

26 April 2007 – Stock Exchange release

Q1 2007 New business results

Highlights:

- UK new life and pensions up 27% to £303m APE⁽¹⁾
- Worldwide new business increased by 6% to £413m APE
- £5bn of new investment management business

Tim Breedon, Group Chief Executive, said:

“Legal & General has made a good start to 2007 with quarterly new UK life and pensions volumes up 27% to £303m APE. This represents 13 quarters of uninterrupted growth in the company’s core UK business at an annualised compound average growth rate of over 20%. Overall the Group’s worldwide new business rose 6% over the corresponding period last year.

“Underlying retail demand for our ISA and unit trust products was broadly in line with the same period last year. However, overall unit trust sales were lower than the first quarter of 2006 when the company benefited from higher inflows of institutional business.

“Legal & General continues to extend its distribution reach having secured an agreement with Nationwide, the UK’s largest building society, to supply protection, investment and pension products. A similar arrangement with Intelligent Finance to become their sole provider of non advised life insurance products is announced today. Both arrangements will begin to contribute to sales in the second half of the year.

“In addition to extending our distribution, we continue to broaden our product range with the launch of innovative group SIPP and protection products. We believe the fundamentals for the UK economy continue to be positive for 2007. We therefore remain confident of further profitable growth given the favourable climate for our business.”

⁽¹⁾ ‘Annual Premium Equivalent’ comprises new annual premiums together with 10% of single premiums

NEWS

UK new business – up 6% to £383m APE

Protection – stable at £56m APE

In individual protection, new business grew by 8% to £42m APE (Q1 06: £39m APE). With our commitment to quality of service, good value products and extending distribution reach, we expect to continue building our market-leading position during 2007. We look forward to the launch of our partnerships with Nationwide Building Society and Intelligent Finance in the second half of the year.

Group protection new business fell by 18% to £14m APE (Q1 06: £17m APE) in a subdued market, where advisors and customers remained focused on issues surrounding Pensions A-Day and the new Age Discrimination legislation.

Annuities⁽²⁾ – up 27% to £42m APE

Sales of individual annuities increased to £25m APE in Q1 07 (Q1 06: £5m APE), in a more favourable environment. In the bulk purchase annuities market, Legal & General won 45 policies in the first quarter of 2007 with an average size of under £4m single premium and amounting to £17m APE (Q1 06: £28m APE). The timing of scheme completions remains unpredictable and fewer completed in the first quarter of the year. We saw increased competition for medium and large sized schemes compared to the first quarter of 2006. In total, volumes of new annuities business increased by 27% to £42m APE (Q1 06: £33m APE).

Unit linked bonds⁽²⁾ – up 21% to £74m APE

New unit linked bond business grew by 21% to £74m APE in the first quarter of 2007 (Q1 06: £61m APE), driven mainly by the ongoing success of our Portfolio Bond. An additional unit allocation promotion for Portfolio Bond customers was launched in 2006 and enhanced in the second half of the year. This continued in the first quarter of 2007, although the additional allocation was set at a lower level.

Pensions⁽²⁾ – up 68% to £69m APE

The changes to pensions legislation implemented in April 2006 – the A-Day reforms – continued to provide a stimulus to the pensions market in the first quarter of 2007. New non profit pensions business grew by 68% to £69m APE (Q1 06: £41m APE). Including both with-profits and non profit business, pensions sales increased by 48% to £126m APE (Q1 06: £85m APE). We maintained our targeted approach to growth, focusing on pensions transfers and corporate schemes. Sales of our SIPP product continued to grow, with nearly two thirds of new business written on platform during the quarter.

With-profits – up 29% to £62m APE

With-profits new business increased to £62m APE (Q1 06: £48m APE), reflecting strong growth in pensions sales as mentioned above. As in previous periods, these figures include unit linked contracts with a with-profits option.

Retail investments – down 35% to £80m APE

Retail investment product sales were £80m APE in Q1 07 (Q1 06: £124m APE), which included £32m APE of institutional and wholesale business (Q1 06: £75m APE). Single premium sales of ISAs and PEPs grew by 5% to £110m (Q1 06: £105m).

