Stock Exchange Release
1 November 2011

LEGAL & GENERAL SET TO BEAT ANNUAL CASH TARGETS: SALES RESILIENT; POSITIVE NET FUND FLOWS IN SAVINGS AND INVESTMENT MANAGEMENT; BALANCE SHEET STRONG; OUTLOOK "CONFIDENT".

OPERATIONAL CASH: UP 17% TO £736M (Q3 YTD 2010: £628M)

NET CASH: UP 15% TO £631M (Q3 YTD 2010: £549M)

LGIM ASSETS: £347BN (Q3 YTD 2010: £342BN)

WORLDWIDE SALES: £1,338M (Q3 YTD 2010: £1,347M)

£1.1BN BULK ANNUITIES DEAL COMPLETED DURING Q4

Tim Breedon, Group Chief Executive, said:

"This was another successful quarter from Legal & General, demonstrating that even in difficult markets our product mix, diversified distribution and operational strength enables us to deliver strong sales, expand our distribution, and beat our cash targets.

"Sales are up in Protection, Savings and International, and our Annuities business has just announced the market's largest BPA deal at £1.1bn which will be reported in next quarter's numbers. LGIM attracted £25bn in gross new funds, and its product mix, with growth in Liability Driven Investment and Internationally-sourced funds, continues to strengthen and to diversify - we are reaping the benefits of rising individual and corporate prudence in the UK as the move from indebtedness to saving continues.

"Our strong cash generation means we can fund new business growth whilst increasing our balance sheet strength and at the same time supporting a growing dividend. We are therefore confident we can continue to grow from a position of strength, capitalising on new opportunities despite volatile markets and challenging economic conditions."

TRADING HIGHLIGHTS

NET CASH GENERATION UP 15% TO £631M

Net Cash Generation £m	YTD Q3 2011	YTD Q3 2010	Growth %
Operational cash generation	**736**	628	17
New business strain	**(105)**	(79)	(33)
Net cash generation[1]	**631**	549	15

NEW BUSINESS OF £1,338M RESILIENT

New Business £m	YTD Q3 2011	YTD Q3 2010	Growth %
INVESTMENT MANAGEMENT			
New funds (gross)	**25,103**	26,065	(4)
RISK			
Housing and Protection	**137**	130	5
Individual annuities	**84**	91	(8)
Bulk annuities[2]	**27**	54	(50)
SAVINGS			
Savings investments	**555**	486	14
Insured savings	**317**	372	(15)
With-profits	**96**	103	(7)
INTERNATIONAL	**122**	111	10
TOTAL GROUP APE	**1,338**	1,347	(1)

SCALE – ASSETS CONTINUE TO GROW DESPITE TOUGH MARKET CONDITIONS

Stock of Assets and Premiums £bn	YTD Q3 2011	YTD Q3 2010	Growth %
LGIM[3] assets	**347**	342	1
Savings assets	**62**	61	2
Annuities assets	**26**	23	13
Protection premiums (£m)	**915**	895	2
USA premiums ($m)	**611**	570	7

NET INFLOWS £4.8BN

Net New Business £bn	YTD Q3 2011	YTD Q3 2010	Growth %
LGIM	**3.6**	8.2	(56)
Savings	**1.2**	2.4	(51)

1. **Operational cash generation** is defined as the expected release from in-force business for the UK non profit Risk and Savings businesses, the shareholders' share of bonuses on With-profits business, the post-tax IFRS operating profit on other UK businesses, including the Group Capital and Financing segment, and dividends remitted from our international businesses from sustainable cash generation.

Net cash generation is defined as **Operational cash generation** less new business strain for the UK non profit Risk and Savings businesses.

2. Excludes the £1.1bn BPA deal which completed during Q4.

3. LGIM manages Annuities and some Savings assets on behalf of the Group.

CASH GENERATION: OPERATIONAL CASH UP 17% TO £736M, NET CASH GENERATION UP 15% TO £631M

Full year operational cash >£900m

The Group delivered a 17% increase in operational cash generation to £736m (Q3 YTD 2010: £628m). The growth in the assets and premiums in Risk, Savings and LGIM coupled with strong cost and risk management disciplines continues to deliver growing operational cash. We continue to be ahead of our cash generation plans and are targeting to achieve over £900m for the full year.

