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PRUDENTIAL PLC 2003 NEW BUSINESS RESULTS

- Total Group insurance and investment sales of £31.5 billion, an increase of 11 per cent at constant exchange rates (CER) on 2002 (5 per cent at actual exchange rates (AER)).
- Group APE (Annual Premium Equivalent) insurance sales of £1.6 billion were down 12 per cent at CER (down 16 per cent at AER).
- Fourth quarter Group APE insurance sales up 9 per cent at CER (up 5 per cent at AER) on the third quarter; UK APE sales up 10 per cent and Prudential Corporation Asia (PCA) APE sales up 17 per cent at CER (11 per cent at AER) over the same period.
- Total external Group investment funds under management of £30.8 billion, up 21 per cent in the year.
- PCA insurance sales on an APE basis were up 16 per cent (up 8 per cent at AER).
- Jackson National Life's (JNL) total sales of £4.1 billion were 23 per cent down on 2002 at CER (down 29 per cent at AER); variable annuity sales were up 55 per cent at CER (up 42 per cent at AER).
- UK insurance sales on an APE basis were down 19 per cent. Fourth quarter sales of £148 million were up 10 per cent on the third quarter of 2003 reflecting strong with-profit bond and corporate pension sales.
- M&G total retail and external institutional funds under management of £24.2 billion, up 19 per cent in the year.

Prudential's Group Chief Executive, Jonathan Bloomer, commented: "In the UK, we expect to benefit from savers choosing those companies with clear financial strength. However, while consumer confidence is returning, we remain relatively cautious for the UK in the first half of 2004 due to the uncertainty surrounding the continuing government and regulatory reviews.

"We have seen strong growth in a number of our Asian markets despite the impact of SARS earlier in 2003. In the US, we increased our market share and recorded one of our best years in retail sales. We are optimistic about the growth potential of our Asian and US businesses in 2004.

"Prudential's international diversification and broad range of products and distribution channels mean it is well placed for future growth."

* The narrative below is on constant exchange rates throughout. See Notes to Editors for further details.

Prudential Corporation Asia

PCA's new business sales on an APE basis for 2003 were £555 million, up 16 per cent on the same period last year. This was a strong result given the economic conditions in the first half of the year. APE sales in the fourth quarter 2003 were £164 million, up 17 per cent on the third quarter 2003. In the established markets of Hong Kong, Malaysia and Singapore, APE sales were up 24 per cent on the third quarter.

In Singapore, PCA continues to focus on more profitable regular premium life business with sales of £57 million for 2003 up 32 per cent compared with last year. PCA's Indonesian operation is starting to make a significant contribution, reflecting its market-leading position in unit-linked products combined with an increase in agent productivity; sales on an APE basis for 2003 were £34 million and 75 per cent higher than 2002. PCA's joint venture operation with

ICICI in India generated impressive sales growth of 195 per cent, resulting in a £16 million share of APE sales for the full year.

PCA Life Japan began the implementation of its strategy to focus exclusively on its financial adviser and bancassurance distribution channels (as announced on 1 September 2003), and consequently experienced a temporary slow down in new business sales in the fourth quarter. PCA Life Korea has developed extremely well in its second year of operation driven by strong sales through its agency and bank distribution channels, and recorded APE sales for 2003 of £32 million, up 239 per cent over 2002.

Total investment products funds under management in Asia as at 31 December 2003 were £6.6 billion, up 37 per cent during the year with net inflows of £1.5 billion.

Jackson National Life

Total sales for the year were down 23 per cent on 2002 to £4.1 billion, due to lower retail sales together with a reduction in sales of institutional products. In 2003, 93 per cent of sales came from products launched since the beginning of 2002.

In 2003, JNL's retail sales of £3.6 billion represented its second best year, only 10 per cent lower than the record sales delivered in 2002.

JNL delivered record variable annuity sales during 2003. Total sales of £1.9 billion were up 55 per cent on last year. During 2003, 48 per cent of variable annuity sales went into the fixed option compared with 58 per cent in 2002. JNL has improved its market position in variable annuity sales, ranking 14th for the first nine months of 2003, up from 20th for the same period of 2002 (source: The VARDS Report).