⁽²⁾ Business not written in the with-profits part of the fund

International new business – up 11% to £30m APE

Total international sales grew by 11% in sterling terms to £30m APE (Q1 06: £27m APE). In France, new business increased by 70% in local currency terms to €17m APE (Q1 06: €10m APE), mainly as a result of strong growth in sales of savings products and unit trusts. In the Netherlands, sales fell by 14% to €12m APE (Q1 06: €14m APE) while in the USA, volumes grew by 11% to \$21m APE (Q1 06: \$19m APE).

Investment management – new business of £5bn

Legal & General Investment Management continued its impressive track record in the first quarter of 2007 with £5.1bn of new business received (Q1 06: £5.6bn). At 31 March 2007, total funds under management stood at £240bn (31 December 2006: £233bn).

Outlook

We remain confident in the fundamentals of the UK economy for 2007 and in the potential for the UK's savings, protection and investment markets.

We believe Pensions A-Day and open architecture developments will continue to provide a stimulus to the savings market. In bulk purchase annuities, we remain confident that our experience and expertise in pricing, administration and investment, combined with our financial strength, will enable Legal & General to build on its strong position in this segment – one which has the potential for significant further growth.

Further possible rises in interest rates, together with the removal of pensions term assurance, may impact growth in the individual protection market. However, we expect to strengthen our already market-leading position with new distribution agreements launching later in the year.

We believe Legal & General has a compelling position in the UK, with the product range, distribution, flexibility and commitment to quality of service needed to achieve further success.

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Notes:

A copy of this announcement can be found under "Financial information" in the "News releases" section of our shareholder web site at <http://investor.legalandgeneral.com/releases.cfm>

Issued share capital at 31 March 2007 was 6,532,744,100 shares of 2.5p each.

Financial Calendar:

Annual General Meeting	16 May 2007
Banks and Building Societies seminar	5 June 2007
2007 Interim results and Q2 2007 New business results	26 July 2007
Q3 2007 New business results	17 October 2007
Q4 2007 New business results	24 January 2008

Forward-looking statements:

This document may contain certain forward-looking statements with respect to certain of Legal & General Group Plc's plans and its current goals and expectations relating to future financial condition, performance and results. By their nature forward-looking statements involve risk and uncertainty because they relate to future events and circumstances which are beyond Legal & General Group Plc's control, including, among others, UK domestic and global economic and business conditions, market related risks such as fluctuations in interest rates and exchange rates, the policies and actions of governmental and regulatory authorities, the impact of competition, the timing impact and other uncertainties of future mergers or combinations within relevant industries. As a result, Legal & General Group Plc's actual future condition, performance and results may differ materially from the plans, goals and expectations set out in Legal & General Group Plc's forward-looking statements. Legal & General Group Plc does not undertake to update forward-looking statements contained in this document or any other forward-looking statement it may make.



Legal & General Group Plc
 Unaudited New Business Premiums
 Three months to 31 March 2007

WORLDWIDE NEW BUSINESS

	Three months to 31 March 2007			Three months to 31 March 2006			Increase/ (decrease) %
	Annual premiums £m	Single premiums £m	APE £m	Annual premiums £m	Single premiums £m	APE £m	
Protection							
- Individual protection	42	-	42	39	-	39	8%
- Group protection	14	-	14	17	-	17	(18%)
	56	-	56	56	-	56	0%
Annuities							
- Individual	-	253	25	-	56	5	400%
- Bulk purchase	-	165	17	-	277	28	(39%)
	-	418	42	-	333	33	27%
Savings							
- Unit linked bonds	-	739	74	-	605	61	21%
- Individual pensions - stakeholder and other non profit	43	251	68	27	142	41	66%
- DWP rebates	-	11	1	-	-	-	N/A
	43	1,001	143	27	747	102	40%
With-profits							
- Annuities	-	18	2	-	20	2	0%
- Individual pensions	34	223	56	28	131	41	37%
- DWP rebates	-	-	-	-	17	2	(100%)
- Group pensions	1	1	1	1	1	1	0%
- Bonds	-	26	3	-	21	2	50%
	35	268	62	29	190	48	29%
	134	1,687	303	112	1,270	239	27%
UK retail investment business							
- Unit trusts	2	638	66	1	1,090	110	(40%)
- ISAs	3	110	14	3	105	14	0%
	5	748	80	4	1,195	124	(35%)
Total UK new business	139	2,435	383	116	2,465	363	6%
- USA	11	-	11	11	-	11	0%
- Netherlands	3	56	8	3	59	9	(11%)
- France	2	78	10	1	59	7	43%
	16	134	29	15	118	27	7%
France retail investment business	-	6	1	-	5	-	N/A
Total international new business	16	140	30	15	123	27	11%
Total worldwide new business	155	2,575	413	131	2,588	390	6%

