

Stock Exchange Release
26 April 2006

Continued momentum – strong market environment

- Strong UK market growth
- Legal & General outperforms again
 - UK new business up 28% to £363m APE
 - Worldwide new business up 27% to £390m APE
- £5.6bn new institutional funds under management

Group Chief Executive, Tim Breedon, said:

“Legal & General Group’s first quarter 2006 new business results show continued new business momentum, reflecting the strength of the protection, savings and investment markets in the UK and of our position within them.

In particular, our partnership with Cofunds, the investment fund platform, and our many long-standing Bank and Building Society relationships, are playing an important role in driving our business forward.

UK new business was up 28% in the first quarter of this year. We saw good performance in retail protection sales as the housing market showed further signs of recovery. There was increased activity in the retail pensions market, with customers and advisers preparing for changes in pensions legislation. Our investment bond business rose 39% with intermediaries taking advantage of the opportunities available to them and to their customers through wrap platforms and our newly launched multi-fund Portfolio Bond. In retail investments, ISA and unit trust sales saw impressive growth, as consumers drew confidence from improved equity markets.

Legal & General Investment Management delivered £5.6bn of new funds under management – yet another quarter of outstanding performance.

This is a strong start to the year. We remain confident in our ability to continue delivering profitable growth.”

NEWS



New business APE⁽¹⁾ (£m)	Q1 2006	Q1 2005	% change
UK life and pensions	239	208	15
International life and pensions	27	24	13
Total life and pensions	266	232	15
UK retail investments	124	75	65
Worldwide total	390	307	27
Investment management	£5.6bn	£3.4bn	63

1. Annual Premium Equivalent (APE) = total new annual premiums plus 10% of single premiums, including ISAs and unit trusts

UK life and pensions – Q1 up 15% to £239m APE

New business APE (£m)	Q1 2006	Q1 2005	% change
Protection	56	54	4
Annuities	33	44	(25)
Savings:			
- Unit linked bonds	61	44	39
- Pensions – Stakeholder and other non profit	41	31	32
With-profits	48	35	37
Total UK life and pensions	239	208	15

Protection – Q1 up 4% to £56m APE

The recovery in mortgage application volumes experienced towards the end of 2005 has fed through to improved protection sales in Q1 2006. Sales of annual premium mortgage related protection business increased by 30% to £26m (Q1 2005: £20m). Other retail protection business was broadly in line with the same quarter last year at £13m (Q1 2005: £12m).

Group risk new annual premiums fell from £22m in Q1 2005 to £17m in Q1 2006. 2004 and 2005 volumes in this segment benefited from the withdrawal of a competitor at the end of 2003. In addition, market activity was lower in the first quarter 2006 as intermediaries and their customers focused on preparations for A-Day. We believe this reduced volume of new business represents a more sustainable level going forward, albeit double the average level of quarterly sales in this segment achieved by Legal & General in 2003.

Annuities – Q1 down 25% to £33m APE

At £56m, single premium sales of non profit individual annuities were 68% lower than Q1 2005 (£174m) and 23% below Q4 2005 (£73m). Competitive pricing has been a feature of this market over the last nine months. We remain comfortable seeing a lower market share whilst the available returns do not meet our profit requirements. Comparisons against performance in the first half of 2005 will, therefore, remain challenging.

At £277m, sales of single premium bulk purchase annuities were 5% above Q1 2005 (£264m). This included one medium-sized scheme of over £100m, with other new business driven by smaller cases. Quotation volumes remain strong.

Savings: Unit linked bonds – Q1 up 39% to £61m APE

Sales of single premium unit linked bonds rose by 39% to £605m (Q1 2005: £434m), continuing the trend of strong growth seen throughout 2005. In Q1 2006, we benefited from the launch of our multi-fund bond to IFAs using the platform developed with Cofunds and we anticipate this will provide increasing volumes of new business going forward.

Savings: Pensions – Q1 up 32% to £41m APE

Pensions volumes grew by 32% over the quarter to £41m APE (Q1 2005: £31m APE), due to good growth in employer related pensions business and increased levels of transfer activity in the run-up to pensions A-Day on 6 April. New annual premium pensions business increased by 42% in Q1 to £27m (Q1 2005: £19m) and single premium new business grew by 15% to £142m (Q1 2005: £124m).

With-profits – Q1 up 37% to £48m APE

New business from with-profits individual pensions increased by 52% to £41m APE (Q1 2005: £27m APE), owing mainly to an increase in pensions transfer activity ahead of pensions A-Day. With-profits bond sales continued to decline to £21m (Q1 2005: £57m).

