

**BUILDING GROWTH IN A FOCUSED BUSINESS**

**Goldman Sachs Conference  
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**Tim Breedon  
Group Chief Executive**



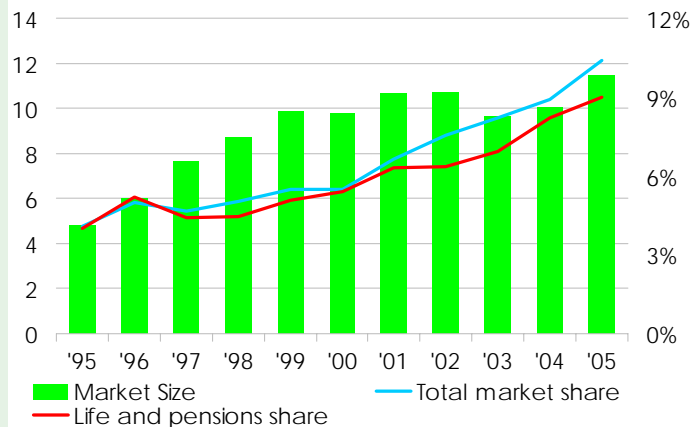
## FORWARD-LOOKING STATEMENTS

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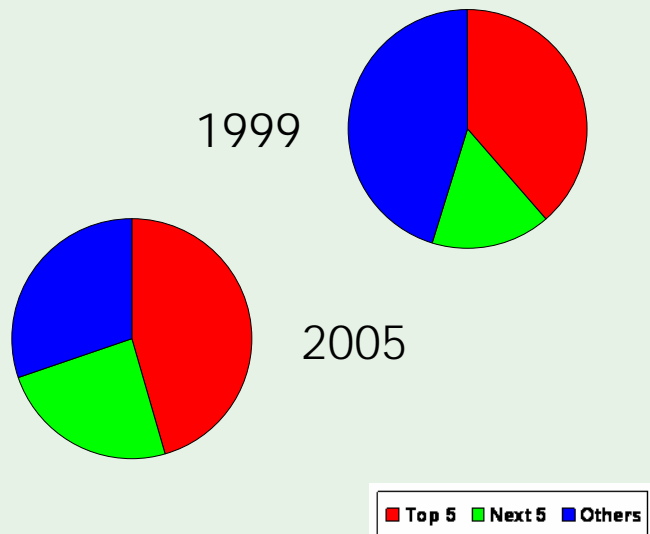


## BUILDING GROWTH IN A FOCUSED BUSINESS – GEOGRAPHIC FOCUS

UK market share growth (£m APE)



UK market concentration



Note 1: Investment management + UK life and pensions as a percentage of EEV operating profits before central items

