

June 22, 2009

A Special Message from President and CEO Dennis R. Glass

Last week we took decisive action to raise \$1.4 billion in capital by issuing equity and debt, and announcing the sale of our overseas subsidiary, Lincoln UK. We also announced that Lincoln will participate in the U.S. Treasury's Capital Purchase Program at a reduced level. These actions will strengthen the capital position of our principal insurance subsidiaries and provide holding company liquidity, even if the markets deteriorate from current levels.

I would like to emphasize a few key points:

Our approach to capital planning is balanced and prudent.

Although our insurance subsidiaries are well-capitalized, improving market conditions provided an attractive opportunity to add to our capital base by accessing the equity and credit markets. The capital plans we announced last week, along with other actions we've taken, position the company to better navigate the financial crisis and provide added protection for our policyowners. We were pleased with the supportive response from the independent ratings agencies, which routinely assess the claims-paying ability of insurers. Fitch, A.M. Best and Standard & Poor's affirmed our financial strength ratings, and Standard & Poor's improved its outlook on the company to "stable."

Our participation in the Capital Purchase Program will amount to less than half of what had been approved for our company, and will work out to be approximately 7% of the company's total capitalization. The program is only available to healthy financial institutions, and is designed to free up capital to allow financial institutions to invest in the U.S. credit markets. Following our capital actions of last week, Lincoln will reinvest more than \$2 billion in American housing and industry to help stabilize the economy and support jobs creation – capital that until now has been held in cash instruments.

Our company is well-positioned to support our policyowners.

I believe that our capital plan further positions Lincoln to withstand market turmoil, supports our clients and builds value for our shareholders. Our focus remains unchanged: to maintain a financially strong company that can help to secure our clients' financial futures. I am confident that our actions are the right actions for the long-term stability of our company.

Sincerely,



Dennis R. Glass

Lincoln Financial Group businesses are subject to financial, market, political and economic risks, as well as risks inherent to its business operations. New York products are issued by Lincoln Life & Annuity Company of New York, Syracuse, NY. The Lincoln National Life Insurance Company of Fort Wayne, IN, issues products in all other states. The Lincoln National Life Insurance Company does not solicit business in the state of New York nor is it authorized to do so. The assets and liabilities of the affiliates are separate from Lincoln Financial Group and would be used to meet obligations. Lincoln Financial Group is the marketing name for Lincoln National Corporation (NYSE: LNC) and its affiliates.

Cautionary Statement Regarding Forward-Looking Statements

Certain statements made in this release and in other written or oral statements made by Lincoln or on Lincoln's behalf are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 ("PSLRA"). A forward-looking statement is a statement that is not a historical fact and, without limitation, includes any statement that may predict, forecast, indicate or imply future results, performance or achievements, and may contain words like: "believe", "anticipate", "expect", "estimate", "project", "will", "shall" and other words or phrases with similar meaning in connection with a discussion of future operating or financial performance. In particular, these include statements relating to future actions, trends in our business, prospective services or products, future performance or financial results, and the outcome of contingencies, such as legal proceedings. Lincoln claims the protection afforded by the safe harbor for forward-looking statements provided by the PSLRA.

Forward-looking statements involve risks and uncertainties that may cause actual results to differ materially from the results contained in the forward-looking statements. Risks and uncertainties that may cause actual results to vary materially, some of which are described within the forward-looking statements include, among others:

