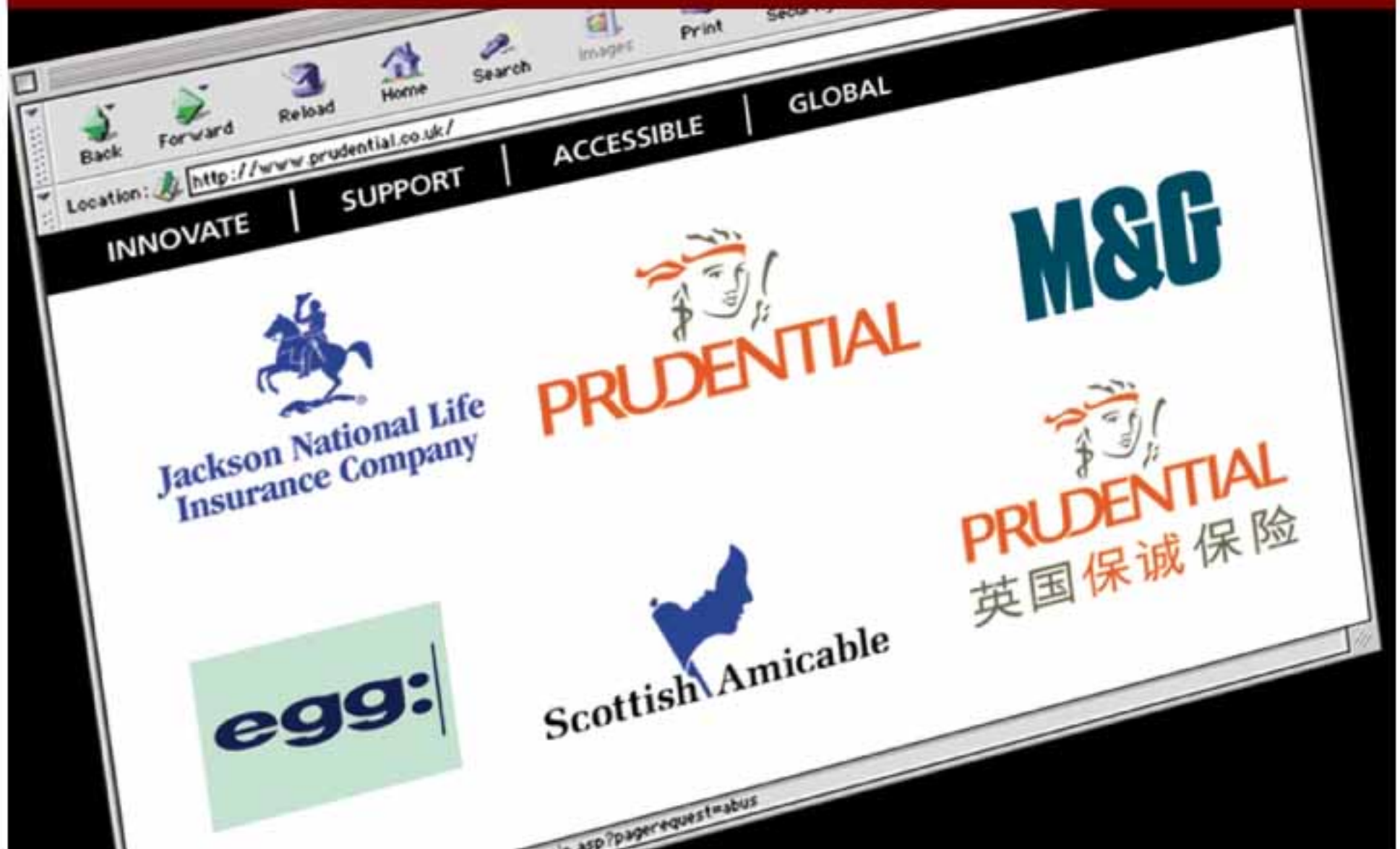


2000 Interim Results



The pace of change continues

- Successful flotation of Egg
- Achieved listing on the NYSE
- Acquisitions to expand distribution in the US
- Near trebling of sales in Asia
- Strong group performance

- Successful flotation of Egg
- US listing reflects our international presence
- Strengthened distribution capability in the US
- Asia offers exceptional growth prospects
- A leading international retail financial services group

Leading international financial services group

UK Operations

No.1 life insurer

No.1 long-term insurance fund manager

No.2 mutual fund manager

Leading e-commerce retail financial services provider

US Operations

Top 20 life insurer

No.2 fixed annuity provider

No.1 equity-linked annuity provider

Top 25 variable annuity provider

Asian Operations

Leading pan-regional brand and presence

Top 3 provider in Singapore & Malaysia

No.1 private mutual fund provider in India

Life insurance licences in China and Vietnam

Scale player in demographically attractive markets

- Strength of Prudential around the world
- Scale player in demographically attractive markets
- Over half of sales now come from operations outside the UK