## Legal & General – built in the UK...

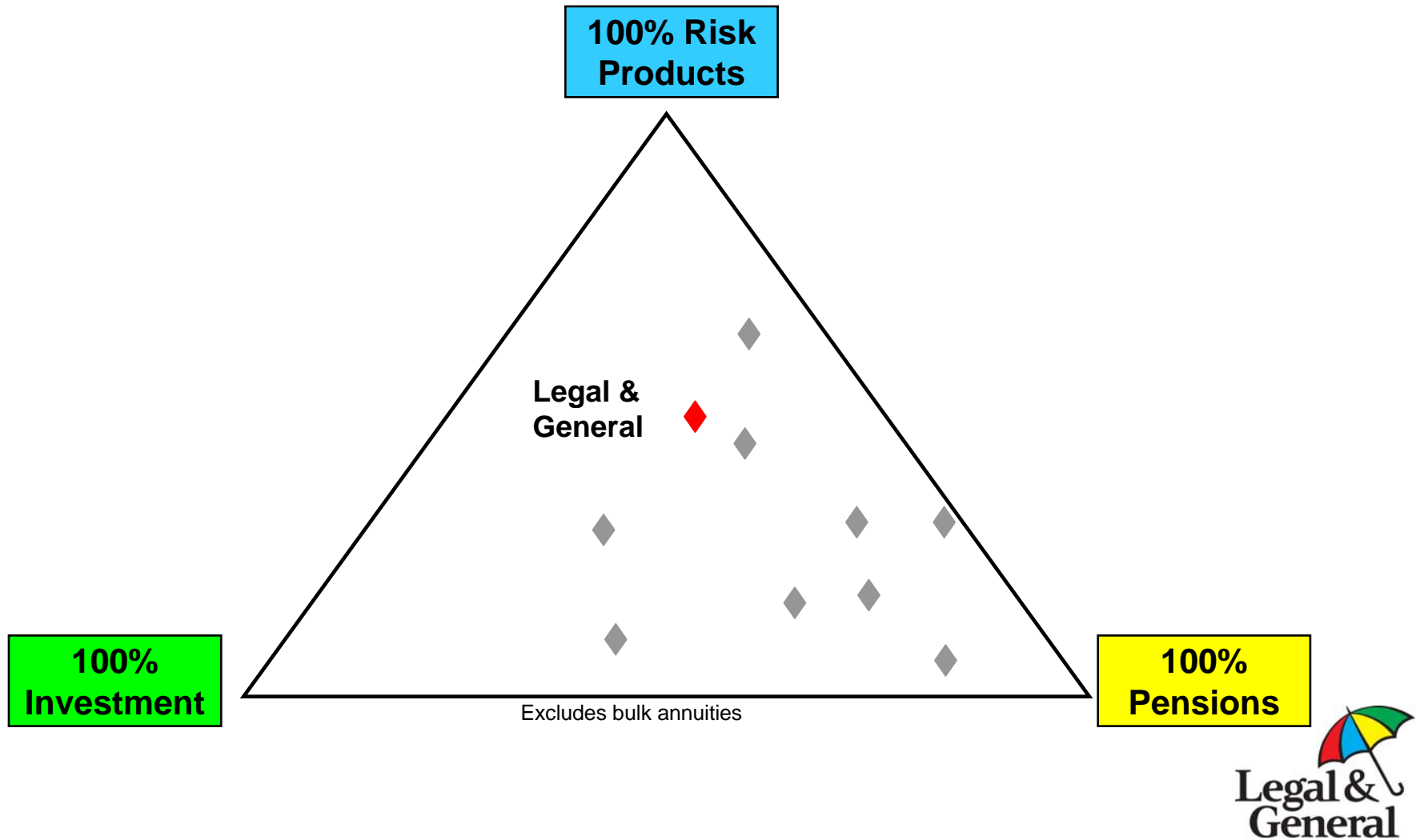
- Market is concentrating – scale critical
- UK businesses generated **90%** of operating profit in 2005<sup>1</sup>
- Growth achieved **organically**
  - A balanced business – savings, protection and investment
  - Multi-channel distribution
- Culture is one of focus