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 Unaudited New Business Premiums
 Three months to 31 March 2007

WORLDWIDE NEW BUSINESS APE QUARTERLY PROGRESSION

	3 months to 31.03.07 £m	3 months to 31.12.06 £m	3 months to 30.09.06 £m	3 months to 30.06.06 £m	3 months to 31.03.06 £m
Protection					
- Individual protection	42	45	44	39	39
- Group protection	14	14	17	16	17
	56	59	61	55	56
Annuities					
- Individual	25	24	26	16	5
- Bulk purchase	17	29	24	22	28
	42	53	50	38	33
Savings					
- Unit linked bonds	74	80	60	60	61
- Individual pensions - stakeholder and other non profit	68	59	55	52	41
- DWP rebates	1	1	-	-	-
	143	140	115	112	102
With-profits					
- Annuities	2	1	3	2	2
- Individual pensions	56	36	42	46	41
- DWP rebates	-	2	10	2	2
- Group pensions	1	-	1	-	1
- Bonds	3	2	2	2	2
	62	41	58	52	48
	303	293	284	257	239
UK retail investment business					
- Unit trusts	66	217	78	191	110
- ISAs	14	14	13	27	14
	80	231	91	218	124
Total UK new business	383	524	375	475	363
- USA	11	10	11	10	11
- Netherlands	8	7	6	7	9
- France	10	7	5	13	7
	29	24	22	30	27
France retail investment business	1	-	1	1	-
Total international new business	30	24	23	31	27
Total worldwide new business	413	548	398	506	390

Legal & General Group Plc
 Unaudited New Business Premiums
 Three months to 31 March 2007

INVESTMENT MANAGEMENT

	Three months to 31 March 2007 £m	2006 £m	Increase/ (decrease) %
UK Managed Funds			
- Pooled funds	4,922	3,763	31%
- Segregated funds	68	61	11%
	4,990	3,824	30%
UK Other	69	1,739	(96%)
Total new funds	5,059	5,563	(9%)

INVESTMENT MANAGEMENT QUARTERLY PROGRESSION

	3 months to 31.03.07 £m	3 months to 31.12.06 £m	3 months to 30.09.06 £m	3 months to 30.06.06 £m	3 months to 31.03.06 £m
UK Managed Funds					
- Pooled funds	4,922	5,801	3,814	4,500	3,763
- Segregated funds	68	1	8	538	61
	4,990	5,802	3,822	5,038	3,824
UK Other	69	159	109	157	1,739
Total new funds	5,059	5,961	3,931	5,195	5,563

INTERNATIONAL OPERATIONS IN LOCAL CURRENCY

	Three months to 31 March 2007			Three months to 31 March 2006			Increase/ (decrease) %
	Annual premiums	Single premiums	APE	Annual premiums	Single premiums	APE	
USA (\$m):	21	-	21	19	-	19	11%
Netherlands (€m):	4	83	12	5	86	14	(14%)
France (€m):							
- Life and pensions	4	116	16	1	86	10	60%
- Unit trusts	-	9	1	-	7	-	N/A

UK INDIVIDUAL APE BY CHANNEL

	Three months to 31 March 2007			% of total
	Annual £m	Single £m	Total APE £m	
Independent financial advisers	95	1,503	245	70%
Tied	25	709	96	27%
Direct	4	57	10	3%
Total	124	2,269	351	100%

	Three months to 31 March 2006			% of total
	Annual £m	Single £m	Total APE £m	
Independent financial advisers	65	1,565	222	70%
Tied	29	558	85	27%
Direct	4	64	10	3%
Total	98	2,187	317	100%