



**EVERY DAY
MATTERS.**

**UK SAVINGS:
EXPLOITING THE
OPPORTUNITIES.**



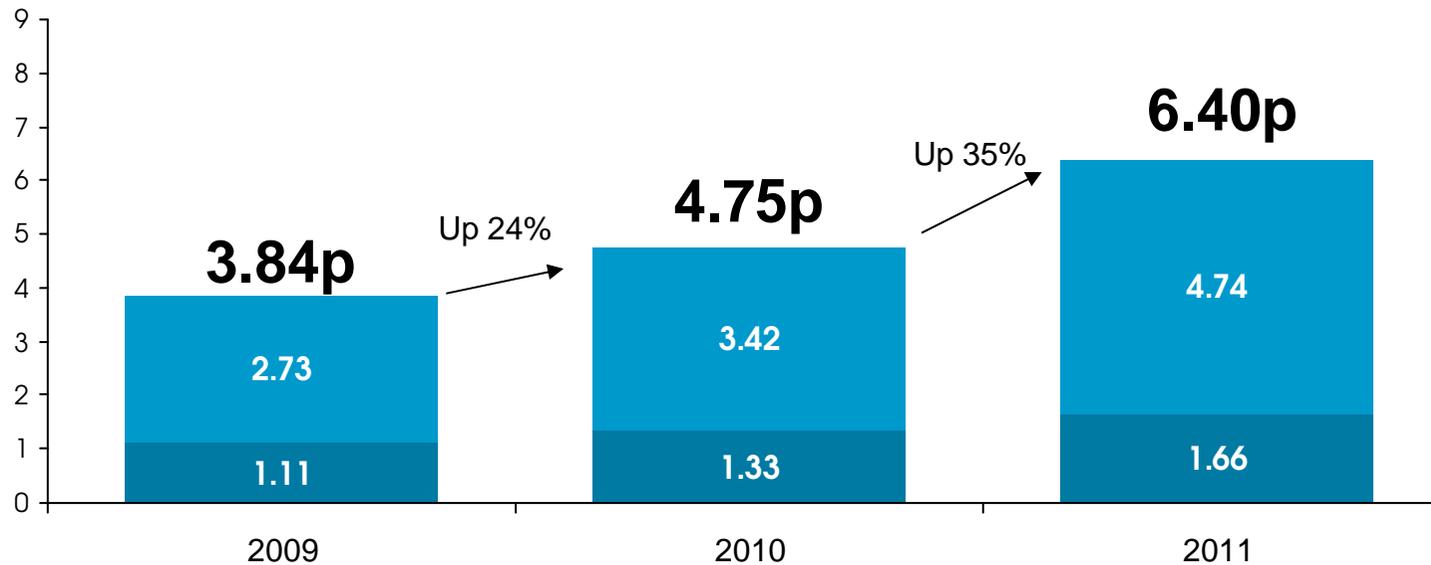
Forward looking statements.

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.

GROUP RESULTS: ALL OPERATING DIVISIONS INCREASED PROFIT.

£m	2011	2010
Operational cash generation	940	840
New Business strain	(94)	(80)
Net cash generation	846	760
IFRS Profit		
Risk	561	560
Savings	128	115
Investment management	234	206
International	137	102
Group capital and financing	52	58
Investment projects	(56)	(39)
Operating profit	1,056	1,002