Annuity pricing in surplus

New business strain of £105m was higher than 2010 (Q3 YTD 2010: £79m). This was primarily due to lower positive annuity new business strain, which remained positive at £7m but lower than in 2010 (Q3 YTD 2010: £41m). New business strain remains well managed as we continue to focus on cost management whilst growing new business.

Net cash up and ahead of plan to deliver £700m of net cash

Net cash generation was up by 15% to £631m (Q3 YTD 2010: £549m), providing further evidence of the Group's sustainable, diversified and growing cash flow generation. We are significantly ahead of our plans and expect comfortably to beat the £700m net cash target for 2011 set in March this year. The focus on delivering cash will allow us to fund significant new business growth, add to our capital strength and, coupled with the cash cover unwind, support superior dividend growth.

NEW BUSINESS: APE OF £1,338M RESILIENT PERFORMANCE WITH DEALS COMPLETED IN Q4

Resilient new business APE in difficult market conditions

Worldwide new business APE of £1,338m is in-line with the prior period, and when the £1.1bn bulk annuity deal which completed during Q4 is factored in, sales are expected to continue to grow year on year.

Individual Protection continued to experience positive sales with APE up 11% to £98m. This has been driven by focusing on non-mortgage related protection products demonstrating our flexible business model and distribution strength. Savings Investments were up 14% to £555m as we continue to execute our savings strategy of concentrating on low cost, capital light products.

INVESTMENT MANAGEMENT: GROSS NEW FUNDS OF £25.1BN

Strong sales, LDI bigger part of what we do

LGIM wrote £25.1bn of gross new business, including £4.7bn of gross inflows (Q3 2010 YTD: £4.5bn) from our Liability Driven Investments (LDI) product segment, which continues to grow. This represents 19% of total gross inflows with LDI FUM increasing by 33% to £52bn (Q3 2010 YTD: £39bn).

Continuing to deliver on our overseas expansion

We continue to export our value based products into international markets and an increasing proportion of new business is now derived from overseas clients. In 2011 14% or £3.5bn of gross fund flows were from outside of the UK up from 10% over the corresponding period last year (Q3 2010 YTD: £2.7bn).

ANNUITIES: APE OF £111M, MARKET LEADING EXPERTISE

Stable individual annuity volumes with the £1.1bn BPA deal to be reflected in the Q4 sales figures

The Annuity business has become the preferred supplier to AXA Wealth customers with maturing pensions, this builds on a similar agreement struck with Zurich Insurance in October 2010. Last week we executed what we believe to be the largest ever BPA scheme, and separately the reassurance of a £390m block of existing annuity longevity risk. We view all three transactions as very positive for our Annuity business.

Individual annuity new business sales of £84m were 8% down YTD although this was against a strong comparator last year, driven by the change in retirement age in H1 2010 which gave a one off boost to individual annuity sales.

In the bulk annuity market, in addition to the £1.1bn scheme, we have completed 60 deals worth £271m during the first three quarters of 2011. Demand in the BPA market continues to be lumpy; however we continue to view this market as a strong long term growth opportunity, and given our ability to execute deals across both large and small schemes we are well placed to take advantage of the opportunities as they arise.

HOUSING AND PROTECTION: NEW BUSINESS APE UP 5% TO £137M

Strong individual protection volumes and growing gross written premiums

Strong individual protection volumes driven by diversification into non mortgage related business led to an 11% growth in APE to £98m (Q3 2010 YTD: £88m). Each quarter this year has delivered volumes above any quarter since 2008.

The group protection market continues to be affected by pressures on employment and salaries generally with new business APE of £39m, slightly down against the prior year (Q3 2010 YTD: £42m). However, with a strong pipeline, sales are expected to improve during Q4.

Total protection gross written premiums reached £915m in Q3, up £20m against the corresponding period last year reflecting growth in new business and the good persistency on the in-force book.

In general insurance, gross written premiums were £221m, £15m higher than the corresponding period last year, benefiting from the launch of our Direct Proposition products and continuing strong performance in the broker channel.

