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.

ACCELERATING EVOLUTION.

Resilience plus opportunities = growth

1. Our market leading franchises in Risk, Savings and Investment Management are proving to be resilient, although UK real GDP growth is close to zero and housing market problems and the Euro crisis persist.
2. Discipline and excellent execution, particularly in asset liability management, are improving the certainty of cash flow and therefore increasing the certainty of dividends.
3. We see the following attractive opportunities for our businesses:
   a) Decline in state spending will create opportunities including the increasing UK ‘pensions gap’ and ‘protection gap’.
   b) Pension de-risking across the corporate world will allow us to pool risk and use our economies of scale.
   c) Decline of bank lending: the ‘funding gap’ is creating new business opportunities.
   d) Increasingly global asset markets allow LGIM to expand rapidly within corporate and Sovereign wealth funds.
   e) Regulatory change including RDR and auto enrolment is providing future growth opportunities – particularly in digital.

PERFORMANCE HIGHLIGHTS.

1. Interim dividend up 18% to 1.96p per share
2. Earnings per share up 14% to 6.96p
3. Operating profit up 5% to £518 million
4. IFRS profit before tax up 11% to £525 million
5. IFRS return on equity 15.9% (H1 2011: 15.0%)
6. Operational cash generation £471m, net cash generation £407m

A SLOW RESOLUTION TO CURRENT PROBLEMS.

Macro events vary by impact and length of time to resolve

1. Eastern and Western Europe have tried to replicate success of USA
   a) 1917 – 1989: USSR/Communist bloc, fixed FX rates – failed due to 'obvious' political and economic factors.
   b) 1950 – 2012: EU and EMU (1992) - fixed FX rates, mispriced credit growth, huge differences in labour competitiveness and capital mispriced.
2. 1989 the Berlin Wall came down. 20-year massive re-structuring of the Eastern European bloc was required to resolve political and economic problems.
3. 2000 the 'equity technology bubble' burst leaving a 'flat world' and an excellent digital infrastructure causing 'positive creative destruction,' for example Apple, Google who have massive cash and capital surpluses.
4. 2007/08 the 'global property debt bubble' burst, which coupled with bank leverage, fiscal deficits, FX rigidity, embedded derivatives and trade imbalances created three major problems: 'Negative creative destruction'.

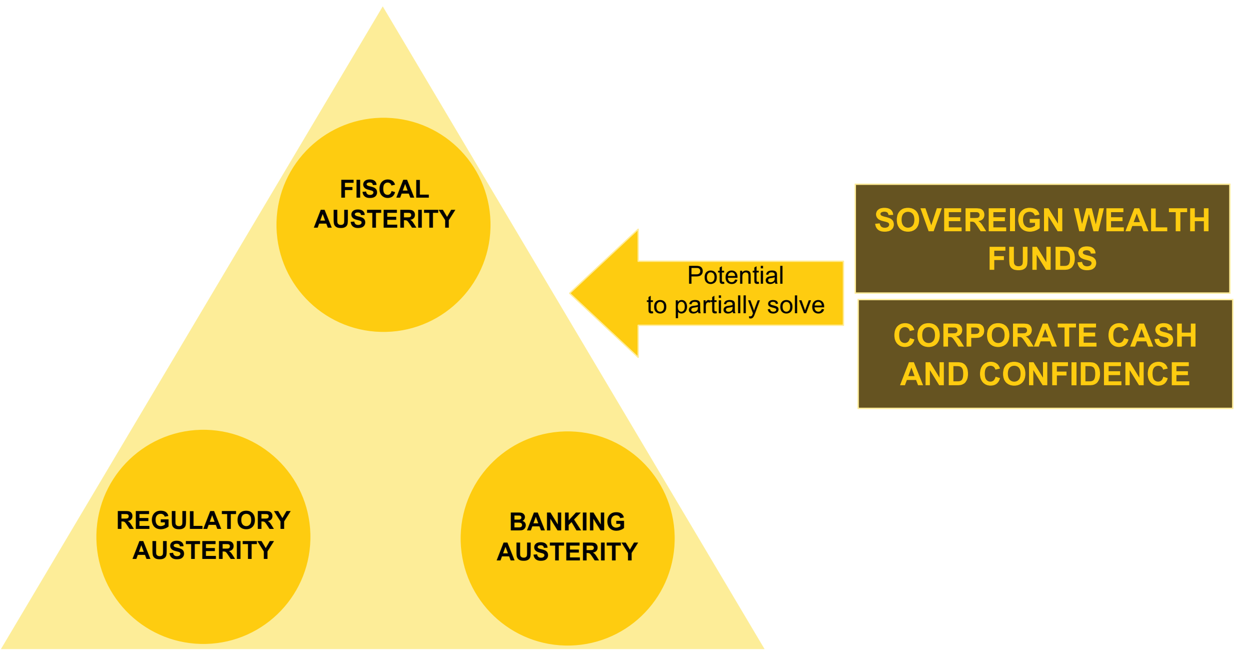
HUGE GLOBAL STRUCTURAL IMBALANCES CAUSED BY THREE MAJOR PROBLEMS.

PROBLEM		SITUATION
1.	FISCAL	Size and rate of change of government expenditure is too high. UK deficit in 2011/12 £126 billion (8% of GDP) in addition to unknown off-balance sheet liabilities. Sovereign and municipal credit risk increasing.
2.	BANKS	Inadequate margins for risk taking “trying to pick up pennies in front of express trains,” cross border lending mispriced due in part to embedded derivatives. Lessons learned from UK, banks re-capitalisation and deleveraging requires stronger government initiatives.
3.	LABOUR COMPETITIVENESS	FX rates wrong, relative labour market rates wrong, massive trade imbalances, for example, Spain/Germany: US/China. Major changes in relative wages required.

Solutions require resolving all three problems involving cash rich corporate sector (the supply side).

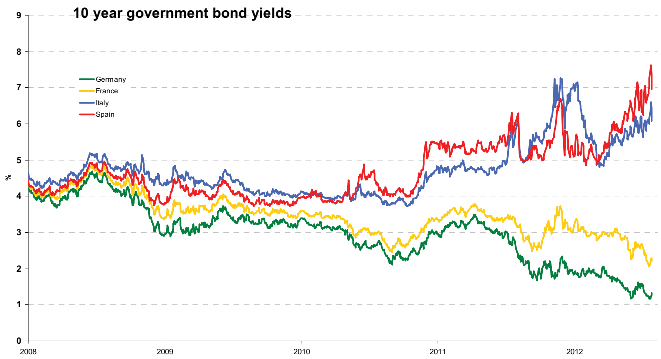
TRIANGLE OF AUSTERITY.