2011 Full year dividend up 35%.

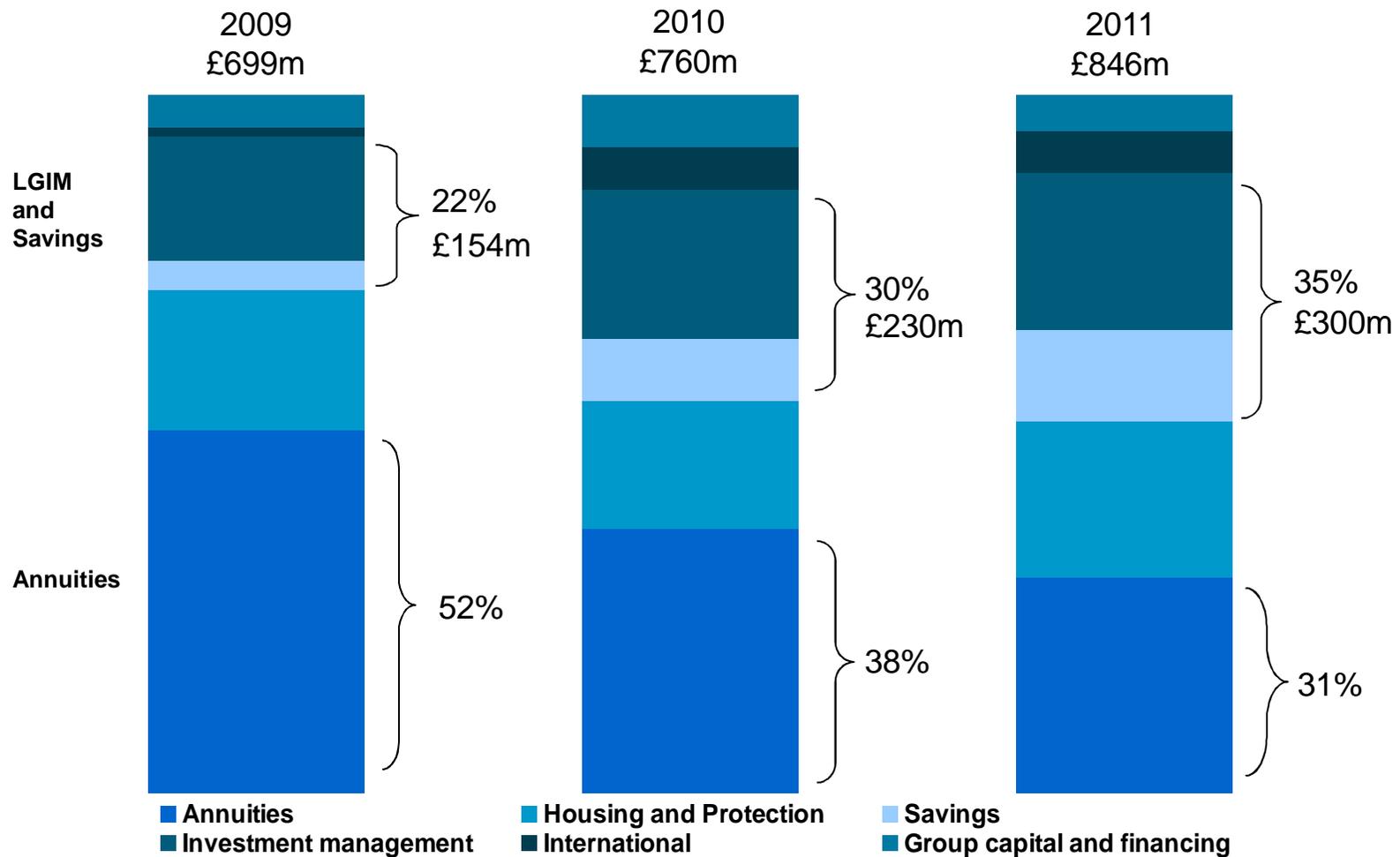


Dividend Declared £m	2009	2010	2011
	225	279	376

Sustainable, diversified and growing cashflow coupled with unwind of dividend cover should result in superior dividend growth.

SAVINGS: INCREASING CASH CONTRIBUTION.

