

So Mark, another set of impressive figures. What are your highlights?

Mark: Well, all I would say for me, just the broad nature of the progress that we've made that really pleases me - right across the piece. In terms of individual highlights, well, net cash generation, that was up 13 per cent at £567 million in the half year, and clearly we link our dividend progression to the net cash generations - that's a very important statistic for us. Operating profits were up 11 per cent at £636 million, so good progress there on that measure as well. Our earnings per share were up to 8.51 pence, up nine per cent on the first half. Return on equity was up to 17.6 per cent, so, you know, really, really, really impressive numbers, and I guess, probably, of equal prominence for our shareholders, we announced a 21 per cent increase in our interim dividend, up to 2.9 pence. So, as I say, really good progress on very many financial metrics.

You've announced a very healthy growth in the dividend, could you elaborate a bit more that?

Mark: Yes, I mean we do recognise - and we said before - we do see the progression of the ordinary dividends being the primary way we see of rewarding our shareholders; we know it's very important to our shareholders and therefore are very keen to make sure our business model produces a progressive dividend policy to support it. And clearly this half year, good progress in net cash generation that drives our dividend affordability. Now clearly at year end we did announce a revised dividend guide and, yes, we did say we would start to reduce the cash coverage of dividend down towards 1.5 times by the end of 2015, and clearly the dividend increase we've announced at the half year this year is on that route to reducing that cash dividend. So I think our shareholders can look forward to more dividend progression from here.

Turning to your business divisions, tell me more about taking LGIM outside of the UK?

Mark: Well LGIM has been a very UK-centric fund manager really pretty much since inception. Really, for the last decade we've been thinking about how we take what LGIM does well and really exporting it beyond the UK shores. Now that's really been a successful strategy for us to date. We now have £83 billion of assets on behalf of international clients and that's really the progress we want to accelerate from here. It's a very key prop to the success story of LGIM going forwards and LGIM's operating profits are up to £159 billion at the half year, up five per cent as we are making progress as at the same time we are growing the business beyond the UK.

Legal & General Retirement. So how did recent budget changes impact that division?

Mark: L&G Retirement is a very, very core business division for us. Now, overall, we had a very, very successful first half. You refer to the budget, you know, clearly the chancellor introduced greater freedom for individuals at the point of retirement; again, that's something we support as an organisation, but more importantly, actually, we have grown the scale of our business really quite materially in the first half, so we had £3.5 billion of sales of total annuities in the first half, very much skewed towards bulk purchase annuities. In total now, our total stock of annuities is up to £38.5 billion, so up 20 per cent year on year and that really has translated into much, much higher profitability. So operating profits are up £188 million from L&G Retirement,; that's up 25 per cent year on year. So yes, some impact from the budget, but really this is a much bigger story about the way L&G is seeking to play in the annuity market.

Legal & General Assurance Society seems to be going from strength to strength.

Mark: Yeah, LGAS is our single biggest division, both in terms of cash generation and profitability, and it does incorporate quite a lot of different businesses within it. So within it, for example, we have our retail protection business, which really is a world-class business unit in its own right. And that has about 25 per cent of the total protection market in the UK, so it's number one in its market by a very long way and we have excellent levels of straight through processes so it's a very efficient business model, we have great distribution through both IFAs and through our banking and building society relationships, so that's a very successful business for us. On the savings side, the new modern savings products we're seeking to make progress in, are doing very well, so our workplace savings platform has now grown to £9.5 billion of assets - that's up 30 per cent year on year - and our platform business is up 26 per cent, to over £67 billion of assets. So, really, right across LGAS, the profits are up five per cent at £223 million, so as I say, very important profit centre and making good progress.

How do you see the prospects of the business from here on?

Mark: Well, we do run the business very much with a long-term focus, so we're not really looking at kind of very short-term spikes. We want to make sure we manage this thing full-growth over the long term. In many ways we a long-term business; we want to run it for the long term. Now we have set out our strategic intent to kind of marry into what we see as being five big macroeconomic/global trends at play and we think those will drive growth into the very long-term. So I would say, I would expect our business model to be highly resilient, but actually, clearly no business model is fully immunised from kind of macro influences, but at its core, we have tapped our strategy into what we regard as being very good long-term growth drivers and, clearly, if we can execute against those, I've every confidence this business can go from strength to strength from here.