



# PRELIMINARY RESULTS 2015

FOR THE YEAR ENDING 31 DECEMBER 2015

1 March 2016

# 2015 HIGHLIGHTS

## DELIVERED DESPITE CHALLENGING TRADING CONDITIONS

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- **Delivered strong revenue growth of 6% at constant rates of exchange** **5%** Organic Revenue Growth in Risk & Insurance
  - **Created global Specialty powerhouse** **19%** Trading Profit Growth
  - **Established JLT Re as a leading global reinsurance broker** **24%** Trading Profit Growth
  - **Achieved strong momentum in US Specialty build-out** **~180** People **\$36m** Revenues
  - **Delivered further strong growth in Emerging Markets** **8%** Organic Revenue Growth
  - **Increased cash dividend for 7<sup>th</sup> consecutive year** **30.6p** Total Dividend Per Share
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# 2015 FINANCIAL RESULTS



£m	2015	2014	Growth		
			Actual	CRE <sup>3</sup>	Organic <sup>4</sup>
Total revenue <sup>1</sup>	1,155.1	1,104.1	5%	6%	2%
Underlying trading profit <sup>2</sup>	187.5	196.8	(5%)	(5%)	
<i>Excl. US investment</i> <sup>5</sup>	208.0	199.5	4%	3%	
Underlying profit margin <sup>2</sup>	16.2%	17.8%			
<i>Excl. US investment</i> <sup>5</sup>	18.4%	18.3%			
Underlying PBT <sup>2</sup>	170.1	183.0	(7%)		
<i>Excl. US investment</i> <sup>5</sup>	190.6	185.7	3%		
Reported PBT	155.0	159.7	(3%)		
Reported EPS (diluted)	47.0p	47.8p	(2%)		
Underlying EPS (diluted)	51.2p	56.1p	(9%)		
Dividend per share	30.6p	28.9p	6%		

1. Total revenue comprises fees, commissions and investment income

2. Underlying results exclude exceptional items

3. CRE = constant rates of exchange are calculated by translating 2015 results at 2014 exchange rates

4. Organic growth is based on total revenue excluding the effect of currency, acquisitions, disposals and investment income

5. Net investment in JLT USA in 2015 was £20.5m (2014: £2.7m)

# REVENUE AND TRADING PROFIT BY SECTOR



£m	Total Revenue				Trading Profit			Trading Margin		
	2015	Growth	CRE	Organic	2015	CRE	2014	2015	CRE	2014
<b>Risk &amp; Insurance</b>										
Specialty Businesses	693.0	6%	8%	6%	128.5	131.1	128.1	19%	18%	20%
JLT Re	173.6	5%	2%	2%	32.4	30.3	26.2	19%	18%	16%
	<b>866.6</b>	<b>6%</b>	<b>7%</b>	<b>5%</b>	<b>160.9</b>	<b>161.4</b>	<b>154.3</b>	<b>19%</b>	<b>18%</b>	<b>19%</b>
<b>Employee Benefits</b>										
UK & Ireland	167.4	(9%)	(8%)	(14%)	12.8	12.9	36.0	8%	8%	20%
International EB	121.1	21%	23%	7%	30.8	28.9	29.0	25%	23%	29%
	<b>288.5</b>	<b>2%</b>	<b>3%</b>	<b>(6%)</b>	<b>43.6</b>	<b>41.8</b>	<b>65.0</b>	<b>15%</b>	<b>14%</b>	<b>23%</b>
<b>Group*</b>	<b>1,155.1</b>	<b>5%</b>	<b>6%</b>	<b>2%</b>	<b>187.5</b>	<b>186.3</b>	<b>196.8</b>	<b>16.2%</b>	<b>16.0%</b>	<b>17.8%</b>

\* Trading profit figures include central costs

£m	Total Revenue				Trading Profit			Trading Margin		
	2015	Growth	CRE	Organic	2015	CRE	2014	2015	CRE	2014
JLT Specialty	311.2	7%	7%	4%	68.3	67.0	57.2	22%	22%	20%

### Highlights

- Strong organic revenue growth of 4%
- Trading profit increase of 19%; trading margin increased by 200 basis points
- Specialty powerhouse created through merger with Lloyd & Partners
- New leadership team in place
- UK Thistle operation to merge into JLT Specialty in 2016
- Strong revenue growth prospects continue into 2016

# RISK & INSURANCE

## OTHER SPECIALTY BUSINESSES



£m	Total Revenue				Trading Profit			Trading Margin		
	2015	Growth	CRE	Organic	2015	CRE	2014	2015	CRE	2014
JLT Australia & NZ	109.5	(4%)	6%	6%	32.7	36.3	32.3	30%	30%	28%
JLT Asia	76.6	7%	3%	3%	12.7	11.2	11.3	17%	15%	16%
JLT Latin America	63.1	4%	16%	16%	21.3	21.6	19.3	34%	31%	32%
JLT USA	23.3	106%	92%	41%	(20.5)	(19.1)	(2.7)	-	-	-
Other	109.3	2%	3%	3%	14.0	14.1	10.7	13%	13%	10%
	<b>381.8</b>	<b>4%</b>	<b>9%</b>	<b>7%</b>	<b>60.2</b>	<b>64.1</b>	<b>70.9</b>	<b>16%</b>	<b>16%</b>	<b>19%</b>

### Highlights

- **JLT Australia & New Zealand:** Strong organic revenue growth and significant client wins driven by success of repositioning along Specialty lines; now operating in 31 locations with over 850 people
- **JLT Asia:** Revenue growth of 7% and trading profit growth of 12%
- **JLT Latin America:** 16% organic revenue growth
- **JLT USA:** Strong first full year of trading delivers revenues of nearly US\$36m (£23.3m), accelerating from US\$11m (£7.5m) at the half year; net investment cost of US\$31m (£20.5m)

