Good morning everyone, I am glad to see so many of you were able to join us today.

I'm Mark Gregory, the Chief Financial Officer for Legal & General. I joined Legal & General in 1998 and have held a variety of different roles including being the CEO of Savings before becoming the CFO in July of last year.

I'm going to give you a brief overview of Legal & General, its latest interim results and our strategic direction … and finish with an opportunity for you to ask any questions you might have.

Slide 3: Legal & General

Before we get into this, a little bit of background on Legal & General…

Established in 1836, we are one of the world's largest insurance and investment management groups with assets of over $1 trillion as at 30th June 2014…

We guard and look after the financial security of over 10 million customers worldwide … enabling them to manage their financial futures …whether by protecting against unforeseen events, helping to save for retirement or investing money to deliver growth over time … whilst striving at all times to do the right thing not just for our customers and shareholders, but for the broader economy and society at large.

Our business model is built around some relatively straightforward principles: growth of stock in business … assets and gross written premiums… drives relatively predictable growth in profit over time. We put net cash at the heart of our financial model … and the strength of our cash drives dividend progression.

Slide 4: Our Businesses

Our group is made up of five business divisions:

- LGAS, which contributed £444m to operating profit last year, providing savings and protection products to its over 8 million customers

- LGR, which provides retirement solutions, contributing £310m, helps around 1 million customers turn their pension savings into lifelong retirement income in our retail business and our corporate business helps defined benefit pension schemes de-risk

- LGIM, our global investment management business, contributing £304m, manages investments on behalf of both institutional and retail customers

- LGC which invests our principal balance sheet, contributing £179m, is increasing the risk adjusted returns on the reserves we are required to hold, making your money work harder for you

- And LGA, the 4th largest provider of term assurance in the US, contributing £92m, where we offer term life insurance to individuals

Making a total of £1.3bn in divisional operating profit in 2013.

Slide 5: Strategic and Financial Evolution

We are a company that has changed significantly since 2008… We focused initially on cash generation, …then on cash plus organic growth, …then on cash plus organic growth plus M&A, …and over the last 18 months we have made six acquisitions.

Our strategy with regards to acquisitions is clear. They are bolt-on in nature and accelerate our strategic evolution.

Over the last year we have demonstrated that we have the capacity and capability to make good acquisitions … from CALA and Banner Homes through Lucida and Cofunds to GIA and the Idol. We are making good progress in integrating and managing these acquisitions.

Slide 6: Clear and focused strategy

We are driven by a clear strategy, based on five macro-trends which play to our strengths: ageing populations, digital lifestyles, welfare reforms, homogenous asset markets and retrenching banks. These create opportunities for us to expand: in pensions and longevity de-risking, international asset management, private welfare through risk sharing and direct investments.

We see ourselves as a simple business in a complex world. The key to success is not just identifying these trends, … it is acting and responding to them. We did this again in H1.

- Our retirement solutions, catering for ageing populations and pension de-risking, delivering record annuity premiums, principally from the bulk or corporate annuity market and rising workplace pension saving assets.

- Our platform assets continue to grow as the digitalisation of people's access to their savings increases … and relentless process improvements continue to drive down our unit costs. We operate the largest platform, Cofunds, in the UK and have £67bn of assets on platform at the mid-year.

- Protection continues to grow as welfare reform becomes more pressing. Nigel Wilson, our CEO, likes to talk about Beverage 2.0 and ideas like a fairer flat rate pension tax relief … More generally, we're lobbying for the auto-enrolment plumbing to be used to help working age people build rainy day savings against events like sickness and unemployment.

- Globalisation of asset markets has driven the international success of LGIM, which has £83bn of international assets. LGIM's strength in LDI, our expertise in mortality and longevi ty and our 30 year track record, positions us very strongly for the pension de-risking … which is becoming a reality for more corporate schemes in the UK and internationally.

- And bank retrenchment has meant we have continued to expand our direct investments. CALA plans to treble in size to £800 million by 2016 and we have added a £250 million entry point to SME lending through our recent Pemberton investment.

With a strong balance sheet and a strategy based on these trends, we have been able to ride the short-term economic fluctuations and deliver strong performance across the economic cycle. Our two principal markets, the UK and the US, are delivering the strongest growth in the developed world, and our outlook is correspondingly positive.

Slide 7: Five successful profit centres

We have simplified our management structure to focus on our five profit centres.

One important thing all five our profit centres have in common … is scale. Where we see growth potential, we invest to achieve that growth, organically or by acquisition.

Each business is making good progress against clearly defined goals. LGR and LGIM are looking at expanding geographically and diversifying our product offering, LGAS and LGA continue to build market share and strive for ever increasing efficiency and LGC continues to explore opportunities to increase risk adjusted returns to the Group.

Slide 8: Working Together

What the previous slide doesn’t show is our synergies. Our businesses work seamlessly together to provide unique expertise and provide competitive advantages in our chosen market. We are one firm … one set of values … and one set of behaviours. We have many examples of great team work in Legal & General. The £3 billion ICI Bulk deal – the UK's largest bulk annuity contract ever - is a recent one. This involved 93 people working as a team across LGIM, across LGR, across LGC and across the Group.

