

27 April 2005

Legal & General Group Plc
New business results - first quarter 2005

- Worldwide sales up 43% to £307m APE¹
 - Core UK individual life and pensions up 21%
 - Exceptional growth in retail investments and group life and pensions
- New fund management business of £3.4bn
 - Total funds under management £167bn

New business APE	Q1 2005	Q1 2004	Change
UK individual business			
- life and pensions	£158m	£131m	+21%
- retail investments	£75m	£39m	+92%
- total individual business	£233m	£170m	+37%
UK group life and pensions	£50m	£23m	+117%
UK total	£283m	£193m	+47%
International (including unit trusts)	£24m	£22m	+9%
Worldwide total	£307m	£215m	+43%

¹ Annual Premium Equivalent (APE) is total new annual premiums + 10% of single premiums for life, pensions and retail investment business.

Group Chief Executive, David Prosser, said:

“Legal & General’s carefully built brand, distribution and product strengths have delivered an impressive start to 2005. Worldwide new business has grown by 43% and, within this, UK new business has increased by 47%.

“Our UK individual life and pensions business grew 21%, driven by superior performance in both unit-linked bonds and individual pensions. Our retail investments business benefited from some significant one-off contributions. Group life and pensions business has more than doubled, with high levels of bulk purchase annuity sales and good growth in group risk at maintained margins. We have recently experienced some increased competition in the individual protection market, but market conditions and pricing for other life and pensions products remain unchanged.

“For the twenty-ninth consecutive quarter, Legal & General Investment Management has averaged over £1bn of new funds each month.

“Looking forward to the rest of 2005, we expect to continue to build our market share profitably.”

Overview

Our UK business continued to benefit from our broad spread of good value products and our wide distribution network. Individual life and pensions business was 21% ahead of the corresponding quarter last year, albeit lower than the final quarter of 2004, reflecting both the housing market downturn and increased competition in life protection products. In the corporate market, we made good progress in both group risk business and in bulk purchase annuities.

Our Continental European businesses have shown good growth in single premiums although in the USA, new annual premium business was slightly lower.

Legal & General Investment Management achieved strong growth in funds under management to £167bn (2004: £143bn) adding a further £3.4bn of new business.

UK new business

Individual life

Annual premium sales for mortgage related protection business fell to £20m (2004: £25m) as the impact of a slowing housing market was only partly offset by extending distribution. Other protection business remained steady at £12m. Although overall volumes were lower, we are confident Legal & General has maintained its leading market share in life protection business.

Continued strong demand for unit-linked bonds, where volumes rose 66%, more than offset the decline in with-profits bond sales. In aggregate, single premium sales for the quarter rose to £491m (2004: £384m), an increase of 28%.

Individual pensions

New annual premium business benefited from an improved service offering, growing 32% to £37m (2004: £28m). Single premium new business also grew strongly - up 47% to £400m (2004: £273m) with a significant increase in pension transfer business and maintained individual annuity volumes.

Unit trusts and ISAs

While regular and single payment ISA sales fell, single payment unit trust sales more than trebled to £634m. In total, ISA and unit trust sales grew to £75m APE (2004: £39m). This figure included £15m APE of institutional sales (2004: £5m) and further benefited from the restructuring of a number of Barclays UK funds which resulted in a one off benefit of £32m APE in new business to Legal & General.

Group life and pensions

New business increased to £50m APE (2004: £23m), with good progress in group risk business and significantly increased levels of bulk purchase annuities. Group risk new annual premiums were £22m over the quarter (2004: £13m). Single premiums for bulk purchase annuity business, where we continued to maintain pricing discipline, were £264m from 55 schemes compared to £91m in the corresponding quarter last year.

Institutional fund management

Legal & General Investment Management is the largest UK equity investor and continued its record of averaging £1bn new business per month with total new business of £3.4bn over the quarter. At 31 March 2004, total funds under management were £167bn.

International business

In the USA, annual premium new business was \$19m (2004: \$22m). New business received was lower in the first quarter of 2005 but recent levels of applications have recovered.

Our Continental European operations produced increased new business of €20m APE (2004: €16m). Annual premium business was broadly stable but single premium business, including unit trusts, grew by 26%.

In sterling terms and based on average exchange rates, total international new business increased to £24m APE (2004: £22m).

UK distribution

Late in 2004 we announced an important, single tie agreement with Bradford & Bingley. We started advising customers on term assurance in the middle of January and have introduced the first stage of our multi-fund proposition at the beginning of April.

At the beginning of March, Barclays Bank announced that their existing IFA and tied advisers will switch to a multi-tied basis. The existing mortgage related term assurance business will remain tied to Legal & General. As mentioned above, we have also benefited from the restructuring of some of Barclays UK investment funds.

Earlier this month, we announced an £18.6m investment in the distribution platform Cofunds, reinforcing our commitment to fund choice for advice based sales in insurance bonds, unit trusts, ISAs and pensions. Cofunds is one of the fastest growing platforms and one which is committed to supporting financial intermediaries.