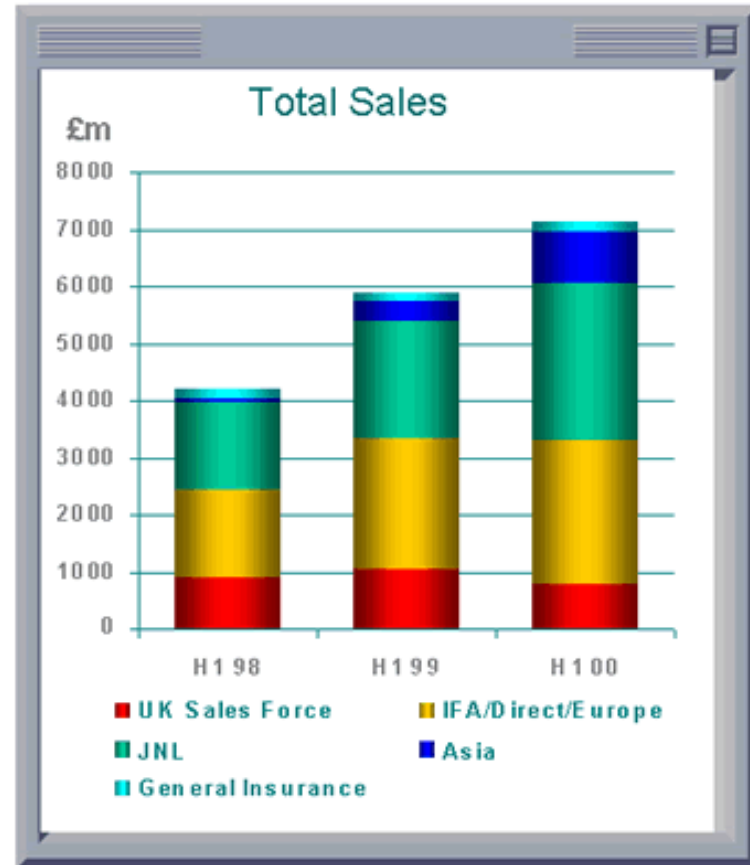
Developing our international business

- Pressure in the UK market but long term potential
- Pensions reform on agenda in Europe
- Strong and growing market in the US
- Enormous growth potential in Asia

- Pressures in the UK from changing consumer preferences and a shift to single premium and unit linked products
- UK is a large and demographically attractive market
- Large and attractive markets in Europe
- Well positioned for growth in the US market
- Excellent growth potential in Asia

Insurance and investment sales up 21% at £7.1bn

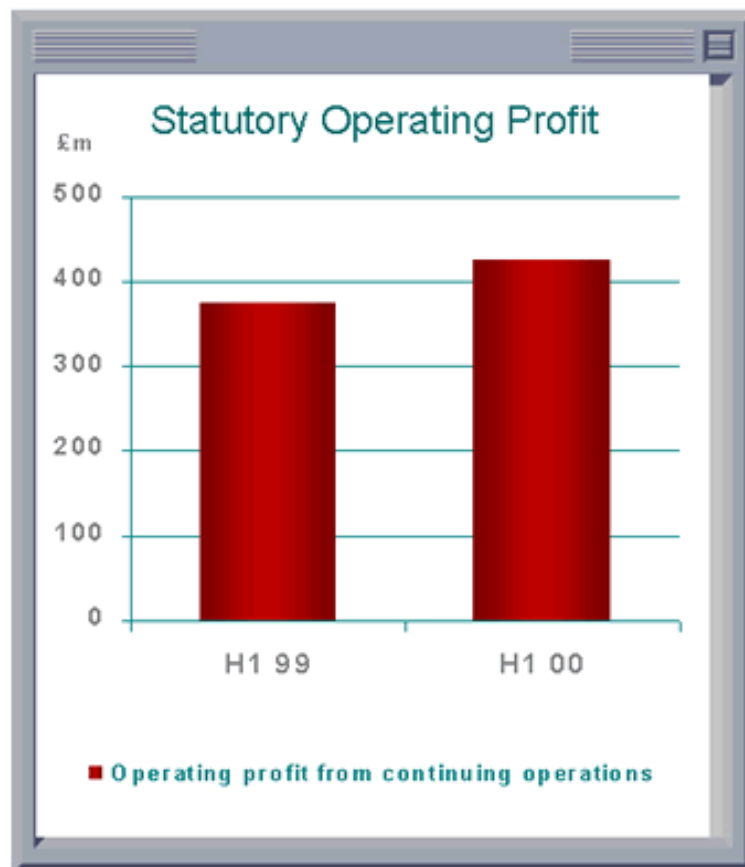
- UK sales reflect difficult market conditions
- Strong double digit growth from international operations
 - Asia sales nearly treble
 - 33% growth in US



- Group-wide insurance and investment sales up 21%
- Maintained market share of Prudence bond
- International operations countering difficult conditions in the UK
- Jackson total retail sales up nearly 70%
- Doubling of insurance sales in Asia and a record £700m of gross investment product sales

Operating profit from continuing operations up 14%

	2000 £m	1999 £m	%
Operating profit from continuing operations	425	372	14%
Continuing operations before Egg and re-engineering costs	506	496	2%



- Operating profit from continuing operations increased 14% in the first half to £425 million
- Underlying profits up 2%, before investment in Egg and UK re-engineering costs

Growth in underlying operating profit

£m	UK			USA	Asia	Europe	Other	Total
	Long Term Insurance	General Insurance	Asset Mgt					
1999	220	32	27	219	7	3	(12)	496
2000	218	35	69	230	9	0	(55)	506
+/- (%)	(1%)	9%	156%	5%	29%			2%

- UK long term insurance businesses in line with prior year
- 9% growth from UK general insurance
- US business up 5% and 29% in Asia

