Ladies and gentlemen, a very warm welcome to this the 27th Annual General Meeting of your company, Legal & General Group Plc. Given the competing demands of today’s corporate scene, I am delighted that so many of you are able to attend.

We are at a different location this year because our usual venue at the Institution of Electrical Engineers was already booked on this date. Nevertheless, I hope you enjoy the different surroundings and would welcome feedback from regular attendees on your preferences going forward.

2005 was a particularly successful year for your company and I am sure that you will be keen to review that success. Furthermore, you will want to understand how your company can continue to make strong progress.

To this end, we will be answering your questions in the usual way, as well as providing you with the opportunity, over refreshments at the end of the meeting, to meet any individual member of your Board to further discuss any issues you care to raise.
Before proceeding further would you please ensure that mobile phones are switched off. Also I must share with you some safety information. If you hear a continuous ringing of the fire bell, please evacuate the building using the nearest signposted fire exit. The assembly point is located at the Churchyard of St Johns Zachary in Gresham Street where you should wait for further instructions.

Thank you.

Let me now introduce your Board.

As I just mentioned, this is Tim Breedon's first AGM as Chief Executive, and I'm sure that you'll join me in wishing him success in this very demanding role.

The task is somewhat daunting, especially following the outstanding executive stewardship of his predecessor, Sir David Prosser, over the past fourteen years.

Tim, the team and the company have started 2006 well. UK sales in the first quarter rose 28% and our investment management business attracted a further £5.6 billion in addition to the £17.1 billion won in 2005.

Shareholders will have noticed from its look and content, that our Annual Report has been refreshed to accommodate significantly more financial information. This additional disclosure, together with that associated with our preliminary results in March, was widely acclaimed by investors. For many of us, additional financial disclosure simply means much more dry material to get through and is
not necessarily welcome. To this end, I can tell you that help is at hand as next year when we will be launching a Summary Financial Statement – a slimmed down version of the Annual Report. This tactic has been adopted by a number of companies with great success and, so, we have decided to do the same. However, for those of you who relish the challenge of reading all the financial disclosures, you will still be able to request and obtain copies of the full report.

I mentioned the title of this year's Annual Report as being Strengths to Build On. This is an appropriate title given the outstanding success of the company both in 2005 and, more generally, over the last decade.

One of our strongest attributes is that we operate a simple business model with one brand selling our products through a range of distribution channels. It is our ability to take advantage of changes in the marketplace that distinguishes us. That model enabled us to deliver operating profit before tax in 2005 up to 43% to over £1 billion – a remarkable achievement by any measure.

Furthermore, the significant growth of the company over the past ten years now puts us firmly above 10% in terms of retail market share. But this is not just growth for growth sake. This is growth we needed in order to compete effectively and profitably in a market which is consolidating around a few larger companies.
Since our last meeting, there has been increasing evidence that people are beginning to save more. Clearly our new business figures for last year and the first quarter of this year would support this. Some of this will be due to a stronger stock market but also to the higher level of debate in the media in recent months. No-one could have missed stories about the “pensions crisis” or the “Turner report” or about the low levels of personal savings. Our business has benefited from this dialogue and we would hope that, while sentiment remains the same, it will continue to do so.

We remain hopeful that the Government will provide the detail of the future pension’s regime in the UK before too much longer.

We need a stable environment in the UK to operate successfully and profitably. We were, therefore, disappointed that we had to make a Stock Exchange announcement in October 2005 advising that an unexpected change in the tax basis of life assurance companies could have a very significant impact on the group. There had been no consultation and its effect went way beyond what the Treasury had anticipated. This move created uncertainty which proved to be both unnecessary and unwarranted.

Given the growth in our business to over ten per cent of the retail marketplace, you will not be surprised to hear that we now have over five million customers, mainly in the UK but also overseas. The expectations of these customers have been rising and so we too must raise our game to ensure that they get the best
possible service. Meeting the needs of our customers is at the heart of our business and our own UK Customer Experience Programme is in its second year and is going well. We have also signed up to the ABI’s own Customer Impact Scheme which fits in well with our own programme.

Last Friday evening, the market closed with our share price at 136.5p even though there was a sharp market setback on Friday and the shares were ex-dividend. That price represents a 12% increase against a FTSE 100 increase of 5% since the beginning of the year – a long overdue re-rating of our shares since the markets began to fall some five years ago.

Looking back, the life insurance sector had something of a torrid time over those years relative to other stock market sectors. Concerns raised four years ago over solvency and the perceived weakness of certain insurance companies during the downturn contributed to a general lack of interest among institutional investors. Despite this difficult background the total return on Legal & General’s shares is only slightly behind the FTSE 100 index over that period.

Nevertheless, the downturn has to be put into perspective. The ten year view of share price performance is far more encouraging with Total Shareholder Return of 205% - a figure considerably better than the 113% gained by the FTSE 100 index over that time.
Shareholders regularly tell me how much they have appreciated our progressive dividend policy, which we sustained during the bear market. The Board takes each dividend decision at the appropriate time projecting forward some years against a range of scenarios. We concluded in March that, given the performance and prospects for your company, we were in a position to raise the dividend by 5.2% this year which I hope you will wish to support when we come to vote.

We have again won a lot of prizes this year, including UK Life Assurer of the Year for the sixth year running and in the Netherlands we have won a similar award for the fifth year in a row. While you can’t take these to the bank, they bear testament to the excellent achievement of your management and staff. It is their contribution, adaptability and creativity which deliver both the prizes and the success of your business. I also want to pay tribute to our progressive partnership with the Amicus Union and I am delighted that the Finance Sector National Officer, Andy Case, has joined us today. He succeeded Digby Jacks, who played such a personal part in building this partnership, and who is also with us in retirement as a private shareholder. A warm welcome to you both.

I am now going to hand over to Tim who will bring us all up to speed on our successful business model and our progress. Tim.