Solutions are slow to emerge

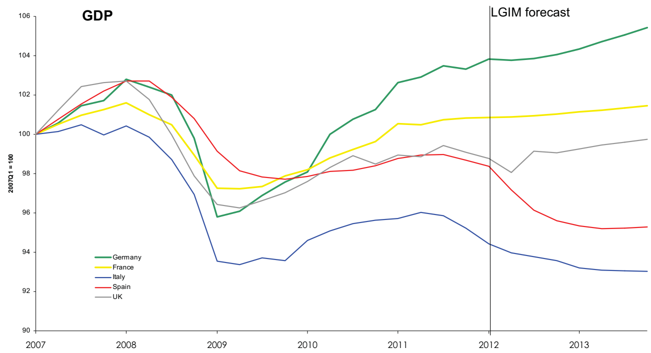


EUROZONE DIVERGENCE: CREAKING AND LEAKING.

INDICATORS	MARKET	VALUE
Unemployment (%)	Germany Spain	5.4 24.8
Equity market % change since July 2009	Germany Spain	25 (40)
Investment grade credit spreads (current)	Core GIIPS	120bp 420bp
Current account (% of GDP)	Germany Spain	5.3 (3.9)
House prices % change in last year	Germany Spain	5 (8)



Source: Bloomberg, as of 26 July 2012



Source: EcoWin, LGIM estimates

ASSET AND LIABILITY MANAGEMENT ACTIONS in response to the financial crisis and to increase certainty of cash.

1. Increased shareholder assets by £1.8 billion from £4.2 billion at FY 2009 to £6.0 billion H1 2012.
2. Reduced equity component of Group capital and financing from 30% in 2008 to 20% H1 2012.
3. Reduced bank holdings within assets backing annuity portfolio from 21% in 2008 to 8% H1 2012.
4. Increased our holdings of sovereigns in the annuity portfolio from 7% in 2008 to 13% in H1 2012.
5. Minimised exposure to GIIPS sovereigns to 0.6% of annuity portfolio.
6. Assets and liability matching improved.
7. Reduced assumed financial returns in shareholder assets, cash 4% to 1%, equities 7.5% to 5.8%.
8. Established £1.6 billion credit default provision, and another 6 months of no defaults.
9. No funding trades, no "collateral upgrades" - not chasing yield.
10. No annuity regulatory arbitrage transactions such as buying peripheral sovereigns.

De-risking providing optionality for long term opportunities

MANAGEMENT ACTIONS we're taking in response to regulation.

1. RDR WILL BE IMPLEMENTED ON TIME

Investing to grow businesses (£44 million in the last three years), won substantial business in banks and building societies, for example, Nationwide – access to 15 million customers.

Support increasing transparency for customers and lower distribution and manufacturing costs.

2. AUTO ENROLMENT WILL BE IMPLEMENTED ON TIME

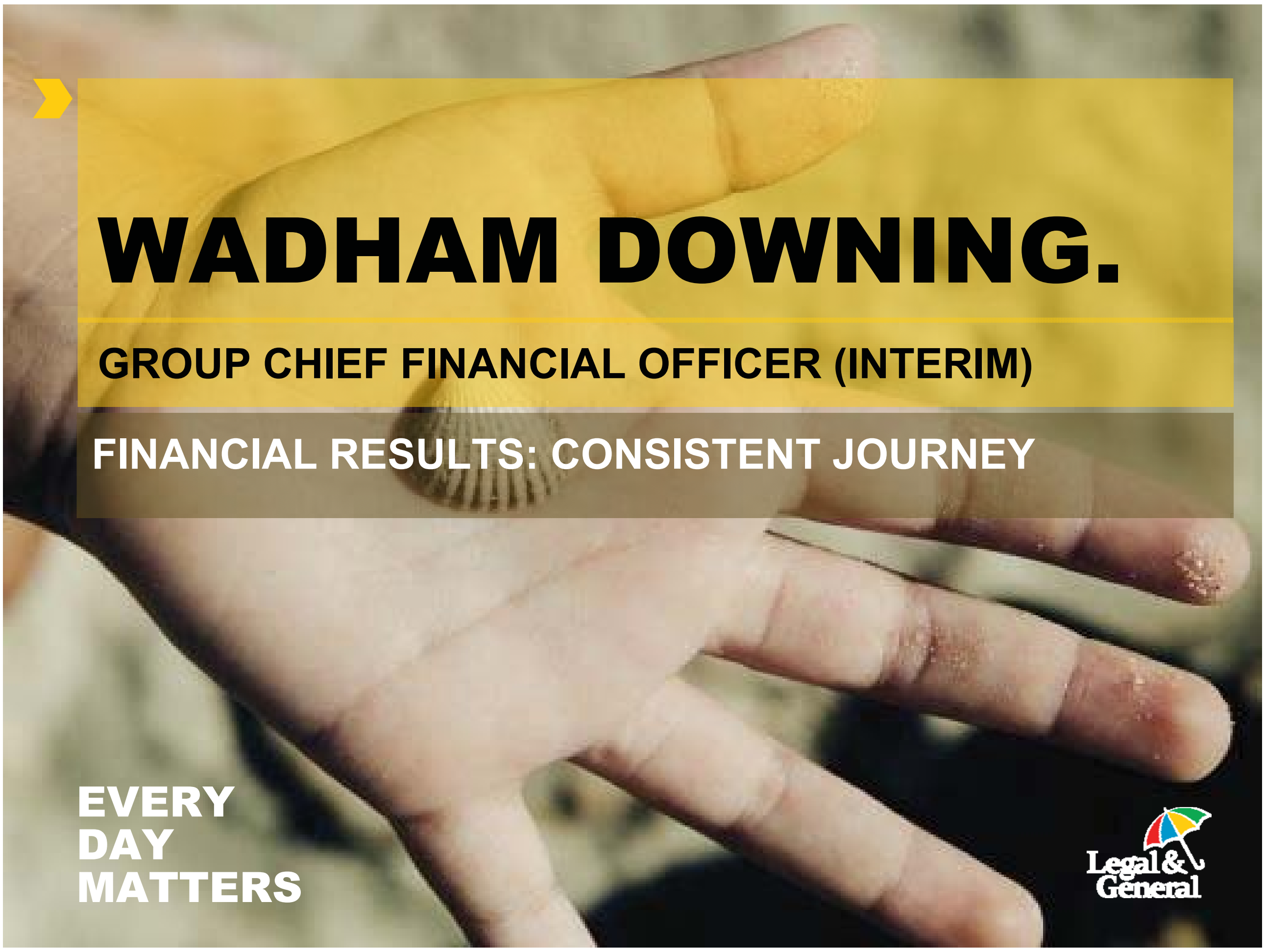
Investing to grow business (£19 million in the last three years), substantial wins in corporate sector, for example, Marks & Spencer, Co-op and General Electric.

Support widening of pensions provision to everyone as part of solution to pensions gap.

3. SOLVENCY II: LIKELY TO BE DELAYED

Investing to achieve regulatory compliance (£117 million in the last three years).