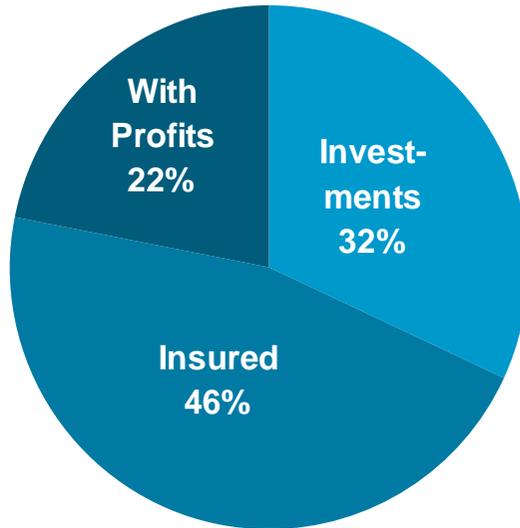
Source of net cash generation 2009-2011



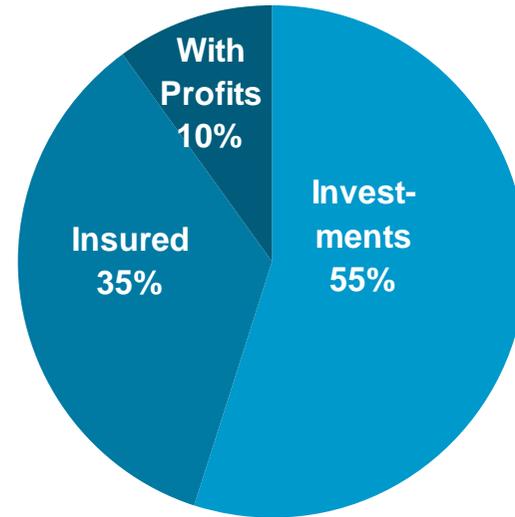
L&G SAVINGS: TRANSFORMED MODEL

TRANSITION TO CAPITAL LIGHT PRODUCTS

2008 New Business Mix



2011 New Business Mix



OPERATIONAL EFFICIENCY IMPROVEMENTS

- **Headcount -19%** in last 3 years
- **Workplace pensions** unit maintenance costs **-48%** from 2007
- **Legal & General Investments cost/income** ratio **-20%** in 2 years