£m	Total Revenue				Trading Profit			Trading Margin		
	2015	Growth	CRE	Organic	2015	CRE	2014	2015	CRE	2014
JLT Re	173.6	5%	2%	2%	32.4	30.3	26.2	19%	18%	16%

## Highlights

- Revenue growth of 5%
- Trading profit increased by 24%, improving trading profit margin to 19%
- Completed successful integration of TW Re US platform
- Notable success in Asia as regional reputation and capabilities have grown
- New leadership in US, building on strong market position in US Regional, Public Sector and Nat Cat
- Good 1<sup>st</sup> of January renewals season; well positioned for future growth

# EMPLOYEE BENEFITS

## UK & IRELAND



£m	Total Revenue				Trading Profit			Trading Margin		
	2015	Growth	CRE	Organic	2015	CRE	2014	2015	CRE	2014
UK & Ireland	167.4	(9%)	(8%)	(14%)	12.8	12.9	36.0	8%	8%	20%

### Highlights

- Reduction in revenues and trading profit margin in line with Q3 guidance
- Disappointing performance reflected previously highlighted challenges of:
  - Slowdown in project work due to uncertainties created by government-led industry changes
  - Earlier than expected structural changes as a result of RDR
- Solid business with a strong offering and an attractive range of capabilities
- New senior management team appointed in Q4 who are implementing restructuring plan
- Annual savings from restructuring anticipated to be in the range of £14m for a one-off cost of £12m
- Savings in 2016 anticipated to be in the region of £9m of the estimated annual savings



# EMPLOYEE BENEFITS INTERNATIONAL



£m	Total Revenue				Trading Profit			Trading Margin		
	2015	Growth	CRE	Organic	2015	CRE	2014	2015	CRE	2014
Asia	78.9	14%	7%	5%	24.5	21.4	23.4	31%	29%	34%
Australia & NZ	20.3	164%	193%	18%	3.3	3.7	2.0	16%	16%	26%
Latin America	18.9	(6%)	15%	12%	3.5	4.4	4.2	19%	19%	21%
Other	3.0	(8%)	-	-	(0.5)	(0.6)	(0.6)	(17%)	(17%)	(18%)
	<b>121.1</b>	<b>21%</b>	<b>23%</b>	<b>7%</b>	<b>30.8</b>	<b>28.9</b>	<b>29.0</b>	<b>25%</b>	<b>23%</b>	<b>29%</b>

