

9 month 2007 new business results

Highlights:

- UK new life and pensions growth of 11% to £869m APE⁽¹⁾
 - Protection performed well despite slowing housing market
 - Annuity sales 1% higher
 - Savings product sales up 19%
- Exceptional new Investment Management Business of £32.4bn
- International sales up 14%

Tim Breedon, Group Chief Executive, said:

“Legal & General has delivered robust new life and pensions business growth in the first nine months of 2007, building on last year’s record levels.

“Volatility in equities and bonds, a slowdown in the housing market and tightening credit conditions have not made investment decisions any easier for our customers. However, it is in these more difficult markets that the fundamental strengths of our business matter most: a wide range of good value for money products, broad distribution capability, a commitment to deliver a positive experience to our customers, all backed by our brand and financial strength.

“Our **investment** business, Legal & General Investment Management, delivered outstanding growth during the quarter. Our life and pensions **savings** businesses also continued to deliver good growth. Our **risk** businesses have performed well in the face of short term challenges in housing and annuity markets.

“It is an important strength of our business that we can pursue opportunities wherever they emerge across a broad range of products and distribution channels. Looking ahead, we will continue to refine our product mix, add distribution, and make increasing use of the extensive opportunities for synergy that exist between our businesses.”

NEWS



¹ Annual Premium Equivalent comprises new annual premiums together with 10% of single premiums

UK life and pensions new business: up 11% to £869m APE

Protection: down 2% at £168m APE

Protection business remained robust. Individual protection – including mortgage related business – grew by 1% in the first nine months. Individual protection volumes in Q3 – at £41m of APE – were moderately higher than in Q2 despite signs of a softening housing market. We estimate that, in the second quarter of this year, we further extended our market share to over 21%. Group risk sales were down 10% to £45m, but £16m in the third quarter shows some encouraging progression over the earlier quarters of the year.

Outlook: The pace of housing market activity over the next 12 months remains uncertain - mortgage transactions underpin a large proportion of the individual protection contracts we sell at present. Industry sales of individual protection will likely struggle to grow over the next year if current housing market conditions persist. However we expect once again to outperform the industry next year, in particular as sales from our relationship with Nationwide Building Society begin to contribute from early 2008.

Group risk sales remain subdued after a period of heightened activity in recent years. Against this backdrop we intend to invest further in our product and service in 2008 in order to build on our position as one of the major players in this market.

Annuities⁽²⁾: up 1% to £122m APE

Sales performance in the annuity business differs between individual and corporate (bulk purchase) annuity sales. Our individual business grew strongly in the year to date up 53%.

Bulk purchase annuity (BPA) volumes were down 32% year to date and 50% in the third quarter. This reflected a fall in the number of schemes coming to market in the period. Recent changes to the operation of the Financial Assistance Scheme (FAS) have, temporarily, significantly limited the number of small schemes with insolvent employers able to buy out their liabilities. In addition capital market volatility – which drives pension scheme funding levels - has led to delays in some buyout decisions.

Outlook: With the effect of the temporary - for a period of nine months from September – suspension in sales from part of the smaller schemes market as described above, underlying sales in terms of scheme numbers are likely to remain at lower levels. Reported headline quarterly sales will therefore be increasingly determined by the closure of larger schemes for a period of time. While the timing of closure of such larger schemes remains uncertain, quotation activity remains very high.

Individual annuity business has strong long-term growth opportunities as more individuals reach retirement and do so with greater levels of accumulated pension savings. Short term volumes will continue to be determined by the market's capacity to meet our required level of return on shareholders' capital. Recent experience has been buoyant. We are pleased with the early progress in our pilot scheme that prices individual annuities based on postcode information. We intend to begin rolling this project out to a wider distribution audience in coming periods.

Unit linked bonds: up 9% to £198m APE

After rapid development in the competitive environment over 2006, affecting both volumes and margins in this marketplace, volumes remained robust in the first nine months of the year, up 9%.

Outlook: There appears to be little sign yet of significant deterioration in general confidence in long term savings as a result of equity market volatility. As we enter the fourth quarter we have reintroduced an improved customer allocation offer promoting uptake of our open architecture portfolio bond. Recent proposed changes to capital gains tax for individuals outlined in the Pre-Budget Report have the potential to reduce the attraction of some bond products for a proportion of customers relative to other forms of investment. The industry is in discussion with HM Treasury in this respect. It remains a strength of our business that we can offer customers a wide choice of wrappers for their long-term savings, be it pensions, bonds or unit trusts, and combine this with leading product design and administration.

