

Accelerated growth

New business results – six months to 30 June 2006

1 August 2006

- **Worldwide insurance APE sales up 17% to £745 million (2005: £624m)**
- **UK Life and Pensions APE sales up 25% to £594m (2005: £475m), with a 36% increase in the second quarter of 2006 (compared to the second quarter of 2005)**
 - **Self Invested Personal Pension (SIPP) and drawdown APE sales up 75% to £105m (2005: £60m)**
 - **Investment bond APE sales up 121% to £86m (2005: £39m)**
- **Net investment product inflows of £3,120m (2005: £2,643m)**

All comparisons above and in narrative below are in local currencies unless otherwise stated¹.

First Half Overview

Worldwide insurance APE sales increased by 17% to £745m, reflecting strong UK performance. UK Life and Pensions APE sales increased by 25% in H1 2006, driven by continuing strong sales of SIPP and Investment Bonds. Standard Life Investments enjoyed a strong first half with net investment product inflows of £3.1bn and third party funds under management increased by 12% to £31.5bn over the first six months of the year.

Group Chief Executive, Sandy Crombie, said:

“I am pleased to be able to report a substantial increase in new business for Standard Life in the first half of the year. We have built on good growth in the first quarter, with an accelerated rate of increase in the second quarter, giving us a solid foundation for the remainder of the year. It is particularly pleasing to see strong performance in our target markets in the UK, notably SIPP and investment bonds. Standard Life Investments also continues to perform well, despite the recent volatility in equity markets.

“Our transition to higher margin and higher value-added savings products continues, and I am confident that we are securing the right mix of new business to deliver profitable growth for our shareholders.”

www.standardlife.com

Standard Life plc, registered in Scotland (SC286832), Standard Life House, 30 Lothian Road, Edinburgh EH1 2DH. 0131 225 2552.

Calls may be recorded/monitored.

Standard Life group includes Standard Life plc and its subsidiaries.



UK and Europe Life and Pensions

New business in UK Life and Pensions was strong in the first half of 2006, with APE sales up 25% to £594m (2005: £475m). Following a good first quarter, sales have continued to be strong through the second quarter. Consistent with our focus on profitable segments of the market, single premiums have increased by 52% in the first half of 2006, while regular premiums were up 3%.

A substantial contribution to this increase came from the company's highly successful SIPP and drawdown product where first half sales increased by 75% to £105m (2005: £60m) and funds under management grew 79% to £2.2bn. This strong trend has continued beyond A-day² and throughout the second quarter, with over 70% of SIPP assets now being managed by Standard Life Investments or deposited with Standard Life Bank.

Product improvements and the strong performance of many of the key funds within Standard Life Investments' range have led to strong growth in investment bonds increasing by 121% to £86m (2005: £39m). Trustee Investment Pension Plan (TIPP) and Personal Pension Investment Plan (PPIP)* sales have increased 67% to £77m (2005: £46m).

Group Pensions business fell by 2% to £228m (2005: £233m) reflecting a strong first quarter in 2005, which included the company's largest ever insured group scheme. Q2 2006 shows a favourable trend with sales up 17% to £131m (Q2 2005: £112m). Group pensions included the new Group SIPP, launched in November 2005, which had APE sales in the first half of £22m.

In line with our strategy, we have continued to diversify our distribution capability by securing arrangements in potentially profitable growth areas as well as building on previous alliances. Sales through consulting actuaries increased by 61% to £71m (2005: £44m).

Outside the UK, the second quarter saw an increase in sales in Germany of 38% to £10m (Q2 2005: £7m). Overall new business for the first half of 2006, however, was down 52% to £21m (2005: £41m) reflecting the comparison with a very strong first quarter in 2005 which was caused by changes to tax legislation.

Standard Life Ireland increased sales by 64% to £18m (2005: £11m) with strong performance in both quarters. This increase in sales has been driven by the success of the Synergy suite of products launched in the first half of 2005. In the second quarter of 2006 Standard Life introduced new products to the Irish market based on the UK SIPP platform and early demand is encouraging.