UK long term insurance businesses in line with prior year

£m	Long Term Insurance	UK General Insurance	Asset Mgt	USA	Asia	Europe	Other	Total
1999	220	32	27	219	7	3	(12)	496
Change in bonus rates	(14)							
Growth in funds	14							
Other	(2)							
2000	218	35	69	230	9	0	(55)	506
+/- (%)	(1%)	9%	156%	5%	29%			2%

- Statutory operating profit of £218m
- Reduction in bonus rates has impacted profits by £14m
- Growth in funds under management contributed an additional £14m of profit

Strong profit growth from general insurance

£m	Long Term Insurance	UK	Asset Mgt	USA	Asia	Europe	Other	Total
		General Insurance						
1999	220	32	27	219	7	3	(12)	496
Expense ratio		6						
Claims ratio		(3)						
2000	218	35	69	230	9	0	(55)	506
+/- (%)	(1%)	9%	156%	5%	29%			2%

- General insurance profits up 9%
- Improvement in expense ratio
- Enviably claims ratio of 63% and a combined ratio of 86%

Asset management profit more than doubled

£m	UK		Asset Mgt	USA	Asia	Europe	Other	Total
	Long Term Insurance	General Insurance						
1999	220	32	27	219	7	3	(12)	496
Inclusion of M&G			27					
Increased life fund fees			6					
Improved Collectives result			7					
PPM Ventures			2					
2000	218	35	69	230	9	0	(55)	506
+/- (%)	(1%)	9%	156%	5%	29%			2%

- Asset management result more than doubled
- Increase primarily reflects a full six months' contribution from M&G in 2000, including exceptional fund performance fees on institutional business of £4m
- Undertaking investment in administration platform

5% growth from US operations

£m	UK			USA	Asia	Europe	Other	Total
	Long Term Insurance	General Insurance	Asset Mgt					
1999	220	32	27	219	7	3	(12)	496
Spread				(4)				
Variable annuity fees				12				
Average realised gains				(3)				
Other				(1)				
Exchange rate				7				
2000	218	35	69	230	9	0	(55)	506
+/- (%)	(1%)	9%	156%	5%	29%			2%

- Profit from US operations up 5%
- Variable annuities have increased fee income by £12m
- Favourable exchange rate movements have contributed £7m
- Jackson's after tax return on US GAAP capital employed for the first half is 14%

Impact of M&G and Egg

£m	UK			USA	Asia	Europe	Other	Total
	Long Term Insurance	General Insurance	Asset Mgt					
1999	220	32	27	219	7	3	(12)	496
M&G funding							(35)	
Egg funding							(10)	
Other							2	
2000	218	35	69	230	9	0	(55)	506
+/- (%)	(1%)	9%	156%	5%	29%			2%

- Movement to net expense follows M&G acquisition in April last year
- £35 million for M&G funding
- Egg funding of £10m

£269m profit on business disposals

	2000 £m	1999 £m	%
Operating profit before amortisation of goodwill	425	372	14%
Profit on business disposals	269	-	
Amortisation of goodwill	(41)	(14)	
Short-term fluctuations in investment returns	(13)	11	
Profit before tax	640	369	73%

Effective rate of tax on operating profit	28%	27%	
Operating earnings per share (p)	15.7p	14.0p	12%
Dividend per share	8.2p	7.7p	6.5%

- Profit on disposal includes £119m from the sale of interest in Egg, and £150m from sale of interest in St James's Place Capital
- The goodwill amortisation relates principally to M&G
- 73% increase in profit before tax
- Operating EPS of 15.7p
- Interim dividend of 8.2p

Operating profit from continuing operations up 2% on prior year

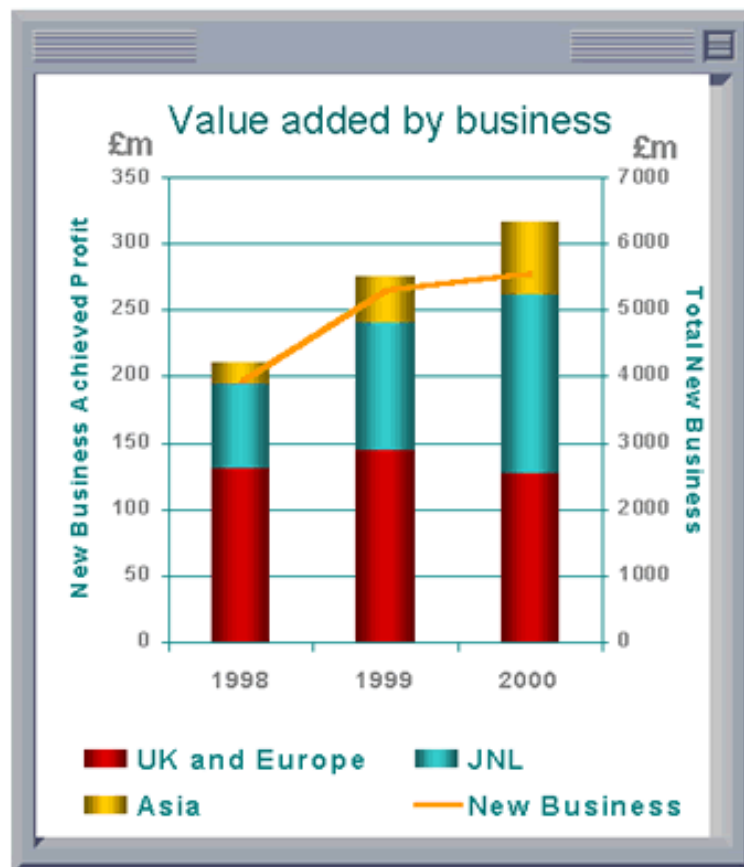
	2000 £m	1999 £m	%
Operating profit from continuing operations	586	572	2%