Due to the continued low interest rate environment in the US and the high rate of election of the fixed account option within variable annuities, fixed annuity sales in 2003 of £1.4 billion were 45 per cent below the prior year. Sales of equity-linked indexed annuities of £255 million were up 9 per cent on the prior year. Sales of fixed and equity-linked indexed annuities combined, contracted across the industry during the first nine months of 2003. However, JNL improved its market position in total individual fixed annuity sales for the first nine months of 2003 to fifth from seventh for the same period of 2002 (source: LIMRA International).

Regular premium life sales of £13 million compared with sales of £21 million in 2002.

The 63 per cent reduction in sales of institutional products reflects JNL's focus on retail markets, and comments made throughout the year that JNL did not expect to sell significant amounts of institutional products in 2003.

Curian Capital LLC, JNL's recently launched registered investment advisor channel, continued to build on its strong start. At the year-end, funds under management had grown to £148 million (US\$266 million), more than five times the funds under management at the half-year.

UK and Europe Insurance Operations

Prudential UK and Europe's APE sales for 2003 were £616 million, 21 per cent down on 2002. However, APE sales in the fourth quarter of £152 million were 12 per cent up on the third quarter reflecting strong bulk annuity sales and the highest quarter for with-profit bond sales in 2003.

APE sales of corporate pensions through the business to business channel were £176 million, 18 per cent higher than in 2002, reflecting a strong contribution from new schemes. This was a result of Prudential UK's success in worksite marketing, which it believes has an important role to play in helping to encourage long-term savings. According to the latest available ABI figures, Prudential UK had a 16 per cent market share of the defined contribution occupational pension scheme market in the first nine months of 2003 compared with 14 per cent for the same period in 2002.

Individual annuity APE sales for 2003 of £176 million were comparable with 2002 and Prudential UK believes it maintained its market leading position in this market during the first nine months of the year.

Intermediated sales of Prubond were 32 per cent higher in the fourth quarter of 2003 than the third. This reflected a return to confidence in this market for strong providers such as Prudential, along with the positive impact of new product developments such as the Prospect Bond. This innovative product, launched in September 2003, accounted for 17 per cent of with-profit bond sales in the fourth quarter. In the third quarter of 2003, Prudential UK had a 42 per cent market share of with-profit bond sales distributed through IFAs (source: ABI), which it believes will have grown in the fourth quarter.

Partnership agreements with Abbey to sell with-profit bonds, and with Zurich to underwrite annuities, resulted in single premium sales in 2003 of £98 million compared with £11 million in 2002.

M&G

M&G recorded gross fund inflows of £3.8 billion in 2003, a slight increase on the previous year, reflecting the strength of M&G's diversified product offering in the areas of retail fund management, institutional fixed income, pooled life and pension funds, property and private finance. External funds under management, which represent approximately one quarter of M&G's total funds under management, increased significantly during the year, rising 19 per cent to £24.2 billion.

Gross fund inflows into M&G's retail products were £1.2 billion in 2003, a 6 per cent fall on 2002. Net fund inflows for 2003 were £184 million.

M&G's institutional business saw gross fund inflows of £2.6 billion in 2003, a 6 per cent increase on last year. Net institutional fund inflows in the year were £1.2 billion.

Egg

Egg will announce its full year results on 23 February 2004. Prudential announced on 14 January that it is in discussions regarding a possible transaction with respect to its approximately 79 per cent shareholding in Egg. These discussions are continuing.

-ENDS-

Enquiries to:

Media

Geraldine Davies 020 7548 3911
Steve Colton 020 7548 3721
Clare Staley 020 7548 3719

Investors/Analysts

Rebecca Burrows 020 7548 3537
Marina Lee-Steere 020 7548 3511

Notes to Editors:

1. There will be a conference call today for wire services hosted by Jonathan Bloomer, Group Chief Executive, and Philip Broadley, Group Finance Director at 8.00am (dial-in telephone number: +44 (0) 208 288 4700). Callers to quote "Prudential" for access to the call.
2. There will be a conference call for investors and analysts hosted by Jonathan Bloomer at 2.30pm (dial-in telephone number: +44 (0) 207 162 0189, US dial-in: +1 334 323 6203). Callers to quote: "Prudential" for access to the call.