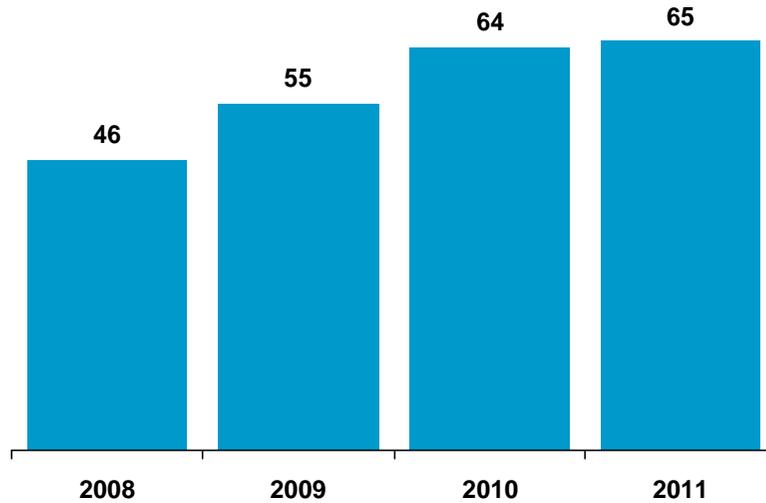
CASH AND PROFIT GROWTH

Net Cash 2008 (£23m) to 2011 £111m

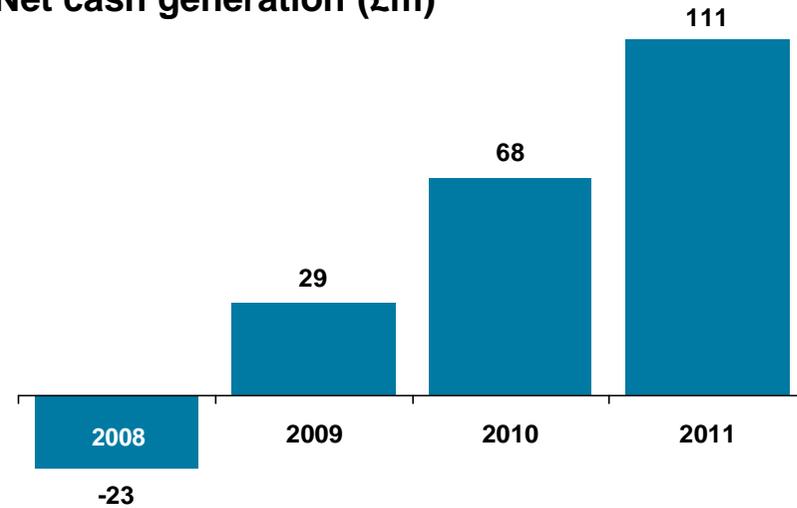
IFRS Profit 2008 £7m to 2011 £128m

SAVINGS DELIVERING PERFORMANCE.

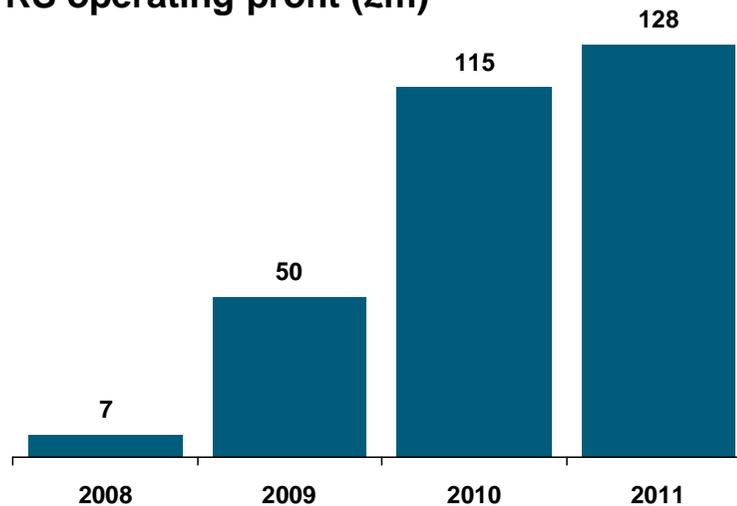
Assets under administration (£bn)



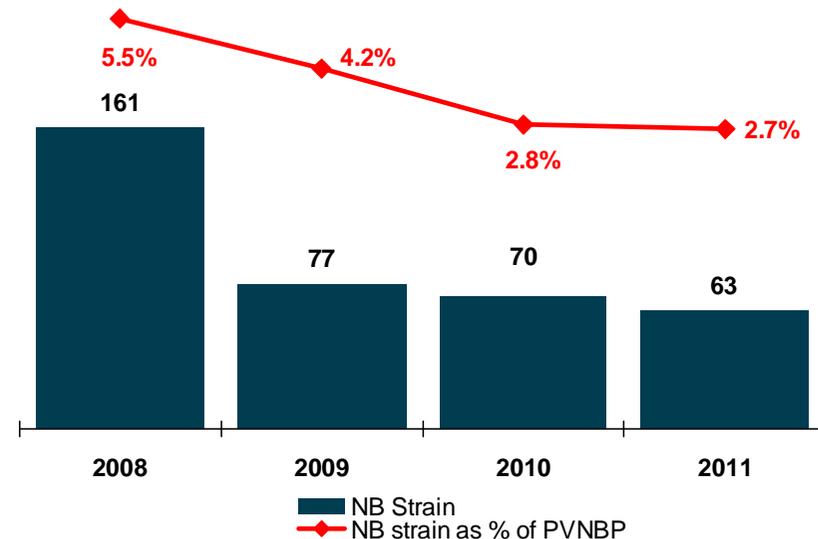
Net cash generation (£m)