International life and pensions – Q1 up 13% to £27m APE

In our US operations, new business of \$19m APE was in line with Q1 2005 (\$19m APE). Returns in sterling terms of £11m APE (Q1 2005: £10m APE) reflected a strengthened dollar.

Our businesses in the Netherlands and France continued to show good growth. New business increased to €14m APE (Q1 2005: €12m APE) in the Netherlands and to €10m APE (Q1 2005: €8m APE) in France, driven by strong single premium savings business.

Overall, new business from our overseas operations in sterling terms increased by 13% from £24m to £27m of APE.

Retail investments – Q1 up 65% to £124m APE

New retail investments business increased by 65% to £124m APE (Q1 2005: £75m APE) as investor confidence in equity markets continued to improve. Sales of single payment ISAs were up 25% to £105m (Q1 2005: £84m) and single payment unit trust new business grew 72% to £1,090m (Q1 2005: £634m). Demand was strong from both retail and institutional customers.

Investment management – Q1 up 63% to £5.6bn

Institutional new business volumes continue to grow strongly, increasing by £2.2bn, or 63%, to £5.6bn in Q1 2006 (Q1 2005: £3.4bn).

We continued to attract an average of over £1bn per month of new business from pension fund clients and we saw significant growth also from non-pension fund institutions.

Outlook

We expect further market growth in the investment, savings and protection markets throughout 2006 and believe Legal & General is well placed to capitalise on these opportunities. Our relationship with Cofunds is already bearing fruit and we expect that the advantages of this technology will become increasingly valued by both customers and intermediaries. New products have been launched, such as a Self Invested Personal Pension product on the Cofunds platform and a pension term assurance product, and we expect further developments later this year. Mortgage transaction volumes are increasing and associated protection sales are expected to continue to grow.

We are confident that, with our broad product range and distribution strength, Legal & General will continue to deliver strong results throughout 2006.

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Notes:

- A copy of this announcement can be found in the News and Results section of our shareholder web site at <http://investor.legalandgeneral.com/releases.cfm>
- Issued share capital at 31 December 2005 was 6,507,421,932 shares of 2.5p each.

Financial Calendar 2006:

Annual General Meeting	18 May
Payment of 2005 final dividend	22 May
Interim results and second quarter new business	27 July
Ex-dividend date for interim dividend	6 September
Record date for interim dividend	8 September
Payment date for interim dividend	2 October
Third quarter new business results	18 October

Forward-looking statements:

This document may contain certain forward-looking statements with respect to certain of Legal & General Group Plc's plans and its current goals and expectations relating to future financial condition, performance and results. By their nature forward-looking statements involve risk and uncertainty because they relate to future events and circumstances which are beyond Legal & General Group'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 authorities, the impact of competition and the policies and actions of governmental and regulatory authorities, the timing impact 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 Legal & General Group's forward-looking statements. 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.

Legal & General Group Plc
 Unaudited New Business Premiums
 Three months to 31 March 2006

WORLDWIDE NEW BUSINESS

	Three months to 31 March 2006			Three months to 31 March 2005			Increase/ (decrease) %
	Annual premiums £m	Single premiums £m	APE £m	Annual premiums £m	Single premiums £m	APE £m	
UK life and pensions business							
- Protection	56	-	56	54	-	54	4
- Annuities	-	333	33	-	438	44	(25)
- Savings							
- Unit linked bonds	-	605	61	-	434	44	39
- Pensions - Stakeholder and other non profit	27	142	41	19	124	31	32
- With-profits	29	190	48	19	160	35	37
Total UK life and pensions business	112	1,270	239	92	1,156	208	15
International life and pensions business							
- USA	11	-	11	10	-	10	10
- Netherlands	3	59	9	4	46	8	13
- France	1	59	7	1	47	6	17
Total international life and pensions business	15	118	27	15	93	24	13
UK retail investment business	4	1,195	124	3	718	75	65
France retail investment business	-	5	-	-	5	-	N/A
Total retail investment business	4	1,200	124	3	723	75	65
Worldwide new business	131	2,588	390	110	1,972	307	27

WORLDWIDE NEW BUSINESS QUARTERLY PROGRESSION

	3 months to 31.03.06	3 months to 31.12.05	3 months to 30.09.05	3 months to 30.06.05	3 months to 31.03.05
UK life and pensions business					
- Protection	56	46	54	54	54
- Annuities	33	40	35	35	44
- Savings					
- Unit linked bonds	61	60	54	50	44
- Pensions - Stakeholder and other non profit	41	39	40	42	31
- With-profits	48	40	37	38	35
Total UK life and pensions business	239	225	220	219	208
International life and pensions business					
- USA	11	12	11	9	10
- Netherlands	9	7	8	6	8
- France	7	6	8	16	6
Total international life and pensions business	27	25	27	31	24
UK retail investment business	124	67	79	94	75
France retail investment business	-	-	1	1	-
Total retail investment business	124	67	80	95	75
Worldwide new business APE	390	317	327	345	307

