factors:**

- 1. the costs of selling the properties; and**
- 2. the valuers' opinion of the proceeds of a forced sale – the price the valuers believe we would get to ensure a sale to takes place in the current market.**

This pricing basis acknowledges the fact that properties would have to be sold to pay for the withdrawals from the fund, while at the same time we have to protect the remaining long term investors in the fund.

Irish Property Fund Update

The pace of decline eased considerably in Q2 2009 as the fund fell 4.61% compared to a 28.4% fall in Q1 2009 and an 18% fall in Q4 2008.



Year	Irish Property Fund
2009 YTD	-31.8%
1 Year	-54.7%
3 Year %p.a.	-21.1%
5 Year %p.a.	-8.5%

The figures quoted are before tax and after management charges. Source: Irish Life.

Largest Stocks	Country
RIVERSIDE	Ireland
ILAC CENTRE	Ireland
The Pavillions	Ireland
AIRSIDE	Ireland
STEPHEN GRN SC	Ireland

Source : ILIM/MoneyMate. Returns above are after mgt charges

Warning: Past Performance is not a reliable guide to future performance

The Irish Property Fund

The Irish Life Irish Property Fund is Ireland's biggest prime commercial property fund. The fund is currently invested in over 50 high quality properties spread across the Office, Retail and Industrial sectors.

The current vacancy rate on the Irish Life Irish Property Fund is 2.28%. This compares very favourably versus the market rate of 6.2%, reflecting the prime properties held within the fund.

Property in Focus

Address: Pavillions Shopping Centre Swords, County Dublin.

Tenant: Over 80 tenants including Superquinn and Dunnes Stores

Description: Irish Life acquired a 25% stake in the Pavillions Shopping Centre in 2006. Pavillions is north Dublin's premier shopping centre anchored by strong tenants such as Superquinn and Dunnes Stores. Since acquiring 25% of the centre Phase 2 has opened, it includes the 11 screen Movies @ Swords cinema and a host of new retail outlets which are all fully let. New tenants to the centre include H&M, Zara, Tommy Hilfiger and Starbucks. A further phase is currently at design stage which will reinforce the Pavillions position as north Dublin's leading shopping centre. With over 80 shops, restaurants and cafes the centre is trading well and is a prime asset within the fund.



Important Information:

Customers must currently give 6 months notice to withdraw, or switch, any investment in our Property Funds. Property investments will fall as well as rise in value. Past performance is not a reliable guide to future performance. The views expressed in this document in relation to the market outlook for property are not forecasts, projections or guarantees of the future returns from our Property Funds. The returns on these funds will depend on the actual fund growth achieved in the future. Irish Life Assurance plc is regulated by the Financial Regulator