*TIPP is a Trustee Investment Pension Plan designed to meet the needs of Trustees of exempt approved occupational pension schemes (defined benefit, defined contribution and SSAS schemes). PPIP is a Personal Pension Investment Plan. It is a version of TIPP available to managers of SIPPs that are administered externally to Standard Life.

Canada

Sales for the 6 months to 30 June 2006 increased in local currency by 3% to £99m (2005: £84m).

Our first half 2006 volumes in the competitive group savings and retirement market were 49% higher, helped by one large scheme of £22m APE written in the second quarter.

Individual insurance, savings and retirement declined 28%. This reflected the repricing of our main universal life product in 2005 where sales fell to £4m (2005: £10m).

Group insurance sales fell 40% in a challenging market. We continue to prioritise retention and maintain our focus on margin instead of volume.

Asia

In India, HDFC Standard Life Insurance Company Limited increased sales by 65%³ to £70m (2005: £42m) of which Standard Life's share was £12m (2005: £11m), whilst in China, Heng An Standard Life opened its third branch, in Beijing.

Standard Life Investments

Standard Life Investments (SLI) has achieved another very strong result, despite increasing volatility in markets over the first six months of the year. Net inflows for investment products were £3,120m (2005: £2,643m). UK mutual fund net inflows were strong at £684m (2005: £78m).

At 30 June 2006, total SLI funds under management were £123.4bn, up from £118.8bn at the end of 2005. Third party funds under management stood at £31.5bn, up from £28.1bn.

The UK Select Property Fund, launched in October 2005, has been particularly successful with funds under management of £482m at 30 June 2006. Total property funds under management have grown over the first six months of the year from £10.4bn to £12bn.



Standard Life Bank

Gross mortgage lending in the second quarter grew by 4% compared with the first quarter, though it fell by 16% to £1,216m over the half year (2005: £1,442m). The Bank continues to develop the management of cash funds in partnership with the Life and Pensions business, particularly the SIPP cash element, which grew 113% to £175m in the first half of 2006.

Standard Life Healthcare

First half sales were £10m (2005: £11m) reflecting competitive pressure in both the small and medium enterprise (SME) and individual markets.

Ends

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Notes to Editors

1. Insurance new business and Investment gross sales for overseas operations are calculated using average exchange rates. All percentage changes shown for new business are based on constant exchange rates. The principal average exchange rates for six months to 30 June 2006 are £1: C\$2.03 (six months to 30 June 2005 £1: C\$2.31) and £1: Euro1.45 (six months to 30 June 2005 £1: Euro1.46). Funds under management are calculated using the closing exchange rate as at period end. The principal closing exchange rates used as at 30 June 2006 are £1: C\$2.06 (31 December 2005 £1: C\$2.01) and £1: Euro1.45 (31 December 2005 £1: Euro1.46).
2. A new pensions simplification regime in the UK was introduced on 6 April 2006, also known as A-Day.
3. Standard Life has two joint venture partnerships with HDFC: a life insurance company HDFC Standard Life Insurance Limited, in which it holds just under 19% and HDFC Asset Management Company, in which it holds 49.9%. Standard Life's holding in HDFC Standard Life Insurance Limited changed during the period and the results for the period to 30 June 2006 are based on a weighted average holding of 17.3% (30 June 2005: 26%). The growth percentages quoted for India relate to the results of HDFC Standard Life Insurance Limited, rather than the growth in Standard Life's share of the joint venture.
4. Annual Premium Equivalent (APE) sales comprise new regular premium sales plus 10% of single premiums.
5. All financial information in this release is unaudited.
6. The insurance operations new business shown within the attached tables includes certain products which do not fall within the scope of "insurance contracts" as defined by IFRS4 "Insurance Contracts" as they do not contain sufficient insurance risk. However, the classification of products into investment or insurance operations is consistent with previous new business reports and is in accordance with FSA recognition rules for new business.
7. All comparators are with the first half of 2005 unless otherwise stated.
8. The Standard Life Assurance Company will announce its interim mutual IFRS results on 27 September 2006. In addition, we will publish financial highlights, consistent with the basis of preparation disclosed in the prospectus, for the first 6 months of 2006 on a historical financial information basis (IFRS) and also on a proforma IFRS and EEV basis. There will be no comparable data for the first half of 2005, since The Standard Life Assurance Company was not required to prepare such figures. Present Value of New Business Premium (PVNBP) data for the first half of 2006 will be published with these results.