Pensions⁽²⁾: up 30% to £193m APE

Buoyant conditions for pension sales post A-day continued in the third quarter, up 9% year on year in Q3, and 30% year to date. We have seen growth in both individual and grouped individual (corporate client) business. Our Portfolio Plus SIPP, written on the Cofunds platform is performing strongly. Investors continue to pursue opportunities to improve and consolidate their pension provision, taking advantage of the greater flexibility which now exists in this market and the investment choice offered by open architecture investment solutions.

Outlook: We continue to see greater opportunity now, than we have for many years, to build our position in the pensions market profitably and sustainably. Individuals continue to capitalise on the flexibility afforded by the change in regulations post A-day. Tender activity in the group schemes market remains high. We launched our Group SIPP product earlier this year – it is early days for this product, but it has been received well. We will continue to invest in our product and distribution capability to reinforce our ability to capitalize on these opportunities.

With-profits: up 19% to £188m APE

94% of all sales written in the with-profits part of the fund are pensions business, including new unit linked pensions which have the option to invest in a with-profits fund. As a result, the performance and outlook for these sales is driven in large part by the same themes as the non-profit pensions discussed above. Combining with-profits and non profit pensions business, sales grew 26% year to date, to £369m.

In addition we saw a 17% increase in sales of with-profit bonds to £7m of APE.

UK Retail investments: underlying retail sales stable

Sales of underlying retail unit trust and ISA business were stable at £167m (2006 YTD: £168m). In 2006 we saw exceptional levels of institutional and wholesale inflows into our unit trust products of £265m for the nine month period – this has dropped to £64m in the same period of 2007 leading to the headline reduction in overall sales of unit trusts of 47%. Activity in the institutional and wholesale area is volatile, with total sales in any period skewed by the incidence of very few exceptionally large transactions. We expect to continue to attract substantial new business flows from institutional and wholesale clients in future, although the timing of new business flows from this source is inevitably unpredictable.

International new business: up 14% to £92m APE

Stronger sales trends in the US business continued in the third quarter, driving 9 month sales growth of 16% in local currency terms. In France, sales of savings products were strong, stimulated by regulatory changes. Overall sales growth was 47%. In the Netherlands, sales remain at lower levels, down 12% in local currency terms, reflecting ongoing challenging industry conditions.

Investment management: new business of £32.4bn – up 120%

2007 is proving an exceptional year for new business at Legal & General Investment Management. £32.4bn of new mandates were won in the first nine months of the year, already 57% higher than our record full year in 2006 of £20.7bn. These results included the first tranche of funds transferring from clients of Hermes, some £7bn in the third quarter. We expect the bulk of the remaining funds from the Hermes relationship to be transferred in the fourth quarter.

Outlook: Our core product offering to pension scheme clients remains very strong, as does our reputation for superior client service. We aim to continue to win significant business in coming years, with an increasing proportion coming from new products. Due to the exceptional performance so far this year, however, 2008 sales can be expected to return to more normal levels in 2008.

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

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Notes:

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

Issued share capital at 30 September 2007 was 6,435,943,438 shares of 2.5p each.

Financial Calendar:

Q4 2007 New business results	24 January 2008
2007 Preliminary results	13 March 2008
Q1 2008 New business results	24 April 2008
2008 AGM	14 May 2008
2008 Interim and new business results	1 August 2008
Q3 2008 New business results	23 October 2008
Q4 2008 New business results	29 January 2009

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
 Nine months to 30 September 2007

WORLDWIDE NEW BUSINESS

	Nine months to 30 September 2007			Nine months to 30 September 2006			Increase/ (decrease) %
	Annual premiums £m	Single premiums £m	APE £m	Annual premiums £m	Single premiums £m	APE £m	
Protection							
- Individual protection	123	-	123	122	-	122	1%
- Group protection	45	-	45	50	-	50	(10%)
	168	-	168	172	-	172	(2%)
Annuities							
- Individual	-	724	72	-	472	47	53%
- Bulk purchase	-	497	50	-	743	74	(32%)
	-	1,221	122	-	1,215	121	1%
Savings							
- Unit linked bonds	-	1,975	198	-	1,813	181	9%
- Individual pensions - stakeholder and other non profit	104	889	193	95	535	148	30%
- DWP rebates	-	4	-	-	4	-	N/A
	104	2,868	391	95	2,352	329	19%
With-profits							
- Annuities	-	45	5	-	66	7	(29%)
- Individual pensions	101	581	159	90	385	129	23%
- DWP rebates	-	112	11	-	136	14	(21%)
- Group pensions	6	3	6	2	1	2	200%
- Bonds	-	70	7	-	60	6	17%
	107	811	188	92	648	158	19%
	379	4,900	869	359	4,215	780	11%
UK retail investment business							
- Unit trusts	5	1,747	180	1	3,778	379	(53%)
- ISAs	12	385	50	15	390	54	(7%)
	17	2,132	230	16	4,168	433	(47%)
Total UK new business	396	7,032	1,099	375	8,383	1,213	(9%)
- USA	34	-	34	32	-	32	6%
- Netherlands	8	121	20	9	130	22	(9%)
- France	16	201	36	11	145	25	44%
	58	322	90	52	275	79	14%
France retail investment business	-	20	2	-	17	2	0%
Total international new business	58	342	92	52	292	81	14%
Total worldwide new business	454	7,374	1,191	427	8,675	1,294	(8%)

