



United States

Sustained increases in both sales and market share

Up to the end of 2006 Jackson experienced five consecutive years of variable annuity sales growth, 11 consecutive quarters of market share increases, and 17 consecutive quarters of variable annuity asset growth. Jackson has only experienced a quarterly decline in variable annuity assets five times since the first quarter of 1998.

Asia

Asia becomes cash positive while delivering rapid growth

The Group's position in Asia continues to develop rapidly with the region accounting for almost 50 per cent of the Group's 2006 new business profits. As well as experiencing rapid growth, Asia has become cash positive in 2006, in line with our previous forecast, with a net remittance of £28 million to the Group. In 2007 and beyond, Asia offers significant potential for profitable growth and we are on track to deliver on our target to at least double 2005 new business profits by 2009.

United Kingdom

Continued focus on core strengths to drive profitable growth

In 2006, Prudential UK's retail business increased sales by 14 per cent and new business profits by 67 per cent. Going forward, Prudential UK will focus on its core strengths, including its longevity expertise and its multi-asset allocation capabilities, to drive profitable growth in the retirement income and savings markets. In addition, it will continue to safeguard embedded value in its mature life and pensions business, through targeted cost reduction programmes.

The momentum we have built can be seen in the growth of our insurance and asset management businesses around the world



M&G

Significant and sustained profit growth

M&G delivered significant profit growth during 2006 on the back of rising market levels, strong net inflows and continued business diversification. Operating profits, which include performance-related fees, increased 25 per cent to £204 million. Underlying profits were £177 million, an increase of 28 per cent compared to the previous year. Over the past four years, underlying profits have grown by 38 per cent per year.