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9. There will be a conference call today for media at 8.00am (BST) hosted by Alison Reed, Group Finance Director. Dial in telephone number: +44 (0)20 7162 0125. Callers should quote Standard Life Media Conference.

 10. There will be a conference call for investors and analysts at 9.30am (BST) hosted by Alison Reed, Group Finance Director. Dial in telephone number +44 (0)20 7162 0025. Callers should quote Standard Life Investor and Analyst Conference. A recording of this call will be available for replay for one week by dialling +44 (0)20 7031 4064. The conference reference number will be 714387.

Standard Life New Business
6 month period ended 30 June 2006

Insurance Products	Single Premiums			New Regular Premiums			Annual Premium Equivalent (APE) ^(a)			
	6 Months to 30 June 2006 £m	6 Months to 30 June 2005 £m	% Change	6 Months to 30 June 2006 £m	6 Months to 30 June 2005 £m	% Change	6 Months to 30 June 2006 £m	6 Months to 30 June 2005 £m	% Change	% Change in local currency ^(b)
	UK Life and Pensions	3,242	2,128	52%	270	262	3%	594	475	25%
Canada	637	413	54%	35	43	-19%	99	84	18%	3%
International	128	86	49%	40	57	-30%	52	65	-20%	-19%
Total Worldwide Insurance	4,007	2,627	53%	345	362	-5%	745	624	19%	17%

Investment Products	Gross Sales			Net Inflows		
	6 Months to 30 June 2006 £m	6 Months to 30 June 2005 £m	% Change	6 Months to 30 June 2006 £m	6 Months to 30 June 2005 £m	% Change
	UK^(c)	3,142	2,957	6%	2,799	2,733
Canada	230	206	12%	90	(99)	N/A
International^(d)	421	9	4578%	231	9	2467%
Total Worldwide Investment	3,793	3,172	20%	3,120	2,643	18%

Banking	6 Months to 30 June 2006 £m	6 Months to 30 June 2005 £m	% Change
Gross Mortgage Lending	1,216	1,442	-16%

SL Healthcare ^(e)	New Business Sales		
	6 Months to 30 June 2006 £m	6 Months to 30 June 2005 £m	% Change
	New Business Sales	10	11

(a) Annual Premium Equivalent (APE) is the industry standard for measuring new business income and represents all new regular premiums and 10% of single premiums.

(b) The percentage change in local currency is calculated using constant rates of exchange.

(c) The Triple A fund within UK Investment sales is calculated using average net client balances.

(d) Due to the nature of the Indian investment sales market, Indian new business is shown as net of sales less redemptions.

(e) SL Healthcare's new business was previously included within Insurance Products, but is now shown separately.