- Significant stock market fluctuations, dilution of Lincoln's equity as well as restrictions on the payment of common stock dividends that may adversely affect the price of Lincoln's common stock;
- Continued deterioration in general economic and business conditions, both domestic and foreign, that may affect foreign exchange rates, premium levels, claims experience, the level of pension benefit costs and funding and investment results;
- Continued economic declines and credit market illiquidity could cause us to realize additional impairments on investments and certain intangible assets, including goodwill and a valuation allowance against deferred tax assets, which may reduce future earnings and/or affect our financial condition and ability to raise additional capital or refinance existing debt as it matures;
- Uncertainty about the impact of the Troubled Asset Relief Program of the U.S. Department of the Treasury on the economy;
- Whether, to what extent and on what terms the federal government grants final approval to our application to participate in the Capital Purchase Program ("CPP") under the Emergency Economic Stabilization Act of 2008;
- The cost and other consequences of the additional existing and potential regulations to which Lincoln would become subject as a result of participation in the CPP;
- Legislative, regulatory or tax changes, both domestic and foreign, that affect the cost of, or demand for, Lincoln's products, the required amount of reserves and/or surplus, or otherwise affect our ability to conduct business, including changes to statutory reserves and/or risk-based capital requirements related to secondary guarantees under universal life and variable annuity products such as Actuarial Guideline VACARVM; restrictions on revenue sharing and 12b-1 payments; and the potential for U.S. Federal tax reform;
- The initiation of legal or regulatory proceedings against Lincoln or its subsidiaries, and the outcome of any legal or regulatory proceedings, such as: (a) adverse actions related to present or past business practices common in businesses in which Lincoln and its subsidiaries compete; (b) adverse decisions in significant actions including, but not limited to, actions brought by federal and state authorities and extra-contractual and class action damage cases; (c) new decisions that result in changes in law; and (d) unexpected trial court rulings;
- Changes in interest rates causing a reduction of investment income, the margins of Lincoln's fixed annuity and life insurance businesses and demand for Lincoln's products;
- A decline in the equity markets causing a reduction in the sales of Lincoln's products, a reduction of asset-based fees that Lincoln charges on various investment and insurance products, an acceleration of amortization of deferred acquisition costs, value of business acquired, deferred sales inducements and deferred front-end loads and an increase in liabilities related to guaranteed benefit features of Lincoln's variable annuity products;
- Ineffectiveness of Lincoln's various hedging strategies used to offset the impact of changes in the value of liabilities due to changes in the level and volatility of the equity markets and interest rates;
- A deviation in actual experience regarding future persistency, mortality, morbidity, interest rates or equity market returns from Lincoln's assumptions used in pricing its products, in establishing related insurance reserves and in the amortization of intangibles that may result in an increase in reserves and a decrease in net income, including as a result of stranger-originated life insurance business;
- Changes in GAAP that may result in unanticipated changes to Lincoln's net income;
- Lowering of one or more of Lincoln's debt ratings issued by nationally recognized statistical rating organizations and the adverse impact such action may have on Lincoln's ability to raise capital and on its liquidity and financial condition;
- Lowering of one or more of the insurer financial strength ratings of Lincoln's insurance subsidiaries and the adverse impact such action may have on the premium writings, policy retention, profitability of its insurance subsidiaries and liquidity;
- Significant credit, accounting, fraud or corporate governance issues that may adversely affect the value of certain investments in the portfolios of Lincoln's companies requiring that Lincoln realize losses on such investments;
- The impact of acquisitions and divestitures, restructurings, product withdrawals and other unusual items, including Lincoln's ability to integrate acquisitions and to obtain the anticipated results and synergies from acquisitions;
- The adequacy and collectibility of reinsurance that Lincoln has purchased;
- Acts of terrorism, a pandemic, war or other man-made and natural catastrophes that may adversely affect Lincoln's businesses and the cost and availability of reinsurance;
- Competitive conditions, including pricing pressures, new product offerings and the emergence of new competitors, that may affect the level of premiums and fees that Lincoln can charge for its products;
- The unknown impact on Lincoln's business resulting from changes in the demographics of Lincoln's client base, as aging baby-boomers move from the asset-accumulation stage to the asset-distribution stage of life; and
- Loss of key management, portfolio managers in the Investment Management segment, financial planners or wholesalers.

The risks included here are not exhaustive. Lincoln's annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and other documents filed with the SEC include additional factors that could impact Lincoln's business and financial performance. Moreover, Lincoln operates in a rapidly changing and competitive environment. New risk factors emerge from time to time and it is not possible for management to predict all such risk factors.

Further, it is not possible to assess the impact of all risk factors on Lincoln's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results. In addition, Lincoln disclaims any obligation to update any forward-looking statements to reflect events or circumstances that occur after the date of this release.