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WORLDWIDE NEW BUSINESS APE QUARTERLY PROGRESSION

	3 months to 30.09.07 £m	3 months to 30.06.07 £m	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	41	40	42	45	44	39	39
- Group protection	16	15	14	14	17	16	17
	57	55	56	59	61	55	56
Annuities							
- Individual	24	23	25	24	26	16	5
- Bulk purchase	12	21	17	29	24	22	28
	36	44	42	53	50	38	33
Savings							
- Unit linked bonds	62	62	74	80	60	60	61
- Individual pensions - stakeholder and other non profit ¹	60	64	69	59	55	52	41
- DWP rebates	-	-	-	1	-	-	-
	122	126	143	140	115	112	102
With-profits							
- Annuities	2	1	2	1	3	2	2
- Individual pensions	48	56	55	36	42	46	41
- DWP rebates ²	4	6	1	2	10	2	2
- Group pensions	-	5	1	-	1	-	1
- Bonds	2	2	3	2	2	2	2
	56	70	62	41	58	52	48
	271	295	303	293	284	257	239
UK retail investment business							
- Unit trusts	51	63	66	217	78	191	110
- ISAs	12	24	14	14	13	27	14
	63	87	80	231	91	218	124
Total UK new business	334	382	383	524	375	475	363
- USA	12	11	11	10	11	10	11
- Netherlands	6	6	8	7	6	7	9
- France	9	17	10	7	5	13	7
	27	34	29	24	22	30	27
France retail investment business	-	1	1	-	1	1	-
Total international new business	27	35	30	24	23	31	27
Total worldwide new business	361	417	413	548	398	506	390

1. Includes the re-categorisation of £1m APE in Q1 2007 and £6m Q2 2007 previously reported as non profit DWP rebates. Total non profit pensions APE is unchanged.

2. Includes the re-categorisation of £1m APE in Q1 2007 and £6m Q2 2007 previously reported as with-profit individual pensions. Total with-profit APE is unchanged.

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 Unaudited New Business Premiums
 Nine months to 30 September 2007

INVESTMENT MANAGEMENT

	Nine months to 30 September 2007 £m	2006 £m	Increase/ (decrease) %
UK Managed Funds			
- Pooled funds	29,557	12,077	145%
- Segregated funds	2,373	607	291%
	31,930	12,684	152%
UK Other	445	2,005	(78%)
Total new funds	32,375	14,689	120%

INVESTMENT MANAGEMENT QUARTERLY PROGRESSION

	3 months to 30.09.07 £m	3 months to 30.06.07 £m	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	13,989	10,646	4,922	5,801	3,814	4,500	3,763
- Segregated funds	1,925	380	68	1	8	538	61
	15,914	11,026	4,990	5,802	3,822	5,038	3,824
UK Other	235	141	69	159	109	157	1,739
Total new funds	16,149	11,167	5,059	5,961	3,931	5,195	5,563

INTERNATIONAL OPERATIONS IN LOCAL CURRENCY

	Nine months to 30 September 2007			Nine months to 30 September 2006			Increase/ (decrease) %
	Annual premiums	Single premiums	APE	Annual premiums	Single premiums	APE	
USA (\$m):	67	-	67	58	-	58	16%
Netherlands (€m):	11	178	29	14	189	33	(12%)
France (€m):							
- Life and pensions	23	297	53	15	212	36	47%
- Unit trusts	-	29	3	-	24	2	50%

UK INDIVIDUAL APE BY CHANNEL

	Nine months to 30 September 2007			% of total
	Annual £m	Single £m	Total APE £m	
Independent financial advisers	251	4,503	701	70%
Tied	79	1,878	267	27%
Direct	15	151	30	3%
Total	345	6,532	998	100%
	Nine months to 30 September 2006			% of total
	Annual £m	Single £m	Total APE £m	
Independent financial advisers	218	4,427	661	61%
Tied	89	3,047	394	36%
Direct	16	165	32	3%
Total	323	7,639	1,087	100%