

RESULTS SUMMARY

	2004 £m	2003 £m
Achieved Profits Basis Results		
Operating profit before amortisation of goodwill		
UK and Europe Insurance Operations	450	359
M&G	136	83
Egg – continuing operations	43	55
– discontinued operations	(37)	(89)
UK and Europe Operations	592	408
US Operations – continuing operations	303	194
– discontinued operations	17	22
Asian Operations	400	378
Other Income and Expenditure (including Asia development expenses)	(208)	(208)
Operating profit before amortisation of goodwill	1,104	794
Analysed as:		
Operating profit from continuing operations	1,124	861
Operating loss from discontinued operations	(20)	(67)
Amortisation of goodwill	(97)	(98)
Short-term fluctuations in investment returns	679	682
Effect of changes in economic assumptions	(100)	(540)
Profit or loss on the sale or termination of discontinued operations:		
Profit on business disposals	48	–
Egg France closure cost	(113)	–
Profit on ordinary activities before tax	1,521	838
Operating earnings per share*	37.2p	25.4p
Shareholders' funds	£8.6bn	£7.0bn
	2004 £m	2003 £m
Statutory Basis Results		
Operating profit before amortisation of goodwill	583	357
Profit on ordinary activities before tax	650	350
Operating earnings per share*	19.2p	12.4p
Basic earnings per share*	20.1p	10.0p
Shareholders' funds	£4.3bn	£3.2bn
Dividend Per Share*	15.84p	15.38p
Insurance and Investment Funds under Management	£187bn	£168bn

Operating profit and operating earnings per share include investment returns at the expected long-term rate of return but exclude amortisation of goodwill and exceptional items. The directors believe that operating profit, as adjusted for these items, better reflects underlying performance. Profit on ordinary activities and basic earnings per share include these items together with actual investment returns. This basis of presentation has been adopted consistently throughout these financial statements.

* Earnings per share and dividend per share figures for 2003 have been restated to take account of the Rights Issue in 2004. In addition, the achieved profits and statutory basis shareholders' funds for 2003 have been adjusted to reflect the implementation of UITF Abstract 38 'Accounting for ESOP Trusts'.