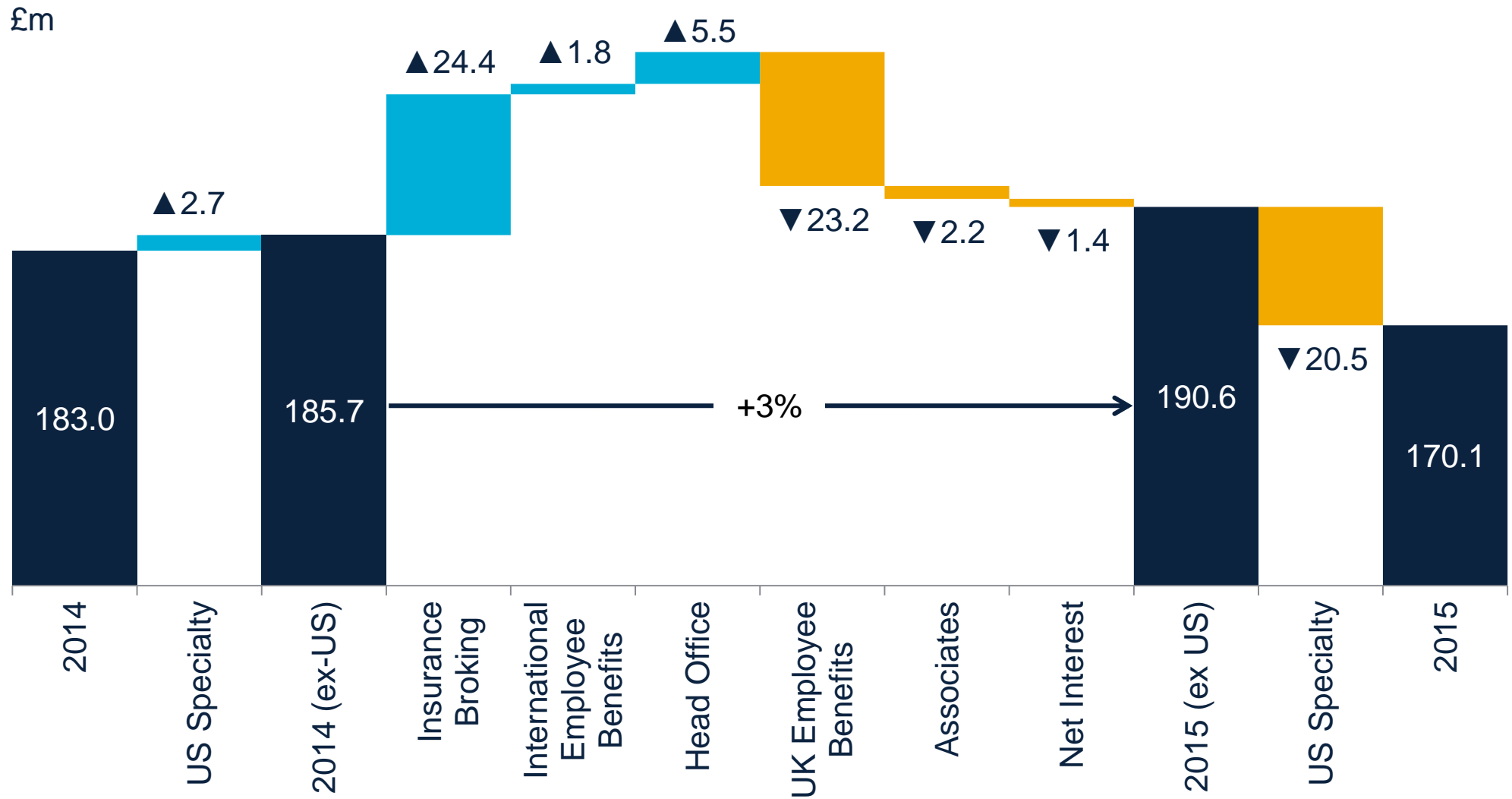
## Highlights

- **Asia:** PCS, our High-Net-Worth life broker had a solid year despite economic slowdown in China
- **Australia & New Zealand:** organic revenue growth supported by strategy of focusing on rehabilitation, building on Recovre and Alpha acquisitions
- **Latin America:** delivered organic revenue growth of 12%, reflecting the success of continued investment in the region



**CHARLES ROZES**  
GROUP FINANCE DIRECTOR

# 2014-2015: UNDERLYING PBT



# 2016 REVENUE AND PROFIT PHASING

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- Seasonality of Risk & Insurance renewals drives revenue and profit phasing across the year
  - 50% of full year revenue historically delivered in December / January and June / July
  - 2015 phasing distorted by UK Employee Benefits results
  - 2016 phasing of underlying PBT anticipated to be approximately 45% in H1 and 55% in H2
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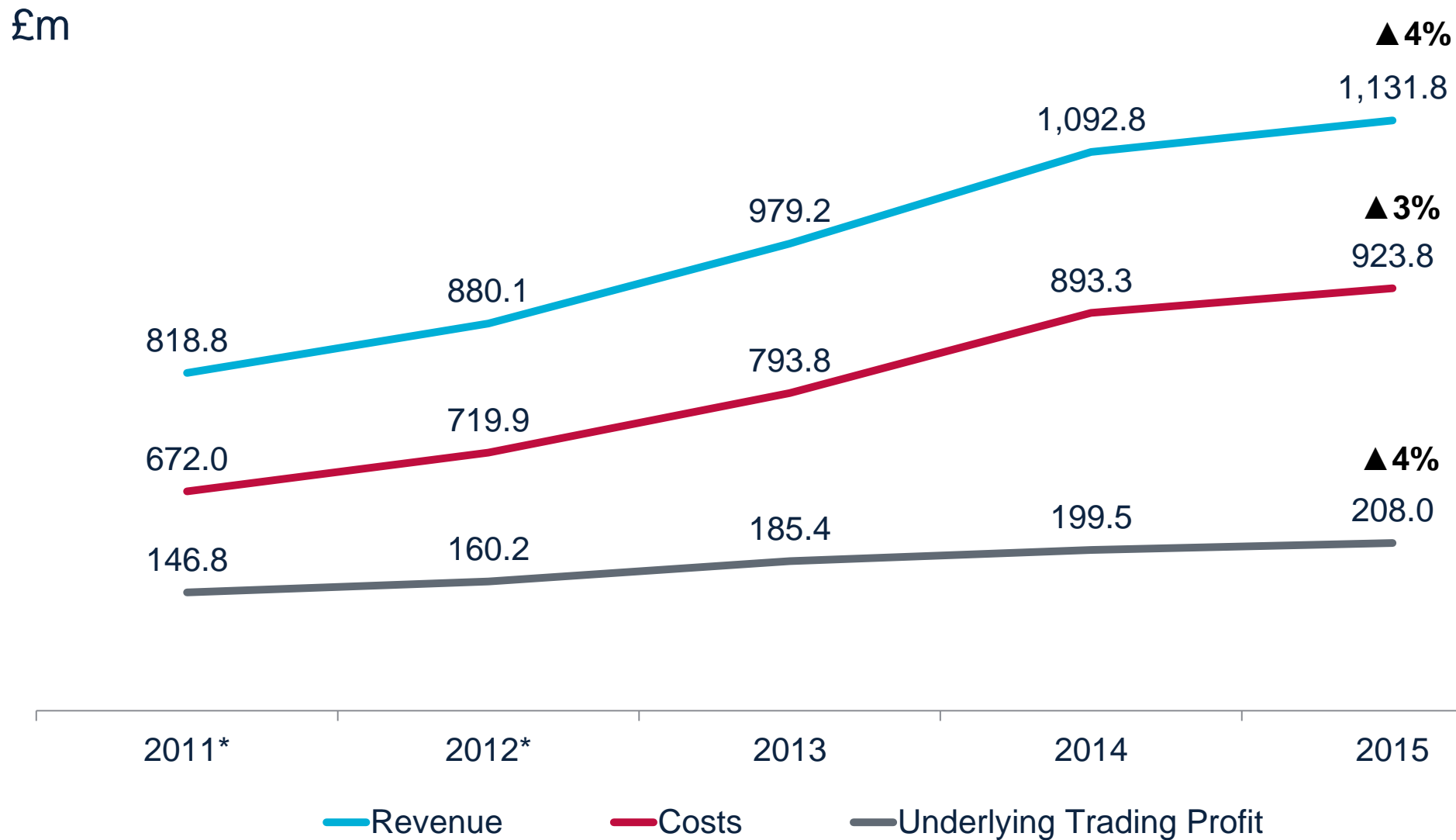
# UNDERLYING OPERATING COST RATIO