Support risk based approach to economic capital – but solution has to avoid regulatory gaming, gold plating of capital requirements and 'unintended consequences'.



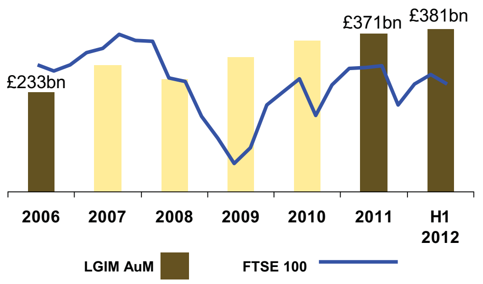
SOLID RESULTS: RESILIENT MODEL.

£m	H1 2012	H1 2011[1]
Operating profit	**518**	493
IFRS profit before tax	**525**	471
Earnings per share (basic) (pence)	**6.96**	6.13
Operational cash generation	**471**	477
Net cash generation	**407**	406
IFRS return on equity (%)	**15.9**	15.0
IGD surplus (£bn)	**3.8**	3.8
IGD coverage (%)	**224**	220
LGIM net flows (£bn)	**4.0**	3.0
Savings net flows (£bn)	**(0.1)**	1.1
Sales – APE	**889**	918
Protection and GI gross premiums	**838**	760
US gross premiums ($m)	**456**	403

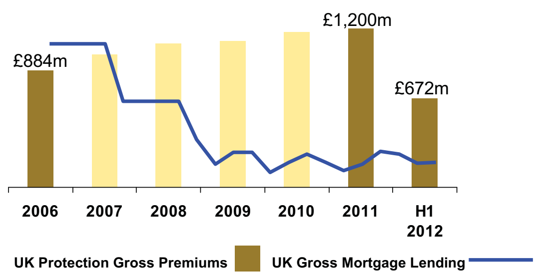
1. Comparatives for IGD surplus and coverage are FY 2011.

RESILIENT MODEL. UNCORRELATED TO MACRO EVENTS.

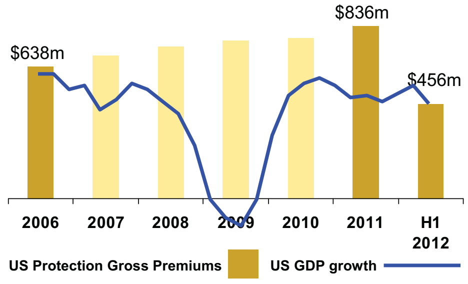
LGIM AuM



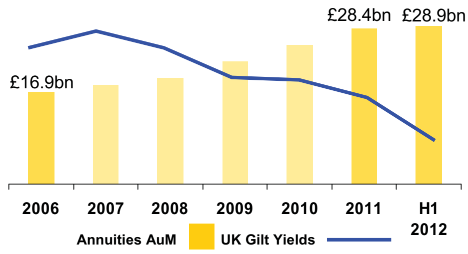
UK protection gross premiums



US protection gross premiums



Annuities AuM



CONTINUING THE CASH FOCUS.

	H1 2011			H1 2012		
	Op. cash	Strain	Net cash	Op. cash	Strain	Net cash
Annuities	112	1	113	121	1	122
Protection	109	(41)	68	107	(33)	74
Insured savings	53	(31)	22	53	(32)	21
In-force cash generation	**274**	**(71)**	**203**	**281**	**(64)**	**217**
With-profits	26		26	26		26
Savings investments and other savings	10		10	9		9
General insurance and other risk	12		12	7		7
LGIM	91		91	97		97
International dividends	35		35	39		39
Operating division cash generation	**448**	**(71)**	**377**	**459**	**(64)**	**395**
GCF – return*	79		29	63		12
GCF – interest	(50)			(51)		
Total	**477**	**(71)**	**406**	**471**	**(64)**	**407**
Variances and other			(46)			(16)
International (ex dividends)			7			1
Tax gross up			126			126
Operating profit			**493**			**518**

5% growth in Operating division net cash generation

*Reflects the change to the calculation of the GCF smoothed return on cash and LIBOR benchmarked bonds in 2011.
The cash rate previously used of 4% was replaced with a one year LIBOR of 1%.
Equity assumed return reduced from 7.5% to 5.8%.

SOLID RESULTS: FEW SURPRISES.

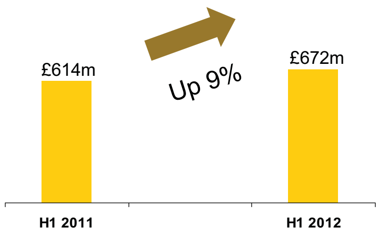
All in £m	Operational cash generation	New business strain	Net cash generation	Experience variances	Changes in valuation assumptions	Non-cash items	Investment gains and losses, international and other	IFRS profit/ (loss) after tax	Tax expense/ (credit)	IFRS profit/ (loss) before tax
Annuities	121	1	122	16	-	(33)	-	105	34	139
Protection & Housing	114	(33)	81	(10)	18	11	-	100	33	133
Investment mgt	97	-	97	-	-	-	-	97	22	119
Savings	88	(32)	56	(15)	2	16	(4)	55	18	73
International	39	-	39	-	-	-	1	40	24	64
GC&F	12	-	12	-	-	-	-	12	1	13
Investment projects	-	-	-	-	-	-	(17)	(17)	(6)	(23)
Operating profit	**471**	**(64)**	**407**	**(9)**	**20**	**(6)**	**(20)**	**392**	**126**	**518**
Variances*	-	-	-	-	-	-	17	17	(11)	6
Other	-	-	-	-	-	-	(2)	(2)	3	1
Total	**471**	**(64)**	**407**	**(9)**	**20**	**(6)**	**(5)**	**407**	**118**	**525**
Per share	**8.08**		**6.98**					**6.96**		
Dividend per share			**1.96**					**1.96**		

*Note: Investment Variance; £15m Asset related, £(9)m Other (incl. mark to market of interest rate swaps)

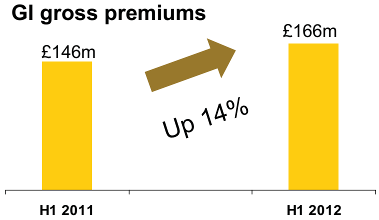
GROWTH IN RISK: QUALITY FRANCHISES.

Financial highlights £m	H1 2012	H1 2011
Operating profit	**272**	236
Operational cash generation	**235**	233
New business strain	**(32)**	(40)
Net cash generation	**203**	193
Of which:		
Annuities	**122**	113
Protection and Housing	**81**	80
Protection APE	**109**	94
Annuities APE	**59**	76
Annuities AuM (£bn)	**28.9**	25.4
Annuities EEV margin (%)	**8.5**	8.4
Protection EEV margin (%)	**10.8**	6.4

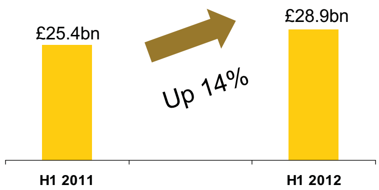
Protection gross premiums



GI gross premiums



Annuities AuM



GROWTH WITH RISK + LGIM.

