

20 October 2003

Legal & General Group Plc
New business results to 30 September 2003

	Three months to 30/9/03	Three months to 30/9/02	Change
New business APE¹			
- UK individual business	£177m	£170m	+4%
- UK group business	£26m	£16m	+63%
UK total	£203m	£186m	+9%
International	£23m	£23m	nil
Total	£226m	£209m	+8%
 Institutional fund management	 £4.1bn	 £3.0bn	 +36%

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

David Prosser, Group Chief Executive, said: "Legal & General continues to make good progress in steadily improving market conditions with out-performance against the corresponding quarter last year and, we believe, further market share growth.

Success in distribution remains key for Legal & General. We are continuing both to build our IFA strengths and to secure important new distribution agreements.

Legal & General Investment Management continues its remarkable record. Already the largest manager of UK pension funds, it is deepening customer relationships and extending its product range to become an increasingly strong business."

UK new business

In the third quarter, individual new business volumes (including ISAs and unit trusts) grew 4% on the corresponding quarter last year to reach £177m APE (2002: £170m). Individual life and pensions sales at £131m were 13% ahead of second quarter sales. Group business at £26m APE in the third quarter (2002: £16m) continued to reflect increased levels of bulk purchase annuity business. In total, new business for the first nine months of the year was £608m APE (2002: £635m), a decline of 4%.

Individual life

In the third quarter, annual premium sales increased from £36m in 2002 to £43m, which also represented a 10% increase on the second quarter of 2003. New annual premiums for the first nine months increased 7% to £114m (2002: £107m) as a result of the strong position we have built in the life protection market, particularly in mortgage related sales.

Demand for single premium bonds continued to reflect subdued investor sentiment towards with-profit bonds. Although third quarter sales were lower than the corresponding period last year at £275m (2002: £293m) they exceeded the second quarter by 14% as a consequence of stronger sales of unit linked products. Over the first nine months sales were 26% lower at £789m (2002: £1,069m).

Individual pensions

Third quarter new annual premium business at £24m (2002: £39m) continued the weaker trend seen in the first half of the year following the initial take up of stakeholder schemes in 2002. We continue to focus on acquiring employer-related schemes where there is a matching contribution from the employer. New annual premium business over the first nine months amounted to £81m (2002: £132m).

In contrast single premium business was stronger, growing by 47% in the third quarter to £360m (2002: £245m) as a consequence of increased individual annuity sales and a higher level of DSS rebates. Over the first nine months of the year, single premium business grew 41% to £876m (2002: £623m).

ISAs and unit trusts

We have grown new business in the third quarter against the corresponding period last year, benefiting from the support of our strategic partners and more stable market conditions.

Regular payment business was lower in the third quarter bringing sales for the first nine months to £27m (2002: £42m). Single payment sales in the third quarter increased by 31% from £294m in 2002 to £386m reflecting improved market conditions. For the nine-month period single payment sales increased by 9% to £1,410m (2002: £1,299m).

Group business

In the third quarter, bulk purchase annuity single premiums at £149m exceeded both the second quarter of 2003 (£119m) and the corresponding quarter last year (£35m) as we continued to win encouraging volumes in the small and mid-sized segment. This growth was the main driver of group new business, which increased by 42% to £78m APE in the first nine months (2002: £55m).

Institutional fund management

Our institutional fund management subsidiary maintained its highly successful track record with third quarter new business increasing by 36% to £4.1bn (2002: £3.0bn). With new business of £10.1bn in the first nine months of the year (2002: £10.2bn), we have maintained our record of averaging over £1bn of new UK pension fund investment business per month since January 1998.

In a recent presentation to analysts and fund managers Tim Breedon, Group Director (Investments), outlined the continuing growth of our index fund business (including expansion beyond our existing UK customer base) and the successful development of our active bonds business. This presentation can be found at <http://investor.legalandgeneral.com/presentations.cfm>.

International business

In the USA annual premium business slowed in the third quarter reflecting the competitive environment. New business in the first nine months was \$66m APE (2002: \$68m).

Our European businesses produced €45m APE in the first nine months (2002: €47m). In the Netherlands, despite growth in single premiums in the third quarter, volumes for the first nine months were lower at €21m (2002: €23m). In France, third quarter volumes grew from €3m to €9m APE, leaving sales unchanged in the first nine months at €24m APE.

