Stock Exchange Release
16 October 2008

Robust financial position, new business up 5%

Highlights for the 9 months to 30 September 2008[1]:

▪ **Worldwide new business £1,137m (9M 07 £1,085m)**	**up 5%**
▪ **UK new business £1,047m (9M 07 £993m)**	**up 5%**
▪ **UK Risk: new business £381m (9M 07 £295m)**	**up 29%**
Pension buyout sales more than trebled	up 226%
Group protection sales continue to grow	up 13%
▪ **UK Savings: new business £666m (9M 07 £698m)**	**down 5%**
Unit trust and ISA[2] sales remain strong	up 35%
Non profit pensions boosted by SIPP success	up 27%
Unit linked bonds remain at lower levels as anticipated	down 49%
▪ **Investment management gross new funds £28.3bn (9M 07 £33.4bn)**	
▪ **IGD surplus £2.9bn at end of September[3]**	

NEWS

Tim Breedon, Group Chief Executive, said:

"These results once again underline the strength of our broad distribution model, high quality product offering and robust financial position. We remain at best cautious about the economic outlook for the UK, but are confident that we are well positioned to exploit opportunities throughout the current economic cycle.

"These are uncertain times for everyone. We welcome recent actions by the Government to underpin confidence in the UK banking sector and hence the wider economy. It is in these challenging markets that businesses with solid foundations can mark themselves out in their ability to continue to deliver for customers and shareholders over the long term."

(1) All sales figures are quoted in APE terms unless otherwise stated (APE = Annual Premium Equivalent = new regular premium plus 10% of new single premium)

(2) Core retail investment sales

(3) Management estimate of Insurance Groups Directive surplus – a regulatory measure of group capitalisation. 30 June 2008 position was estimated to be £3.4bn

Legal & General

Business Commentary

Legal & General has three main businesses: Risk, Savings and Investment management. Our UK Risk and Savings businesses generated combined APE new business of £1,047m, an increase of 5% on the same period of 2007. Worldwide APE new business stood at £1,137m, also up 5%. Our institutional investment management business delivered a further £28.3bn of gross new funds.

UK Risk business

Protection

New business was lower in the first nine months at £158m (9M 07: £168m) as the slowing housing market continued to have some impact on individual protection sales.

UK mortgage approvals have fallen 36%[4] to the end of August, while our individual protection sales were down only 13% to the end of September. We continued to exploit opportunities across our broad product offering, through increased focus on our wide range of non mortgage related products, including family protection and high sum assured business.

Group Protection grew, with employers still keen to secure competitive and attractive protection for their employees. Sales were up 13% in the first nine months of the year. Quotation activity remained high in Q3, with an increased emphasis on benefit design.

Annuities

New business grew 76% in the period to £223m (9M 07: £127m), continuing the trends seen in the first half of the year.

Bulk Purchase Annuity (BPA) sales were once again up strongly, more than trebling in the first nine months, and more than doubling in Q3 relative to the previous year. The market for open pension scheme buyouts has continued to deliver strong sales in Q3, albeit at a lower level than the average for the first half of the year. We have been more cautious over the last three months in the large schemes area, where highly volatile credit and swaps markets have increased pricing and execution risk. We remain particularly strong in the small and medium sized schemes market. We have written a total of 172 policies so far this year, with an average case size of £9m.

Sales of individual annuities were lower at £60m (9M 07: £77m), reflecting our caution in pricing and our focus on the significant opportunities in the BPA market.

Outlook

A resilient application pipeline means protection sales should remain around current levels for the rest of this year, with a continued focus on non mortgage related products. We also see opportunities for further progress in our Group protection business, where quotations remain at a high level.

Our annuity business has significant long term opportunities given the scale of potential demand for pension buyouts and demographic demand growth in individual annuities. As indicated we have recently reduced our activity in the larger schemes market, as a result of asset market illiquidity and volatility. The pipeline of quotations remains at a very high level and a return to deeper, more liquid credit markets may help to stimulate closure of larger schemes, though this remains unpredictable in the short term.