Insurance Operations New Business
6 month period ended 30 June 2006

Analysed by geographical region	Single Premiums			New Regular Premiums			Annual Premium Equivalents (APE)			
	6 Months to 30 June 2006 £m	6 Months to 30 June 2005 £m	% Change	6 Months to 30 June 2006 £m	6 Months to 30 June 2005 £m	% Change	6 Months to 30 June 2006 £m	6 Months to 30 June 2005 £m	% Change	% Change in local currency ^(a)
UK										
Individual Pensions	417	400	4%	32	37	-14%	74	77	-4%	-4%
SIPP & Drawdown	790	514	54%	26	9	189%	105	60	75%	75%
Group Pensions	211	191	10%	207	214	-3%	228	233	-2%	-2%
Investment (TIPP and PPIP)	767	459	67%	0	0	N/A	77	46	67%	67%
Investments Bonds	868	388	124%	0	0	N/A	86	39	121%	121%
Offshore Bond	15	0	N/A	0	0	N/A	2	0	N/A	N/A
Annuities	168	175	-4%	0	0	N/A	16	17	-6%	-6%
Protection	0	0	N/A	4	2	100%	4	2	100%	100%
Other	6	1	500%	1	0	N/A	2	1	100%	100%
UK Life and Pensions	3,242	2,128	52%	270	262	3%	594	475	25%	25%
Canada										
Group savings and retirement	399	180	122%	21	18	17%	61	36	69%	49%
Individual insurance, savings & retirement	238	233	2%	5	12	-58%	29	35	-17%	-28%
Group insurance	0	0	N/A	9	13	-31%	9	13	-31%	-40%
Canadian Insurance	637	413	54%	35	43	-19%	99	84	18%	3%
International (Excluding Canada)										
Republic of Ireland	103	58	78%	8	5	60%	18	11	64%	64%
Germany	16	19	-16%	19	40	-53%	21	41	-49%	-52%
India ^{(b),(c)}	3	3	75%	12	11	68%	12	11	68%	65%
China ^(c)	6	1	500%	1	0	N/A	1	0	N/A	N/A
Life and Pensions	128	81	58%	40	56	-29%	52	63	-17%	-19%
Discontinued operations ^(d)	0	5	N/A	0	1	N/A	0	2	N/A	N/A
International (Excluding Canada) Insurance	128	86	49%	40	57	-30%	52	65	-20%	-19%
Total Worldwide Insurance	4,007	2,627	53%	345	362	-5%	745	624	19%	17%

(a) The percentage change in local currency is calculated using constant rates of exchange.

(b) The percentage change figures for India are computed based on the percentage movement in the new business of HDFC Standard Life Insurance Limited to avoid distortion due to changes in the Group's shareholding in the joint venture during 2005 and 2006.

(c) Amounts shown reflect Standard Life's share of the Joint Venture Company's new business.

(d) Spanish business is shown as discontinued as it was disposed of in 2005.

Investment Operations
6 month period ended 30 June 2006

		Opening FUM 01/01/2006 £m	Gross Sales £m	Redemptions £m	Net Inflows £m	Market & Other Movements £m	Net Movement in FUM £m	Closing FUM 30/06/2006 £m
UK	Mutual Funds	2,862	883 ^(a)	(199)	684	(12)	672	3,534
	Private Equity	1,580	205	(31)	174	21	195	1,775
	Segregated Funds	5,915	1,090 ^(b)	(113)	977	195	1,172	7,087
	Pooled Property Funds	438	49 ^(b)	0	49	35	84	522
	Triple A	4,421	915 ^(c)	0	915	(544)	371	4,792
Total UK	15,216	3,142	(343)	2,799	(305)	2,494	17,710	
Canada	Mutual Funds	1,019	187 ^(d)	(77)	110	(34)	76	1,095
	Investment Counselling	976	43	(63)	(20)	81	61	1,037
Total Canada	1,995	230	(140)	90	47	137	2,132	
International	Europe	29	6	(4)	2	(6)	(4)	25
	Hong Kong	175	0	(186)	(186)	12	(174)	1
	India	1,137	415 ^(e)	0	415	(123)	292	1,429
Total International	1,341	421	(190)	231	(117)	114	1,455	
Total Worldwide Investment Products		18,552	3,793	(673)	3,120	(375)	2,745	21,297

Total third party funds under management comprise the investment business noted above together with third party insurance contracts. New business relating to third party insurance contracts is disclosed as insurance business for reporting purposes. An analysis of total third party funds under management is shown below.

	Standard Life Investments						
	Opening FUM 01/01/2006 £m	Gross Inflows £m	Redemptions £m	Net Inflows £m	Market & Other Movements £m	Net Movement in FUM £m	Closing FUM 30/06/2006 £m
Investment Products	18,552	3,793	(673)	3,120	(375)	2,745	21,297
Third party insurance contracts (new business classified as insurance products)	9,577	1,020	(601)	419	174	593	10,170
Third party funds under management	28,129	4,813	(1,274)	3,539	(201)	3,338	31,467
Standard Life Investments – total funds under management	118,842						123,419

- (a) UK Mutual Fund gross sales and net inflows were £235m and £78m respectively in the 6 months to 30 June 2005.
(b) Institutional sales comprise Segregated and Pooled Property Fund sales.
(c) Due to the nature of the Triple A fund the inflows shown are calculated using average net client balances. Other movements are derived as the difference between these average net inflows and the movement in the opening and closing FUM.
(d) Canadian Mutual Fund gross sales and net inflows were £147m and £110m respectively in the 6 months to 30 June 2005.
(e) As a result of the sales market volatility in India, Investment sales are shown as net of sales less redemptions.