Global de-risking capability

DEFINED BENEFIT ASSETS	STRATEGIC ASSET ALLOCATION	ASSET DE-RISKING	LIABILITY MATCHING AND DE-RISKING	BULK PURCHASE ANNUITIES
			← Legal & General Annuities →	
← LGIM expertise →				
Index funds **Commodities** **Diversified funds** **Cash** **Property**	**Solutions team** **De-risking mandates**	**Active fixed**	**Liability driven investments** **Longevity insurance**	**Buy-in** **Buy-out** **(Underpinned by asset de-risking and LDI solutions)**

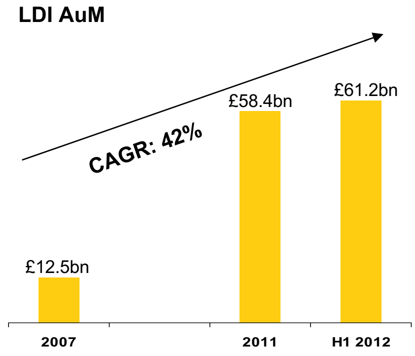
AuM (£bn)					
AuM (£bn)	**227**		**77**	**61**	**29**

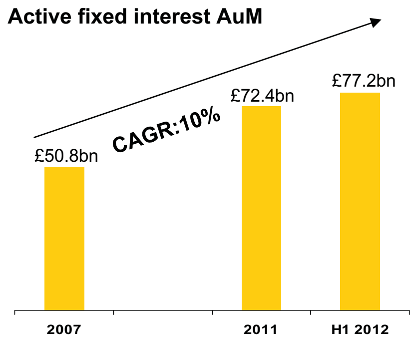
GROWTH IN LGIM: STRONG FLOWS.

Financial highlights £m	H1 2012	H1 2011[1]
Operating profit	**119**	117
Total revenue	**219**	205
Total costs	**(100)**	(88)
Net cash generation	**97**	91
Fee margin (bps)	**10.9**	10.9
Expense margin (bps)	**5.5**	5.2
Net flows (£bn)	**4.0**	3.0
LDI and active assets	**4.5**	2.6
Index assets	**(0.5)**	0.4
AuM (£bn)	**381**	371
UK	**347**	340
International[2]	**34**	31

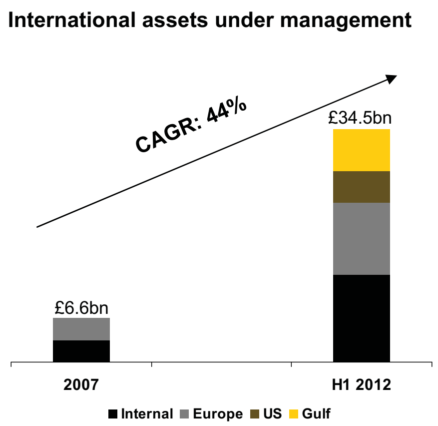
1. Comparatives for AuM are FY 2011.

2. International AuM includes £13bn of internal assets managed by LGIMA.



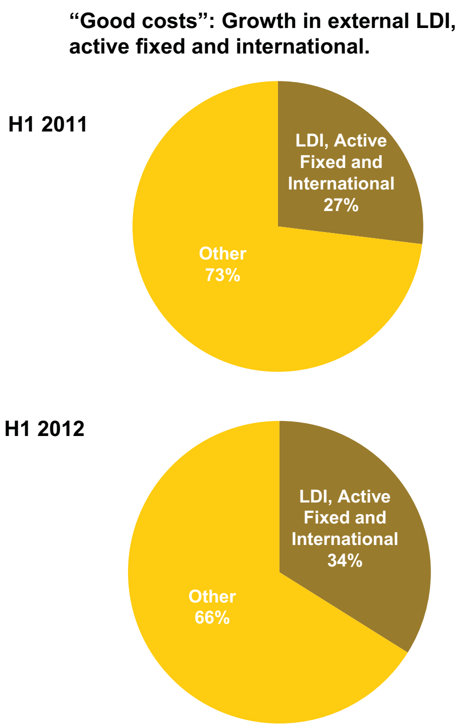


GROWTH IN LGIM: INTERNATIONAL.



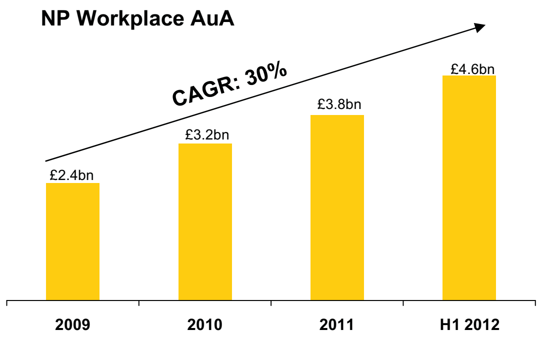
H1 mandate wins:

- 10 LGIMA clients
- International gross inflows of £3.1bn



GROWTH IN SAVINGS: WORKPLACE WINS.

Financial highlights £m	H1 2012	H1 2011[1]
Operating profit	**73**	68
Operational cash generation	**88**	89
New business strain	**(32)**	(31)
Net cash generation	**56**	58
New business APE	**614**	662
Net flows excl. WP (£bn)	**0.7**	1.9
With-profit net flows (£bn)	**(0.8)**	(0.8)
New business strain % PVNBP[2]	**2.4**	2.6
AuA (£bn)	**67**	65

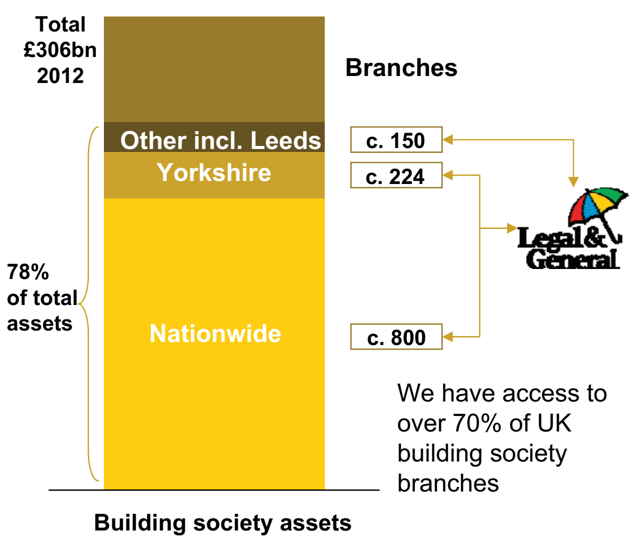


Scheme wins to grow AuA:

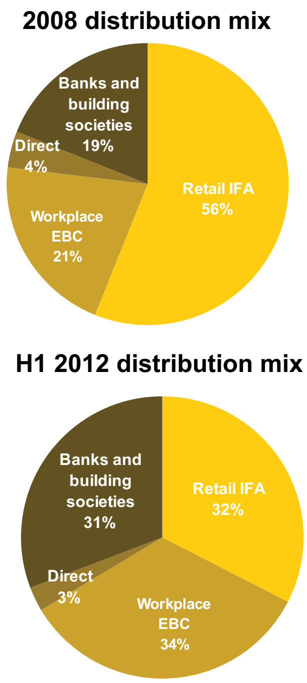
- 114,000 existing members to be transferred
- Plus potential auto enrolees approaching half a million.