- Increased by 2% to £586m

Value added by new business up 15% on prior year

	2000 £m	1999 £m	%
Retail IFA	54	65	(17%)
PRFS and Annuities	56	64	(13%)
Group Pensions	13	14	(7%)
Total UK Operations	123	143	(14%)
Jackson National Life	134	96	40%
Prudential Asia	56	34	65%
Prudential Europe	4	2	100%
Total	317	275	15%



- Value added from new business up 15% to £317m
- UK new business profits down 14% to £123m, reflecting lower volumes
- Profits from Jackson up 40% reflecting significant growth in all annuity products
- Asia new business profits increased 65% to £56 million, including first time contribution from new operations in Taiwan and Vietnam

Adverse variances impact in-force result

	UK & Europe £m	JNL £m	Asia £m	Total £m
Unwind of discount	213	129	26	368
Jackson spread	-	9	-	9
Persistency	4	(53)	(7)	(56)
Other	(10)	(25)	2	(33)
Average realised gains	-	14	-	14
Asia development costs	-	-	(7)	(7)
Total in-force result	207	74	14	295
Achieved profit shareholders' funds	5,399	2,800	682	8,881

- Total in-force result for long term business is £295m
- Negative persistency variance of £53m due to increased level of surrenders
- Aggressively focusing on conservation initiatives

Stable cashflow and gearing

	HY 2000 £bn
Group operating profit after tax	0.3
Dividends declared	(0.2)
<hr/>	
Reinvested in businesses to finance growth	0.1
Disposal proceeds	(0.2)
Timing differences and other items	0.2
	(0.1)
<hr/>	
Holding company net cash movement	-
<hr/>	
Gearing - achieved basis	18%
<hr/>	

- No significant change in gearing or cashflow

Continued strong return on shareholders' funds

Return on achieved profits shareholders' funds

	2000	1999
UK operations	14%	16%
Jackson National Life	11%	17%
PC Asia *	18%	18%

* Established operations net of development costs

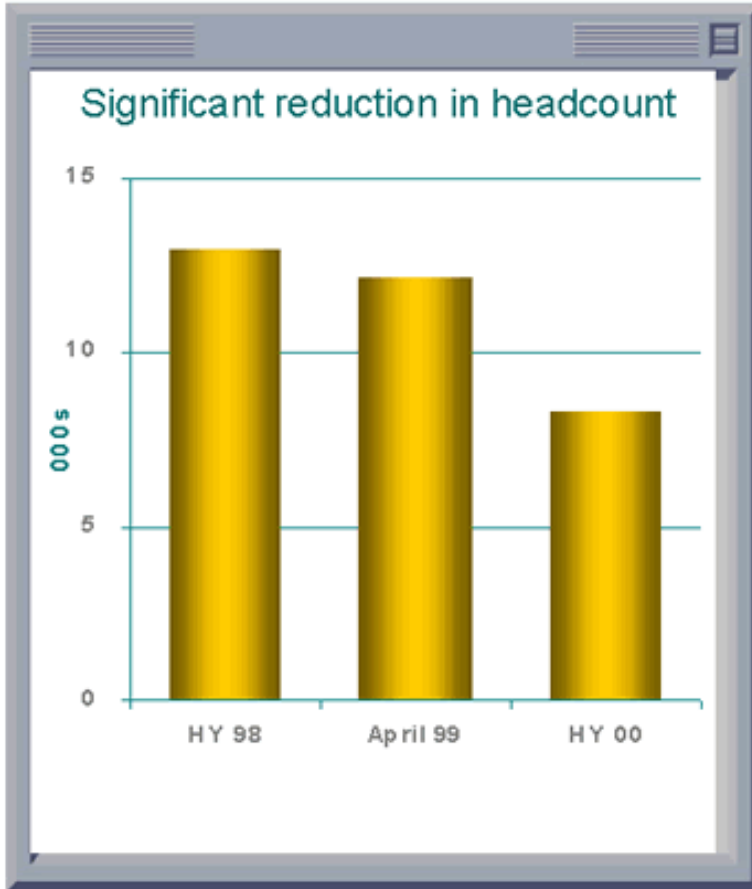
- Strong returns
- Strong sales performance, up 21%
- Strong new business achieved profits, up 15%

New business models for a changing market



- Changes in the UK market
- A shift from face-to-face selling to IFA distribution
- From with profit to unit linked products
- and, going forward, from traditional products to stakeholder pensions
- Reason for our:
 - acquisition of Scottish Amicable which gives us our presence in the IFA market
 - acquisition of M&G to give us scale in unit trusts
 - move to change the cost base and distribution efficiency of the Prudential branded business
- Multi-brand, multi-distribution model