For further information contact:

Investors: Peter Horsman
Head of Investor Relations
020 7528 6362

Media: John Morgan
Head of Public Relations
020 7528 6213

Anthony Carlisle
Citigate Dewe Rogerson
020 7638 9571
07973 611888

Notes:

1. A copy of this announcement can be found in the shareholder section of our website at <http://investor.legalandgeneral.com/releases.cfm>

2. Financial Calendar:

2003 full year new business results	27 January 2004
2003 preliminary results	26 February 2004
2004 first quarter new business results and AGM	28 April 2004
2004 interim results and second quarter new business	29 July 2004
2004 third quarter new business results	20 October 2004

LEGAL & GENERAL GROUP PLC
 UNAUDITED NEW BUSINESS PREMIUMS
 NINE MONTHS TO 30 SEPTEMBER 2003

NEW UK BUSINESS

	Nine months to 30 September		increase/ (decrease) %	Three months to 30 September		increase/ (decrease) %
	2003 £m	2002 £m		2003 £m	2002 £m	
INDIVIDUAL LIFE AND PENSIONS BUSINESS						
New annual premiums						
Life:						
- Mortgage related	78	73		30	24	
- Protection	36	34		13	12	
Pensions:						
- Individual pensions	81	132		24	39	
Total new annual premiums	195	239	-18	67	75	-11
Single premiums						
Life:						
- With-profits	450	886		122	221	
- Other	339	183		153	72	
Pensions:						
- Individual pensions	217	214		52	64	
- Annuities - individual	525	300		211	115	
- DSS rebates	134	109		97	66	
Total single premiums	1,665	1,692	-2	635	538	18
Individual life and pensions APE	362	408	-11	131	129	2

	Nine months to 30 September		increase/ (decrease) %	Three months to 30 September		increase/ (decrease) %
	2003 £m	2002 £m		2003 £m	2002 £m	
ISAS, PEPS AND UNIT TRUSTS						
New annual premiums						
- ISAs/PEPs (excluding cash ISAs)	22	37	-41	7	11	-35
- Unit trusts	5	5		1	0	
Total new annual premiums	27	42	-36	8	11	-27
Single premiums						
- ISAs/PEPs (excluding cash ISAs)	496	646		104	110	
- Unit trusts	914	653		282	184	
Total single premiums	1,410	1,299	9	386	294	31
ISAs, PEPS and unit trusts APE	168	172	-2	46	41	12
Total individual business APE	530	580	-9	177	170	4

	Nine months to 30 September		increase/ (decrease) %	Three months to 30 September		increase/ (decrease) %
	2003 £m	2002 £m		2003 £m	2002 £m	
GROUP LIFE AND PENSIONS BUSINESS						
New annual premiums						
- Group risk	24	24		11	10	
- Group pensions	2	5		0	1	
Total new annual premiums	26	29	-10	11	11	2
Single premiums						
- Annuities - bulk purchase	515	210		149	35	
- Other group business	9	52		5	24	
Total single premiums	524	262	100	154	59	160
Group life and pensions APE	78	55	42	26	16	63
Total UK APE	608	635	-4	203	186	9

INSTITUTIONAL FUND MANAGEMENT

UK Managed Funds						
- Pooled funds	8,327	9,171		3,120	2,846	
- Segregated funds	1,256	489		897	12	
	9,583	9,660		4,017	2,858	
UK Other	470	543		56	127	
	10,053	10,203	-1	4,073	2,985	36

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OVERSEAS OPERATIONS
IN LOCAL CURRENCY

	Nine months to 30 September		increase/ (decrease) %	Three months to 30 September		increase/ (decrease) %
	2003	2002		2003	2002	
USA (\$m):						
New annual premiums	64	68		19	25	
Single premiums	18	3		5	2	
APE	66	68	-3	20	25	-20
Netherlands (? m):						
New annual premiums	12	13		4	5	
Single premiums	96	106		29	24	
APE	21	23	-9	6	7	-14
France (? m):						
New annual premiums	9	7		3	2	
Single premiums	121	133		50	52	
Unit trusts	26	36		12	12	
APE	24	24	0	9	8	13

UK INDIVIDUAL APE BY CHANNEL

	Nine months to 30 September		Total APE	%
	Annual £m	Single £m		
Independent financial advisers	106	177	283	53
Business partnerships	92	100	192	36
Business partnerships direct	9	16	25	5
Direct	15	15	30	6
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	222	308	530	100
	=====	=====	=====	=====
	Nine months to 30 September		Total APE	%
	Annual £m	Single £m		
Independent financial advisers	125	137	262	44
Business partnerships	116	117	233	40
Business partnerships direct	20	20	40	7
Direct	20	25	45	8
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	281	299	580	100
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	Three months to 30 September		Total APE	%
	Annual £m	Single £m		
Independent financial advisers	36	59	95	54
Business partnerships	32	37	69	39
Business partnerships direct	2	4	6	3
Direct	5	2	7	4
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	75	102	177	100
	=====	=====	=====	=====
	Three months to 30 September		Total APE	%
	Annual £m	Single £m		
Independent financial advisers	41	41	82	48
Business partnerships	36	33	69	41
Business partnerships direct	6	5	11	6
Direct	4	4	8	5
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	87	83	170	100
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