The introduction of the regulation of mortgage advice at the end of last year provided an opportunity for us to further develop mortgage related distribution. Legal & General Partnership Services has established a network of over 2,200 tied mortgage advisers selling Legal & General protection products. Our e-enabled proposition is market leading and provides an excellent platform for growth.

Outlook

We believe our first quarter results show further improvement in consumer confidence in savings and investment products. Additionally, we expect the trend for market share concentration to continue and with Legal & General's strengths in brand, distribution and good value for money products, we believe we will continue to gain market share profitably.

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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:

28 July 2005

Interim results and second quarter new business

20 October 2005

Third quarter new business.

LEGAL & GENERAL GROUP PLC
 UNAUDITED NEW BUSINESS PREMIUMS
 THREE MONTHS TO 31 MARCH 2005

<u>NEW UK BUSINESS</u>	Three months to		increase/ (decrease) %
	2005 fm	31 March 2004 fm	
INDIVIDUAL LIFE AND PENSIONS BUSINESS			
New annual premiums			
Life:			
- Mortgage related	20	25	
- Protection	12	12	
Pensions:			
- Individual pensions	37	28	
Total new annual premiums	69	65	6
Single premiums			
Life:			
- With-profits	57	123	
- Unit linked	434	261	
Pensions:			
- Individual pensions	212	87	
- Annuities - individual	183	182	
- DWP rebates	5	4	
Total single premiums	891	657	36
Individual life and pensions APE	158	131	21
ISAS, PEPS AND UNIT TRUSTS			
New annual premiums			
- ISAs/PEPs (excluding cash ISAs)	3	6	
- Unit trusts	0	1	
Total new annual premiums	3	7	(57)
Single premiums			
- ISAs/PEPs (excluding cash ISAs)	84	122	
- Unit trusts	634	201	
Total single premiums	718	323	122
ISAs, PEPs and unit trusts APE	75	39	92
Total individual business APE	233	170	37
GROUP LIFE AND PENSIONS BUSINESS			
New annual premiums			
- Group risk	22	13	
- Group pensions	1	1	
Total new annual premiums	23	14	64
Single premiums			
- Annuities - bulk purchase	264	91	
- Other group business	1	1	
Total single premiums	265	92	188
Group life and pensions APE	50	23	117
Total UK APE	283	193	47
INSTITUTIONAL FUND MANAGEMENT			
UK Managed Funds			
- Pooled funds	3,314	4,412	
- Segregated funds	42	962	
UK Other	57	57	
Total Institutional Fund Management APE	3,413	5,431	(37)

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WORLDWIDE NEW BUSINESS

	Three months to		increase/ (decrease) %
	31 March 2005	2004	
	£m	£m	
Annual premiums			
Life and pensions:			
- Life	54	50	
- Pensions	38	29	
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UK	92	79	16
- USA	10	12	
- Netherlands	4	3	
- France	1	0	
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Total life and pensions	107	94	14
Retail investment business:			
- UK	3	7	
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Total new annual premiums	110	101	9
Single premiums			
Life and pensions:			
- Life	491	384	
- Pensions	665	365	
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UK	1,156	749	54
- USA	0	0	
- Netherlands	46	41	
- France	47	30	
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Total life and pensions	1,249	820	52
Retail investment business:			
- UK	718	323	
- France	5	4	
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Total single premiums	1,972	1,147	72
Annual premium equivalent (APE)			
- UK life and pensions business	208	154	
- Overseas life and pensions business	24	22	
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Total life and pensions business	232	176	32
- UK retail investment business	75	39	
- Overseas retail investment business	0	0	
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Total retail investment business	75	39	92
Worldwide APE	307	215	43
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LEGAL & GENERAL GROUP PLC
 UNAUDITED NEW BUSINESS PREMIUMS
 THREE MONTHS TO 31 MARCH 2005

OVERSEAS OPERATIONS
 IN LOCAL CURRENCY

	Three months to 31 March		increase/ (decrease)
	2005	2004	
USA (\$m):			
New annual premiums	19	22	
Single premiums	0	0	
APE	19	22	(14)
Netherlands (€m):			
New annual premiums	5	4	
Single premiums	66	60	
APE	12	10	20
France (€m):			
New annual premiums	1	1	
Single premiums	68	45	
Unit trusts	6	6	
APE	8	6	33

UK INDIVIDUAL APE BY CHANNEL

	Three months to 31 March 2005			
	Annual £m	Single £m	Total APE £m	%
Independent financial advisers	48	89	137	59
Single tie	21	66	87	37
Direct	3	6	9	4
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	72	161	233	100
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	Three months to 31 March 2004			
	Annual £m	Single £m	Total APE £m	%
Independent financial advisers	38	63	101	60
Single tie	30	28	58	34
Direct	4	7	11	6
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	72	98	170	100
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