SAVINGS: NEW BUSINESS APE UP AT £968M

Continuing to deliver on the strategy

Savings Investments new business APE increased by 14% to £555m (Q3 2010 YTD: £486m) of capital light products. This was driven by the strength of our bank and building society partnerships, in particular Nationwide Building Society. Sales on our IPS platform increased by 71% to £159m APE (Q3 2010 YTD: £93m). IPS Platform assets now amount to £5.2bn (Q3 2010 YTD £2.2bn). Unit trusts and ISAs new business sales increased by 24% to £241m APE (Q3 2010 YTD: £194m). Suffolk Life and uninsured SIPPs increased to £67m up 22% from 2010 (Q3 2010 YTD: £55m).

Over 100 new workplace schemes delivered with fund flows anticipated during 2012

Insured Savings APE of £317m showed a decrease on 2010 (Q3 2010 YTD: £372m). Sales in this area are now mainly workplace savings schemes distributed via fee-based advisers. Sales in 2011 to date are compared with a strong prior year which included the launch of our largest scheme to date, Alliance Boots. There has been strong underlying growth in this product with over 100 schemes secured during 2011 including a number of key schemes from the Threadneedle arrangement which we announced during Q2. We have also gained a number of significant new clients such as Marks & Spencer, generating a potential transfer of nearly 90,000 lives, as well as over 200,000 auto enrolees in the first quarter of 2013. These schemes will come on stream during 2012, and are expected to show substantial growth thereafter as a result of auto enrolment. We also continue to see growth in retail international bonds driven by strong flows from discretionary asset managers and private banks.

INTERNATIONAL: US APE UP BY 50%

Seventh consecutive quarter of growth in the US

Total International new business APE was £122m, up 10% from the corresponding period last year (Q3 2010 YTD: £111m). This was driven by 50% growth in the US to $81m (Q3 2010 YTD: $54m) following product changes introduced in 2010 and a focus on key distribution channels.

CAPITAL STRENGTH

Robust balance sheet

At the half year we reported an Insurance Group Directive (IGD) surplus of £4.0bn with a coverage ratio of 238%. In these volatile markets we continue to believe it appropriate to maintain a prudent IGD coverage ratio. Our strong balance sheet will continue to provide a significant buffer against the uncertain global economic and regulatory environment. Our credit default reserve in LGPL of £1.5bn is equivalent to 63bps of defaults per annum over the life of the non profit annuity credit portfolio. Our shareholder funds have minimal exposure to Portugal, Italy, Ireland, Greece and Spain in sovereign debt.

Renewal of £1bn syndicated facility

We have also renewed our £1bn revolving credit facility with a number of our key relationship banks. The existing facility was due to mature in December 2012. The renewal demonstrates our financial strength and quality of our banking relationships. The new facility will mature in 2016 with the potential to extend through to 2018.

TRADING OUTLOOK

Operating in attractive markets

We remain confident in our growth opportunities despite the continuing uncertainty in the global economic and regulatory environment. This provides challenges for all companies, but Legal & General is well positioned not only to ride out the uncertainty but also to continue to push our businesses forward. We operate in attractive markets where our scale and leading propositions will allow us to take advantage of the opportunities as they evolve.

Opportunities to grow

Several factors continue to make the UK market attractive. A combination of an ageing population, increasing savings rates, de-risking amongst pension trustees and retrenchment of the welfare state will continue to drive demand across our risk, savings and investment management model.

Regulatory uncertainty continues

The regulatory outcome remains uncertain. The Solvency 2 regime is now not expected to fully come into force before 1st January 2014 and there are a number of further stages which the legislation must pass through before its final form becomes clear.

Leverage off the UK expertise to establish profitable international operations

We have exported our UK market-leading bancassurance expertise to our joint ventures in India and the Middle East where we see long term growth potential.

In the USA, we have two strong businesses: LGA is a leading provider of term assurance to high net worth individuals which is continuing to grow, whilst restructuring its capital base giving opportunities for both dividends and capital returns to the Group. LGIMA is an asset manager with a strong performance track record creating opportunities to accelerate our penetration of USA institutional mandates.