1. Comparatives for AuA are FY 2011.
2. UK insured savings business.

GROWTH IN SAVINGS: SECURING DISTRIBUTION.



We have access to over 70% of UK building society branches



Source: Building Society Association individual building society key statistics 2011/12

STRONG BALANCE SHEET: LOW VOLATILITY.

Financial highlights £bn	H1 2012	FY 2011
Group capital resources	**6.9**	6.9
Group capital requirement	**(3.1)**	(3.1)
IGD surplus[1]	**3.8**	3.8
IGD coverage (%)	**224**	220
LGPL default provision	**1.6**	1.6

US capital restructuring:

- Temporary capital usage of c£150m in 2011 and H1 2012.
- New business and backbook financing in H2, subject to regulatory approval.

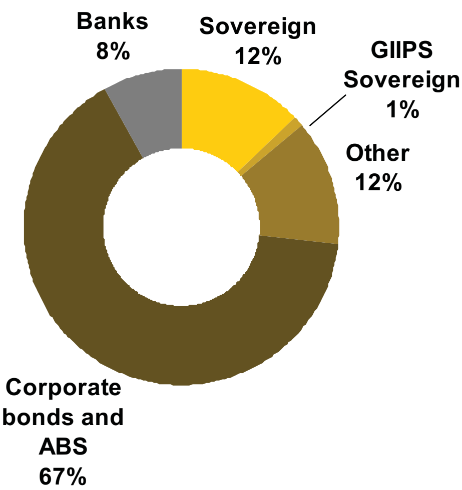
IGD surplus £m	H1 2012
At 1 January 2012	**3,769**
Operational cash generation	**471**
New business strain	**(64)**
2012 interim dividend	**(116)**
Experience	**7**
Group investment projects	**(17)**
Investment variance	**17**
Increase in UK required capital	**(34)**
US temporary capital usage	**(74)**
International IFRS and regulatory differences	**(33)**
Other	**(117)**
At 30 June 2012	**3,809**

1. IGD surplus is after accrual of the interim dividend (£116m).

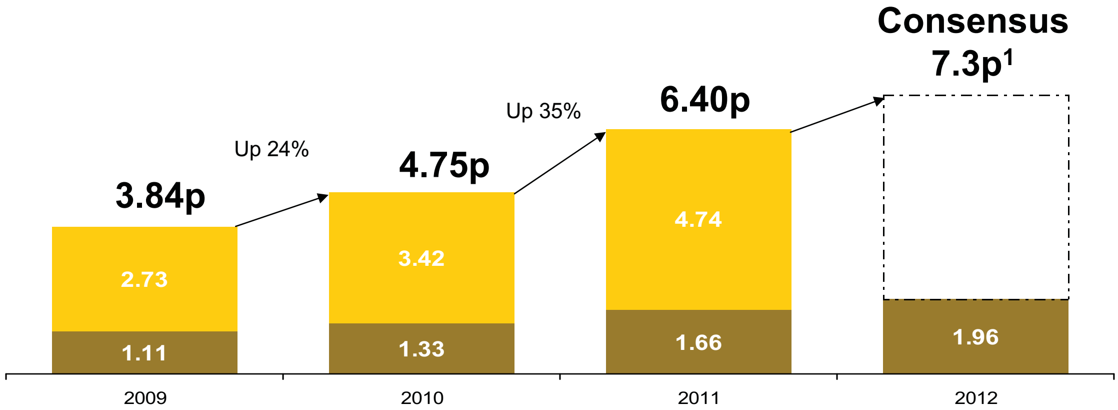
STRONG BALANCE SHEET: DERISKING.

- Diversified portfolio (> 2000 instruments, >500 issuers, many sectors and geographies)
- GIIPS Sovereigns <1% and only £78 million of GIIPS bank debt
- Again no defaults this year