£m	Total Costs				Underlying Operating Cost Ratio		
	2015	Growth	CRE	2014	2015	CRE	2014
<b>Risk &amp; Insurance</b>							
JLT Specialty	242.9	5%	5%	232.3	78%	78%	80%
JLT Re	141.2	1%	(1%)	139.3	81%	82%	84%
Other Specialty Businesses	321.6	9%	14%	294.6	84%	84%	81%
	<b>705.7</b>	<b>6%</b>	<b>7%</b>	<b>666.2</b>	<b>81%</b>	<b>82%</b>	<b>81%</b>
<b>Employee Benefits</b>							
UK & Ireland	154.6	5%	5%	147.2	92%	92%	80%
International EB	90.3	27%	32%	71.4	75%	77%	71%
	<b>244.9</b>	<b>12%</b>	<b>14%</b>	<b>218.6</b>	<b>85%</b>	<b>86%</b>	<b>77%</b>
<b>Central Costs</b>	<b>17.0</b>	<b>(25%)</b>	<b>(25%)</b>	<b>22.5</b>	-	-	-
<b>Total (Group)</b>	<b>967.6</b>	<b>7%</b>	<b>8%</b>	<b>907.3</b>	<b>84%</b>	<b>84%</b>	<b>82%</b>
<b>Total (excl US investment)</b>	<b>923.8</b>	<b>3%</b>	<b>5%</b>	<b>893.3</b>	<b>82%</b>	<b>82%</b>	<b>82%</b>

# OPERATING LEVERAGE 2011-2015

## GROUP GROWTH (EXCL. US)



\* Comparatives from 2011 to 2012 have been restated to reflect the impact of IAS 19 (Revised)

# CASH FLOW

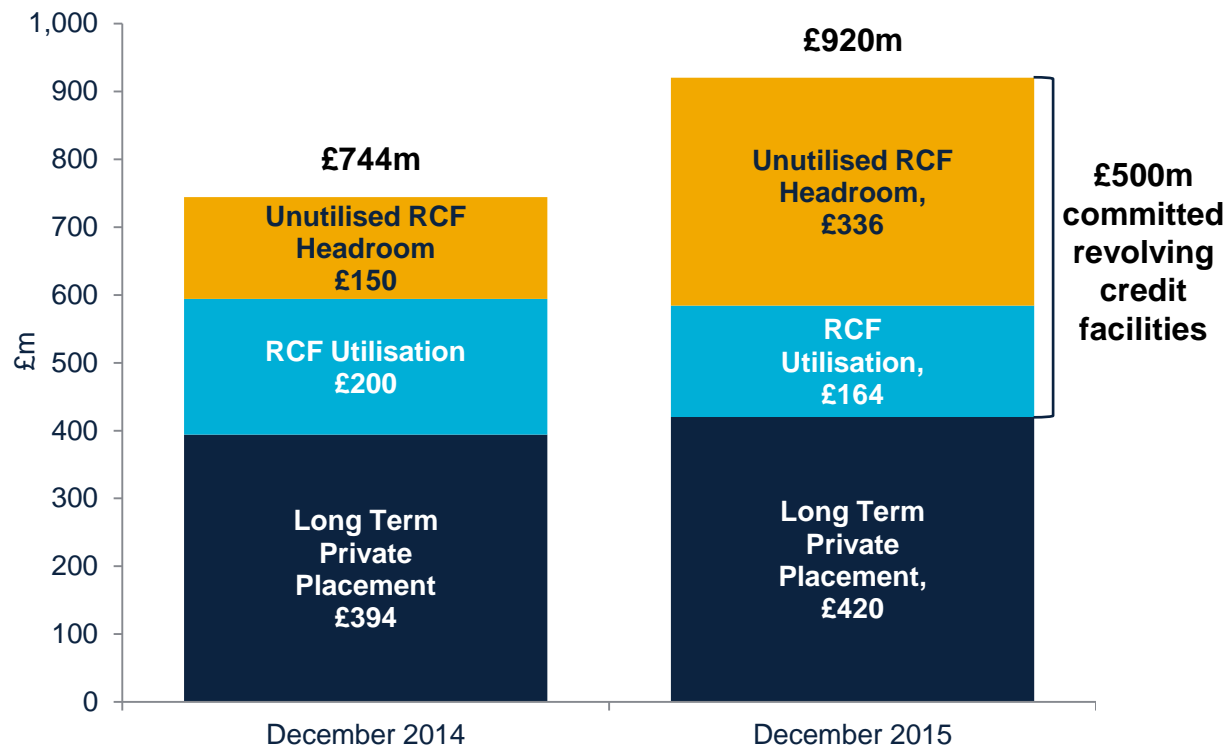


£m	2015	2014	2013	2012	2011
EBITDA	244	240	219	209	185
Net interest	(15)	(15)	(9)	(6)	(6)
Working capital	8	(58)	(27)	(56)	(25)
Annual capex	(60)	(49)	(72)	(32)	(35)
<b>Operational free cash flow</b>	<b>177</b>	<b>118</b>	<b>111</b>	<b>115</b>	<b>119</b>
Dividends paid	(63)	(60)	(58)	(59)	(53)
Acquisitions / disposals	54	(68)	(177)	(40)	(22)
Tax paid	(37)	(37)	(41)	(35)	(42)
Net shares acquired	(26)	(32)	(21)	(15)	(9)
Other	(57)	(50)	(17)	(8)	(17)
<b>Net cash inflow / (outflow)</b>	<b>48</b>	<b>(129)</b>	<b>(203)</b>	<b>(42)</b>	<b>(24)</b>