BUILDING GROWTH IN A FOCUSED BUSINESS – THE BENEFIT OF BALANCE

... a balanced business – peer group comparison

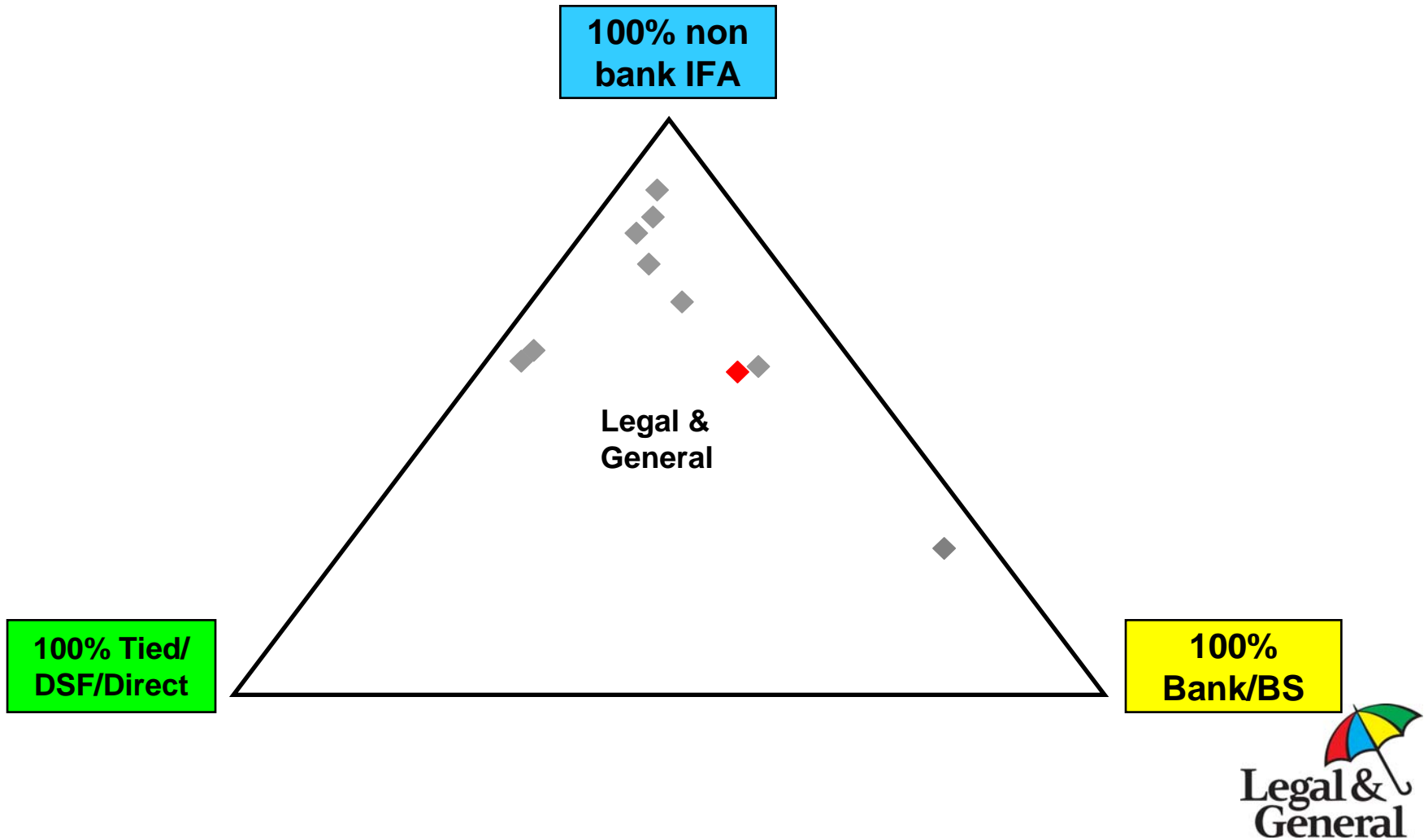
Product mix



**BUILDING GROWTH IN A FOCUSED BUSINESS – THE BENEFIT OF BALANCE**

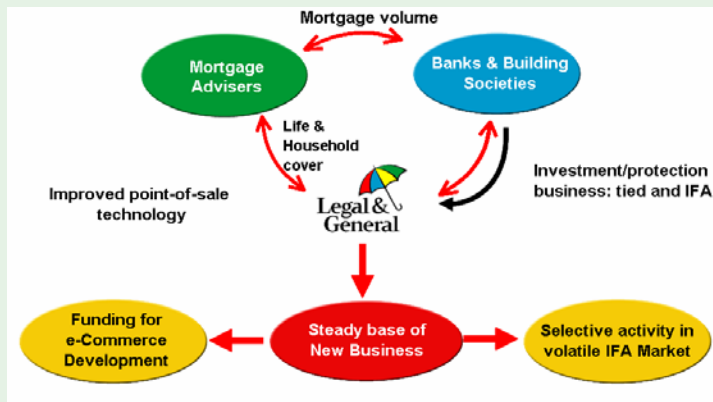
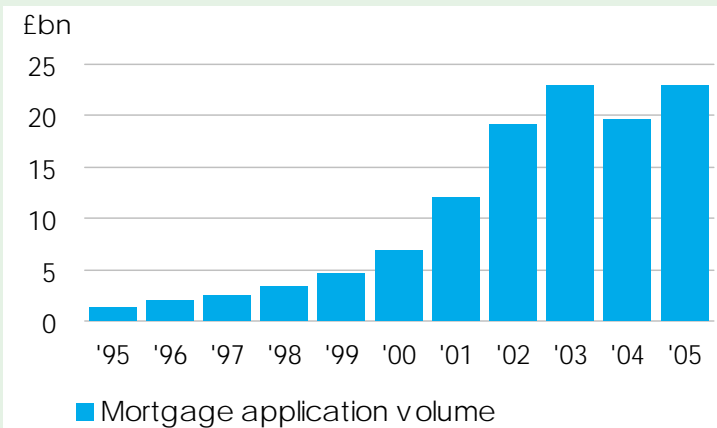
**... a balanced business – peer group comparison**

