

Readers are referred to the cautionary note regarding Forward-Looking Information and Non-GAAP Financial Measures at the end of this release. Not for distribution in the U.S.

Great-West Lifeco announces agreement to acquire Putnam Investments Trust

***Transaction will position Lifeco as a leader
in asset accumulation and wealth management in the U.S.***

Winnipeg, February 1, 2007 . . . Great-West Lifeco Inc. today announced that it has reached an agreement with Marsh & McLennan Companies, Inc. whereby Lifeco will acquire the asset management business of Putnam Investments Trust, and The Great-West Life Assurance Company will acquire Putnam's 25% interest in T.H. Lee Partners. The parties have made an election under section 338(h)(10) of the U.S. Internal Revenue Code that will result in a tax benefit that Lifeco intends to securitize for approximately US \$550 million (*CDN \$644 million*). In aggregate these transactions represent a value of US \$3.9 billion (*CDN \$4.6 billion*).

Established in 1937, Putnam is one of the oldest and largest investment managers in the United States. Putnam had US \$192 billion (*CDN \$225 billion*) in assets under management at December 31, 2006. With offices in Boston, London and Tokyo, Putnam's approximately 3,000 employees manage US \$118 billion (*CDN \$138 billion*) in retail assets for US mutual fund investors, US \$39 billion (*CDN \$46 billion*) for North American institutional accounts and US \$35 billion (*CDN \$41 billion*) of institutional and retail assets in Europe and Japan.

Great-West Lifeco has been pursuing a strategy to expand and broaden its financial services business in the United States as well as in Europe and globally. In the United States two acquisitions of 401(k) retirement businesses were announced in 2006, substantially adding to Great-West Life & Annuity's platform. In the United Kingdom during the same period, Lifeco announced the purchase of two large annuity blocks, totaling CDN \$15 billion.

The acquisition of Putnam's asset management business allows Lifeco to achieve, with a single transaction, a major presence in the mutual fund and institutional asset management industry in the United States. The acquisition also includes operations in Europe and Asia, and a world class brand.

Putnam will retain its name, with existing management, investment, distribution and service teams remaining in place. It will operate as a separate business unit of Lifeco, with its own board of directors, as do Lifeco's other major operating units in the U.S., Canada and Europe.

.../2

“This transaction positions Lifeco as a leader in asset accumulation and wealth management in the United States,” said Raymond L. McFeetors, Great-West Lifeco’s President and Chief Executive Officer. “It provides a unique opportunity for us to assume a strategic position in the market space for mutual fund and institutional assets.”

“The transaction is very good for our clients, financial advisors, strategic partners and employees,” said Ed Haldeman, President and CEO of Putnam. “We are very pleased to be associated with the Power Financial Corporation group of companies, who have a long track record in asset management businesses, and have an excellent record of shareholder value creation.”

Putnam’s investment management and distribution cover every major product category, all significant channels and all asset classes. One of its units, PanAgora, offers a leading edge quantitative asset management platform. In the United States, Putnam has 9 million shareholder accounts. In Japan it distributes mutual funds through a joint venture with Nippon Life, the largest Japanese insurance company.

Funding for the transaction will come from internal resources as well as from proceeds of an issue of Lifeco common shares of no more than CDN \$1.2 billion, the issuance of debentures and hybrids, a bank credit facility, and an acquisition tax benefit securitization.

Lifeco expects the acquisition to be accretive to earnings before restructuring charges, in its first year. The transaction is expected to close in the second quarter of 2007, and is subject to regulatory approval and certain other conditions.

Analyst call

An analyst call with senior executives will be held today at 8:15 a.m. EST. The call can be accessed in listen-only mode by calling the following numbers:

- Participants in the Toronto area: **416-641-6130**
- Participants from North America: **1-866- 862-3912**
- Participants from Overseas: Dial international access code first, then **800-9559-6849**

A replay of the call will be available from February 1, 2007 to February 8, 2007 and can be accessed by calling 1-800-408-3053 or 416-695-5800 in Toronto, passcode 3213091#.

The analyst slide presentation will be accessible on Great-West Lifeco’s website in advance of the conference call, along with a printer-friendly version of the slide presentation, at www.greatwestlifeco.com

News conference

A media news conference will be held today at 10:00 a.m. EST in Toronto with Raymond McFeetors and Ed Haldeman. The news conference will be held at the King Edward Hotel at 37 King Street East, Toronto. There will be an audio webcast of the news conference at www.greatwestlifeco.com

Great-West Lifeco Inc. (TSX:GWO) is a financial services holding company with interests in the life insurance, health insurance, retirement savings, and reinsurance businesses. Lifeco has operations in Canada, the United States and Europe through The Great-West Life Assurance Company, London Life Insurance Company, The Canada Life Assurance Company and Great-West Life & Annuity Insurance Company. Lifeco and its companies have CDN \$197 billion in assets under administration. Great-West Lifeco is a member of the Power Financial Corporation group of companies.

Caution regarding Forward-Looking Information

This release contains some forward-looking statements about the Company, including its business operations, strategy and expected financial performance and condition. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, or include words such as “expects,” “anticipates,” “intends,” “plans,” “believes,” “estimates” or negative versions thereof and similar expressions. In addition, any statement that may be made concerning future financial performance (including revenues, earnings or growth rates), ongoing business strategies or prospects, and possible future Company action, including statements made in this release by the Company in regards to anticipated benefits of the transaction with Putnam Investments Trust, as well as the expected closing of the transaction and the expectation that the transaction will be accretive to earnings are also forward-looking statements. Forward-looking statements are based on current expectations and projections about future events and are inherently subject to, among other things, risks, uncertainties and assumptions about the Company, economic factors and the financial services industry generally, including the insurance and mutual fund industries. They are not guarantees of future performance, and actual events and results could differ materially from those expressed or implied by forward-looking statements made by the Company due to, but not limited to, important factors such as sales levels, premium income, fee income, expense levels, mortality experience, morbidity experience, policy lapse rates and taxes, as well as general economic, political and market factors in North America and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological change, changes in government regulations, unexpected judicial or regulatory proceedings, catastrophic events, and the Company's ability to complete strategic transactions and integrate acquisitions. The reader is cautioned that the foregoing list of important factors is not exhaustive, and there may be other factors listed in other filings with securities regulators, including factors set out under “Risk Management and Control Practices” in the Company's Management Discussion and Analysis, which, along with other filings, is available for review at www.sedar.com.

The reader is also cautioned to consider these and other factors carefully and to not place undue reliance on forward-looking statements. Other than as specifically required by applicable law, the Company has no intention to update any forward-looking statements whether as a result of new information, future events or otherwise.

Caution regarding Non-GAAP Financial Measures

This release also contains some non-GAAP financial measures. Terms by which non-GAAP financial measures are identified include but are not limited to "earnings before restructuring charges", "earnings or sales on a constant currency basis", "earnings adjusted for the negative impact of currency", "adjusted net income", "earnings before adjustments" and other similar expressions. Non-GAAP financial measures are used to provide management and investors with additional measures of performance. However, non-GAAP financial measures do not have standard meanings prescribed by GAAP and are not directly comparable to similar measures used by other companies. Please refer to the appropriate reconciliations of these non-GAAP financial measures to measures prescribed by GAAP.

- end -

For media calls and interview arrangements TODAY call:

Laura Vallis
Environics Communications Inc.
(416) 969-2781

After today contact:

Marlene Klassen, APR, FLMI
Great-West Lifeco, Director, Media & Public Relations
(204) 946-7705