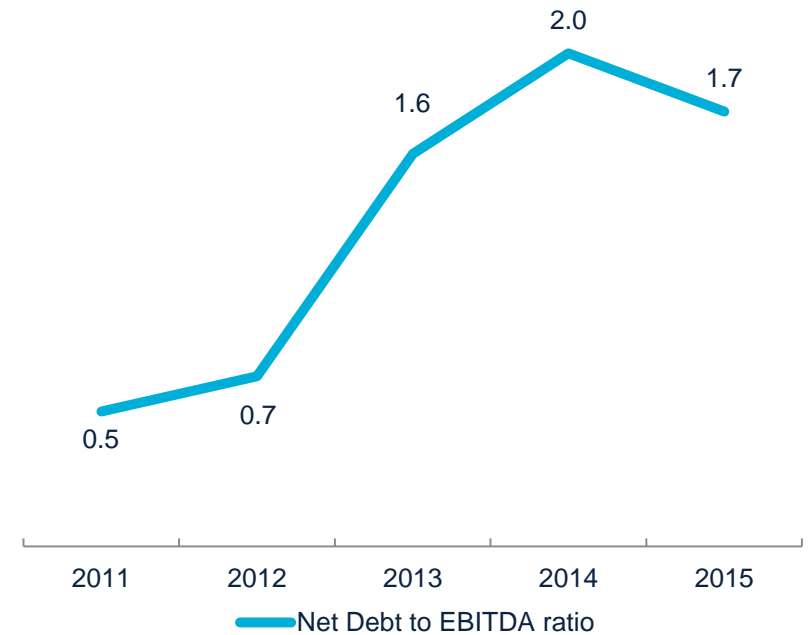
# GROUP FUNDING



### Total Committed Debt Facilities and Utilisation



### Net Debt to EBITDA, 2011-2015





# BREAKDOWN OF EXCEPTIONAL ITEMS



£m	2015	2014
<b>Net exceptional items:</b>		
Acquisition and integration costs	(21.3)	(13.3)
Restructuring costs	(9.9)	(2.5)
Net litigation costs	(1.6)	-
Gain on sale of Siaci	18.6	-
Business Transformation Programme	-	(7.8)
Other	(0.9)	0.3
	<b>(15.1)</b>	<b>(23.3)</b>
<b>Taxation impact of exceptional items:</b>		
Tax credit on exceptional items	5.9	5.1