Slide 9: Consistent delivery: Strong results

This slide from our recent Interim results presentation showed another chapter in a strong and consistent story. Business growth, coupled with cash and earnings growth. The green arrows on this slide are not just up … they are significantly up.

As I said earlier, growth in stock of assets today drives earnings tomorrow. And in terms of stock this was a very strong six months. Our focus on cash generation remains … with all five divisions delivering operational and net cash growth.

For a long-term business like ours, having a strong and resilient balance sheet is critical. Our capital base remains strong … but not at the expense of capital efficiency. Our annualised return on equity was 17.6%.

We are delivering business growth … cash and earnings growth … dividend growth … and all without compromising the strength of our capital base.

Slide 10: Dividend

The Board has the relative luxury of making its dividend decision from a position of strong cash and earnings delivery and capital strength. The Board also shares the Executive's confidence in the prospects for the business going forwards.

At the 2013 Prelims announcement in March we outlined our dividend guidance … where we said that, …providing we continue to expect our Solvency 2 capital surplus to be no lower than Solvency 1, … then the Board will reduce net cash coverage of dividend cost down towards 1.5 times by the end of 2015.

In line with this guidance, … coupled with the performance of the business, the interim dividend was increased by 21% to 2.9 pence.

Slide 11: Five Macro Trends

As I mentioned we identified five key macro trends which we have built our business to respond to. I'd like to take you through each in a little more detail…

Slide 12: Ageing Populations: Global Pension Market

Globally, the Defined Benefit market is in the very early stages of de-risking. It has been estimated that something of the order of $10 trillion worth of liabilities will be de-risked over the next couple of decades globally. We are looking to explore opportunities to expand and participate in these markets, … which with different competitive cycles, … will allow us to deploy our capital most effectively to maximise the returns we can achieve.

We expect the Defined Contribution market to accelerate. 12 million people in the UK are expected to be enrolled on a workplace savings scheme by 2030. Contribution rates will increase, from 2% today to 5% in 2017 and up to 8% in 2018. We have been successful in winning 20% of schemes coming to the market and, longer term, we expect DC savings to dwarf the existing DB assets that we manage.

Here in the US we recently acquired Global Index Advisors, which gives us access into the $6 trillion US DC market.

All this presents a huge opportunity to the Group over the next few years.

Slide 13: Our de-risking capability

One of Legal & General’s key strengths is its synergies between its businesses. This synergy is particularly apparent between LGR, LGC and LGIM which allow us to be the only company capable of participating in all aspects of the de-risking journey.

Defined benefit pension schemes are increasingly being closed to new entrants and many management teams of corporates, who have them on the balance sheet, find them a distraction, and in a lot of cases, a drain on their operations.

We enable them to manage the risk of those schemes taking clients through active fixed strategies, Liability Driven Investment (LDI) and onto longevity insurance, buy in and buy out.

A lot has been said recently concerning the bulk market by ourselves, fellow insurance companies and in the press. To be competitive in the bulk market you need integrated asset management strength, longevity expertise, asset liability matching capability or LDI capability. You need capital and you need a track record of effective execution. Having these skill sets will continue to set Legal & General apart. Our comprehensive product capability is matched by almost 30 years of experience in the bulk sector, … not only positioning us very strongly for the UK bulk market, but also for global diversification, particularly in North America.

Slide 14: UK Regulatory environment

I thought we should discuss briefly some of the responses we are assessing following the Chancellor’s announcement in this Spring Budget that “No one will have to buy an annuity”.

Sales of individual annuities have declined by about half, much as we expected. But I should remind you that of our £38.5bn of annuity assets, around two-thirds … just under £25bn … is from bulk annuities. We have a defined risk appetite annuity business, and we allocate that accordingly. Prior to the Chancellor’s announcement, we were already shifting further towards the bulk segment. As a result, annuity premiums grew by 147% in H1, even as the Chancellor changed the rules for the individual market. Margins in the period were unchanged at 8.4% across annuity segment … and operating profit in our annuity business was up 25% to £188m.

We agree with the UK Pensions Minister that under the new rules hardly anyone will run out and buy a Lamborghini with their pension savings pot. On the contrary, we think more flexible decumulation is more likely to encourage saving. Our research indicates that DC savings should grow at 12% per annum in the UK. Indeed our auto enrolment pension schemes have participation rates of more than 90%. And it can't stop there … we think it is likely that the minimum 8% contributions for 2018 will increase further in the future, more in line with the expected Australian increase to 12%.

Once the political euphoria about pensioner choice dies down, it will become apparent that however much choice you have about how you extract money from your pension pot, you still need to work out how to meet your bills with the money you have saved.   Many people will still be worried about out living that money and that is where we can help...

Slide 15: Ideally placed to provide retirement choices

We believe we are ideally placed to help people save in the first place … with our Cofunds platform, our defined contribution and auto-enrolment workplace savings schemes.

Equally, there are lots of new opportunities to enter new product areas for the at-retirement and post retirement stage, like a simple income drawdown. More personal ownership of retirement planning could encourage access of housing assets through equity release: another area we are looking at entering.

