

	Note	2004 £m	2003 £m
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	10	679	682
Effect of changes in economic assumptions	11	(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 (including actual investment returns)		1,521	838
Tax	12	(485)	(355)
Profit for the financial year before minority interests		1,036	483
Minority interests		10	2
Profit for the financial year after minority interests		1,046	485
Dividends		(362)	(320)
Retained profit for the financial year		684	165

[†] 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 this achieved profits basis supplementary information.

EARNINGS PER SHARE –
ACHIEVED PROFITS BASIS

YEAR ENDED 31 DECEMBER 2004

	Note	2004	Restated 2003
Based on operating profit after tax and related minority interests before amortisation of goodwill of £791m (£527m)	5	37.2p	25.4p
Based on profit for the financial year after minority interests of £1,046m (£485m)	5	49.1p	23.4p

Earnings per share for 2003 have been restated to take account of the Rights Issue in 2004.

STATEMENT OF TOTAL RECOGNISED GAINS
AND LOSSES – ACHIEVED PROFITS BASIS

YEAR ENDED 31 DECEMBER 2004

	2004 £m	2003 £m
Profit for the financial year after minority interests	1,046	485
Exchange movements, net of related tax of £12m (£18m)	(229)	(348)
Total recognised gains relating to the financial year	817	137