

European Embedded Value (EEV) basis results

Summary consolidated income statement

	Half year 2006 £m	Half year 2005 £m	Full year 2005 £m
UK insurance operations	336	144	426
M&G	100	83	163
Egg	(39)	13	44
UK operations	397	240	633
US operations	350	431	755
Asian operations	374	246	568
Other income and expenditure	(141)	(118)	(244)
UK restructuring costs (note 6)	(18)	-	-
Operating profit from continuing operations based on longer-term investment returns	962	799	1,712
Goodwill impairment charge	-	(95)	(120)
Short-term fluctuations in investment returns	32	307	1,068
Mark to market value movements on core borrowings	168	(29)	(67)
Shareholders' share of actuarial and other gains and losses on defined benefit pension schemes	246	(8)	(47)
Effect of changes in economic assumptions and time value of cost of options and guarantees	21	(143)	(302)
Profit from continuing operations before tax (including actual investment returns)	1,429	831	2,244
Shareholder tax	(376)	(337)	(653)
Profit from continuing operations for the period after tax before minority interests	1,053	494	1,591
Discontinued operations (net of tax)	-	1	3
Profit for the period	1,053	495	1,594
Attributable to:			
Equity holders of the Company	1,052	490	1,582
Minority interests	1	5	12
Profit for the period	1,053	495	1,594

Earnings per share (in pence)

	Half year 2006	Half year 2005	Full year 2005
Continuing operations			
From operating profit, based on longer-term investment returns, after related tax and minority interests	28.0p	24.4p	56.6p
Adjustment for goodwill impairment charge	-	(4.0)p	(5.1)p
Adjustment from post-tax longer-term investment returns to post-tax actual investment returns	0.6p	8.3p	30.6p
Adjustment for mark to market value movements on core borrowings	7.0p	(1.2)p	(2.8)p
Adjustment for post-tax effect of shareholders' share of actuarial and other gains and losses on defined benefit pension schemes	7.2p	(0.3)p	(1.4)p
Adjustment for post-tax effect of changes in economic assumptions and time value of cost of options and guarantees	1.0p	(6.5)p	(11.1)p
Based on profit from continuing operations after minority interests	43.8p	20.7p	66.8p
Discontinued operations			
Based on profit from discontinued operations after minority interests	-	0.0p	0.1p
Based on profit for the period after tax and minority interests	43.8p	20.7p	66.9p
Average number of shares (millions)	2,403	2,361	2,365

Dividends per share (in pence)

	Half year 2006	Half year 2005	Full year 2005
Dividends relating to the reporting period:			
Interim dividend (2006 and 2005)	5.42p	5.30p	5.30p
Final dividend (2005)	-	-	11.02p
Total	5.42p	5.30p	16.32p
Dividends declared and paid in the reporting period:			
Current year interim dividend	-	-	5.30p
Final dividend for prior year	11.02p	10.65p	10.65p
Total	11.02p	10.65p	15.95p