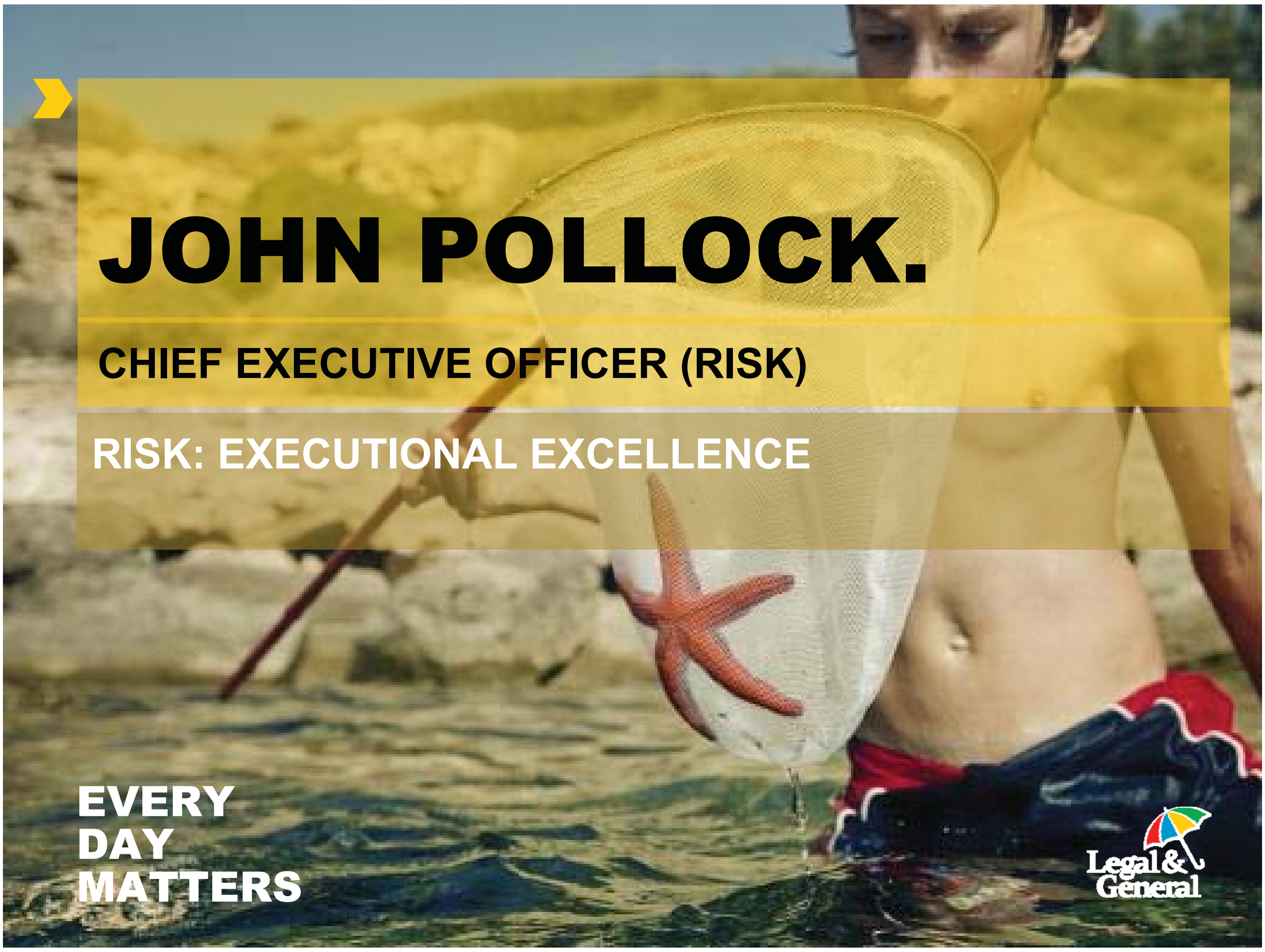
H1 2012 LGPL portfolio exposures



STRONG DIVIDEND GROWTH.



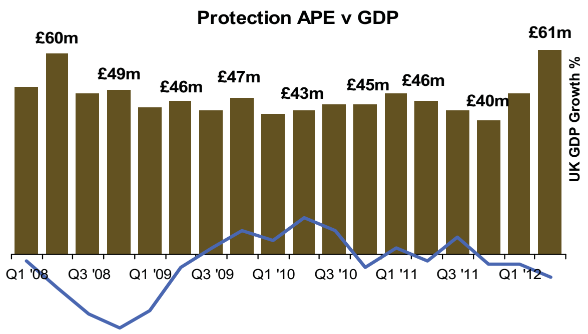
1. Source: Bloomberg at 3 August 2012.

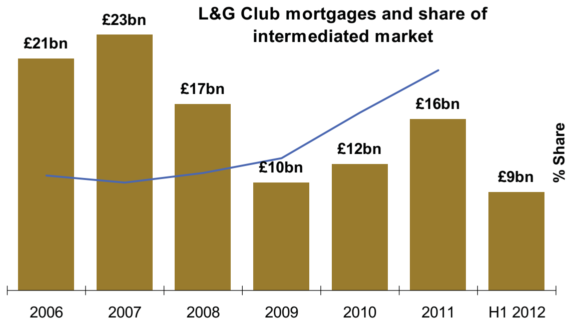


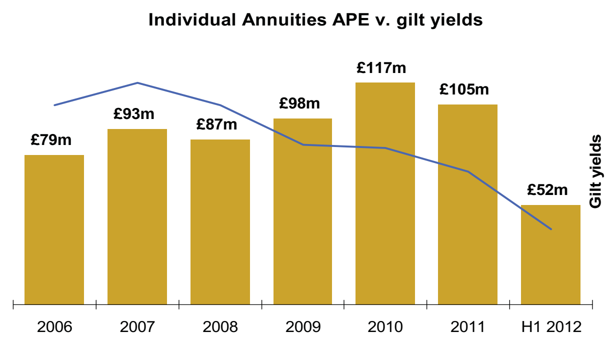
LARGE STOCK DRIVES STRONG CASH.

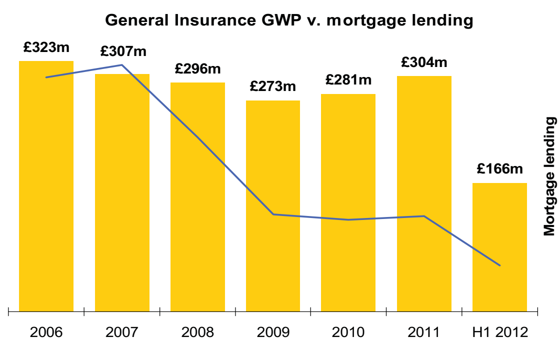
	Total		Annuities		Protection		GI and other	
Financial highlights £m	**H1 2012**	**H1 2011**	**H1 2012**	H1 2011	**H1 2012**	H1 2011	**H1 2012**	H1 2011
Operational cash	**235**	233	**121**	**112**	**107**	**109**	**7**	12
New business strain	**(32)**	(40)	**1**	**1**	**(33)**	**(41)**		
Net cash generation	**203**	193	**122**	113	**74**	68	**7**	12
Operating profit	**272**	236	139	145	124	75	9	16
New business EEV margin	**9.6%**	7.6%	8.5%	8.4%	10.8%	6.4%		
GI operating ratio							99	93
New business APE	**168**	170	59	76	109	94		
- IPA/Individual Protection			52	52	72	65		
- BPA/Group Protection			7	24	37	29		
AUM and gross premiums			**29**	25	**672**	614	**166**	146

SUPERIOR MODELS ATTRACT FLOWS.

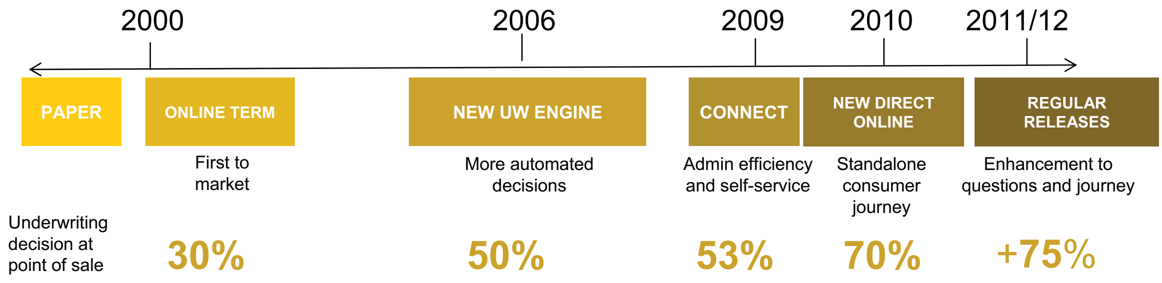




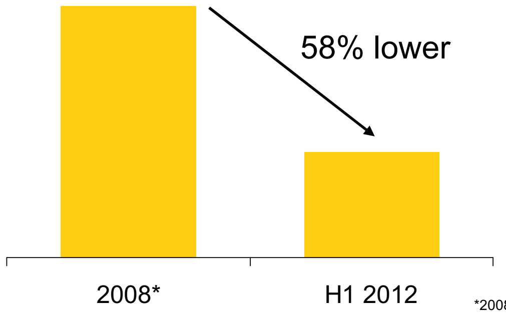




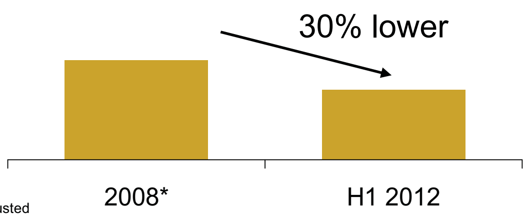
INDIVIDUAL PROTECTION: OPERATIONAL EXCELLENCE.



