

20 October 2005

LEGAL & GENERAL GROUP PLC**NEW BUSINESS RESULTS FOR THE NINE MONTHS TO 30 SEPTEMBER 2005****HIGHLIGHTS**

- 36% growth in UK new business in the third quarter
- UK individual business market share over 11% at the half year
- Legal & General Investment Management funds up 15% to £187bn, with over £10bn of new business

| New business APE ⁽¹⁾ (£m) | Nine months to 30/09/05 | % change on 2004 | Three months to 30/09/05 | % change on 2004 |
|--------------------------------------|-------------------------------|------------------------|--------------------------------|------------------------|
| UK individual business | | | | |
| - life and pensions | 529 | 19 | 180 | 8 |
| - retail investments | 248 | 71 | 78 | 160 |
| UK individual business total | 777 | 32 | 258 | 31 |
| UK group life and pensions | 118 | 39 | 42 | 75 |
| UK total | 895 | 33 | 300 | 36 |
| International | 84 | (1) | 27 | (4) |
| Worldwide total | 979 | 29 | 327 | 31 |
| Institutional fund management | £10.2bn | | £3.3bn | |

Group Chief Executive, Sir David Prosser, said:

“Legal & General has once again demonstrated its strength in the UK and continues to outperform.

Total UK individual business has grown by 31% on the same quarter last year, with particularly strong pensions, unit-linked bonds and unit trust sales. We increased our market share to 11.3% in the first half, up almost two percentage points from 9.4% in the first half of 2004 and Legal & General Investment Management has continued its outstanding record of delivering an average of £1 billion of new business per month.

The strength and flexibility of our distribution network, underpinned by market leading technologies, remains a key differentiator. We are particularly pleased both with the progress of our many long-standing bank and building society partnerships and our growing position in the IFA market. Chelsea Building Society’s announcement today further illustrates the former, with the extension of its existing general insurance relationship with Legal & General to include the sale of our life assurance products – all through our on-line protection technology.

Our focus on customers and value for money products, our powerful distribution network and well-recognised brand will enable Legal & General to benefit from further opportunities in the UK market.”

Notes

¹ Annual Premium Equivalent (APE) is total new annual premiums + 10% of single premiums, including ISAs and unit trusts.

UK

Individual life protection business – Q3 down 14% to £36m APE

Sales of annual premium mortgage related protection business have increased quarter by quarter in the year-to-date to £24m APE in the third quarter. Compared to the third quarter last year (Q3 2004: £29m APE), however, sales were 17% lower, reflecting a slower housing market and a higher level of competitive activity over the first half of 2005. Other protection business was broadly unchanged at £12m APE (Q3 2004: £13m APE). We continue to invest in e-technology and on-line protection processes and expect to maintain our market-leading position in the life protection segment.

Individual life savings business – Q3 up 29% to £58m APE

The strong growth in our sales of unit-linked bond products, already highlighted in the first half results, continued in the third quarter. Volumes rose 51% on the corresponding quarter last year, driving year-to-date sales to £1,483m (2004: £956m), an increase of 55%. We are particularly pleased with initial sales of Legal & General's flexible multi-fund bond distributed to Bradford & Bingley customers using Cofunds technology. Volumes of with-profits bond sales continued to decline in the third quarter to £35m (Q3 2004: £86m).

Individual pensions – Q3 up 38% to £72m APE

Individual pensions business continued to grow apace. Annual premiums increased by 34% to £43m APE (Q3 2004: £32m APE) and single premium new business grew by 43% to £285m (Q3 2004: £200m), as we continue to benefit from strong growth in the pensions transfer market ahead of Pensions A-day in April next year. Our new Self Invested Pension Plan product was launched in August, giving customers the flexibility to invest initially in unit-linked funds and subsequently in assets of their choice.

Individual annuities – Q3 down 46% to £15m APE

Increased competition in this area and a tough prior year comparator has led to a decrease in volumes in the third quarter of this year. Our requirement to maintain suitable levels of profitability by keeping to strict return on capital targets means that volume flow in this area is more volatile. Over the year-to-date, however, volumes remain broadly similar at £630m (2004: £647m).

ISAs and Unit trusts – Q3 up 160% to £78m APE

Single premium unit trusts sales more than trebled to £697m (Q3 2004: £212m) and sales of single premium ISAs increased by 40% to £67m (Q3 2004: £48m). Strong institutional sales were the main driver behind the increase in volumes, accounting for £36m APE of the £78m APE of new business.