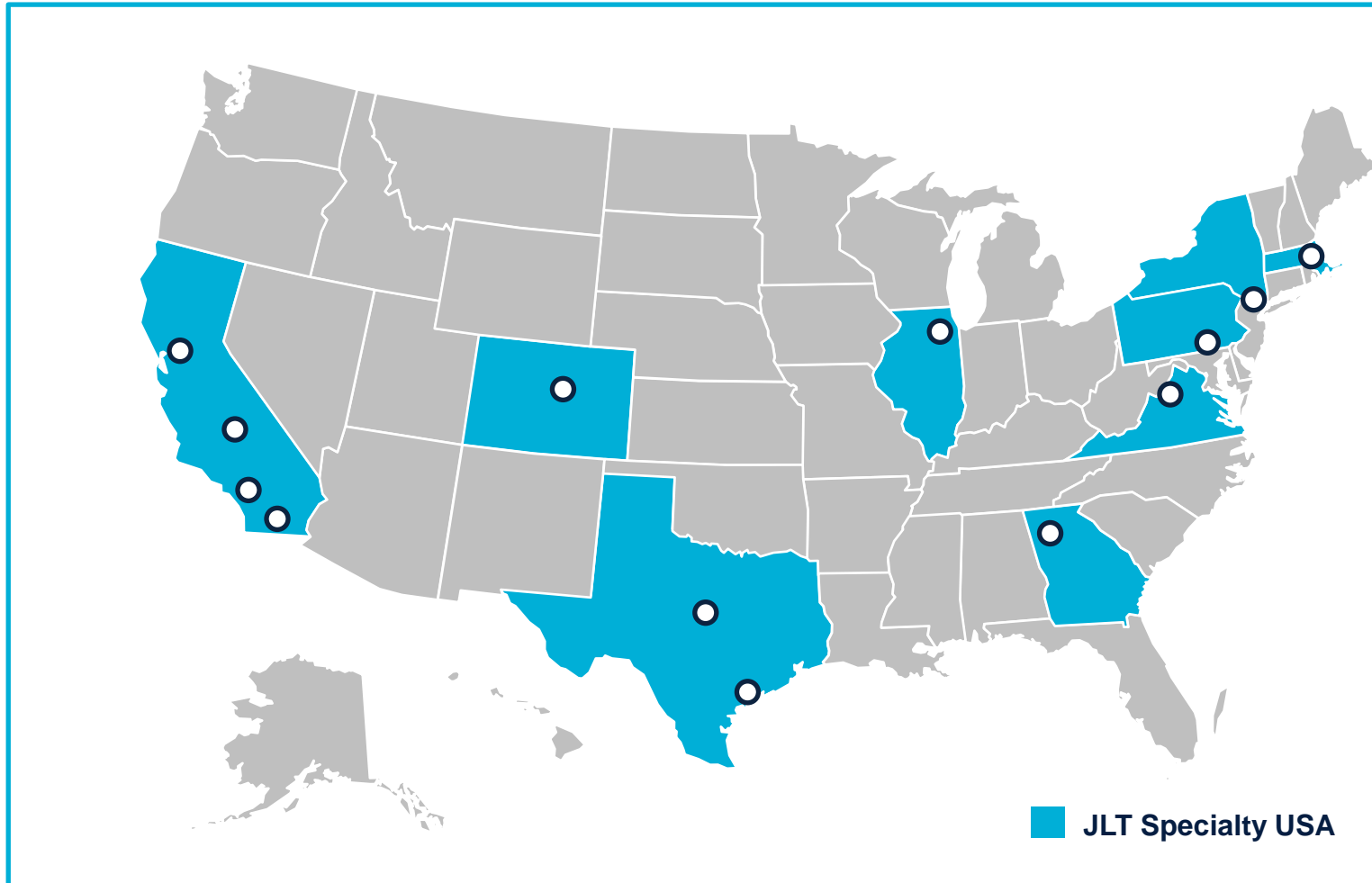


**CHARLES ROZES**  
GROUP FINANCE DIRECTOR



**DOMINIC BURKE**

GROUP CEO



**~180**  
employees

**13** cities

**\$36m**  
revenues



Aviation



Cyber



Financial Lines



Energy



Entertainment



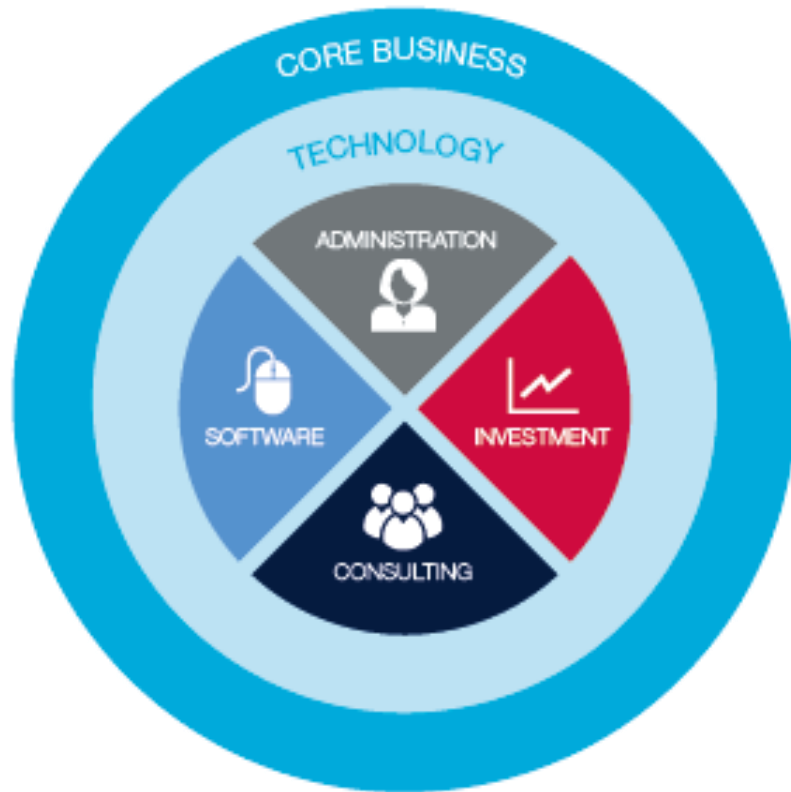
Reps & Warranties



Real Estate & Construction

# EMPLOYEE BENEFITS UK

## RESHAPING THE BUSINESS FOR THE FUTURE



- Grow and further consolidate our position as the UK's largest provider of pension administration services to the private sector
- Drive renewed growth in our consulting businesses
- Further enhance our presence as one of the UK's largest provider of occupational pensions software
- Continue to build our investment management business

Funds under advice  
**£5.3 billion**

Scheme members administered  
**5 million**

Administration clients  
**3000+**

# 2016 OUTLOOK: DRIVING MOMENTUM

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- **The business continues to face a number of headwinds:**
    - Downward pressure in the insurance and reinsurance rating environments
    - Continued slowdown in the emerging markets
    - Weak energy and commodity prices
    - Foreign currency volatility
    - Ongoing structural changes to the UK occupational pensions market
  - **Our focus remains on what we can control and driving momentum:**
    - Driving forward with our Specialty-led strategy
    - Maintaining our distinctive entrepreneurial culture that helps us retain and attract the very best people
    - Retaining our stability of strategic vision and leadership
    - Expanding our geographical reach
    - Building on our position as one of the world's leading reinsurance brokers
    - Making further bolt-on acquisitions
    - Benefiting from our exposure to the emerging economies of the world
  - **We therefore remain confident in our strategy, our platform and our continued ability to grow**
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# Questions

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# SUPPLEMENTARY SLIDES



# PROFIT & LOSS



£m	2015	2014	Change
Revenue	1,155.1	1,104.1	51.0
Operating costs	(967.6)	(907.3)	(60.3)
Underlying trading profit	187.5	196.8	(9.3)
Underlying share of associates	5.5	7.7	(2.2)
Net finance costs	(22.9)	(21.5)	(1.4)
Underlying PBT	170.1	183.0	(12.9)
Exceptional items	(15.1)	(23.3)	8.2
PBT	155.0	159.7	(4.7)
Underlying tax expense	(47.5)	(47.2)	(0.3)
Tax on exceptional items	5.9	5.1	0.8
Non-controlling interests	(10.3)	(12.3)	2.0
PAT (after non-controlling interests)	103.1	105.3	(2.2)
Underlying PAT (after non-controlling interests)	112.3	123.5	(11.2)
Diluted EPS	47.0p	47.8p	(0.8p)
Underlying diluted EPS	51.2p	56.1p	(4.9p)
Total dividend per share	30.6p	28.9p	1.7p