IFRS operating profit (£m)



New business strain (£m)¹



1. UK insured savings business (excluding With Profits)

OPPORTUNITY FOR PROFITABLE GROWTH

SUSTAINABLE AND GROWING ASSET ACCUMULATION

UK Savings landscape transformation

- RDR, opportunity to grow adviser and customer reach
- Auto Enrolment, opportunity to gain assets and next generation of savers

Focused response:

- Propositions targeted at exploiting identified opportunities

Success evident:

- Partner of choice for UK's leading Building Societies
- Auto enrolment, won high proportion of largest schemes

RDR: CAPITALISING ON OUR STRENGTHS.



*Q1 2012

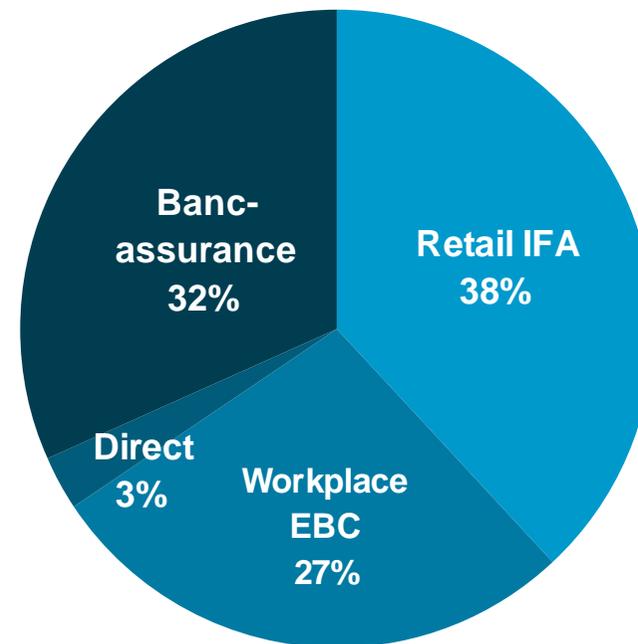
DIVERSIFIED DISTRIBUTION.