Distribution mix



## BUILDING GROWTH IN A FOCUSED BUSINESS – THE BENEFITS OF SCALE

### Partnership Services and Mortgage Club



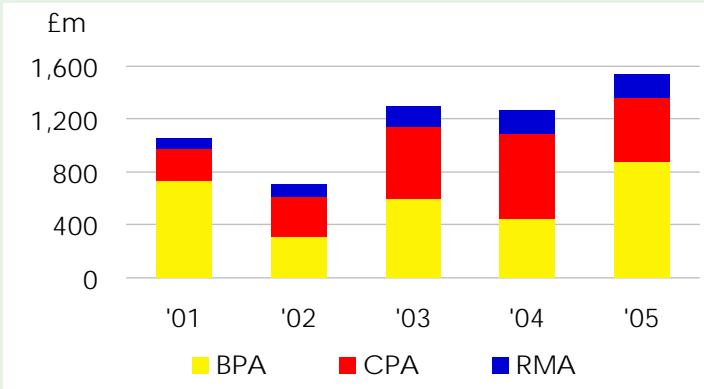
## Protection - market leader

- 17% market share
- Enviably distribution footprint
- Significant tied distribution
- Partnership Services – attractive to mortgage advisers and Legal & General
- Passionate about underwriting quality
- Scale delivers
  - Data credibility
  - Attractive financing
  - Efficiency

