

GROUP SUMMARY

|   | 2004<br>£m | 2003<br>£m       | 2002<br>£m       | 2001<br>£m       | 2000<br>£m       |
|---|------------|------------------|------------------|------------------|------------------|
| <b>Results for the year</b>   |            |                  |                  |                  |                  |
| Long-term business:   |            |                  |                  |                  |                  |
| New business:   |            |                  |                  |                  |                  |
| Single  | 11,427     | 8,473            | 11,802           | 10,610           | 9,788            |
| Regular   | 703        | 710              | 707              | 693              | 538              |
| Gross premiums written  | 16,355     | 13,781           | 16,669           | 15,196           | 14,173           |
| Gross investment product inflows  | 25,108     | 22,113           | 17,392           | 11,303           | 6,852            |
| Operating profit before amortisation of goodwill and exceptional items:   |            |                  |                  |                  |                  |
| Long-term business  | 612        | 457              | 545              | 664              | 915              |
| UK fund management  | 136        | 83               | 71               | 75               | 90               |
| US broker-dealer and fund management  | (14)       | (3)              | 14               | 16               | 7                |
| Asia fund management  | 19         | 13               | 6                | –                | –                |
| UK banking  | 43         | 55               | 27               | (88)             | (155)            |
| Shareholders' investment return and other income  | 44         | 29               | 3                | 51               | 64               |
| Interest payable on core structural borrowings  | (154)      | (143)            | (130)            | (118)            | (131)            |
| Corporate expenditure   | (83)       | (67)             | (62)             | (63)             | (56)             |
| Continuing operations   | 603        | 424              | 474              | 537              | 734              |
| Discontinued operations   | (20)       | (67)             | (25)             | 89               | 38               |
| Total operating profit (based on long-term investment returns)<br>before amortisation of goodwill and exceptional items     | 583        | 357              | 449              | 626              | 772              |
| Amortisation of goodwill  | (97)       | (98)             | (98)             | (95)             | (84)             |
| Short-term fluctuations in investment returns   | 229        | 91               | (205)            | (480)            | (48)             |
| Profit on business disposals  | 48         | –                | 355              | –                | 239              |
| Egg France closure cost   | (113)      | –                | –                | –                | –                |
| Merger break fee  | –          | –                | –                | 338              | –                |
| Profit on ordinary activities before tax (including actual<br>investment returns)   | 650        | 350              | 501              | 389              | 879              |
| Profit after tax and minority interests:  |            |                  |                  |                  |                  |
| Operating profit (including post-tax long-term investment returns)  | 408        | 257              | 333              | 466              | 511              |
| Profit for the year (including post-tax actual investment returns)  | 428        | 208              | 468              | 395              | 577              |
| <b>Shareholders' funds and borrowings</b>   |            |                  |                  |                  |                  |
| Statutory basis:  |            |                  |                  |                  |                  |
| Employed in business units  | 4,651      | 4,252            | 4,333            | 4,087            | 3,875            |
| Retained centrally  | 2,297      | 1,415            | 1,541            | 1,728            | 1,533            |
|   | 6,948      | 5,667            | 5,874            | 5,815            | 5,408            |
| Borrowings of holding company and related finance subsidiaries  | (2,667)    | (2,427)          | (2,297)          | (1,980)          | (1,568)          |
| Total statutory basis capital and reserves  | 4,281      | 3,240            | 3,577            | 3,835            | 3,840            |
| Additional achieved profits basis retained profit   | 4,315      | 3,765            | 3,583            | 4,274            | 4,885            |
| Achieved profits basis capital and reserves   | 8,596      | 7,005            | 7,160            | 8,109            | 8,725            |
| <b>Insurance and investment funds under management (£bn)</b>  | <b>187</b> | <b>168</b>       | <b>155</b>       | <b>163</b>       | <b>165</b>       |
| <b>Share statistics</b>   |            |                  |                  |                  |                  |
|   | 2004       | Restated<br>2003 | Restated<br>2002 | Restated<br>2001 | Restated<br>2000 |
| Earnings per share:   |            |                  |                  |                  |                  |
| Based on operating profit after tax and related minority interests<br>before amortisation of goodwill and exceptional items | 19.2p      | 12.4p            | 16.1p            | 22.7p            | 25.1p            |
| Based on profit for the year after tax and minority interests   | 20.1p      | 10.0p            | 22.6p            | 19.2p            | 28.3p            |
| Dividend per share  | 15.84p     | 15.38p           | 25.00p           | 24.42p           | 23.56p           |
| Market price at 31 December   | 453p       | 454p             | 422p             | 765p             | 1,036p           |
| Average number of shares  | 2,129m     | 2,076m           | 2,068m           | 2,057m           | 2,037m           |

Comparative figures for earnings per share, dividend per share, market price and average number of shares have been restated to take account of the Rights Issue in 2004. Comparative figures for shareholders' funds have been restated as a result of the implementation of UITF Abstract 38 'Accounting for ESOP Trusts'.