# TOTAL REVENUE & TRADING PROFIT BY BUSINESS SEGMENT



£m	Total Revenue				Trading Profit			Trading Margin		
	2015	Growth	CRE	Organic	2015	CRE	2014	2015	CRE	2014
<b>Risk &amp; Insurance</b>										
JLT Specialty	311.2	7%	7%	4%	68.3	67.0	57.2	22%	22%	20%
JLT Re	173.6	5%	2%	2%	32.4	30.3	26.2	19%	18%	16%
JLT Australia & NZ	109.5	(4%)	6%	6%	32.7	36.3	32.3	30%	30%	28%
JLT Asia	76.6	7%	3%	3%	12.7	11.2	11.3	17%	15%	16%
JLT Latin America	63.1	4%	16%	16%	21.3	21.6	19.3	34%	31%	32%
JLT Insurance Services	50.6	(6%)	(6%)	(6%)	6.0	6.1	7.9	12%	12%	15%
JLT Europe, Middle East and Africa	30.1	15%	22%	19%	6.0	6.3	3.5	20%	20%	13%
JLT USA	23.3	106%	92%	41%	(20.5)	(19.1)	(2.7)	-	-	-
JLT Canada	20.4	(1%)	6%	8%	1.5	1.3	(1.1)	7%	6%	(6%)
JLT Insurance Management	8.2	11%	4%	4%	0.5	0.4	0.4	6%	6%	5%
	<b>866.6</b>	<b>6%</b>	<b>7%</b>	<b>5%</b>	<b>160.9</b>	<b>161.4</b>	<b>154.3</b>	<b>19%</b>	<b>18%</b>	<b>19%</b>
<b>Employee Benefits</b>										
UK & Ireland	167.4	(9%)	(8%)	(14%)	12.8	12.9	36.0	8%	8%	20%
Asia	78.9	14%	7%	5%	24.5	21.4	23.4	31%	29%	34%
Australia & NZ	20.3	164%	193%	18%	3.3	3.7	2.0	16%	16%	26%
Latin America	18.9	(6%)	15%	12%	3.5	4.4	4.2	19%	19%	21%
Europe, Middle East and Africa	1.7	6%	16%	16%	(0.3)	(0.3)	(0.2)	(17%)	(17%)	(15%)
Canada	1.3	(22%)	(16%)	(15%)	(0.2)	(0.3)	(0.4)	(17%)	(17%)	(21%)
	<b>288.5</b>	<b>2%</b>	<b>3%</b>	<b>(6%)</b>	<b>43.6</b>	<b>41.8</b>	<b>65.0</b>	<b>15%</b>	<b>14%</b>	<b>23%</b>
<b>Central Costs</b>										
	-	-	-	-	(17.0)	(16.9)	(22.5)	-	-	-
<b>Total</b>	<b>1,155.1</b>	<b>5%</b>	<b>6%</b>	<b>2%</b>	<b>187.5</b>	<b>186.3</b>	<b>196.8</b>	<b>16.2%</b>	<b>16.0%</b>	<b>17.8%</b>

CRE = Constant Rate of Exchange

# TOTAL REVENUE GROWTH COMPONENTS



%	Organic Growth	Acquisition Disposal Impact	Investment Income & Other	CRE Growth	Currency Impact	Total Growth
<b>Risk &amp; Insurance</b>						
JLT Specialty	3.5%	3.4%	-	6.9%	0.3%	7.2%
JLT Re	1.8%	-	(0.1%)	1.7%	3.7%	5.4%
JLT Australia & NZ	6.5%	-	(0.1%)	6.4%	(10.4%)	(4.0%)
JLT Asia	2.5%	0.5%	-	3.0%	3.7%	6.7%
JLT Latin America	16.0%	0.1%	(0.3%)	15.8%	(11.8%)	4.0%
JLT Insurance Services	(6.0%)	(0.4%)	-	(6.4%)	0.8%	(5.6%)
JLT Europe, Middle East and Africa	19.0%	2.4%	0.2%	21.6%	(6.2%)	15.4%
JLT USA	41.1%	50.4%	-	91.5%	15.0%	106.5%
JLT Canada	7.5%	(1.5%)	(0.1%)	5.9%	(6.4%)	(0.5%)
JLT Insurance Management	3.9%	-	-	3.9%	6.9%	10.8%
	<b>4.9%</b>	<b>1.9%</b>	<b>-</b>	<b>6.8%</b>	<b>(1.2%)</b>	<b>5.6%</b>
<b>Employee Benefits</b>						
UK & Ireland	(13.6%)	5.2%	-	(8.4%)	(0.2%)	(8.6%)
Asia	5.1%	2.3%	-	7.4%	6.4%	13.8%
Australia & NZ	17.8%	175.4%	(0.1%)	193.1%	(28.7%)	164.4%
Latin America	12.3%	2.9%	-	15.2%	(21.6%)	(6.4%)
Europe, Middle East and Africa	16.4%	-	(0.5%)	15.9%	(10.2%)	5.7%
Canada	(15.3%)	-	(0.3%)	(15.6%)	(6.0%)	(21.6%)
	<b>(6.2%)</b>	<b>8.9%</b>	<b>-</b>	<b>2.7%</b>	<b>(1.0%)</b>	<b>1.7%</b>
<b>Total</b>	<b>2.1%</b>	<b>3.6%</b>	<b>-</b>	<b>5.7%</b>	<b>(1.1%)</b>	<b>4.6%</b>

# ASSOCIATES



£m	2015	CRE	2014	Growth
Total underlying contribution to JLT after tax	5.5	6.2	7.7	(28%)

Principal Associate Holdings as at 31 Dec 2015			Highlights
March-JLT	Spain	25%	<ul style="list-style-type: none"> <li>• Reduced contribution principally reflects sale of stake in French Associate</li> <li>• Transaction generated cash proceeds of £80.2m and an exceptional gain of £18.6m</li> <li>• Other Associates have performed in line with expectations</li> </ul>
GrECo	Austria	20%	
MAG-JLT	Italy	25%	
JLT Sterling	Mexico	36%	
JLT Independent	India	26%	
<p><i>% = JLT equity interest</i></p>			