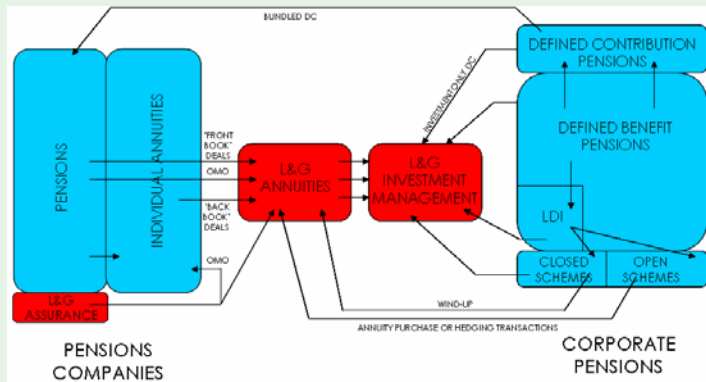


## BUILDING GROWTH IN A FOCUSED BUSINESS – THE BENEFITS OF SCALE

### Annuities - Single premium split



### Lots of opportunities



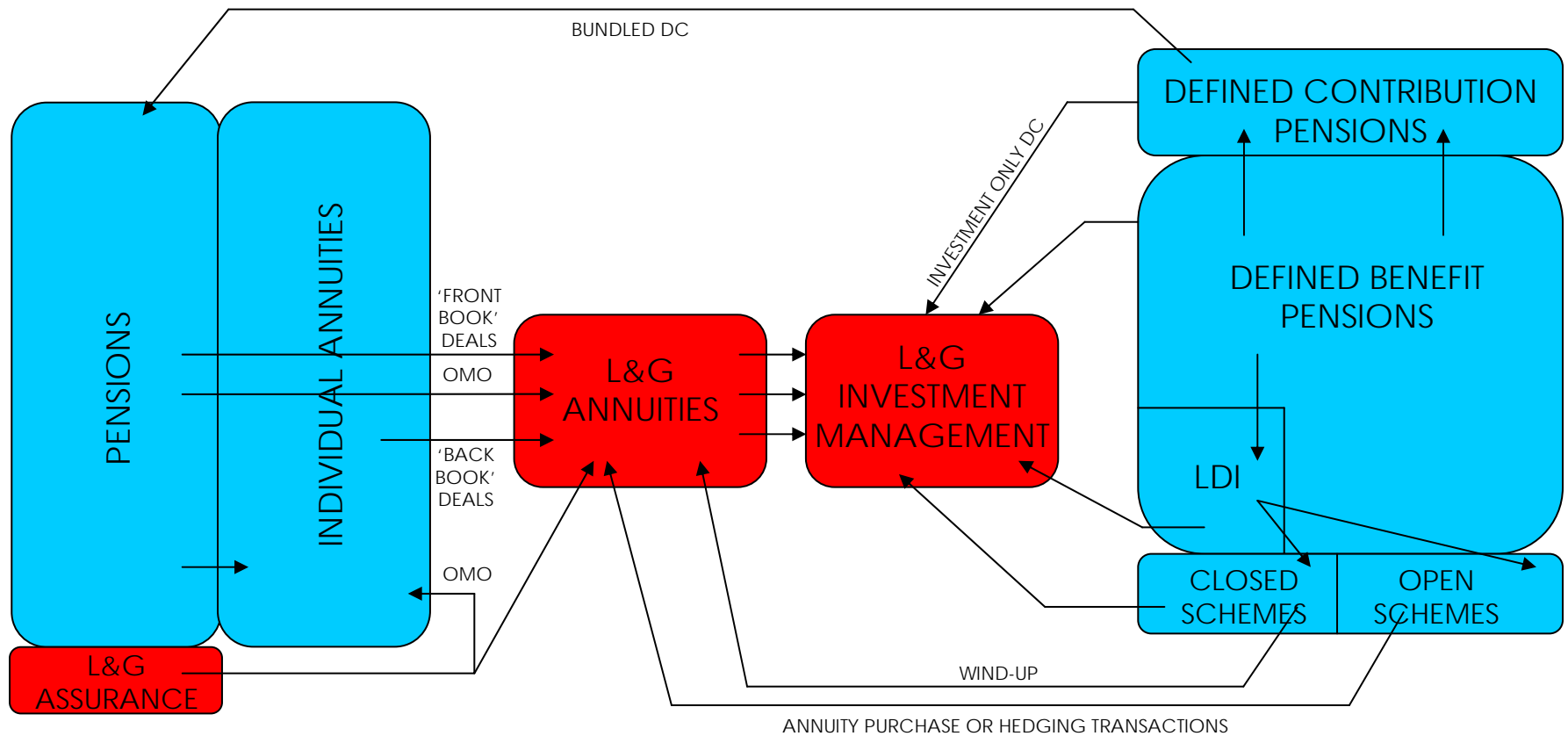
## Annuities – scale and experience

- Balance margin and volume between corporate and individual markets
- Active pricing on individual book
  - Focus: achieve adequate returns
  - Recent price competition
- Large 'fact base'
  - Nearly 250,000 annuities in payment
  - Over 12,000 mortality events a year
- BPA – an exciting market for us
  - Excellent administrative capacity
  - Financial strength
  - REPUTATION



# BUILDING GROWTH IN A FOCUSED BUSINESS – L&G ANNUITIES

... a wealth of opportunities for L&G



PENSIONS COMPANIES

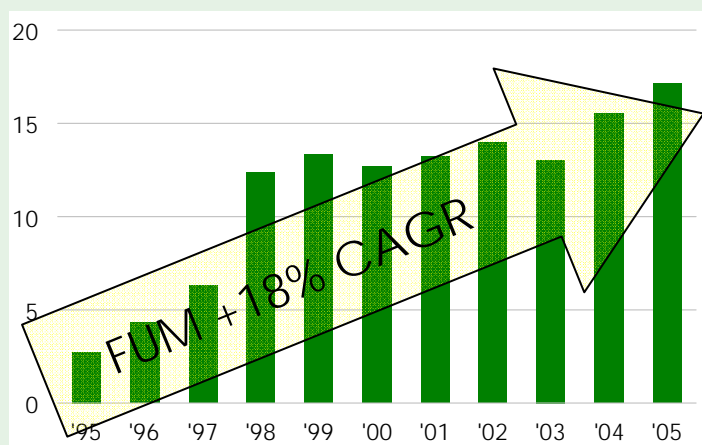
CORPORATE PENSIONS





## BUILDING GROWTH IN A FOCUSED BUSINESS – THE BENEFITS OF SCALE

New institutional funds £bn



### Well ahead of the pack

UK pension funds under management	2005 £bn	Change %
Legal & General	128.5	25
BGI	92.7	12
Hermes	61.1	24
UBS	37.4	11
Capital	34.8	20