Standard Life New Business
3 month period ended 30 June 2006

Insurance Products	Single Premiums			New Regular Premiums			Annual Premium Equivalent (APE) ^(a)			
	3 Months to 30 June 2006 £m	3 Months to 30 June 2005 £m	% Change	3 Months to 30 June 2006 £m	3 Months to 30 June 2005 £m	% Change	3 Months to 30 June 2006 £m	3 Months to 30 June 2005 £m	% Change	% Change in local currency ^(b)
	UK Life and Pensions	1,738	1,140	52%	156	129	21%	331	243	36%
Canada	357	192	86%	17	24	-29%	55	44	25%	10%
International	62	47	32%	18	16	13%	23	21	10%	10%
Total Worldwide Insurance	2,157	1,379	56%	191	169	13%	409	308	33%	30%

Investment Products	Gross Sales			Net Inflows		
	3 Months to 30 June 2006 £m	3 Months to 30 June 2005 £m	% Change	3 Months to 30 June 2006 £m	3 Months to 30 June 2005 £m	% Change
	UK ^(c)	1,051	2,064	-49%	846	1,995
Canada	81	77	5%	(3)	(21)	N/A
International ^(d)	210	12	1650%	20	12	67%
Total Worldwide Investment	1,342	2,153	-38%	863	1,986	-57%

Banking	3 Months to 30 June 2006 £m	3 Months to 30 June 2005 £m	% Change
Gross Mortgage Lending	620	820	-24%

SL Healthcare ^(e)	New Business Sales		
	3 Months to 30 June 2006 £m	3 Months to 30 June 2005 £m	% Change
	New Business Sales	5	6

(a) Annual Premium Equivalent (APE) is the industry standard for measuring new business income and represents all new regular premiums and 10% of single premiums.

(b) The percentage change in local currency is calculated using constant rates of exchange.

(c) The Triple A fund within UK Investment sales is calculated using average net client balances.

(d) Due to the nature of the Indian investment sales market, Indian new business is shown as net of sales less redemptions.

(e) SL Healthcare's new business was previously included within Insurance Products, but is now shown separately.

Insurance Operations New Business
3 month period ended 30 June 2006

Analysed by geographical region	Single Premiums			New Regular Premiums			Annual Premium Equivalents (APE)			
	3 Months to 30 June 2006 £m	3 Months to 30 June 2005 £m	% Change	3 Months to 30 June 2006 £m	3 Months to 30 June 2005 £m	% Change	3 Months to 30 June 2006 £m	3 Months to 30 June 2005 £m	% Change	% Change in local currency ^(a)
UK										
Individual Pensions	184	147	25%	19	17	12%	38	32	19%	19%
SIPP & Drawdown	449	323	39%	16	7	129%	61	39	56%	56%
Group Pensions	119	82	45%	119	104	14%	131	112	17%	17%
Investment (TIPP and PPIP)	418	278	50%	0	0	N/A	42	28	50%	50%
Investments Bonds	443	228	94%	0	0	N/A	44	23	91%	91%
Offshore Bond	7	0	N/A	0	0	N/A	1	0	N/A	N/A
Annuities	115	82	40%	0	0	N/A	11	8	38%	38%
Protection	0	0	N/A	2	1	100%	2	1	100%	100%
Other	3	0	N/A	0	0	N/A	1	0	N/A	N/A
UK Life and Pensions	1,738	1,140	52%	156	129	21%	331	243	36%	36%
Canada										
Group savings and retirement	254	84	202%	11	12	-8%	37	20	85%	61%
Individual insurance, savings & retirement	103	108	-5%	1	6	-83%	13	18	-28%	-35%
Group insurance	0	0	N/A	5	6	-17%	5	6	-17%	-29%
Canadian Insurance	357	192	86%	17	24	-29%	55	44	25%	10%
International (Excluding Canada)										
Republic of Ireland	50	32	56%	4	2	100%	9	6	50%	70%
Germany	8	11	-27%	10	6	67%	10	7	43%	38%
India ^{(b), (c)}	1	2	30%	4	8	55%	4	8	54%	66%
China ^(c)	3	1	200%	0	0	N/A	0	0	N/A	N/A
Life and Pensions	62	46	35%	18	16	13%	23	21	10%	10%
Discontinued operations ^(d)	0	1	N/A	0	0	N/A	0	0	N/A	N/A
International (Excluding Canada) Insurance	62	47	32%	18	16	13%	23	21	10%	10%
Total Worldwide Insurance	2,157	1,379	56%	191	169	13%	409	308	33%	30%

