

SIR DAVID CLEMENTI, CHAIRMAN, PRUDENTIAL PLC

ANNUAL GENERAL MEETING SPEECH - 17 MAY 2007

Good morning everyone. Thank you for coming along to our Annual General Meeting today. As it is 11 o'clock, I would like to start today's proceedings.

A copy of the Emergency procedures, Notice of Meeting and Corporate Responsibility Report will have been handed to you as you entered the auditorium.

Before we move on to the business of the meeting, we would like to show you a short video. I will then say a few words about our performance in 2006 and why we feel confident about our future prospects.

[VIDEO]

As you will have seen, 2006 was another excellent year for Prudential with EEV operating profits ahead strongly and confirming the effectiveness of the strategy that we have been following. The Board is very pleased with the substantial progress that Mark and the Executive team have made in continuing to build on the momentum within the Group. In particular we have seen significant knowledge sharing in areas such as product development, distribution models and IT systems.

New business volumes in our life businesses were at record levels but also and very importantly, through a committed focus on generating value, average margins on new business for the Group moved ahead and returns also improved.

2006 was also a very good year for our asset management businesses with net inflows and profits at both M&G and in our Asian businesses reaching new highs. Not only are these businesses critical to the performance of our traditional insurance products but they are also an increasingly powerful source of non-capital intensive products.

The exception to this pleasing performance was Egg which made greater losses than we expected. As you know we have recently concluded the sale of this business to Citi.

The Group also further strengthened its cash flow and capital position in the year and, as a result, we were able to propose an increase of 5% in the full year dividend. We have also put in place a new dividend policy.

In March we announced a refocusing of our UK business after an extensive review of all available options. The Board believes that the current composition and structure of the Group provides material financial and operational benefits to shareholders. At this stage, the management team's focus continues to be on profitable growth in all areas of the business and, in particular, the UK team is absolutely focused on the execution and delivery of

the strategy we have outlined. As you would expect, the Board considers strategy on a regular basis and it will continue to take account of all alternatives to maximise value for shareholders.

In my Chairman's statement for the Annual Report I refer to two changes to the Board. First, we are delighted to welcome Barry Stowe to his first Annual General Meeting, as Chief Executive of Prudential Corporation Asia. I also reported that Roberto Mendoza will be stepping down as a Director after today's meeting, and I would like to thank him for his significant contribution over 7 years since he joined the Board in 2000.

I would like to say a few words about our work in the area of Corporate Responsibility, and in particular, the important contribution that our people around the world make to the well-being of the communities in which we operate. In addition to their invaluable contribution to the business of Prudential, over 1,600 employees gave their time last year to the Chairman's Award, our new international volunteering programme, which supported over 50 charitable projects around the world. And I'm delighted to say that over 1,800 employees have already registered for this year's programme. Further details of our Corporate Responsibility programme can be found in our Corporate Responsibility Report, handed to you earlier.

Let me conclude at this point, I have already said that 2006 was a year of substantial progress for Prudential. Equally importantly, as we look ahead we see exciting prospects in each of our chosen markets. The opportunities for

growth, particularly in the retirement savings and income arena, are significant, and we feel confident that our talented and committed people around the world have the skills and capabilities needed to take full advantage of them, and to continue to deliver on our strategy.

Let me now hand over to Mark Tucker who will provide a closer look at our 2006 performance, and priorities for 2007.