Group business – Q3 up 75% to £42m APE

Single premiums for bulk purchase annuity business nearly doubled to £220m (Q3 2004: £120m). Group risk new annual premiums showed an increase of over 60% to £18m APE (Q3 2004: £11m APE), as we continue to benefit from the withdrawal in 2004 of a major competitor.

International

Total international new business remained broadly unchanged at £27m APE (Q3 2004: £28m APE). In local terms, new business volumes in the Netherlands of €11m APE (Q3 2004: €9m APE) and in France of €12m APE (Q3 2004: €10m APE) are up 22% and 20% respectively, driven by improved single premium sales. In the USA, difficult trading conditions in the brokerage market have resulted in a 27% reduction in new business to \$19m APE (Q3 2004: \$26m APE), however management is working to broaden distribution within the existing business model.

Legal & General Investment Management

Legal & General Investment Management has maintained its remarkable record of averaging £1bn of new business per month. Total funds under management now stand at £187bn (31 Dec 2004: £162bn). We have continued to expand our business sourced overseas, where funds under management now exceed £2bn (31 Dec 2004: £1bn).

New draft tax legislation

We continue to seek clarification of the impact of the draft tax legislation announced by the Economic Secretary to the Treasury on 29 September but, as of 19 October, we are unable to provide any update on our earlier announcement, issued on 4 October. HM Treasury has commented that "Any suggestion that the industry will be hit with a bill of £500m is wide of the mark by a factor of 10".

OUTLOOK

We expect our brand, product and distribution strengths will continue to enable us to expand our position in the UK market. We are pleased with the progress of our bancassurance partnerships and, at the same time, we are continuing to grow our share of the IFA market. The distribution of our products using the Cofunds platform continues. Using this platform, we will be conducting a pilot programme among selected IFAs of Legal & General's single premium bond. We expect to roll the programme out to the whole of the IFA channel in the New Year.

Recent trends, as evidenced through our Mortgage Club, indicate that the period of declining activity in housing transactions may be coming to an end and therefore we expect mortgage protection volumes to begin to show signs of improvement.

In pensions, we expect market activity to continue to be stimulated by the approach of A-Day. We also believe the forthcoming second report of the Pensions Commission will heavily influence the pensions landscape for the next decade and beyond. In this and our other product areas, we expect the natural beneficiaries of efforts to stimulate savings to be those institutions, such as Legal & General, with strong brands, efficient investment and transaction capabilities, and good value products.

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Notes:

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

Financial Calendar:

| | |
|-----------------|-------------------------------------|
| 26 January 2006 | 2005 Full year new business results |
| 17 March 2006 | 2005 Preliminary results |
| 26 April 2006 | First quarter new business results |
| 18 May 2006 | Annual General Meeting |
| 27 July 2006 | Interim results |
| 18 October 2006 | Third quarter new business results |

LEGAL & GENERAL GROUP PLC
 UNAUDITED NEW BUSINESS PREMIUMS
 NINE MONTHS TO 30 SEPTEMBER 2005

NEW UK BUSINESS

| | Nine months to | | increase/ (decrease) % | Three months to | | increase/ (decrease) % |
|--|-----------------------|-----------------------|------------------------------|-----------------------|-----------------------|------------------------------|
| | 30 September 2005 | 2004 | | 30 September 2005 | 2004 | |
| | £m | £m | | £m | £m | |
| INDIVIDUAL LIFE AND PENSIONS BUSINESS | | | | | | |
| New annual premiums | | | | | | |
| Life: | | | | | | |
| - Mortgage related | 67 | 82 | | 24 | 29 | |
| - Protection | 36 | 38 | | 12 | 13 | |
| Pensions: | | | | | | |
| - Individual pensions | 126 | 93 | | 43 | 32 | |
| | ----- | ----- | ----- | ----- | ----- | ----- |
| Total new annual premiums | 229 | 213 | 8 | 79 | 74 | 7 |
| Single premiums | | | | | | |
| Life: | | | | | | |
| - With-profits | 137 | 310 | | 35 | 86 | |
| - Unit-linked | 1,483 | 956 | | 543 | 359 | |
| Pensions: | | | | | | |
| - Individual pensions | 707 | 302 | | 247 | 124 | |
| - Annuities - individual | 630 | 647 | | 149 | 280 | |
| - DWP rebates | 45 | 93 | | 38 | 76 | |
| | ----- | ----- | ----- | ----- | ----- | ----- |
| Total single premiums | 3,002 | 2,308 | 30 | 1,012 | 925 | 9 |
| Individual life and pensions APE | ----- 529 ===== | ----- 444 ===== | ----- 19 ===== | ----- 180 ===== | ----- 167 ===== | ----- 8 ===== |
| ISAS, PEPS AND UNIT TRUSTS | | | | | | |
| New annual premiums | | | | | | |
| - ISAs/PEPs (excluding cash ISAs) | 11 | 17 | | 2 | 4 | |
| - Unit trusts | 1 | 1 | | 0 | 0 | |
| | ----- | ----- | ----- | ----- | ----- | ----- |
| Total new annual premiums | 12 | 18 | (33) | 2 | 4 | (50) |
| Single premiums | | | | | | |
| - ISAs/PEPs (excluding cash ISAs) | 356 | 437 | | 67 | 48 | |
| - Unit trusts | 2,001 | 833 | | 697 | 212 | |
| | ----- | ----- | ----- | ----- | ----- | ----- |
| Total single premiums | 2,357 | 1,270 | 86 | 764 | 260 | 194 |
| ISAs, PEPS and unit trusts APE | ----- 248 ===== | ----- 145 ===== | ----- 71 ===== | ----- 78 ===== | ----- 30 ===== | ----- 160 ===== |
| Total individual business APE | ----- 777 ===== | ----- 589 ===== | ----- 32 ===== | ----- 258 ===== | ----- 197 ===== | ----- 31 ===== |