2008 Distribution Mix*



£879m APE

2011 Distribution Mix*

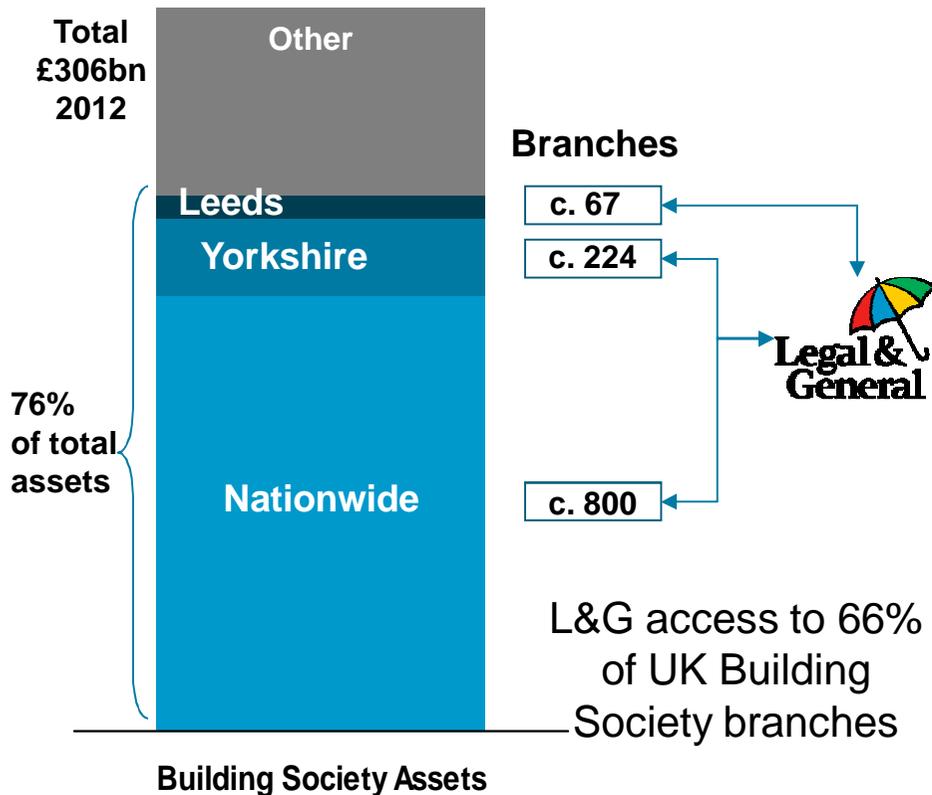


£1,255m APE

Secured distribution, broad customer reach, accessing existing and new savers

*UK Savings

RDR: MAIN PROVIDER TO BUILDING SOCIETIES



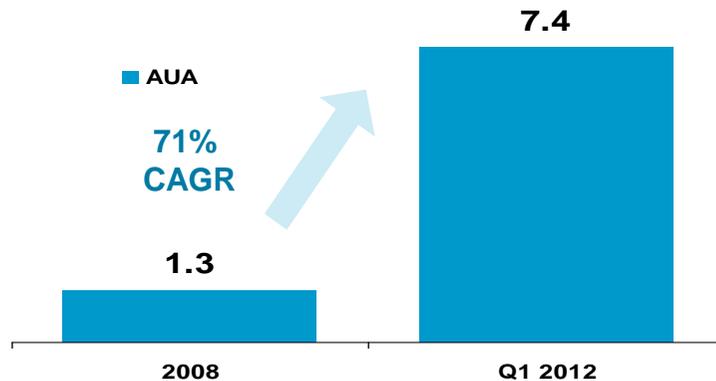
EFFICIENT, SCALEABLE ADVICE SERVICE

- Sole provider access for Savings and Protection
- Building Societies well placed to gain customers:
 - Committed to advice
 - Trusted brands
 - Strong service attracts and retains customers
 - Fewer IFAs
- L&G proven model for retail partners
- L&G offers all core products for bancassurers, value and quality
- Advised and non-advised sales

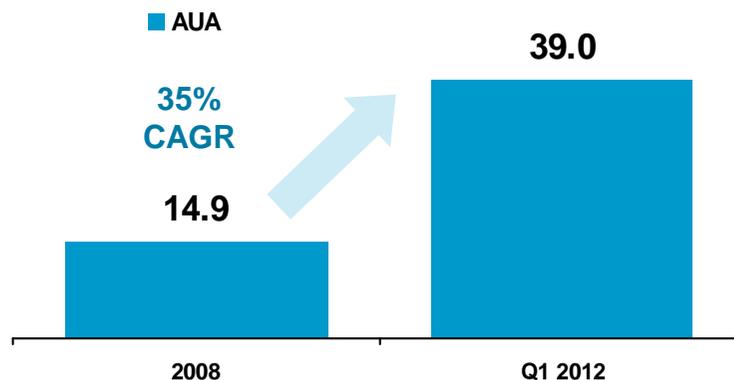
Committed, strong reputation, track-record of execution, predictable revenue

RDR: INTEGRATED PLATFORM MODEL.

