

European Embedded Value (EEV) basis results *continued*

Movement in shareholders' capital and reserves (excluding minority interests)

	Half year 2006 £m	Half year 2005 £m	Full year 2005 £m
Profit for the period attributable to equity holders of the Company	1,052	490	1,582
Items taken directly to equity:			
Cumulative effect of IAS 32, IAS 39 and IFRS 4, net of applicable taxes, at 1 January 2005	–	(25)	(25)
Unrealised valuation movements on securities classified as available-for-sale	(4)	4	(1)
Movement on cash flow hedges	4	(7)	(4)
Exchange movements	(217)	219	377
Related tax	(39)	30	65
Dividends	(267)	(253)	(380)
Acquisition of Egg minority interests	(167)	–	–
New share capital subscribed	253	40	55
Reserve movements in respect of share-based payments	6	6	15
Treasury shares:			
Movement in own shares in respect of share-based payment plans	9	1	0
Movement on Prudential plc shares purchased by unit trusts consolidated under IFRS	1	(5)	3
Net increase in shareholders' capital and reserves	631	500	1,687
Shareholders' capital and reserves, at beginning of period (excluding minority interests)	10,301	8,614	8,614
Shareholders' capital and reserves at end of period (excluding minority interests)	10,932	9,114	10,301
Comprising:			
UK operations:			
Long-term business	5,370	4,598	5,132
M&G:			
Net assets	273	272	245
Acquired goodwill	1,153	1,153	1,153
Egg	360	266	303
	7,156	6,289	6,833
US operations	3,379	3,092	3,418
Asian operations:			
Net assets	2,159	1,692	2,070
Acquired goodwill	172	197	172
Other operations:			
Holding company net borrowings (at market value)	(1,558)	(1,443)	(1,724)
Other net liabilities	(376)	(713)	(468)
Shareholders' capital and reserves at end of period (excluding minority interests)	10,932	9,114	10,301

Summarised consolidated balance sheet

	Half year 2006 £m	Half year 2005 £m	Full year 2005 £m
Total assets less liabilities, excluding insurance funds	175,493	160,379	174,258
Less insurance funds:*			
Policyholder liabilities (net of reinsurers' share) and unallocated surplus of with-profits funds	(170,444)	(155,400)	(169,064)
Less shareholders' accrued interest in the long-term business	5,883	4,135	5,107
	(164,561)	(151,265)	(163,957)
Total net assets	10,932	9,114	10,301
Share capital	121	119	119
Share premium	1,808	1,560	1,564
Statutory basis shareholders' reserves	3,120	3,300	3,511
Additional EEV basis retained profit	5,883	4,135	5,107
Shareholders' capital and reserves (excluding minority interests)	10,932	9,114	10,301

*Including liabilities in respect of insurance products classified as investment contracts under IFRS 4.

Net asset value per share (in pence)

Based on EEV basis shareholders' capital and reserves of £10,932m (£9,114m, £10,301m)	450p	382p	432p
Number of issued shares at end of reporting period (millions)	2,430	2,384	2,387