Source: Hymans Robertson Market Briefing 2006



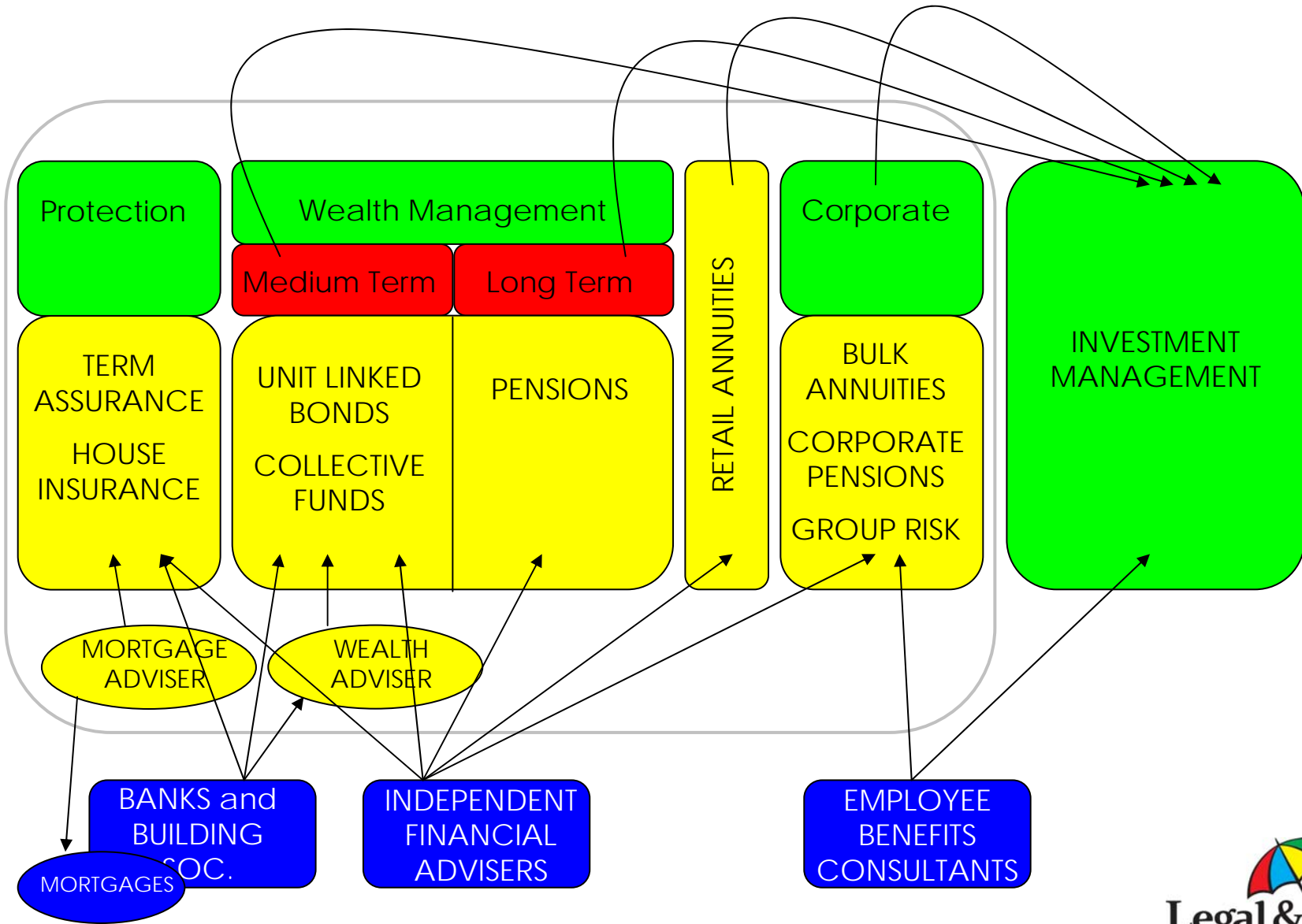
Investment manager of the year  
 Pooled manager of the year  
 Group risk provider of the year

## Fund management

- Highly scalable business
  - Largely index funds
- Built on clear vision
  - Pooling
  - Meeting customer requirements
  - Low attrition rates
- Hold c.4% of FTSE companies
- Developing
  - Full range of 'core' funds
  - Some 'satellite' products
- Cost:income ratio 36% in 2005
- Largest manager of UK pension funds



# BUILDING GROWTH IN A FOCUSED BUSINESS – A CLOSE-KNIT FRAMEWORK



## Seizing opportunities in the UK

- Potential for further concentration
- Opportunities for cost reduction
- Distribution shifts – open architecture
- Significant under-saving and under-protecting for individuals
- Scale, strength, diversity and flexibility remain essential

Flexibility, diversity

and a wealth of  
opportunities