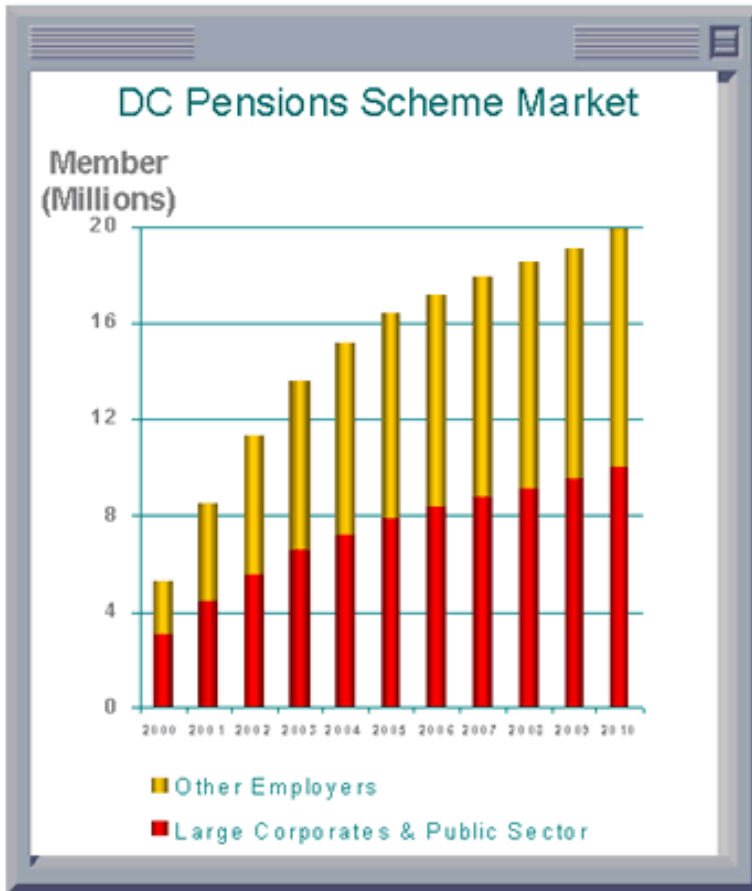
Face to face - efficiently



- 4,000 reduction in headcount
- Cost reduction of 20%

- Planned reduction in headcount of 5,000 in three years
- 4,000 reduction to date
- Reduced costs by some 20%
- Invested heavily in technology to improve efficiency
- Continue to focus on delivering further cost efficiencies

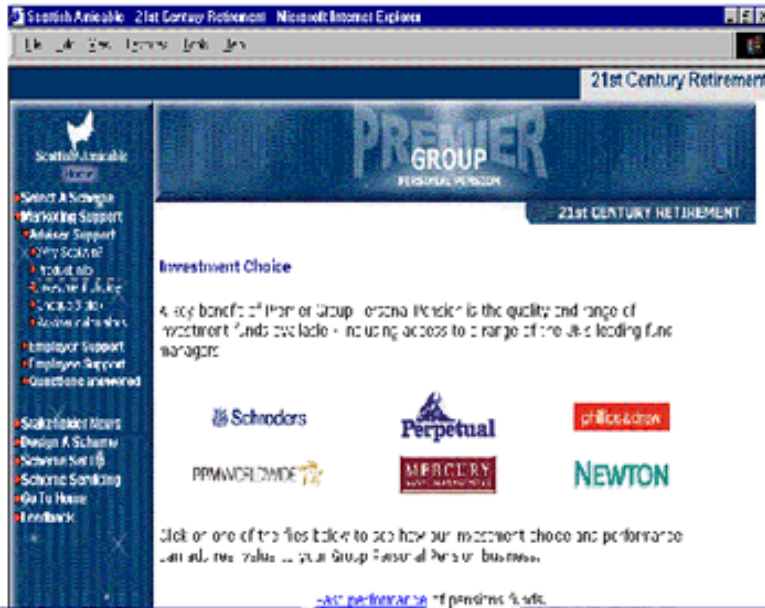
Winning in a 1% environment



- Winning formula of brand, quality of service and fund management
- Scale and efficiency
- TUC appointment

- Significant opportunity for a large scale player
- Key factors required to win in the new 1% environment; brand; quality of service; and quality of fund management
- Prudential brand - works well in both the corporate and the retail sectors
- Quality of service is being driven by technology
- Open platform with multi-fund managers
- Commercial partner for the TUC stakeholder pension scheme

Using technology in Scottish Amicable



- Extranet facilities well received by IFAs
- Misys preferred provider
- Attractions of multi-fund manager product



- Providing a better service through the use of technology
- Launch of our extranet earlier this year
- Scottish Amicable - on Misys preferred provider panel
- Launch of our GPP product has been well received