Protection new business processing unit cost reduction



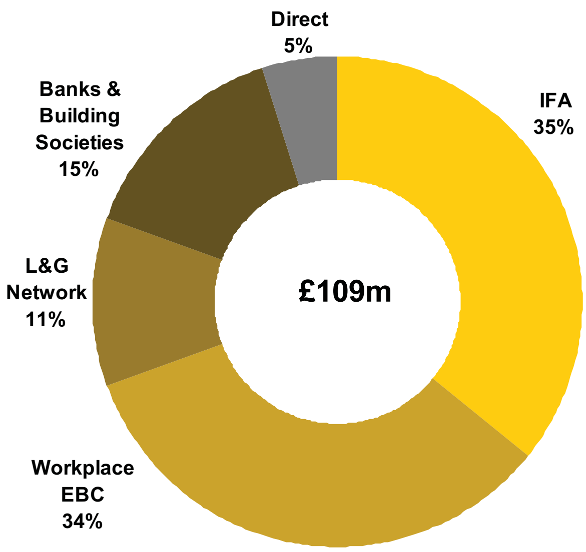
Protection in force unit cost reduction



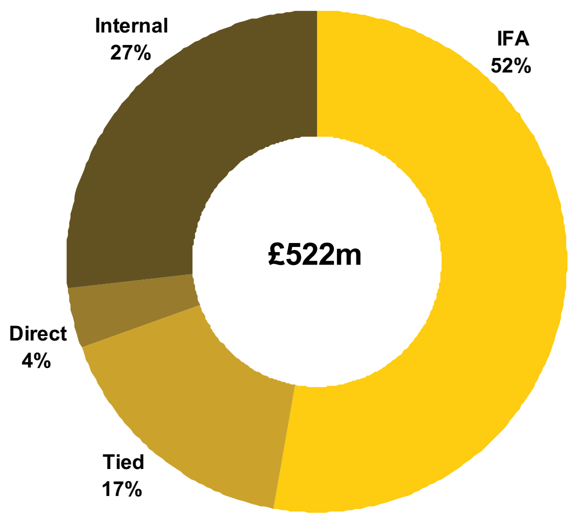
*2008 RPI adjusted

DIVERSIFIED DISTRIBUTION.

Protection APE split by channel



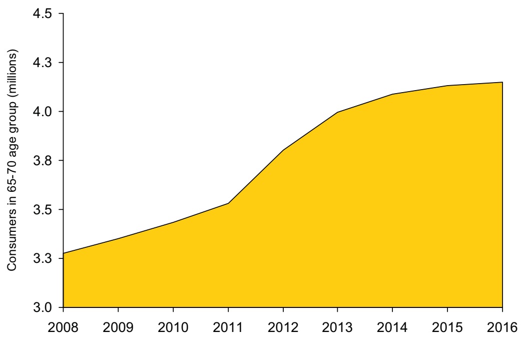
Individual Annuity premium split by channel



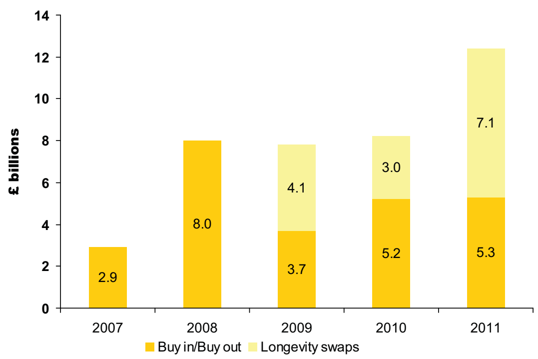
ANNUITIES: A HIGH-GROWTH MARKET.

- Baby boom generation reaching retirement, average DC pot size now £31,000 (£23,000 in 2009)[1]
- Individual market size predicted to increase from £11 billion to £15 billion in next five years [2]
- £12.4 billion of UK de-risking deals in 2011 [3], FTSE 350 pension deficits up to £92 billion [4]
- Bulk market potential enormous (£1,000 billion plus)

UK consumers reaching retirement (5)



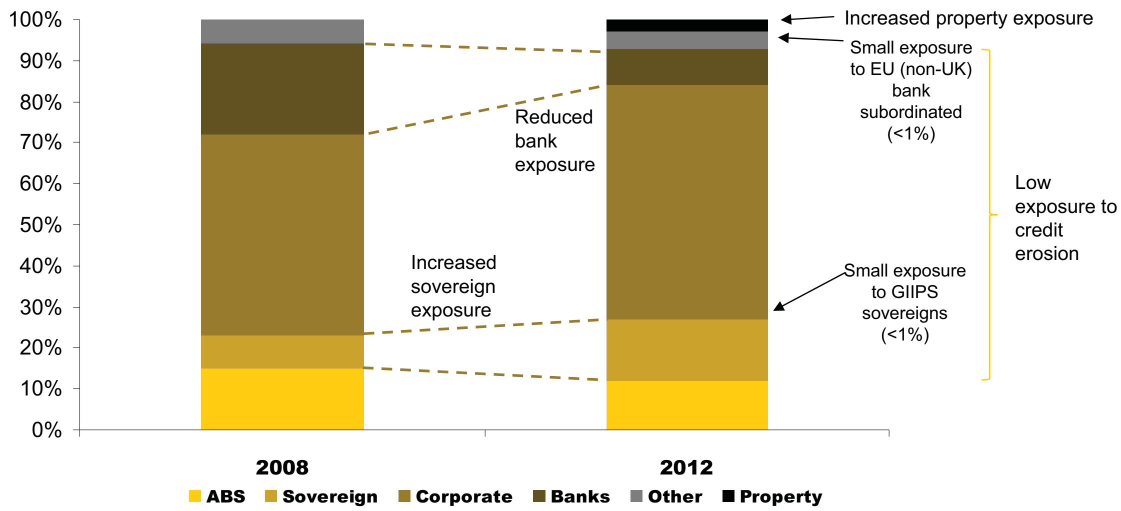
UK risk transfer deals (3)



Sources: (1) ABI, (2) Mintel, (3) Hymans Robertson, (4) Towers Watson (5) Government Actuary's Department

STRONG INVESTMENT DISCIPLINE.