And of course annuities will remain right for many people.

An at-retirement world of freer choices also has to be a world where good quality advice is more accessible. We cannot make people wiser…but we can help them be better-informed. This is going to be crucial, and the government recognises it as such. This advice question is a much bigger challenge for the market and the government than the issue of product development or adaptation. Guidance and advice (both small and regulatory ‘A’) must be available, and it must be good. But it should not create an open-ended liability or cost for the industry.

There will be economic effects as a result of liberating pension money. The Treasury’s expectation that it will take more in tax tells you this. I believe, and again the Australian evidence supports this, that most people are sensible with their money, even if they do tend to underestimate their own longevity. But government does need to be careful about fuelling a consumption-led boom, and about making government debt harder to finance as a result of these changes.

Slide 16: Digital solutions

A cornerstone of our strategy is the increasing use of digital solutions whether that be enabling customers to buy products from us directly or the straight through processing which enables approval of 80% of retail protection applications at point of sale.

This is not just about customer convenience. Our UK insurance business is huge: £1.3bn of premium in 2013, and we have a market share of around 25% in protection – bigger than the second and third players combined. Scale and scaleability mean that the consistent application of digital technology drives down unit costs.

As the owner of the largest intermediated fund platform in the UK, Cofunds, the growth in fund platforms has been particularly exciting for us. Since acquisition we have been leveraging our Cofunds technology to expand our distribution of our LGIM funds on our Cofunds platform.

Additionally we expect to have a broader D2C platform capability available around the end of this year.

Slide 17: UK Welfare Reform

It is a well-accepted reality that the world's populations, outside of Africa, are ageing. It has been estimated by the Office of Budget Responsibility that the UK State pension could cost over £400 billion annually by 2063. That is compared to about £90 billion today. Private saving and protection will have to take up the slack as cash-constrained governments continue to transfer risks to individuals who will have to take on more responsibility for saving in their retirement and indeed for healthcare and other benefits.

As a company we have been outspoken about what we see as the growing intergenerational 'unfairness'. This sees the young pay heavily for university education and struggle to get on the housing ladder, while the baby boomers continue to enjoy rising house prices and valuable pensions. On top of that they have to subsidise the rapidly rising elderly population through the tax system.

Legal & General are well placed to help people save more and we are looking at other ways we can assist … for instance in ways of accessing the estimated £1.2 trillion of housing equity owned by people over 60's in the UK.

Slide 18: Homogenous asset markets

Our LGIM business has been a beneficiary of the increasingly homogenous asset markets which have resulted in strong international growth. At the end of June we now have £83bn of international assets under management and our integration of Global Index Advisors will help us further increase this.

Slide 19: Retrenchment of banks: Slow money powerhouse

Another interesting and more recent development has been our direct investments of 4.6 billion pounds so far across housing, commercial property and infrastructure.

We can afford to be the slow money specialists, operating in the area where banks are retreating. Many of our liabilities are decades in length and one of the keys to our business is our ability to match these liabilities with assets. It is after all imperative that we are able to pay our pensioners on time. So assets which are long maturity are a natural fit for us.

This includes student accommodation, distribution centres, hospitals, care homes and energy and now we have added direct lending.

And they are safe assets. If you take as an example our investment in student accommodation in Clapham in central London: It is currently leased to Imperial College, London. Even if Imperial College were to suddenly disappear, I am sure you will agree that having high density housing in the centre of London would be a valuable asset to hold.

Slide 20: Interim Results

So briefly I wanted to say a word about our results.

Slide 21: Results Summary

It was another very strong six months for Legal & General, with net cash up 13%, dividends up 21% and return on equity of 17.6%. We pride ourselves and work hard to ensure that the financial performance of Legal & General is consistent … both on quality of cash and earnings and on excellent execution.

These consistently improving financial results are underpinned by our strategy. Our scale and skill drives growth and competitiveness. Our economically and socially useful products and investments improve the security and quality of life for our customers. And our strategic clarity and operational excellence are driving consistent improvement in shareholder returns.

Slide 22: Next steps

But we don’t intend to stop here. I thought I might round out my presentation to you by reminding you of some of our thoughts about the next steps we need or want to take.

We are evaluating opportunities in markets where we see long term structural growth potential and which focus on our five strategic themes.

We think the changes announced in the budget are exciting and good news for customers … and for us.

And the continued demand for digital solutions together with our scale, efficiency and track record of innovation mean we are ideally placed to take advantage of these growth opportunities.

Slide 23: L&G conclusion slide

So in conclusion, Legal & General’s consistent track record in delivery and a promising outlook means we are looking forward. We are only part way through our journey. Nigel likes to say ‘We are perhaps on the second floor of a large and substantial tower block’. Our outlook is positive. We have the right strategy and our five key macro trends are driving growth.

We have great opportunities in LGR with the potential for the Chancellor's reforms to grow rather than diminish our business. Our LGAS business is the leader in UK Protection and is making great progress in moving to a new digital model. LGIM is the market leader in Liability Driven Investment, it is growing internationally and stands to benefit from the huge potential expansion opportunities in DC and in retail.

I'd now like to open to the floor for any questions.