Strength in retail fund management

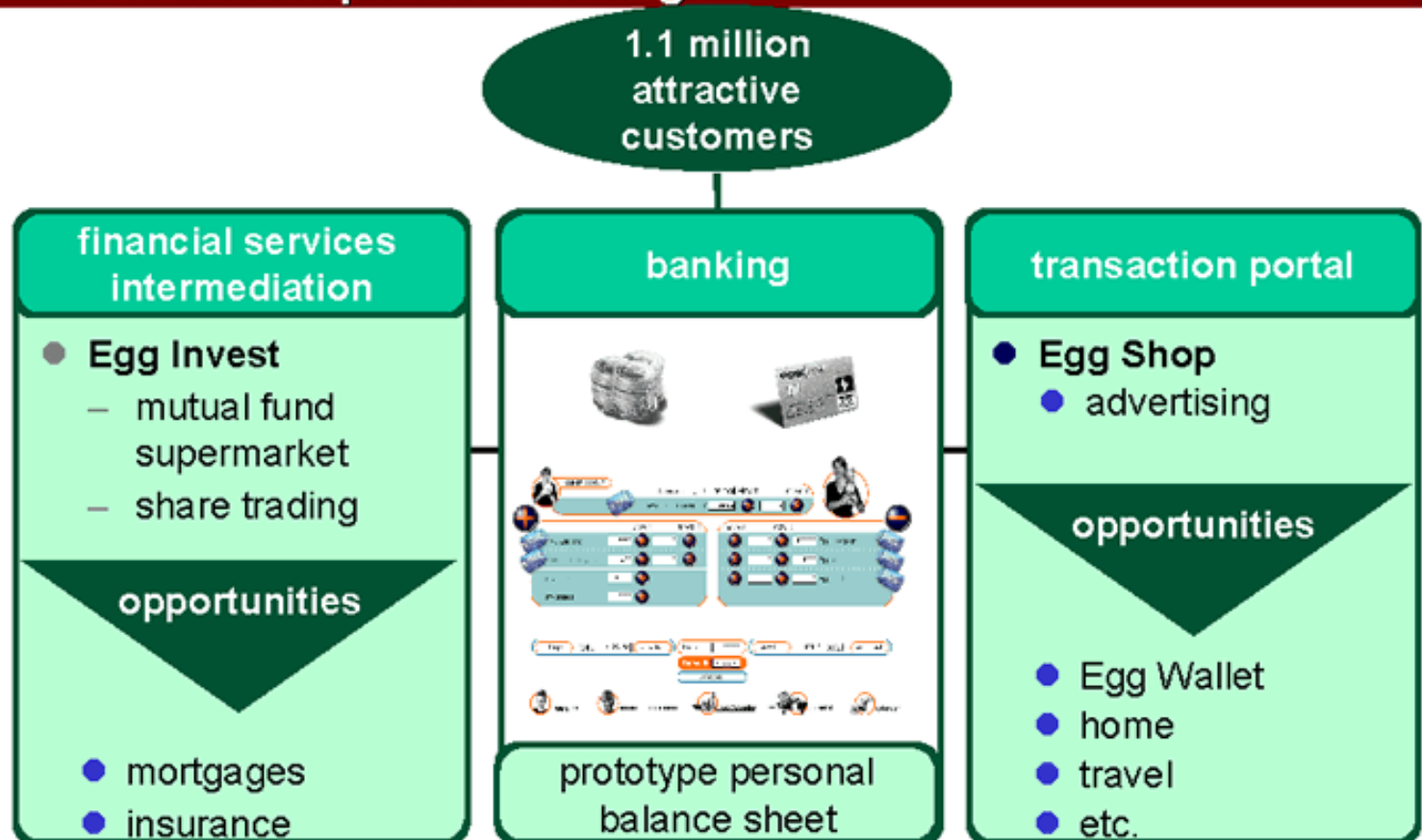
- M&G acquisition provides retail investment brand
- Improving investment performance
- Launch of new funds
- Funds supermarket (CFL) servicing IFA market



- M&G acquisition provides a retail investment brand
- Developing a balanced portfolio of products
- Have now brought together UK fund management - under one brand

An integrated business model

- a distinct competitive advantage



- Egg is a financial services supermarket
- Personal balance sheet gives customers control over their financial affairs
- Two intermediation businesses
- Assets needed: a powerful brand, an attractive customer base, proven technology and operating platforms and an experienced management team

A model for success

- **Key measures for success:**

- **customer growth**
- **loyalty**
- **cross buying**
- **new products and services**
- **revenues v costs**
- **profitable asset growth**

