



SUSTAINABLE
GROWTH.

Morgan Stanley Conference 2011
29th March 2011

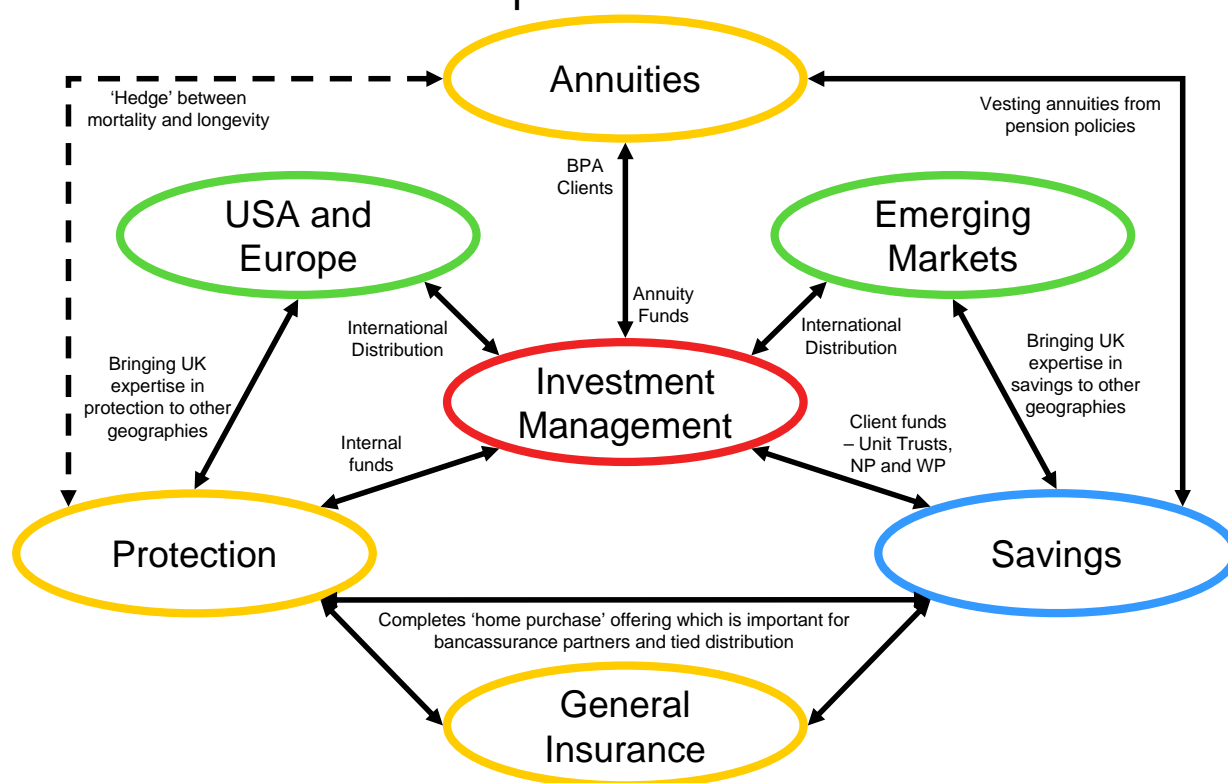


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Forward looking statements.

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.

Multiple Levels of Synergy - LGIM at the centre of the Group.