Continue to target two times cash cover in the medium term

We are set to beat our annual cash generation targets, operational cash is up 17% and net cash is up 15%. Sustainable cash generation is adding to our capital strength. We continue to target two times cash cover of the dividend in the medium term and as regulatory and market volatility recedes there is opportunity for this to fall further.

ENQUIRIES

INVESTORS:

Wadham Downing	Group Financial Controller	020 3124 2120
Andrew Jones	Head of Group Financial Reporting	020 3124 2054

MEDIA:

John Godfrey	Group Communications Director	020 3124 2090
Richard King	Head of Media Relations	020 3124 2095
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NOTES

A copy of this announcement can be found in "Results", under the "Financial information" section of our shareholder website at http://www.legalandgeneralgroup.com/investors/results.cfm.

There will be a teleconference at 10.00 BST (05.00 EST). Investors should dial + 44 (0)20 3140 0723. No passcode is required.

FINANCIAL CALENDAR 2011	Date
Preliminary Results 2011	7 March 2012
Q1 Interim Management Statement	3 May 2012

FORWARD LOOKING STATEMENTS

This document may contain certain forward-looking statements relating to Legal & General Group, its plans and its current goals and expectations relating to future financial condition, performance and results. By their nature forward-looking statements involve uncertainty because they relate to future events and circumstances which are beyond Legal & General's control, including, among others, UK domestic and global economic and business conditions, market related risks such as fluctuations in interest rates and exchange rates, the policies and actions of regulatory and Governmental authorities, the impact of competition, the timing impact of these events and other uncertainties of future acquisition or combinations within relevant industries. As a result, Legal & General Group's actual future condition, performance and results may differ materially from the plans, goals and expectations set out in these forward-looking statements and persons reading this announcement should not place reliance on forward-looking statements. These forward-looking statements are made only as at the date on which such statements are made and Legal & General Group Plc does not undertake to update forward-looking statements contained in this document or any other forward-looking statement it may make.

Unaudited new business
Nine months to 30 September 2011

INVESTMENT MANAGEMENT NEW FUNDS £m	2011	2010	Change %
Pooled funds	**18,010**	16,329	10
Segregated funds	**3,703**	5,266	(30)
Managed pension funds	**21,713**	21,595	1
Other funds[1]	**3,904**	5,577	(30)
Total new funds	**25,617**	27,172	(6)
Attributable to:			
Legal & General Investment Management	**25,103**	26,065	(4)
Legal & General Retail Investments	**514**	1,107	(54)
LGIM net flows	**3,590**	8,215	(56)

INVESTMENT MANAGEMENT NEW FUNDS QUARTERLY PROGRESSION £m	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010
Pooled funds	**5,219**	**6,712**	**6,079**	3,569	4,009	4,936	7,384
Segregated funds	**1,810**	**255**	**1,638**	490	221	4,777	268
Managed pension funds	**7,029**	**6,967**	**7,717**	4,059	4,230	9,713	7,652
Other funds[1]	**331**	**920**	**2,653**	2,863	1,000	981	3,596
Total new funds	**7,360**	**7,887**	**10,370**	6,922	5,230	10,694	11,248
Attributable to:							
Legal & General Investment Management	**7,251**	**7,764**	**10,088**	6,577	4,907	10,305	10,853
Legal & General Retail Investments	**109**	**123**	**282**	345	323	389	395
LGIM net flows	**586**	**1,005**	**1,999**	(1,651)	(50)	4,938	3,327

1.Includes all new business sourced from external non pension clients including property partnerships, private equity partnerships, institutional clients (UK and overseas) managed by Legal & General Investment Management and institutional investments in unit trust funds managed by Legal & General Retail Investments but exclude the flows into the liquidity fund.