(4) Bank of England data for the 8 month period to the end of August 2008, compared to the same period of 2007

UK Savings business

Non profit pensions

Our non profit pension business reported strong sales growth of 27%. Within this result we saw progress in both corporate and retail pension sales. We have continued to refocus our business towards modern and flexible pension products, including SIPPs, which accounted for 56% of retail sales. This includes ongoing momentum in Suffolk Life, the specialist SIPP provider which we acquired earlier this year. With an average retail SIPP case size more than treble that of non SIPP products, the strategic development in our business is increasingly evident. We are now the number two provider of SIPP products in the UK(5).

Unit linked bonds

The unit linked bond market has materially reduced in size this year and we believe we have performed broadly in line. The reduction reflects the impact of CGT changes as well as current retail investor sentiment. Notwithstanding this, net sales were positive in the period, whilst gross sales volumes were lower at £101m in the first nine months, down 49% (9M 07 £198m).

Retail investments

Strong progress in our core retail investment business (unit trusts and ISAs) continued, with sales up 35% to £168m, including a strong contribution from our distribution relationship with Nationwide Building Society. While we continue to build our range of products in this market, our traditional strengths in passive, fixed income and balanced funds continue to resonate in current conditions.

With-profits

With-profits savings volumes of £151m were 17% lower compared to the same period of 2007 (9M 07 £183m). With-profits bond sales continue to increase strongly, up 186% year on year, reflecting investor appetite for more defensive investment options.

Outlook

Underlying conditions in retail savings markets are likely to remain challenging over the next 12 months, however we continue to anticipate progress in corporate pension, SIPP and core retail investment business.

Institutional investment management business

Our institutional investment management business continued its extremely strong sales performance in the first nine months of the year, with £28.3bn of gross new funds under management from new and existing clients. Our core scalable products in index, active fixed income and structured solutions, continue to be attractive to our clients in volatile markets. Total UK assets under management stood at £275bn at the end of September, compared to £286bn at the end of June 2008.

Outlook

LGIM has delivered average gross sales of £24bn per annum over the last 5 calendar years, excluding institutional unit trust sales. We continue to see opportunities for growth from our traditional product areas, but also through expanding further in structured solutions, active fixed income and active equities, where investment performance continues to progress.

(5) Association of British Insurers data

International business

Sales in our US business were up 6% in local currency terms to $71m, with ongoing growth in our high net worth term life business. In the Netherlands we continued to grow in very challenging industry conditions, with sales up 3% to €30m. We increased share in the unit linked market and delivered strong growth in term life products. Our French business saw sales reduce by 25% to €41m, once again reflecting the absence this year of fiscally-stimulated sales which led to a big one-off increase in sales in 2007.

Financial strength

At 30 September 2008, Legal & General's estimated surplus capital on the IGD basis remained strong at £2.9bn. This compares to £3.4bn estimated at 30 June 2008. The change primarily reflects the decline in investment markets and the impact of our ongoing share buyback in the period. We have repurchased shares to a value of £111m in the third quarter.

We estimate that in the event of a 30% fall in equity markets from the end of September position, our estimated IGD surplus would reduce to approximately £2bn.

Enquiries

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Notes

- Issued share capital at 30 September 2008 was 5,867,110,348 shares of 2.5p.
- A copy of this announcement can be found in the News and Results section of our shareholder web site at http://investor.legalandgeneral.com/investors/releases.cfm

Financial calendar:

Event	Date
Full year 2008 new business figures	29 January 2009
2008 Preliminary results	25 March 2009
Q1 2009 Interim management statement	23 April 2009
Half year 2009 results	5 August 2009
9 month 2009 Interim management statement	20 October 2009

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 Plc'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 and the timing impact and other uncertainties of future acquisition or combinations within relevant industries. As a result, Legal & General Group Plc's actual future condition, performance and results may differ materially from the plans, goals and expectations set out in Legal & General Group Plc'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
Nine months to 30 September 2008