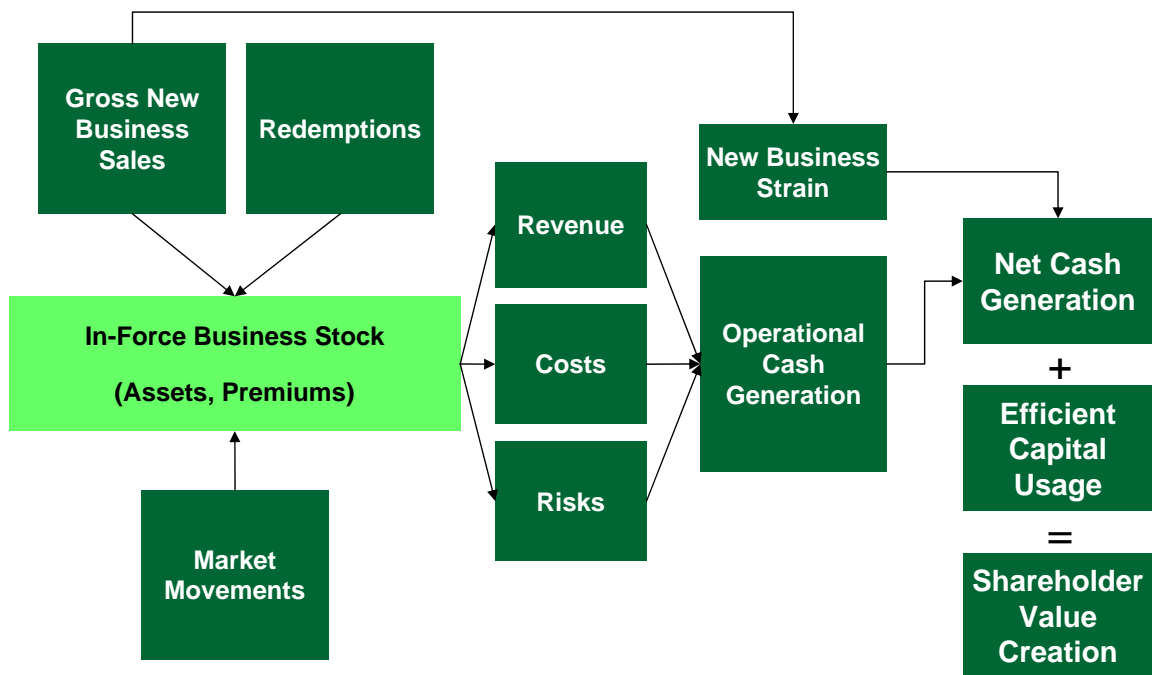


2010: Delivering on our strategy Cash and Growth not mutually exclusive.

| Financial highlights (£m) | 2010 | 2009 |
|--------------------------------|-------|-------|
| Net cash generation | 728 | 699 |
| Worldwide new business (£bn) | 1.8 | 1.4 |
| IFRS Operating profit | 1,002 | 1,109 |
| IFRS profit before tax | 1,092 | 1,074 |
| EEV Operating profit | 1,224 | 1,319 |
| EEV profit before tax | 1,677 | 552 |
| IGD Surplus ¹ (£bn) | 3.7 | 3.1 |
| Final dividend (p) | 3.42 | 2.73 |
| Full year dividend (p) | 4.75 | 3.84 |
| Dividend cash cover (times) | 2.6 | 3.1 |
| Dividend EPS cover (times) | 3.0 | 3.9 |

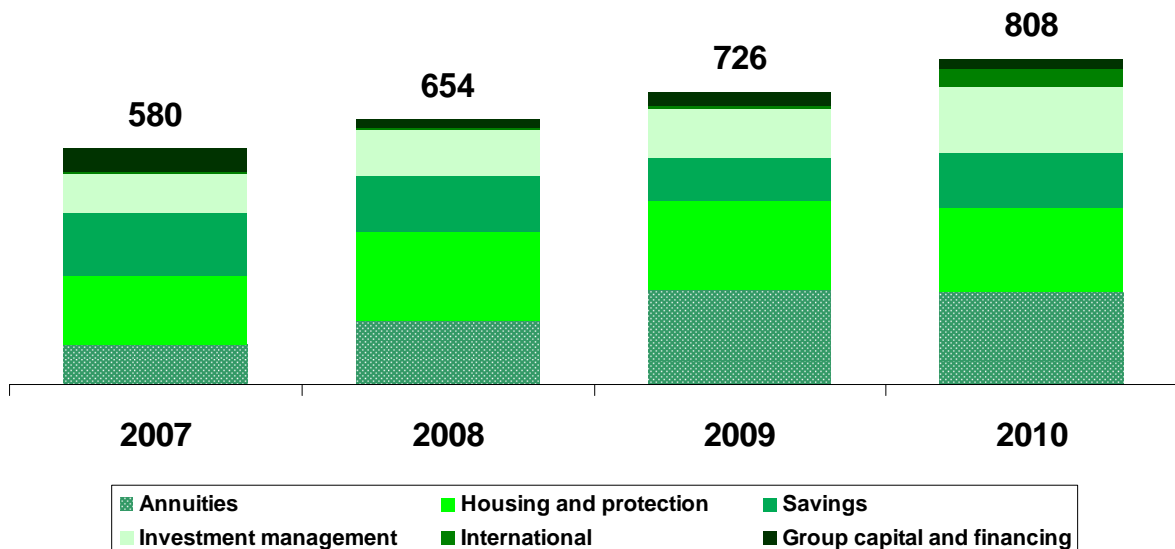
(1) Estimated

Drivers of Cash Generation:
Growth in stock of business coupled with strong cost, risk and capital management.