## ANALYSIS BY BUSINESS AREA

|  | 2004<br>£m | 2003<br>£m | 2002<br>£m | 2001<br>£m | 2000<br>£m |
|--|------------|------------|------------|------------|------------|
| <b>UK and Europe Operations</b>                            |            |            |            |            |            |
| Long-term business:  |            |            |            |            |            |
| New business:  |            |            |            |            |            |
| Single   | 6,357      | 3,938      | 5,588      | 5,348      | 4,683      |
| Regular  | 181        | 190        | 220        | 302        | 284        |
| Gross premiums written                                     | 9,186      | 7,264      | 8,675      | 8,395      | 7,874      |
| Gross investment product inflows                           | 5,845      | 3,797      | 3,731      | 2,276      | 4,593      |
| Operating profit:  |            |            |            |            |            |
| Long-term business   | 305        | 256        | 372        | 374        | 425        |
| Investment management                                      | 136        | 83         | 71         | 75         | 90         |
| Banking  | 43         | 55         | 27         | (88)       | (155)      |
| Total operating profit from continuing operations          | 484        | 394        | 470        | 361        | 360        |
| Statutory basis capital and reserves                       | 1,470      | 1,296      | 1,305      | 1,187      | 1,227      |
| Additional achieved profits basis retained profit          | 3,162      | 2,812      | 2,472      | 3,268      | 3,984      |
| Achieved profits basis capital and reserves                | 4,632      | 4,108      | 3,777      | 4,455      | 5,211      |
| Insurance and investment funds under management (£bn)      | 140        | 125        | 112        | 121        | 129        |
| <b>US Operations</b>                                       |            |            |            |            |            |
| Long-term business:  |            |            |            |            |            |
| New business:  |            |            |            |            |            |
| Single   | 4,408      | 4,053      | 5,735      | 4,612      | 4,830      |
| Regular  | 12         | 13         | 22         | 22         | 25         |
| Gross premiums written                                     | 4,717      | 4,369      | 6,098      | 5,008      | 5,223      |
| Gross investment product inflows                           | 418        | 159        | –          | –          | –          |
| Operating profit (including long-term investment returns): |            |            |            |            |            |
| Jackson National Life                                      | 196        | 143        | 117        | 265        | 454        |
| Broker-dealer and fund management                          | (14)       | (3)        | 14         | 16         | 7          |
| Total operating profit from continuing operations          | 182        | 140        | 131        | 281        | 461        |
| Statutory basis capital and reserves                       | 2,362      | 2,329      | 2,449      | 2,498      | 2,333      |
| Additional achieved profits basis retained profit          | 234        | 161        | 283        | 319        | 423        |
| Achieved profits basis capital and reserves                | 2,596      | 2,490      | 2,732      | 2,817      | 2,756      |
| Insurance and investment funds under management (£bn)      | 31         | 30         | 32         | 34         | 30         |
| <b>Asian Operations</b>                                    |            |            |            |            |            |
| Long-term business:  |            |            |            |            |            |
| New business:  |            |            |            |            |            |
| Single   | 662        | 482        | 479        | 650        | 275        |
| Regular  | 510        | 507        | 465        | 369        | 229        |
| Gross premiums written                                     | 2,452      | 2,148      | 1,896      | 1,793      | 1,076      |
| Gross investment product inflows                           | 18,845     | 18,157     | 13,661     | 9,027      | 2,259      |
| Operating profit before development expenses               | 126        | 85         | 82         | 44         | 39         |
| Fund management  | 19         | 13         | 6          | –          | –          |
| Development expenses                                       | (15)       | (27)       | (26)       | (19)       | (3)        |
| Net operating profit                                       | 130        | 71         | 62         | 25         | 36         |
| Statutory basis capital and reserves                       | 819        | 627        | 579        | 402        | 315        |
| Additional achieved profits basis retained profit          | 919        | 792        | 828        | 687        | 478        |
| Achieved profits basis capital and reserves                | 1,738      | 1,419      | 1,407      | 1,089      | 793        |
| Insurance and investment funds under management (£bn)      | 16         | 13         | 11         | 8          | 6          |