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 Three months to 31 March 2006

UK LIFE AND PENSIONS NEW BUSINESS

	Three months to 31 March 2006			Three months to 31 March 2005			Increase/ (decrease) %
	Annual premiums £m	Single premiums £m	APE £m	Annual premiums £m	Single premiums £m	APE £m	
Protection							
- Mortgage related	26	-	26	20	-	20	30
- Other	13	-	13	12	-	12	8
- Group risk	17	-	17	22	-	22	(23)
Annuities							
- Individual	-	56	5	-	174	17	(71)
- Bulk purchase	-	277	28	-	264	27	4
Savings							
- Unit linked bonds	-	605	61	-	434	44	39
- Individual pensions	27	142	41	19	124	31	32
With-profits							
- Annuities	-	20	2	-	9	1	100
- Individual pensions	28	131	41	18	88	27	52
- DWP rebates	-	17	2	-	5	-	N/A
- Group pensions	1	1	1	1	1	1	-
- Bonds	-	21	2	-	57	6	(67)
Total UK life and pensions business	112	1,270	239	92	1,156	208	15

INVESTMENT MANAGEMENT

	Three months to 31 March		Increase/ (decrease) %
	2006 £m	2005 £m	
UK Managed Funds			
- Pooled funds	3,763	3,314	14
- Segregated funds	61	42	45
	3,824	3,356	14
UK Other	1,739	57	2,951
Total new funds	5,563	3,413	63

Legal & General Group Plc
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INTERNATIONAL OPERATIONS IN LOCAL CURRENCY

	Three months to 31 March 2006			Three months to 31 March 2005			Increase/ (decrease) %
	Annual premiums	Single premiums	APE	Annual premiums	Single premiums	APE	
USA (\$m):	19	-	19	19	-	19	-
Netherlands (€m):	5	86	14	5	66	12	17
France (€m):							
- Life and pensions	1	86	10	1	68	8	25
- Unit trusts	-	7	-	-	6	-	N/A

UK RETAIL BUSINESS APE BY CHANNEL

	Three months to 31 March 2006			% of total
	Annual £m	Single £m	Total APE £m	
Independent financial advisers	65	157	222	70
Tied	29	56	85	27
Direct	4	6	10	3
Total	98	219	317	100

	Three months to 31 March 2005			% of total
	Annual £m	Single £m	Total APE £m	
Independent financial advisers	48	89	137	59
Tied	21	66	87	37
Direct	3	6	9	4
Total	72	161	233	100

Legal & General Group Plc
 Unaudited New Business Premiums
 Three months to 31 March 2006

UK NEW BUSINESS

	Three months to 31 March		Increase/ (decrease)
	2006	2005	%
	£m	£m	
UK INDIVIDUAL LIFE AND PENSIONS BUSINESS			
New annual premiums			
Life:			
- Mortgage related	26	20	30
- Protection	13	12	8
Pensions:			
- Individual pensions - non profit	27	19	42
- Individual pensions - with-profits	28	18	56
Total new annual premiums	94	69	36
Single premiums			
Life:			
- With-profits	21	57	(63)
- Unit-linked	605	434	39
Pensions:			
- Individual pensions - non profit	142	124	15
- Individual pensions - with-profits	131	88	49
- Individual annuities - non profit	56	174	(68)
- Individual annuities - with-profits	20	9	122
- DWP rebates	17	5	240
Total single premiums	992	891	11
Individual life and pensions total APE	193	158	22
UK RETAIL INVESTMENTS			
New annual premiums			
- ISAs/PEPs	3	3	-
- Unit trusts	1	-	N/A
Total new annual premiums	4	3	33
Single premiums			
- ISAs/PEPs	105	84	25
- Unit trusts	1,090	634	72
Total single premiums	1,195	718	66
UK retail investments total APE	124	75	65
UK retail business total APE	317	233	36
UK CORPORATE LIFE AND PENSIONS BUSINESS			
New annual premiums			
- Group risk	17	22	(23)
- Group pensions	1	1	-
Total new annual premiums	18	23	(22)
Single premiums			
- Bulk purchase annuities	277	264	5
- Other group business	1	1	-
Total single premiums	278	265	5
UK corporate life and pensions APE	46	50	(8)
UK business total APE	363	283	28