Cash: consistent 12% per annum growth in operational cash generation.

Operational Cash Generation 2007 – 2010 (£m)



Continued strong profitability and returns.

| Summary IFRS income statement (£m) | 2010 | 2009 |
|---|--------------|--------------|
| Risk | 560 | 735 |
| Savings | 115 | 50 |
| Investment management | 206 | 172 |
| International | 102 | 127 |
| Group capital and financing | 58 | 57 |
| Group projects | (39) | (32) |
| Operating profit | 1,002 | 1,109 |
| Variation from longer term investment return | 90 | (16) |
| Property losses attributable to non-controlling interests | - | (19) |
| Profit from ordinary activities before tax | 1,092 | 1,074 |
| Tax | (272) | (230) |
| Profit from ordinary activities after tax | 820 | 844 |
| Return on equity (%) | 18.2 | 22.2 |
| Earnings per share (p) | 14.07 | 14.82 |
| Full year dividend per share (p) | 4.75 | 3.84 |

Delivering on our strategy.

| Strategic Direction | Evidence |
|--|---|
| RISK: maintain leadership | Scale and expertise across the risk business <ul style="list-style-type: none"> • £25.4bn annuity portfolio • £1.5bn protection premiums • Top 3 player across risk markets |
| SAVINGS: transformation to a lower cost capital light model | A customer centric asset based business <ul style="list-style-type: none"> • £64bn assets under administration • 130% increase in profits • 19% reduction in headcount over 2 years • 43% growth in new business sales over 2 years |
| INVESTMENT MANAGEMENT: a bigger part of what we do | Growth in assets, revenue and profits <ul style="list-style-type: none"> • £354bn assets under management • 19% increase in revenue • 23% of Group net cash generation |
| INTERNATIONAL: measured growth, bancassurance led | Improving returns, measured expansion <ul style="list-style-type: none"> • Capital return from US business • 27% growth in sales • New business in India progressing well |

Valuing the business.

| Implied Share Price (p) | | LGIM Post Tax IFRS Profit Multiple (x) | | | | | |
|----------------------------|-----|--|-----|-----|-----|-----|-----|
| | | 10 | 11 | 12 | 13 | 14 | 15 |
| EEV (ex LGIM) Multiple (x) | 0.6 | 103 | 106 | 109 | 112 | 114 | 117 |
| | 0.7 | 116 | 119 | 122 | 124 | 127 | 130 |
| | 0.8 | 129 | 131 | 134 | 137 | 140 | 142 |
| | 0.9 | 141 | 144 | 147 | 150 | 152 | 155 |
| | 1.0 | 154 | 157 | 159 | 162 | 165 | 168 |
| | 1.1 | 166 | 169 | 172 | 175 | 178 | 180 |

Delivering on our strategy.

| Strategic Direction | Evidence |
|---|---|
| BALANCE SHEET: strength and efficiency | Resilient balance sheet <ul style="list-style-type: none"> • £3.7bn IGD surplus • Expertise in risk management • Solvency II uncertainty remains |
| COSTS: improved efficiency and effectiveness | Step change in cost base <ul style="list-style-type: none"> • UK headcount down 19% since 2007 • LGIM – <u>the</u> low cost manufacturer • Fewer people, doing more |
| ORGANISATIONAL CAPABILITY: increased bandwidth | Attracting high quality business leaders <ul style="list-style-type: none"> • Best ever employee engagement scores • 45% top managers new in role in last 3 years • Superior execution across many projects |
| NEW METRICS: focus on cash | Cash generation central to the way we run the business <ul style="list-style-type: none"> • 51% pa increase in net cash generation over 3 years • High visibility of future cash flows • Cash metrics embedded in objectives and reward |

Growth across the business.
Delivering profits and cash.
Increasing dividends.