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CGU Group B.V.

Annual Report and Accounts
for the year ended 31 December 2005

Amsterdam,

PRICEWATERHOUSECOOPERS
Initialled on behalf of
PricewaterhouseCoopers
Accountants N.V.
for identification purposes only
Amsterdam

CGU Group B.V.

Report and accounts for the year ended 31 December 2005

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CGU Group B.V.

Directors' report

We herewith present the annual report of CGU Group B.V. ("the Company"), Amsterdam, for the year ended 31 December 2005.

Activities

The Company did not trade during the year. The directors are reviewing the future of the Company.

Ultimate holding company

The ultimate holding company is Aviva plc.

Result for the year

The net result for the year was a loss of £30,000 *(2004: profit of £15,694,000)*. Details are given on page 6.

Directors

The current directors, and those who served as directors during the year, are as follows:

Aviva Company Secretarial Services Limited
P.C. Easter
A.J. Moss

Details of directors' interests are given in note 13 on pages 11 and 12.

Dividends

The directors are not proposing a final ordinary dividend for 2005 *(2004: £25,000,000 settled in 2005)*.

Risks and uncertainties

Given the level of activity of the Company, and the nature of its assets and liabilities, the director's view is that the main risks and uncertainties facing the Company relate to credit and exchange rate risk. As most of the assets and liabilities are with fellow group companies the credit risk is considered remote.

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CGU Group B.V.

Expectations for the future

The directors expect that the Company will continue to undertake transactions with respect to its assets. The directors are reviewing the future of the Company.

London, 9 October 2006

The Board of Directors,

Aviva Company Secretarial Services Limited KC

P.C. Easter

A.J. Moss

CGU Group B.V.

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Balance sheet

At 31 December 2005

(Before appropriation of the net result for the year)

	Notes	**2005** **£'000**	Restated 2004 £'000
Current assets			
Debtors - Amounts due from Group companies	4	**33,604**	58,894
Corporate income tax receivable		**25**	-
Cash and bank balances		**494**	503
Total current assets		**34,123**	59,397
Current liabilities			
Amounts due to Group companies	8	**(12,112)**	(7,738)
Corporate income tax payable		-	(6,737)
Group tax relief		**(14,115)**	(11,991)
Accrued expenses		-	(5)
Total current liabilities		**(26,227)**	(26,471)
Current assets less current liabilities		7,896	32,926
Shareholders' equity			
Paid-in share capital	5	**940**	969
Translation reserve	6	**(107)**	(136)
Retained earnings	7	**7,063**	32,093
Total shareholders' equity		**7,896**	32,926

The notes on pages 7 to 14 form an integral part of these accounts.

CGU Group B.V.

Profit and loss account
For the year ended 31 December 2005

	Notes	2005 £'000	2004 £'000
Financial income			
Interest income	2c & 11	**6**	22,497
Operating expenses	2d		
Administrative expenses		**(86)**	(66)
Total operating expenses		**(86)**	(66)
(Loss) / profit before tax		**(80)**	22,431
Tax			
Corporate income tax credit / (charge)	2e & 9	**50**	(6,737)
(Loss) / profit for the year	7	**(30)**	15,694

Cash flow statement
For the year ended 31 December 2005

	2005 £'000	2004 £'000
Cash flows from operating activities		
Interest received	**6**	6
Net cash provided by operating activities	**6**	6
Net (decrease) / increase in cash and cash equivalents	**6**	6
Cash and cash equivalents at 1 January	503	494
Effect of exchange rate changes on cash and cash equivalents	(15)	3
Cash and cash equivalents at 31 December	**494**	503

The notes on pages 7 to 14 form an integral part of these accounts.

Notes to the accounts

1. General

The Company is a private limited liability company established in Amsterdam, the Netherlands, on 22 December 1998.

The ultimate parent company is Aviva plc, which is incorporated in the UK.

These financial statements have been prepared in accordance with Part 9, Book 2 of the Netherlands Civil Code. With regard to the preparation of consolidated financial statements, use has been made of the exemption provided by Article 408, Part 9, Book 2 of the Netherlands Civil Code.