LEGAL & GENERAL GROUP PLC
 UNAUDITED NEW BUSINESS PREMIUMS
 NINE MONTHS TO 30 SEPTEMBER 2005

OVERSEAS OPERATIONS
IN LOCAL CURRENCY

| | Nine months to 30 September | | increase/ (decrease) | Three months to 30 September | | increase/ (decrease) |
|---------------------|--------------------------------|------|-------------------------|---------------------------------|------|-------------------------|
| | 2005 | 2004 | | 2005 | 2004 | |
| USA (\$m): | | | | | | |
| New annual premiums | 55 | 74 | | 19 | 26 | |
| Single premiums | 0 | 1 | | 0 | 0 | |
| APE | 55 | 74 | (26) | 19 | 26 | (27) |
| Netherlands (€m): | | | | | | |
| New annual premiums | 15 | 14 | | 5 | 5 | |
| Single premiums | 171 | 132 | | 57 | 37 | |
| APE | 32 | 27 | 19 | 11 | 9 | 22 |
| France (€m): | | | | | | |
| New annual premiums | 23 | 18 | | 4 | 4 | |
| Single premiums | 205 | 155 | | 71 | 54 | |
| Unit trusts | 28 | 21 | | 13 | 8 | |
| APE | 46 | 36 | 28 | 12 | 10 | 20 |

UK INDIVIDUAL APE BY CHANNEL

| | Nine months to 30 September 2005 | | | |
|--------------------------------|----------------------------------|--------------|-----------------|-------|
| | Annual £m | Single £m | Total APE £m | % |
| Independent financial advisers | 155 | 347 | 502 | 65 |
| Single tie | 74 | 176 | 250 | 32 |
| Direct | 12 | 13 | 25 | 3 |
| | ----- | ----- | ----- | ----- |
| | 241 | 536 | 777 | 100 |
| | ===== | ===== | ===== | ===== |

| | Nine months to 30 September 2004 | | | |
|--------------------------------|----------------------------------|--------------|-----------------|-------|
| | Annual £m | Single £m | Total APE £m | % |
| Independent financial advisers | 126 | 242 | 368 | 62 |
| Single tie | 91 | 101 | 192 | 33 |
| Direct | 14 | 15 | 29 | 5 |
| | ----- | ----- | ----- | ----- |
| | 231 | 358 | 589 | 100 |
| | ===== | ===== | ===== | ===== |

| | Three months to 30 September 2005 | | | |
|--------------------------------|-----------------------------------|--------------|-----------------|-------|
| | Annual £m | Single £m | Total APE £m | % |
| Independent financial advisers | 52 | 133 | 185 | 72 |
| Single tie | 27 | 42 | 69 | 27 |
| Direct | 2 | 2 | 4 | 1 |
| | ----- | ----- | ----- | ----- |
| | 81 | 177 | 258 | 100 |
| | ===== | ===== | ===== | ===== |

| | Three months to 30 September 2004 | | | |
|--------------------------------|-----------------------------------|--------------|-----------------|-------|
| | Annual £m | Single £m | Total APE £m | % |
| Independent financial advisers | 46 | 88 | 134 | 73 |
| Single tie | 29 | 15 | 44 | 24 |
| Direct | 4 | 2 | 6 | 3 |
| | ----- | ----- | ----- | ----- |
| | 79 | 105 | 184 | 100 |
| | ===== | ===== | ===== | ===== |