IPS Scale £bn AUA



Cofunds Scale £bn AUA



THREE POINT STRATEGY

Investor Portfolio Service:

- 3rd largest UK platform by customers
- Matched to bancassurer and restricted advice requirements

Cofunds:

- High share with independent advisers
- 25% shareholding

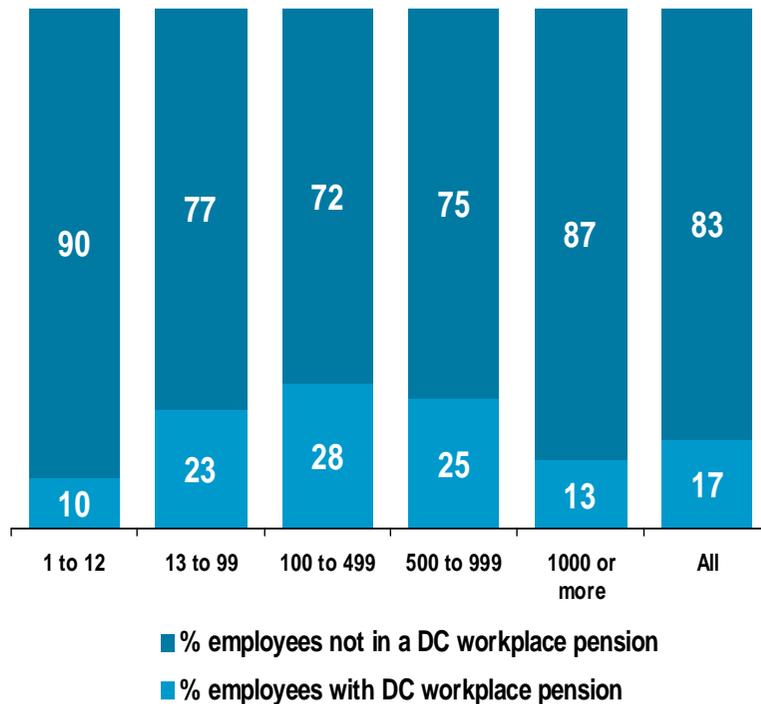
Third party platforms:

- Coverage on platforms, administering 79% of total assets**

Strong proposition and focused strategy to gain share as Platform market grows

DC PENSIONS: SIGNIFICANT GROWTH.

% Employees in Workplace DC pension by Employer Size



PENSION SAVING PROVISION

- Reducing state provision increasing risk to individual
- DB schemes, declining flows - but de-risking driving growth in fixed income, LDI solutions and BPA
- Significant growth in corporate DC assets and flows
- Auto enrolment – new savers
- New models emerging: Trust based, Default solutions

Sizeable asset pools, Cash generation opportunity for efficient scale providers

WORKPLACE SAVINGS: DELIVERING GROWTH.

TOP RATED WORKPLACE SOLUTIONS

Integrated workplace solutions provider: WorkSave platform, Default and Trust fund models, Corporate ISA

Early commitment to auto enrolment

WINNING MAJOR SCHEMES

94,000 existing members secured in 2011.

Further 29,000 in Q1 2012

415,000 potential auto-enrolment members

TRANSFERRING ASSETS

90% of new L&G DC schemes include transfer in of existing assets with associated recurring contributions

CLOSELY INTEGRATED WITH LGIM

LGIM – UK's leading pension fund manager

LGIM Default design, scale & expertise

A winning proposition.

WORKPLACE SAVINGS: CREATING VALUE.

- **Strong pricing discipline**
- **Focus on fee based business**
- **Large scheme wins driving scale and income**
- **Operational leverage through scalable and automated processes**
- **Flexibility to add other products and employee benefits**
- **Further value into Annuities and for LGIM**

Efficiently securing large numbers of new savers and existing assets

CLEAR STRATEGY FOR PROFITABLE GROWTH.

L&G SAVINGS: GENERATING VALUE NOW AND IN THE FUTURE.

Focused strategy to exploit identified UK Savings Opportunities

Well Positioned for Profitable Growth:

- Transformed operation, capital light product focus
- Trusted brand and access to large customer base
- Diversified distribution, high portion secured through building societies
- Workplace scheme wins to gain step change in assets and flows
- Continuing cost efficiency and scale benefits

Targeted response:

- Focused platform strategy to gain higher share after RDR
- Efficient workplace proposition
- Underpinned by LGIM fund design and management capability