2. Significant accounting policies

The financial statements have been prepared in accordance with accounting principles generally accepted in the Netherlands. The principal accounting policies followed by the Company are as set out below.

(a) Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the balance sheet date. Income and expenses denominated in foreign currencies are translated at the actual rates prevailing on the date of the transaction. Exchange gains or losses are taken to the profit and loss account.

(b) Other assets and liabilities

Unless stated otherwise, all other assets and liabilities included in the accounts are stated at the values at which they were acquired or incurred.

(c) Income recognition

Interest income is recognised on an accruals basis.

(d) Operating expenses

Operating expenses include management fees, other expenses and foreign exchange results.

(e) Tax

The tax charge or credit in the profit and loss account and the provision for corporate income tax in the balance sheet are based on the taxable result for the year, after any adjustment in respect of prior periods.

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Notes to the financial statements (continued)

3. Change in accounting policy
Dividend recognition

Prior to 1 January 2005, dividends were accrued in the period to which they related, regardless of when they were declared and approved. Due to changes in the accounting principles generally accepted in the Netherlands, shareholders' dividends are accrued only when declared and appropriately approved in the year. Certain comparative balances have been restated and shareholders' equity as at 31 December 2004 has increased by £25 million as a result of this change in policy.

4. Amounts due from Group companies

The amounts due from group companies comprise:

	2005 £'000	2004 £'000
Amount due from parent company	**33,604**	58,894
	33,604	58,894

The amount due from the parent company is denominated in sterling and bears no interest.

5. Share capital

	2005 £'000	2004 £'000
Authorised		
4,000,000 ordinary shares of EUR 0.45 each	**1,247**	1,285
1,000,000 preference shares of EUR 0.45 each	**312**	321
	1,559	1,606
Paid-in		
3,014,825 ordinary shares of EUR 0.45 each	**940**	969
	940	969

The paid in capital has been retranslated at the balance sheet date using the euro/sterling exchange rate at that date of 1.4554 *(2004: 1.4125)*. The movements in the year of £29,000 *(2004: £5,000)* on the ordinary shares have been taken to the translation reserve (see note 6).

6. Translation reserve

	2005 £'000	2004 £'000
Opening balance	**(136)**	(174)
Translation result on ordinary shares	**29**	(5)
Translation result on preference shares	**-**	43
Closing balance	**(107)**	(136)

The translation reserve arises on the translation of the share capital from euro to sterling at year-end rates (see note 5). This reserve is a non-distributable component of the shareholders' equity.

7. Retained earnings

	2005 £'000	Restated 2004 £'000
Opening balance	**32,093**	2,476,399
(Loss) / profit for the year	**(30)**	15,694
Dividends paid	**(25,000)**	(2,460,000)
Closing balance	**7,063**	32,093

The 2004 proposed dividend of £ 25,000,000 was settled in 2005 and therefore a reclassification of the amount is made from Current liabilities to Retained earnings which caused the Current liabilities to decrease and the Retained earnings to increase by the same amount.

8. Amounts due to group companies

	2005 £'000	2004 £'000
Amount due to Group companies	**12,112**	7,738
	12,112	7,738

Notes to the financial statements (continued)

9. Tax on profit on ordinary activities

(a) Profit and loss account

The Company's management and control was transferred to the United Kingdom as from 1 February 2002, from which date it came within the charge to United Kingdom corporation tax. The tax charge / (credit) comprises:

	2005 **£'000**	2004 £'000
UK corporation tax (charged at 30%) *(2004: 30%)*	**(26)**	6,737
Prior year adjustments (including deferred taxation)	**(24)**	-
	(50)	6,737

The Company does not pay any tax to the tax authorities since the Company's taxable profits are set against taxable losses of other Aviva Group companies. The prior year adjustment of £24,496 tax credit relates to recognition of foreign tax credits eligible for surrender to Group companies, from the 2002 period.

(b) Factors affecting current tax charge / (credit) for the year

	2005 **£'000**	2004 £'000
(Loss) / profit on ordinary activities before tax	**(80)**	22,431
Current tax (credit) / charge at standard UK corporation tax rate of 30% *(2004: 30%)*	**(24)**	6,730
Prior year adjustment	**(24)**	-
Other	**(2)**	7
	(50)	6,737

10. Employees

The Company has not employed any personnel in the current and prior year.

