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**NORTHWESTERN MUTUAL EXPECTS 2008 DIVIDENDS TO EXCEED \$5 BILLION;
7.5% ON UNBORROWED FUNDS FOR FOURTH STRAIGHT YEAR
*NORTHWESTERN LONG TERM CARE TO CONTINUE DIVIDEND SCALE***

MILWAUKEE, WI (November 1, 2007) – The Board of Trustees of The Northwestern Mutual Life Insurance Company has approved an estimated \$5.04 billion in dividends to be paid to participating policyowners in 2008. This payout will result in a larger dividend payment on nearly 99% of the company’s 4.2 million life insurance policies that received or are expected to receive a dividend in 2007. The company will continue to pay a dividend interest rate of 7.5% on unborrowed funds on most permanent life insurance policies for the fourth straight year.

“Surpassing \$5 billion in dividends to policyowners is a tremendous milestone for the company,” said Edward J. Zore, President and CEO of Northwestern Mutual. “During this year’s 150th anniversary celebration, we’ve reached a number of important milestones, but few as significant as the ability to pay \$5 billion in dividends to our policyowners as we continue delivering long-term value.”

The \$5.04 billion estimated dividend payout includes payments on Northwestern Mutual’s life insurance, disability insurance and annuity products. In addition, the Board of Directors of the Northwestern Long Term Care Insurance Company approved a continuation of its current long-term care dividend scale for 2008. This will result in an estimated dividend payout of \$6.1 million to participating long-term care policyowners, representing a \$2.2 million increase over the 2007 estimated payout. Northwestern Long Term Care is a subsidiary of The Northwestern Mutual Life Insurance Company.

“We are very pleased that Northwestern Long Term Care is able to provide a dividend for a second consecutive year,” said Zore, who is also President and CEO of Northwestern Long Term Care. “It’s important to us to deliver value on all our products.”

In addition to the over \$5 billion dividend payout and the separate dividend estimation from its subsidiary, Northwestern Long Term Care, the company highlighted the following estimated elements of the 2008 dividend payout:

Continued – 2008 Dividend to Exceed \$5 Billion

- **\$400 million increase over the 2007 payout** – The expected increase in dividend payments of \$400 million over the company’s 2007 payout is nearly equal to the total dividends paid to the company’s policyowners 30 years ago (1978).
- **\$160 million in individual disability insurance (DI) dividends** – Total individual DI dividends are expected to increase by almost \$50 million over the 2007 payout. The increase of nearly \$50 million is more than the total amount of individual DI dividends paid in 2002.
- **\$86 million in dividends on term life insurance policies** -- Total dividends on term life insurance policies are expected to increase by \$2 million over the estimated 2007 payout.

Northwestern Mutual’s ability to maintain a 7.5% dividend interest rate on unborrowed funds is credited in large part to the continued strong performance of its \$122 billion diversified investment portfolio. In addition to excellent investment performance, the company cited its focus on operating fundamentals as an important factor in allowing it to increase the estimated dividend payout by \$400 million. For 150 years, the company has emphasized the fundamentals of favorable underwriting experience, consistently high persistency and sound expense management.

“The magnitude and stability of the dividend interest rate over the past four years, despite a challenging interest rate environment and increased market volatility, is a testament to the company’s financial strength and its consistent investment strategy to generate competitive investment returns over the long-term through a well-diversified portfolio. In addition, the entire organization works to control costs and increase the value of our business,” added Zore. “We’re very proud to return this value to our policyowners.”

Resources for Policyowners and the Public:

- [*How We Determine Dividends*](#) - An explanation of how Northwestern Mutual calculates the dividend payout on most permanent life insurance policies.
- [*Corporate Investment Report*](#) - Background on Northwestern Mutual’s investment strategy.
- [*Financial Strength Ratings*](#) – Information on Northwestern Mutual’s financial strength is available on the company’s website.

Continued – 2008 Dividend to Exceed \$5 Billion

The Northwestern Mutual Life Insurance Company, Milwaukee, WI, a FORTUNE 500 company with over \$1 trillion of life insurance protection in force, has been serving the financial needs of its policyowners and clients for 150 years. The company maintains the highest available ratings for insurance financial strength from all four major rating agencies: Standard & Poor's, Fitch Ratings, A. M. Best and Moody's.

Through the Northwestern Mutual Financial Network, the marketing name for the company's nationwide sales distribution arm, the company and its affiliates deliver a unique approach to combining insurance and investment solutions to help clients achieve financial security. These solutions include life insurance, long-term care insurance, disability insurance, annuities, mutual funds, investment advisory services and employee benefit services. Northwestern Mutual's subsidiaries and affiliates include Northwestern Mutual Investment Services, LLC, a wholly owned company of Northwestern Mutual, broker-dealer, registered investment adviser, and member of FINRA and SIPC; Northwestern Mutual Wealth Management Company, a wholly owned company of Northwestern Mutual and limited purpose federal savings bank; Northwestern Long Term Care Insurance Company; and the Russell Investment Group. Further information on Northwestern Mutual, its subsidiaries and affiliates can be found at:

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