

press release

12 August 2010

Better than expected results for Prudential, but Aviva remains The Share Centre's preferred insurance stock

- Prudential announces 1 34% increase in operating profits to £1.68bn
- Asia is the force behind Prudential's better than expected results
- The Share Centre lists Prudential as a 'hold' and views Aviva as the preferred stock for exposure to the insurance sector

This morning, Prudential announced better than expected results and an increase in its interim dividend by 5%. Nick Raynor, investment advisor at The Share Centre explains what this means for investors.

"Prudential saw a big increase in profits for the first half of 2010. Across the board operating profits rose 34% to £1.68bn and new business sales were up 27% to £892m, assisted by improving investment returns and a broader market recovery during the first half of 2010.

"The insurer's operations in Asia played a significant part in boosting profits as new business sales in the area increased 36% to £713m. Looking ahead, Prudential's management is confident that this momentum can continue until at least the end of the year.

"The costs of failing to buy Asian business AIA stands at £377m, down from the original figure of £450m. The failure of this venture was disappointing for investors and Prudential will be looking to regain support by increasing the interim dividend by 5% to 6.61p per share.

"This is a healthy dividend, however Aviva, our preferred play for investors looking at the insurance sector, is offering just under 8%. Investors seeking income could do worse than to take a closer look at the sector as a whole."

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Investing in general, and the products and services mentioned above may not be suitable for all: if in doubt, individuals should seek independent financial advice. The value of investments and the income from them can go down as well as up and investors may not get back their original investment. Past performance is not a reliable indicator of future performance.

The bases and levels of taxation relating to ISAs, CTFs and SIPP's are subject to change and the value of these tax allowances may depend upon the circumstances of the individual.

About The Share Centre:

The Share Centre was established in 1990 to provide value-for-money share services for private investors. Its range of services includes buying and selling shares (by Internet, telephone and post) and a comprehensive share administration and safe custody service. Tax-efficient investment 'wrappers' including ISAs, CTFs and SIPP's are also available.

The Share Centre's Advice team provides comment on market sectors, individual shares and funds on www.share.com. Access is available to customers and registered users of the site. Registration is free. To understand how our Advice team arrive at their views please read our [Investment Research Policy](#)

In addition, account customers can receive individual telephone advice on UK-listed shares and on funds traded via the CoFunds trading platform.

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