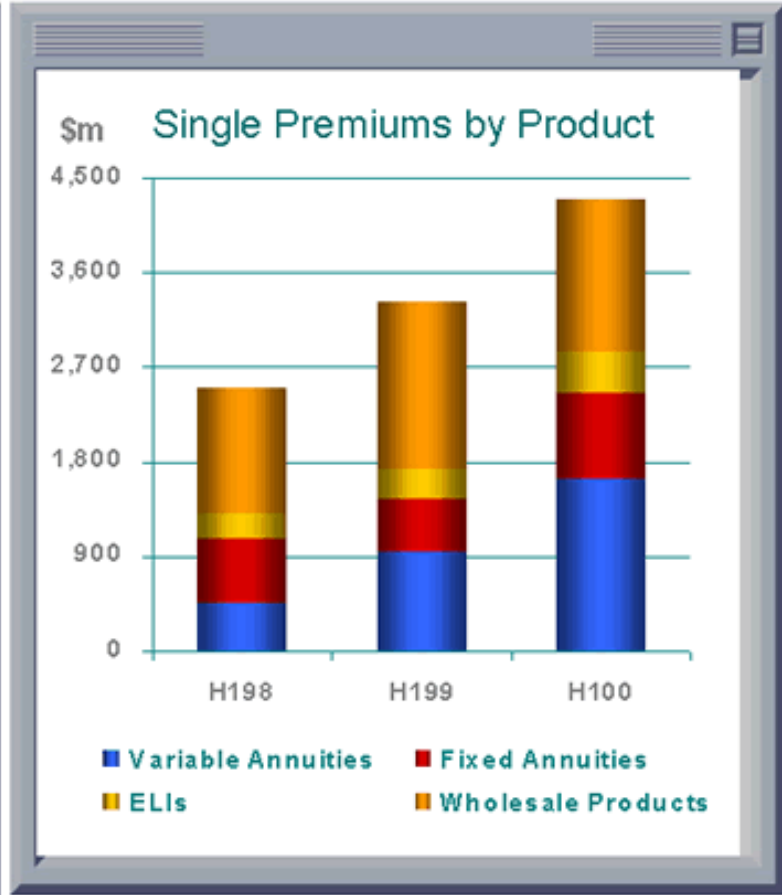
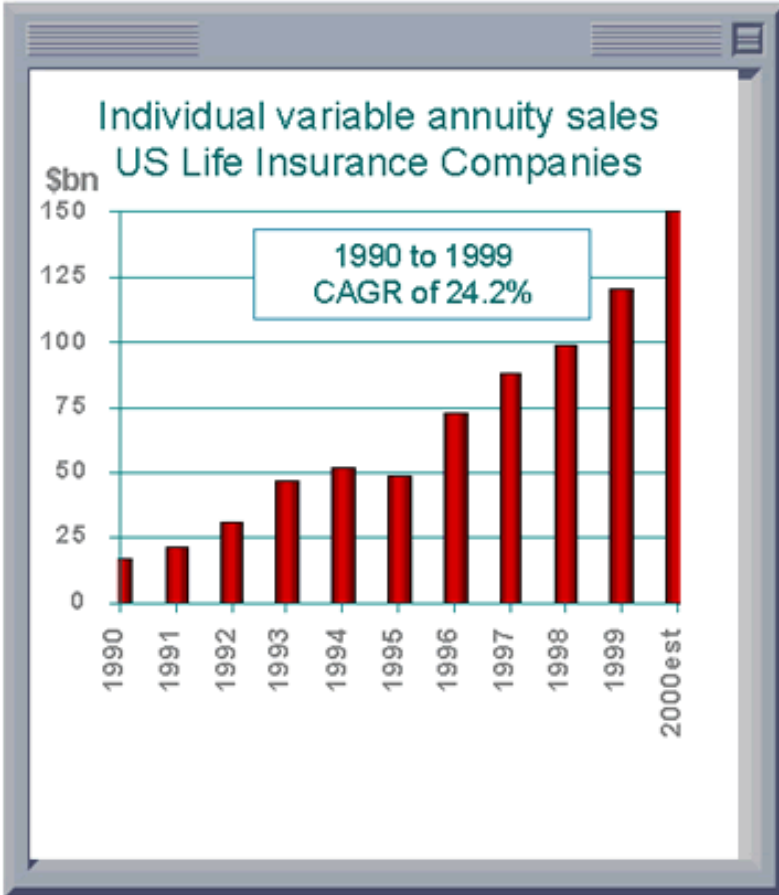
- Customer base grew in the first half
- Both credit card and internet deposit customers are proving loyal
- Cross buying results are already encouraging
- Growth of profitable assets is on plan
- New products and services launched or due to be launched this year include:
 - share dealing
 - general insurance supermarket
 - WAP
 - Boots
 - personal balance sheet
 - electronic wallet
- Future initiatives include mortgage intermediation, investment advice, digital TV, and current account

Accessing opportunities in continental Europe

- Partnership model
- Selling Prudential branded products through focused distribution channels
- Evaluation of further distribution opportunities in France, Germany, Italy and Spain

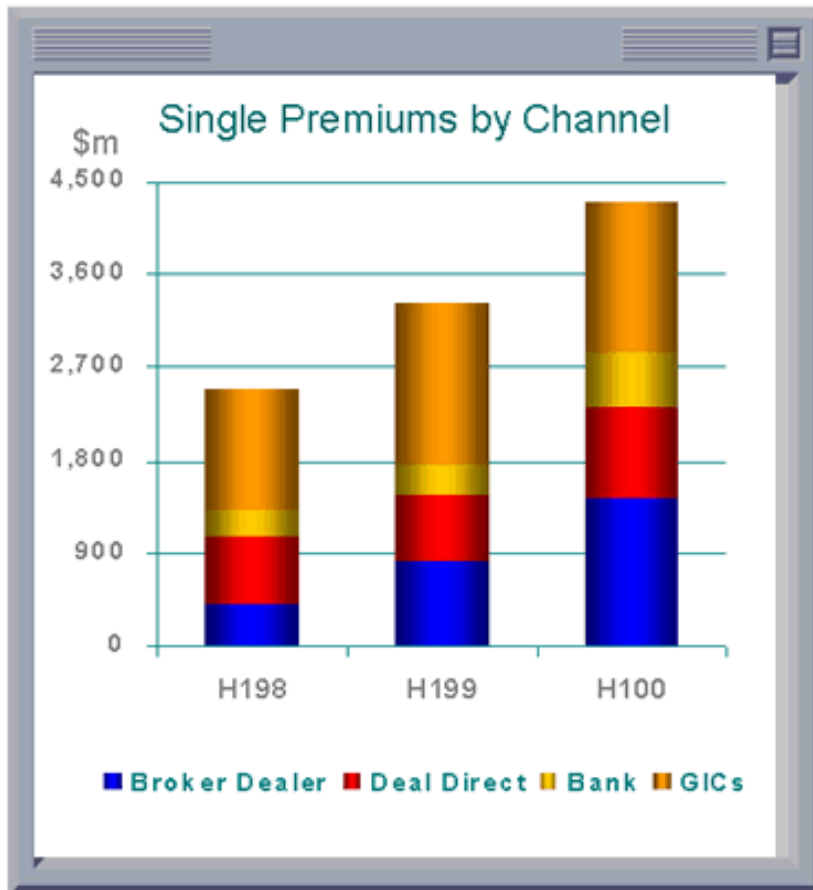
- Partnership model
- First sales of the long term care bond made by the Signal Iduna salesforce at the beginning of June
- In France, agreement in principle for the provision of long term care bond to CNP
- Looking actively at other markets, particularly Italy and Spain.