# JLT GROUP 2015 PROFIT & LOSS



£m	Reported	% Rev	Growth (inc/(dec))	Ex US	% Rev	Growth (inc/(dec))	Ex UK EB	% Rev	Growth (inc/(dec))	Ex US & UK EB	% Rev	Growth (inc/(dec))
<b>Revenue</b>	<b>1,155.1</b>		<b>5%</b>	<b>1,131.8</b>		<b>4%</b>	<b>987.7</b>		<b>7%</b>	<b>964.4</b>		<b>6%</b>
Operating expenses	(967.6)	(83.8%)	7%	(923.8)	(81.6%)	3%	(813.0)	(82.3%)	7%	(769.2)	(79.8%)	3%
<b>Underlying trading profit</b>	<b>187.5</b>	<b>16.2%</b>	<b>(5%)</b>	<b>208.0</b>	<b>18.4%</b>	<b>4%</b>	<b>174.7</b>	<b>17.7%</b>	<b>9%</b>	<b>195.2</b>	<b>20.2%</b>	<b>19%</b>
Associates after tax	5.5		(28%)	5.5		(28%)	5.5		(28%)	5.5		(28%)
<b>Underlying PBIT</b>	<b>193.0</b>	<b>16.7%</b>	<b>(6%)</b>	<b>213.5</b>	<b>18.9%</b>	<b>3%</b>	<b>180.2</b>	<b>18.2%</b>	<b>7%</b>	<b>200.7</b>	<b>20.8%</b>	<b>17%</b>
Interest income (own funds)	1.6		6%	1.6		6%	1.6		6%	1.6		6%
Interest expense	(24.5)		7%	(24.5)		7%	(24.5)		7%	(24.5)		7%
<b>Underlying PBT</b>	<b>170.1</b>	<b>14.7%</b>	<b>(7%)</b>	<b>190.6</b>	<b>16.8%</b>	<b>3%</b>	<b>157.3</b>	<b>15.9%</b>	<b>7%</b>	<b>177.8</b>	<b>18.4%</b>	<b>19%</b>
<b>Operating leverage<sup>1</sup></b>			<b>(2%)</b>			<b>1%</b>			<b>-</b>			<b>3%</b>

1) Operating leverage is defined as the percentage point differential of the year-on-year growth rates of revenue against operating expenses.

# BALANCE SHEET



£m	2015	2014	Change
Goodwill and intangibles	600	562	38
Fixed assets	63	61	2
Associates and investments	48	105	(57)
Net working capital and other	147	181	(34)
Derivatives after deferred tax	(7)	2	(9)
Net pension deficit after deferred tax	(108)	(146)	38
Other deferred net tax assets	14	16	(2)
Net debt	(426)	(474)	48
<b>Net assets</b>	<b>331</b>	<b>307</b>	<b>24</b>

# EBITDA CALCULATION



£m	2015	2014
Underlying trading profit	187.5	196.8
Add-back:		
Amortisation of staff share options	20.1	18.8
Depreciation and other amortisation	42.9	36.0
Profit from associates	5.5	7.3
Other non-recurring items	(11.8)	(19.0)
<b>EBITDA</b>	<b>244.2</b>	<b>239.9</b>

# NET DEBT



£m	2015	2014
<b>Cash and investments:</b>		
Cash and cash equivalents	901.1	871.3
<b>Available-for-sale cash deposits:</b>		
Current	-	5.4
Non current	9.0	4.2
	910.1	880.9
Less: fiduciary cash (insurance payables)	(732.3)	(742.5)
Own funds	177.8	138.4
<b>Borrowings:</b>		
Committed borrowings	(581.2)	(593.3)
Uncommitted/other borrowings	(22.3)	(18.9)
	(603.5)	(612.2)
<b>Net debt</b>	<b>(425.7)</b>	<b>(473.8)</b>



# CURRENCY IMPACT ON UNDERLYING PBT



£m	2015	2014
A) Transactional impact		
UK subsidiaries	2.5	(2.2)
Overseas subsidiaries	5.5	0.7
	8.0	(1.5)
B) Translational impact	(7.8)	(9.4)
<b>Total exchange effect</b>	<b>0.2</b>	<b>(10.9)</b>

# USD REVENUE PROTECTION



	Actual 2015	Full Year Projections			
		Forward rates			
		2016	2017	2018	2019
USD Hedging rates achieved as at 25 Feb 2016		1.52	1.49	1.47	1.44
Current USD hedged positions		80%	60%	35%	10%
Forward USD rates as at 25 Feb 2016		1.40	1.40	1.41	1.42
Blended USD rates post hedging	1.53	1.49	1.45	1.43	1.41
Value of 2015 revenue (\$346m)*	£226m	£232m	£239m	£242m	£245m
Illustrative YOY revenue impact		£6m	£7m	£3m	£3m

## Notes

- \* In 2015 the Group earned some 346 million US dollars of revenues from operations which have a sterling cost base.
- As a guide, each one cent movement in our achieved rate translates into a change of approximately £1.5 million in revenue, with an impact on trading profit equal to approximately 70% of that.
- Based on current hedging levels in 2016, it would take a movement of around 5 cents in the spot rate to generate a 1 cent movement in the achieved blended rate.

# FOREIGN EXCHANGE EXPOSURE SENSITIVITY



	Full Year Projections			
	2016	2017	2018	2019
Sensitivity to USD income earned in the UK as at 25 Feb 2016				
Current hedged position	80%	60%	35%	10%
Potential achieved rate if balance sold forward based off a spot exchange rate of:				
1.30	1.47	1.41	1.36	1.33
1.35	1.48	1.43	1.40	1.38
1.39 (Current Spot)	1.49	1.45	1.43	1.41
1.45	1.51	1.48	1.46	1.47
1.50	1.52	1.50	1.50	1.51