CGU Group B.V.

Notes to the financial statements (continued)

11. Related party transactions

A significant part of the transactions of the Company occurred with related parties, being companies that form part of the Aviva Group. The following amounts in this respect are included in the financial statements:

	2005 £'000	2004 £'000
Interest income	6	22,497

12. Directors' remuneration

No members of the Board of Directors received any payment during the year from the Company in respect of management services *(2004: Nil)*.

13. Directors' interests

(i) Shares

The table below shows the interests held by each person who was a director at the end of the financial year in the ordinary shares of 25 pence each in Aviva plc. Details of any options and awards held through Aviva plc's share schemes and incentive plans are shown below. The disclosed interests are beneficial.

	At 1 January 2005 Number	At 31 December 2005 Number
P C Easter	5,872	6,628
A J Moss	39,632	35,040

Notes to the financial statements (continued)

13. Directors' interests (continued)

(ii) Share options

Details of the directors who held office at the end of the financial year, and hold or held options to subscribe for ordinary shares of Aviva plc or hold or held awards over shares in Aviva plc, pursuant to Aviva plc's share based incentive plans, are set out below.

	At 1 January 2005	Options granted during the year	Options exercised during the year	Options lapsed during the year	At 31 December 2005
	Number	Number	Number	Number	Number
P C Easter					
Savings related options	4,096	-	-	-	4,096
A J Moss					
Savings related options	-	3,279	-	-	3,279

"Savings related options" are options granted under the Inland Revenue-approved SAYE Share Option Scheme. Options granted are normally exercisable during the six month period following the end of the relevant (three, five or seven year) savings contract.

(iii) Share awards

	At 1 January 2005	Awards granted during year	Awards vesting during year	Awards lapsed during year	At 31 December 2005
	Number	Number	Number	Number	Number
P C Easter					
Aviva Long-Term Incentive Plan	172,598	-	23,341	25,680	123,577
Aviva Long-Term Incentive Plan 2005	-	46,728	-	-	46,728
Aviva Deferred Bonus Plan	110,922	41,400	26,090	-	126,232
A J Moss					
Aviva Share Plan	36,539	-	23,077	-	13,462
Aviva Long-Term Incentive Plan	83,650	-	-	-	83,650
Aviva Long-Term Incentive Plan 2005	-	102,803	-	-	102,803
Aviva Deferred Bonus Plan	-	61,408	-	-	61,408

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Notes to the financial statements (continued)

13. Directors' interests (continued)

The "*Aviva Long Term Incentive Plan*" was approved by shareholders at Aviva plc's 2001 Annual General Meeting and awards are made on an annual basis up to and including 2004. Awards are subject to the attainment of performance conditions over a three-year performance period. The three-year performance condition relating to the awards granted in March 2002 fell due for testing during the year. For any awards to vest under the TSR condition, Aviva plc's TSR, when compared with the TSR of a comparator group of European financial services companies would need to at least match median performance when 20% of the awards become exercisable. At upper decile performance, 70% of the awards would vest. Between median and upper decile the number of awards vesting is determined on a straight-line basis. For any awards to vest under the ROCE condition, Aviva plc's ROCE would have to exceed 24% in excess of RPI over the three-year performance period when 24% of the awards would vest, rising to 30% if the ROCE exceeded 30% over the same period. At the end of the performance period relating to the awards granted in 2002, Aviva plc was ranked 10 out of the 20 companies in the comparator group and the ROCE was 26.2%. Accordingly, 23% of the awards vested based on the TSR part of the Plan and 17.2% of the awards vested under the ROCE condition. The 59.8% of the awards, which did not vest, lapsed.