Continued strong sales growth



- 21st in variable annuity market
- Ranked 5th for variable annuity sales in independent financial planner sector of the broker-dealer market
- Jackson is one of the top 20 largest life insurance company in the US, out of 1700 companies in the industry

Successful focus on distribution



- Acquisition of IFC Holdings will create 5th largest independent broker-dealer in the US
- Acquisition of Fidelity branches and Highland Bank
- JNL website ranked 5th in industry

- Key to the US market is effectiveness in distribution
- Increasing distribution capability commands greater leverage for our products
- Aggressively growing our own broker dealers
- Acquired own bank licences providing manufacturing capabilities

Successfully building scale and strength

Products

- Leading Hong Kong MPF pensions market with BoC JV
- Pioneering unit linked products - Taiwan and China
- Monitoring pensions regulations developments in India, Malaysia and Japan

Distribution

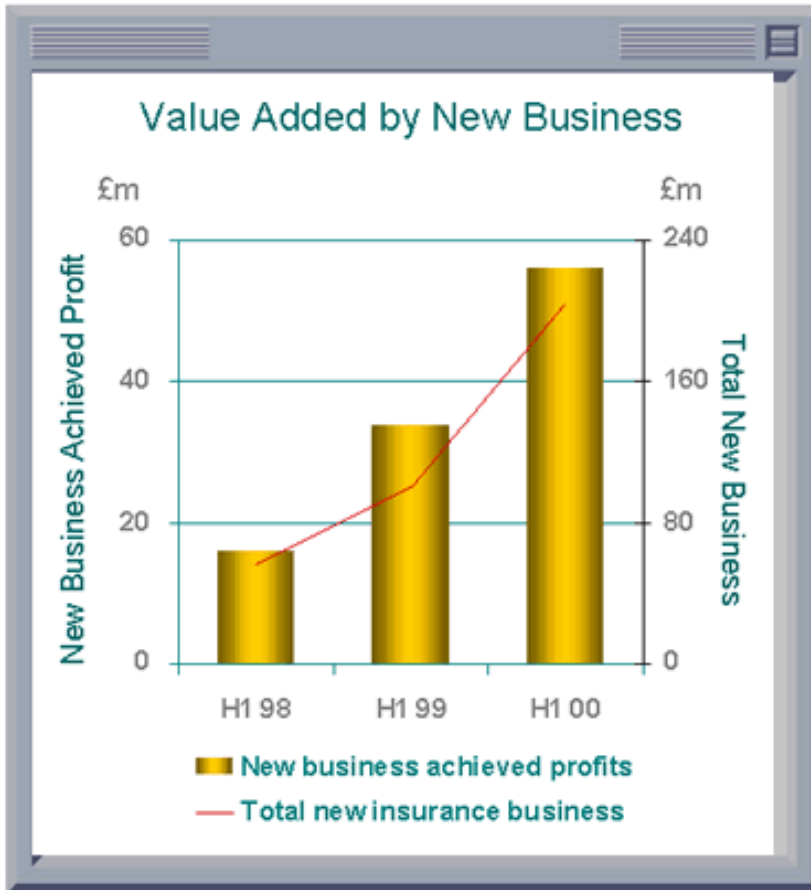
- Established markets: revised structured agency training
- Focus on agent growth in emerging markets
- Continuing regional roll out of bancassurance
- Intranet transactional capability in India

Geography

- Planning launch in Guangzhou, Q3 2000
- Applying for a life licence in India
- Investment licences received by PPM Japan

- In Singapore - launched an innovative loyalty card - "Dream card"
- In Hong Kong - a JV with Bank of China
- In Malaysia - extended our Bancassurance deal with Standard Chartered
- Applying for a life licence in India
- Taiwanese operation is now our largest operation by insurance product sales

Significant and growing contribution to group



- Strong sales growth including new operations in Taiwan and Vietnam
- Volume growth; and maintaining margins

- 18% of our total new business profits
- Margins are high due in part to high barriers to entry

Driving the business forward

- Leading international retail financial services group
- Scale position in growth markets
- Moving at pace



- More than half of total sales and 60% of new business profits derived from outside the UK
- Chosen markets offer attractive demographics and growth rates for the long term
- Aggressively driving the business forward - with a clear focus on delivering shareholder value

Date: 27 July 2000

PRUDENTIAL plc

2000 Unaudited Interim Results

Supplementary Information

Available as an Excel download



Schedule

Statutory basis results

Movement in operating profit before amortisation of goodwill 2000 v 1999

US Operations

Short-term fluctuations in investment returns

- Summary

- Analysis by business area

Tax charge

Achieved Profits basis results

Operating profit

- New business

- Business in force

Tax charge

Shareholders' funds

- Summary

- Reconciliation of movement

Funds under management

- Summary

- Analysis by business area

New Business to 30 June

- Schedule

- Notes to schedule

1

2

3

4

5

6

7

8

9

10

11

12

13

14



Jackson National Life Insurance Company



Scottish Amicable



PRUDENTIAL
英国保诚保险



PRUDENTIAL