A recording of this call will be available until 28 January by dialling:
UK: +44 (0) 208 288 4459, US: +1 334 323 6222, access code 935112.

3. Sales for overseas operations have been reported using average exchange rates as shown in the attached schedules. Commentary is given on the results on a constant exchange rate basis. The two bases are compared in the table below.

Annual premium equivalent sales						
	Actual exchange rates			Constant exchange rates		
	2003 £'m	2002 £'m	+/- (%)	2003 £'m	2002 £'m	+/- (%)
UK and Europe	616	779	-21%	616	779	-21%
US	418	595	-30%	418	547	-24%
Asia	555	513	8%	555	480	16%
Total	1,589	1,887	-16%	1,589	1,806	-12%

Gross Inflows						
	Actual exchange rates			Constant exchange rates		
	2003 £'m	2002 £'m	+/- (%)	2003 £'m	2002 £'m	+/- (%)
M&G	3,797	3,731	2%	3,797	3,731	2%
Asia	18,157	13,661	33%	18,157	12,744	42%
Total	21,954	17,392	26%	21,954	16,475	33%

Total insurance and investment flows						
	Actual exchange rates			Constant exchange rates		
	2003 £'m	2002 £'m	+/- (%)	2003 £'m	2002 £'m	+/- (%)
Insurance	9,503	12,509	-24%	9,503	11,982	-21%
Investment	21,954	17,392	26%	21,954	16,475	33%
Total	31,457	29,901	5%	31,457	28,457	11%

4. Annual premium equivalent (APE) sales comprise regular premium sales plus one-tenth of single premium insurance sales.
5. Certain investment mandates previously reported as UK corporate pensions are now reported as M&G institutional investment flows. The impact is to reduce UK corporate pensions APE sales by £31 million for the full-year 2002.
6. US institutional products (previously referred to as "stable value products") consist of guaranteed investment contracts (GICs), funding agreements and medium-term notes backed by funding agreements.
7. By restating 2002 operating profit before amortisation to reflect 2003 exchange rates, the 2002 profit, on the achieved basis of £1,133 million would be £1,085 million and the modified statutory basis profit of £432m would be £417 million.
8. **Financial Calendar:**

2004

2003 Full-year Results	Tuesday 24 February 2004
Ex-dividend date	Wednesday 17 March 2004
Record date	Friday 19 March 2004
First quarter New Business Figures	Wednesday 21 April 2004
Annual General Meeting	Thursday 6 May 2004
Payment of 2003 final dividend	Wednesday 26 May 2004
2004 Interim Results/ Second quarter New Business Figures	Tuesday 27 July 2004
Ex-dividend date	18 August 2004
Record date	20 August 2004

Forward-Looking Statements

This statement may contain certain "forward-looking statements" with respect to certain of Prudential's plans and its current goals and expectations relating to its future financial condition, performance, results, strategy and objectives. Statements containing the words "believes", "intends", "expects", "plans", "seeks" and "anticipates", and words of similar meaning, are forward-looking. By their nature, all forward-looking statements involve risk and uncertainty because they relate to future events and circumstances which are beyond Prudential's control including among other things, UK domestic and global economic

and business conditions, market related risks such as fluctuations in interest rates and exchange rates, and the performance of financial markets generally; the policies and actions of regulatory authorities, the impact of competition, inflation, and deflation; experience in particular with regard to mortality and morbidity trends, lapse rates and policy renewal rates; the timing, impact and other uncertainties of future acquisitions or combinations within relevant industries; and the impact of changes in capital, solvency or accounting standards, and tax and other legislation and regulations in the jurisdictions in which Prudential and its affiliates operate. This may for example result in changes to assumptions used for determining results of operations or re-estimations of reserves for future policy benefits. As a result, Prudential's actual future financial condition, performance and results may differ materially from the plans, goals, and expectations set forth in Prudential's forward-looking statements. Prudential undertakes no obligation to update the forward-looking statements contained in this statement or any other forward-looking statements it may make.