Where no awards vest at the end of the three year performance period the performance conditions can, under this particular Plan, be retested at the end of five years with the performance conditions being suitably adjusted. This situation occurred in relation to the awards granted in 2000, which fell for retesting in March 2005. For any awards to vest under the TSR condition, Aviva plc's TSR, when compared with the TSR of a comparator group of European financial services companies would need to at least match median performance when 20% of the awards become exercisable. For a top 10% performance, 70% of the awards would vest. Between median and upper quartile the number of awards vesting is determined on a straight-line basis. For any awards to vest under the ROCE condition, Aviva plc's ROCE would have to exceed 40% in excess of RPI over the five-year performance period which would mean 24% of the awards would vest, rising to 30% if the ROCE exceeded 50% over the same period. At the end of the performance period relating to the awards granted in 2000, Aviva plc was ranked 8 out of the 20 companies in the comparator group and the ROCE was 42.6%. Accordingly, 34.9% of the awards vested based on the TSR part of the Plan and 15.2% of the awards vested under the ROCE condition. The 49.9% of the awards that did not vest, lapsed.

The "*Aviva Long Term Incentive Plan 2005*" was approved by shareholders at Aviva plc's 2005 Annual General Meeting. This "2005 Plan" replaced the Aviva Long Term Incentive Plan described above.

The "*Aviva Deferred Bonus Plan*" was approved by shareholders at Aviva plc's 2001 Annual General Meeting. The awards disclosed include those made in lieu of some or all of the cash bonus earned and deferred under Aviva plc's Annual Bonus Plan and also the matching awards granted on a "one for one basis". The vesting of the awards on the third anniversary of their grant is not subject to performance conditions.

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Notes to the financial statements (continued)

13. Directors' interests (continued)

The "*Aviva Share Plan*" was established in May 2004 specifically to facilitate the recruitment of Andrew Moss. The awards made under the Plan compensate Andrew Moss for the value of long-term incentive awards granted to him by his previous employer and which lapsed when he resigned to join Aviva. Andrew Moss is the only participant in the Plan. On 10 May 2004, the date Andrew Moss joined the Company, 103,846 shares in the Aviva Employee Trust (with a market value of £540,000) were allocated to him. On 31 October 2004 67,307 of the shares vested, 23,077 vested on 31 December 2005, and the balance of 13,462 will vest on 31 December 2006. The vesting of these shares is not subject to any performance conditions.

London, 9 October 2006

The Board of Directors,

Aviva Company Secretarial Services Limited KC

P.C. Easter

A.J.Moss

Other information

Auditor's report

This report is set out on page 14.

Appropriation of the net result for the year

In accordance with Article 12 of the Company's Articles of Association, the net result for the year, a loss of £30,000 has been transferred to retained earnings. The directors did not recommend the payment of a dividend for 2005 *(2004: £25,000,000 settled in 2005).*

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CGU Group B.V.

Auditor's report

To the Board of Directors and the Shareholders of CGU Group B.V., Amsterdam

Introduction

In accordance with your instructions, we have audited the Annual Accounts of CGU Group B.V., Amsterdam, for the year ended 31 December 2005 (as set out on pages 5 to 15). These Annual Accounts are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Scope

We conducted our audit in accordance with auditing standards generally accepted in the Netherlands. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Annual Accounts are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Annual Accounts. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the Annual Accounts. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, the Annual Accounts give a true and fair view of the financial position of the company as at 31 December 2005 and of the result for the year then ended in accordance with accounting principles generally accepted in the Netherlands and comply with the financial reporting requirements included in Part 9 of Book 2 of the Netherlands Civil Code.

Amsterdam,................2006

PricewaterhouseCoopers Accountants N.V.

PRICEWATERHOUSECOOPERS

CGU Group BV
20 October 2006
Reference: 00278732001

Auditors' report

Introduction

In accordance with your instructions we have audited the annual accounts of CGU Group BV, Amsterdam, for the year ended 31 December 2005 (as set out on pages 5 to 15). These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Scope

We conducted our audit in accordance with auditing standards generally accepted in the Netherlands. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, the annual accounts give a true and fair view of the financial position of the company as at 31 December 2005 and of the result for the year then ended in accordance with accounting principles generally accepted in the Netherlands and comply with the financial reporting requirements included in Part 9 of Book 2 of the Netherlands Civil Code.

Amsterdam, October 20, 2006

PricewaterhouseCoopers Accountants N.V.

R.E.H.M. van Adrichem RA