SAVINGS NET FUND FLOWS £m	2011	2010	Change %
Investments	**2,325**	3,164	(27)
Insured	**224**	265	(15)
With-profits	**(1,355)**	(997)	(36)
Total net flows	**1,194**	2,432	(51)

SAVINGS NET FUND FLOWS QUARTERLY PROGRESSION £m	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010
Investments	**622**	**804**	**899**	985	1,106	1,123	935
Insured	**4**	**107**	**113**	211	163	74	28
With-profits	**(568)**	**(387)**	**(400)**	(483)	(369)	(290)	(338)
Total net flows	**58**	**524**	**612**	713	900	907	625

Unaudited new business
Nine months to 30 September 2011

WORLDWIDE NEW BUSINESS APE £m	2011			2010			Change %
	Annual premium	Single premium	APE	Annual premium	Single premium	APE	
Individual protection	98	-	98	88	-	88	11
Group protection	39	-	39	42	-	42	(7)
Protection	137	-	137	130	-	130	5
Individual (non profit)	-	818	82	-	899	90	(9)
Individual (with-profits)	-	17	2	-	15	1	100
Bulk purchase	-	271	27	-	536	54	(50)
Annuities	-	1,106	111	-	1,450	145	(23)
Risk	137	1,106	248	130	1,450	275	(10)
Investments	50	5,047	555	19	4,656	486	14
Insured	172	1,447	317	252	1,204	372	(15)
With-profits	55	413	96	54	495	103	(7)
Savings	277	6,907	968	325	6,355	961	1
USA	50	-	50	36	-	36	39
Netherlands	4	75	11	5	82	13	(15)
France	26	181	44	20	176	38	16
India (Group's 26% interest)	4	17	6	11	5	11	(45)
Egypt (Group's 55% interest)	6	-	6	8	-	8	(25)
Gulf (Group's 50% interest)	1	6	2	-	-	-	-
	91	279	119	80	263	106	12
France retail investment business	-	33	3	-	49	5	(40)
International	91	312	122	80	312	111	10
Worldwide	505	8,325	1,338	535	8,117	1,347	(1)

UK NEW BUSINESS APE BY CHANNEL £m	2011			% of total
	Annual premium	Single premium	APE	
Retail IFA	60	4,491	509	42
Employee benefit consultants	238	698	308	25
Tied agents	23	69	30	3
Bancassurance	72	2,582	330	27
Direct	21	175	39	3
Total	414	8,015	1,216	100

UK NEW BUSINESS APE BY CHANNEL £m	2010			% of total
	Annual premium	Single premium	APE	
Retail IFA	57	4,122	469	38
Employee benefit consultants	325	813	406	33
Tied agents	20	90	29	2
Bancassurance	37	2,663	303	25
Direct	17	116	29	2
Total	456	7,804	1,236	100

Unaudited new business
Nine months to 30 September 2011

WORLDWIDE NEW BUSINESS APE QUARTERLY PROGRESSION £m	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010
Individual protection	33	32	33	30	31	29	28
Group protection	10	14	15	15	14	14	14
Protection	43	46	48	45	45	43	42
Individual (non profit)	31	30	21	24	30	33	27
Individual (with-profits)	1	-	1	2	-	1	-
Bulk annuities	3	22	2	36	9	30	15
Annuities	35	52	24	62	39	64	42
Risk	78	98	72	107	84	107	84
Investments	184	195	176	157	143	179	164
Insured	97	112	108	106	182	124	66
With-profits	25	35	36	29	27	39	37
Savings	306	342	320	292	352	342	267
USA	18	16	16	16	14	13	9
Netherlands	3	3	5	5	3	4	6
France	6	23	15	8	6	19	13
India (Group's 26% interest)	2	1	3	3	3	2	6
Egypt (Group's 55% interest)	3	2	1	2	3	5	-
Gulf (Group's 50% interest)	1	1	-	-	-	-	-
	33	46	40	34	29	43	34
France retail investment business	1	1	1	1	1	1	3
International	34	47	41	35	30	44	37
Worldwide	418	487	433	434	466	493	388

INTERNATIONAL NEW BUSINESS APE IN LOCAL CURRENCY	2011			2010			Change %
	Annual premium	Single premium	APE	Annual premium	Single premium	APE	
USA ($m)	81	-	81	54	-	54	50
Netherlands (€m)	4	87	13	6	99	16	(19)
France (€m)							
Life and pensions	29	208	50	24	208	45	11
Unit trusts	-	38	4	-	57	6	(33)
India (Rs m) - 26% interest	293	1,275	420	745	342	779	(46)
Egypt (Pounds m) - 55% interest	55	-	55	67	3	67	(18)
Gulf ($m) - 50% interest	2	6	3	-	-	-	-