(a) The percentage change in local currency is calculated using constant rates of exchange.

(b) The percentage change figures for India are computed based on the percentage movement in the new business of HDFC Standard Life Insurance Limited to avoid distortion due to changes in the Group's shareholding in the joint venture during 2005 and 2006.

(c) Amounts shown reflect Standard Life's share of the Joint Venture Company's new business.

(d) Spanish business is shown as discontinued as it was disposed of in 2005.

Investment Operations
3 month period ended 30 June 2006

		Opening FUM 01/04/2006 £m	Gross Sales £m	Redemptions £m	Net Inflows £m	Market & Other Movements £m	Net Movement in FUM £m	Closing FUM 30/06/2006 £m
UK	Mutual Funds	3,348	463 ^(a)	(112)	351	(165)	186	3,534
	Private Equity	1,740	62	(13)	49	(14)	35	1,775
	Segregated Funds	6,585	795 ^(b)	(80)	715	(213)	502	7,087
	Pooled Property Funds	488	22 ^(b)	0	22	12	34	522
	Triple A	5,037	(291) ^(c)	0	(291)	46	(245)	4,792
Total UK	17,198	1,051	(205)	846	(334)	512	17,710	
Canada	Mutual Funds	1,134	76 ^(d)	(38)	38	(77)	(39)	1,095
	Investment Counselling	1,048	5	(46)	(41)	30	(11)	1,037
Total Canada	2,182	81	(84)	(3)	(47)	(50)	2,132	
International	Europe	36	0	(4)	(4)	(7)	(11)	25
	Hong Kong	188	0	(186)	(186)	(1)	(187)	1
	India	1,391	210 ^(e)	0	210	(172)	38	1,429
Total International	1,615	210	(190)	20	(180)	(160)	1,455	
Total Worldwide Investment Products		20,995	1,342	(479)	863	(561)	302	21,297

Total third party funds under management comprise the investment business noted above together with third party insurance contracts. New business relating to third party insurance contracts is disclosed as insurance business for reporting purposes. An analysis of total third party funds under management is shown below.

	Standard Life Investments						
	Opening FUM 01/04/2006 £m	Gross Inflows £m	Redemptions £m	Net Inflows £m	Market & Other Movements £m	Net Movement in FUM £m	Closing FUM 30/06/2006 £m
Investment Products	20,995	1,342	(479)	863	(561)	302	21,297
Third party insurance contracts (new business classified as insurance products)	10,177	558	(329)	229	(236)	(7)	10,170
Third party funds under management	31,172	1,900	(808)	1,092	(797)	295	31,467
Standard Life Investments – total funds under management	124,835						123,419

- (a) UK Mutual Fund gross sales and net inflows were £125m and £32m respectively in the 3 months to 30 June 2005.
(b) Institutional sales comprise Segregated and Pooled Property Fund sales.
(c) Due to the nature of the Triple A fund the inflows shown are calculated using average net client balances. Other movements are derived as the difference between these average net inflows and the movement in the opening and closing FUM.
(d) Canadian Mutual Fund gross sales and net inflows were £73m and £56m respectively in the 3 months to 30 June 2005.
(e) As a result of the sales market volatility in India, Investment sales are shown as net of sales less redemptions.