WORLDWIDE NEW BUSINESS

	Nine months to 30 September 2008			Nine months to 30 September 2007			
	Annual premiums	**Single premiums**	**APE**	Annual premiums Restated[1]	Single premiums Restated[1]	APE Restated[1]	Increase/ (decrease)
	£m	**£m**	**£m**	£m	£m	£m	%
Protection							
- Individual	**107**	**-**	**107**	123	-	123	(13%)
- Group	**51**	**-**	**51**	45	-	45	13%
	158	**-**	**158**	168	-	168	(6%)
Annuities							
- Individual (non profit)	**-**	**578**	**58**	-	724	72	(19%)
- Individual (with-profits)	**-**	**23**	**2**	-	45	5	(60%)
- Bulk purchase	**-**	**1,632**	**163**	-	497	50	226%
	-	**2,233**	**223**	-	1,266	127	76%
Total risk	**158**	**2,233**	**381**	168	1,266	295	29%
Non profit savings							
- Unit linked bonds	**-**	**1,009**	**101**	-	1,975	198	(49%)
- Individual pensions	**137**	**1,075**	**245**	104	889	193	27%
- DWP rebates	**-**	**8**	**1**	-	4	-	N/A
With-profits savings							
- Bonds	**-**	**198**	**20**	-	70	7	186%
- Individual pensions	**81**	**369**	**118**	101	581	159	(26%)
- DWP rebates	**-**	**113**	**11**	-	112	11	0%
- Group pensions	**2**	**3**	**2**	6	3	6	(67%)
Total life and pensions savings	**220**	**2,775**	**498**	211	3,634	574	(13%)
Core retail investments[1]							
- Unit trusts	**8**	**1,042**	**112**	5	700	75	49%
- ISAs	**23**	**327**	**56**	11	383	49	14%
	31	**1,369**	**168**	16	1,083	124	35%
Total savings	**251**	**4,144**	**666**	227	4,717	698	(5%)
Total UK risk and savings new business	**409**	**6,377**	**1,047**	395	5,983	993	5%
- USA	**36**	**-**	**36**	34	-	34	6%
- Netherlands	**10**	**128**	**23**	8	121	20	15%
- France	**15**	**126**	**27**	16	201	36	(25%)
	61	**254**	**86**	58	322	90	(4%)
France retail investment business	**-**	**44**	**4**	-	20	2	100%
Total international new business	**61**	**298**	**90**	58	342	92	(2%)
Total worldwide new business	**470**	**6,675**	**1,137**	453	6,325	1,085	5%

1. Total UK core retail investments excludes institutional investments in unit trust funds which are disclosed as part of institutional fund management new business (see Investment Management below). 2007 has been restated to reflect this change.

Legal & General Group Plc
Unaudited New Business Premiums
Nine months to 30 September 2008

WORLDWIDE NEW BUSINESS APE QUARTERLY PROGRESSION

	3 months to 30.09.08	3 months to 30.06.08	3 months to 31.03.08	3 months to 31.12.07 Restated[1]	3 months to 30.09.07 Restated[1]	3 months to 30.06.07 Restated[1]	3 months to 31.03.07 Restated[1]
	£m	£m	£m	£m	£m	£m	£m
Protection							
- Individual	**34**	37	36	37	41	40	42
- Group	**14**	23	14	18	16	15	14
	48	60	50	55	57	55	56
Annuities							
- Individual (non profit)	**20**	20	18	16	24	23	25
- Individual (with-profits)	**-**	1	1	-	2	1	2
- Bulk purchase	**25**	66	72	62	12	21	17
	45	87	91	78	38	45	44
Total risk	**93**	147	141	133	95	100	100
Non profit savings							
- Unit linked bonds	**26**	35	40	53	62	62	74
- Individual pensions	**83**	93	69	60	60	64	69
- DWP rebates	**1**	-	-	-	-	-	-
With-profits savings							
- Bonds	**9**	7	4	3	2	2	3
- Individual pensions	**33**	47	38	40	48	56	55
- DWP rebates	**4**	6	1	1	4	6	1
- Group pensions	**1**	1	-	1	-	5	1
Total life and pensions savings	**157**	189	152	158	176	195	203
Core retail investments[1]							
- Unit trusts	**37**	45	30	28	26	26	22
- ISAs	**16**	28	12	9	12	25	13
	53	73	42	37	38	51	35
Total savings	**210**	262	194	195	214	246	238
Total UK risk and savings new business	**303**	409	335	328	309	346	338
- USA	**12**	12	12	11	12	11	11
- Netherlands	**6**	8	9	7	6	6	8
- France	**8**	4	15	6	9	17	10
	26	24	36	24	27	34	29
France retail investment business	**2**	1	1	-	-	1	1
Total international new business	**28**	25	37	24	27	35	30
Total worldwide new business	**331**	434	372	352	336	381	368