LGPL Asset Allocation 2008 to 2012



1. Portfolio of economic choices. Not boosting yield at the expense of risk
2. Tight ALM management of interest rate and inflation risk
3. Attractively priced diversification

ANNUITIES: INNOVATION AND VALUE.

TURNER AND NEWALL PENSION SCHEME

- Record £1.1 billion bulk annuity scheme
- Attractive profile and limited inflation exposure
- Low risk strategy to lock into terms - annuity portfolio mirrored by Turner and Newall
- Selected for strong brand, financial strength, expertise and execution capabilities

DEFERRED PAYMENT SCHEME

- Buy-in where pension payments are deferred
- Payments to pensioners continue to be met by the sponsoring company
- Lock into terms to de-risk a greater number of members than a vanilla buy-in

INTERNATIONAL GROWTH

- Large defined benefit pension liabilities in Eurozone countries, US and Canada
- Opportunities to use our annuity expertise outside the UK

RISK: INNOVATING TO GROW.

EMPLOYER DE-RISKING

SOURCED £2bn NON-UK LENDING

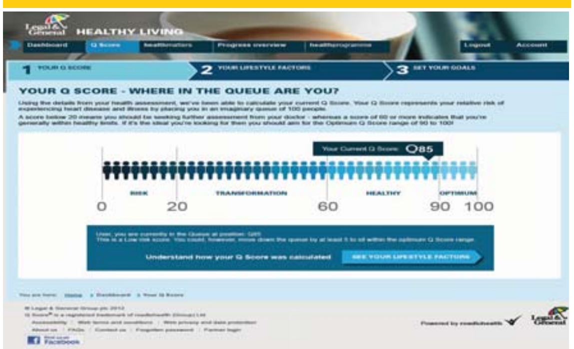
ING DIRECT
A decent way to do banking

Lloyds TSB | International

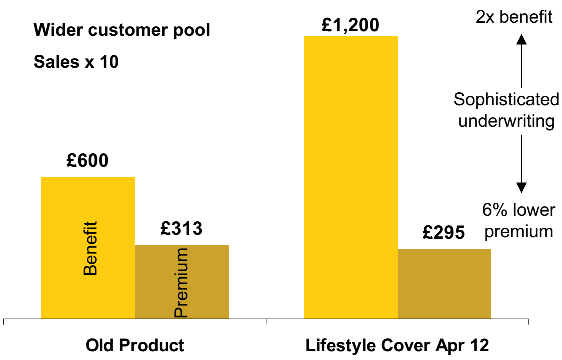
Handelsbanken

البنك الأهلي المتحد
ahli united bank

PROTECTION HEALTH TOOL



GI LIFESTYLE COVER



RISK: EXECUTIONAL EXCELLENCE.

1. Operational excellence from development of expertise and systems.

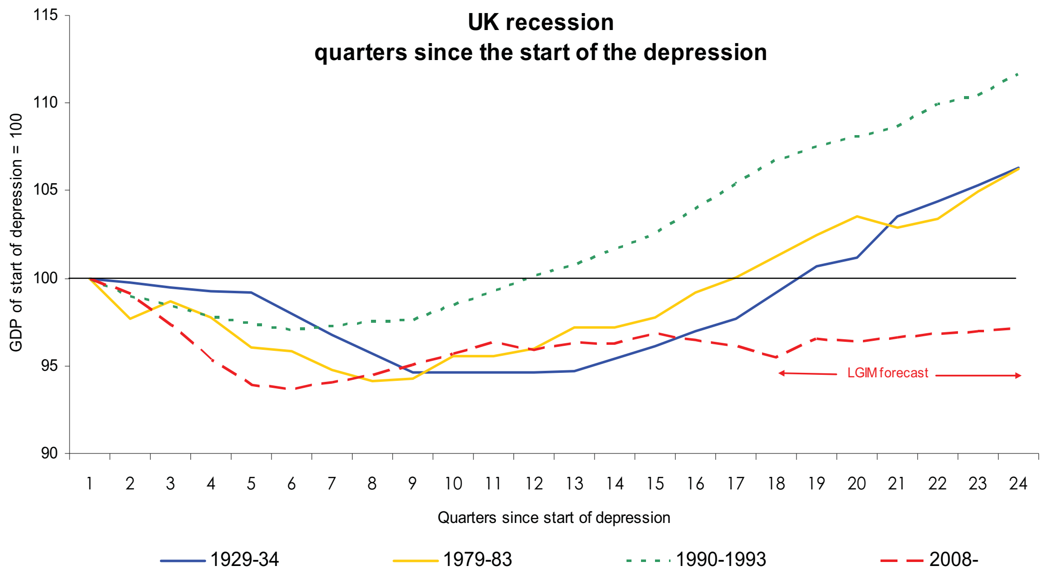
2. Strong flows of premiums through all economic conditions.

3. Substantial stock continues to build, producing strong, sustainable cash.

4. Disciplined approach driving efficiencies, margins and return on economic capital and low portfolio volatility.

5. Innovating to grow from emerging social and economic trends.

HALFWAY THROUGH THIS RECESSION?



"I don't think we are yet halfway through – I've always said that and I'm still saying it."
Sir Mervyn King, 26 June 2012

ACCELERATING EVOLUTION. SOLUTIONS FOR A CHANGING WORLD.

SOLUTIONS FOR INSTITUTIONS (B2B).

- Managing assets for corporates and sovereign wealth funds in Gulf, Asia and US
- Digital Investor Portfolio Service. Ideal for building societies looking for post-RDR propositions.
- De-risking solutions for corporates and pensions funds. Flexible bulk annuity solutions
- Digital Worksave platform. We provide middleware software and employee tools, enabling us to attract auto enrolment schemes like Co-op, Marks & Spencer and General Electric.
- Solutions to help companies manage employee ill health risks

SOLUTIONS FOR CONSUMERS (B2B2C).

- Consumers can apply for protection on our direct website and via aggregators and online brokers. We underwrite 75% of customers at the application stage.
- We were first to market a protection app and Healthclub tool
- Award winning online features such as our "Interactive House" help GI customers to value their contents realistically
- We are working with aggregators to improve direct annuities comparison. Expect growth post RDR
- Expect low cost retail passive funds to grow post RDR, with unbundling of charges

ACCELERATING EVOLUTION.
Conclusion: Resilience + Growth

1. Our business model is proving to be resilient plus no burning platforms.
2. De-risking providing optionality for long term opportunities.
3. Financially and strategically disciplined coupled with strong balance sheet.
4. Macro and industry trends creating opportunities for organic/inorganic growth.
5. Remain committed to deliver shareholder returns.