1. Total UK core retail investments excludes institutional investments in unit trust funds which are disclosed as part of institutional fund management new business (see Investment Management below). 2007 has been restated to reflect this change.

Legal & General Group Plc
Unaudited New Business Premiums
Nine months to 30 September 2008

INVESTMENT MANAGEMENT

	Nine months to 30 September 2008 £m	2007 Restated[1] £m	Increase/ (decrease) %
Managed pension funds			
- Pooled funds	**23,310**	29,557	(21%)
- Segregated funds	**411**	2,373	(83%)
	23,721	31,930	(26%)
Other funds[1]	**4,627**	1,497	209%
Total new funds	**28,348**	33,427	(15%)
Attributable to:			
Legal & General Investment Management	26,688	32,375	(18%)
Legal & General Retail Investments	1,660	1,052	58%

INVESTMENT MANAGEMENT QUARTERLY PROGRESSION

	3 months to 30.09.08 £m	3 months to 30.06.08 £m	3 months to 31.03.08 £m	3 months to 31.12.07 Restated[1] £m	3 months to 30.09.07 Restated[1] £m	3 months to 30.06.07 Restated[1] £m	3 months to 31.03.07 Restated[1] £m
Managed pension funds							
- Pooled funds	**9,748**	8,254	5,308	19,903	13,989	10,646	4,922
- Segregated funds	**47**	141	223	230	1,925	380	68
	9,795	8,395	5,531	20,133	15,914	11,026	4,990
Other funds[1]	**908**	3,151	568	871	492	506	499
Total new funds	**10,703**	11,546	6,099	21,004	16,406	11,532	5,489
Attributable to:							
Legal & General Investment Management	10,464	10,611	5,613	20,247	16,149	11,167	5,059
Legal & General Retail Investments	239	935	486	757	257	365	430

1. Other funds includes institutional investments in unit trust funds managed by Legal & General Retail Investments which were previously disclosed as UK core retail investments APE. 2007 has been restated to reflect this change.

INTERNATIONAL OPERATIONS IN LOCAL CURRENCY

	Nine months to 30 September 2008			Nine months to 30 September 2007			Increase/
	Annual premiums	**Single premiums**	**APE**	Annual premiums	Single premiums	APE	(decrease) %
USA ($m):	**71**	**-**	**71**	67	-	67	6%
Netherlands (€m):	**13**	**165**	**30**	11	178	29	3%
France (€m):							
- Life and pensions	**19**	**162**	**35**	23	297	53	(34%)
- Unit trusts	**-**	**56**	**6**	-	21	2	200%

UK INDIVIDUAL APE BY CHANNEL

	Nine months to 30 September 2008			
	Annual £m	**Single £m**	**Total APE £m**	**% of total**
Independent financial advisers	**261**	**3,585**	**620**	**75%**
Tied	**81**	**1,051**	**186**	**22%**
Direct	**14**	**106**	**25**	**3%**
Total	**356**	**4,742**	**831**	**100%**

	Nine months to 30 September 2007			
	Annual Restated[1] £m	Single Restated[1] £m	Total APE Restated[1] £m	% of total Restated[1]
Independent financial advisers	252	4,053	657	74%
Tied	76	1,279	204	23%
Direct	16	151	31	3%
Total	344	5,483	892	100%

1. Total UK core retail investments excludes institutional investments in unit trust funds which are disclosed as part of institutional fund management new business (see Investment Management above). 2007 has been restated to reflect this change.