

# Good growth in all businesses

Preliminary Results for the year ended  
31st December 2008

3rd March 2009



JARDINE LLOYD  
THOMPSON  
Group plc

# JLT's good progress continues

## 2008

- Strong organic growth
- Good performance across all operations
- Strategic progress in JLT Re
- Financial strength

***Good growth in all businesses***

# 2008 financial highlights

£M	2008	2007	Growth	
			Actual	at CRE
Turnover	<b>536.1</b>	473.2	13%	8%
Underlying trading profit	<b>76.2</b>	62.1	23%	13%
Trading margin	<b>14.2%</b>	13.1%		
Underlying PBT	<b>95.2</b>	82.5	15%	6%
Reported PBT*	<b>92.8</b>	95.2	-3%	
Underlying EPS (diluted)	<b>30.4p</b>	26.0p	17%	
Reported EPS* (diluted)	<b>29.6p</b>	33.7p	-12%	
Dividend per share	<b>20.5p</b>	20.5p		

\* Includes impairment and exceptional items including a gain on disposal in 2007

CRE = Constant rates of exchange

# 2008 turnover & trading profit

£M	2008								2007	
	Turnover			Trading Profit		Trading Margin		Trading		
	Actual	Growth	at CRE	Actual	at CRE	Actual	at CRE	Profit	Margin	
Retail	<b>233.5</b>	19%	10%	45.0	41.9	19%	19%	36.6	19%	
London Market	<b>215.0</b>	11%	7%	34.8	31.7	16%	15%	26.5	14%	
<b>Risk &amp; Insurance</b>	<b>448.5</b>	<b>15%</b>	<b>8%</b>	<b>79.8</b>	<b>73.6</b>	<b>18%</b>	<b>17%</b>	<b>63.1</b>	<b>16%</b>	
<b>Employee Benefits</b>	<b>87.6</b>	8%	7%	15.1	15.1	17%	17%	13.7	17%	
<b>Central Overheads</b>	-	-	-	(18.7)	(18.7)	-	-	(14.7)	-	
	<b>536.1</b>	<b>13%</b>	<b>8%</b>	<b>76.2</b>	<b>70.0</b>	<b>14%</b>	<b>14%</b>	<b>62.1</b>	<b>13%</b>	

# Retail

## Strong revenue growth across all regions

£M	2008							2007	
	Turnover			Trading Profit		Trading Margin		Trading	
	Actual	Growth	at CRE	Actual	at CRE	Actual	at CRE	Profit	Margin
Australia/NZ	78.2	19%	9%	18.5	16.8	24%	24%	16.3	25%
Asia	40.6	22%	11%	8.1	7.7	20%	21%	6.9	21%
Europe	67.2	12%	8%	11.1	10.8	17%	17%	10.3	17%
Canada	22.4	21%	10%	3.6	3.3	16%	16%	2.5	13%
Latin America	20.8	29%	15%	3.6	3.2	17%	18%	1.3	8%
Insurance Management	4.3	27%	19%	0.1	0.1	2%	2%	(0.7)	(22%)
	<b>233.5</b>	<b>19%</b>	<b>10%</b>	<b>45.0</b>	<b>41.9</b>	<b>19%</b>	<b>19%</b>	<b>36.6</b>	<b>19%</b>

# London market operations

## JLTL largest contributor to trading profit

£M	2008								2007	
	Turnover			Trading Profit		Trading Margin		Trading		
	Actual	Growth	at CRE	Actual	at CRE	Actual	at CRE	Profit	Margin	
<b>JLTL</b>	<b>119.0</b>	<b>9%</b>	<b>5%</b>	<b>19.5</b>	<b>17.6</b>	<b>16%</b>	<b>15%</b>	<b>15.1</b>	<b>14%</b>	
Lloyd & Partners	47.1	15%	13%	8.2	8.1	17%	17%	6.8	17%	
JLT Re	48.9	11%	6%	7.1	6.0	15%	13%	4.6	11%	
	215.0	11%	7%	34.8	31.7	16%	15%	26.5	14%	

# London market operations

## Lloyd & Partners – a truly international business

£M	2008								2007	
	Turnover			Trading Profit		Trading Margin		Trading		
	Actual	Growth	at CRE	Actual	at CRE	Actual	at CRE	Profit	Margin	
JLTL	119.0	9%	5%	19.5	17.6	16%	15%	15.1	14%	
<b>Lloyd &amp; Partners</b>	<b>47.1</b>	<b>15%</b>	<b>13%</b>	<b>8.2</b>	<b>8.1</b>	<b>17%</b>	<b>17%</b>	<b>6.8</b>	<b>17%</b>	
JLT Re	48.9	11%	6%	7.1	6.0	15%	13%	4.6	11%	
	215.0	11%	7%	34.8	31.7	16%	15%	26.5	14%	

# London market operations

## JLT Re – year on year progress

£M	2008								2007	
	Turnover			Trading Profit		Trading Margin		Trading		
	Actual	Growth	at CRE	Actual	at CRE	Actual	at CRE	Profit	Margin	
JLTL	119.0	9%	5%	19.5	17.6	16%	15%	15.1	14%	
Lloyd & Partners	47.1	15%	13%	8.2	8.1	17%	17%	6.8	17%	
<b>JLT Re</b>	<b>48.9</b>	<b>11%</b>	<b>6%</b>	<b>7.1</b>	<b>6.0</b>	<b>15%</b>	<b>13%</b>	<b>4.6</b>	<b>11%</b>	
	215.0	11%	7%	34.8	31.7	16%	15%	26.5	14%	



# Employee Benefits

## Investing for the future

£M

	2008				2007	
	Turnover		Trading		Trading	
	Actual	Growth	Profit	Margin	Profit	Margin
Employee Benefits (UK)	<b>87.6</b>	<b>8%</b>	15.1	17%	13.7	17%

JLT a sustainable growth  
story.

# JLT - Our vision

- A balanced group enhanced by bolt-on acquisitions
- Global representation, capacity and placing power without a flag in every country
- Retail operations that support our speciality strengths
- Working with US independents to provide risk transfer services to US corporates
- High quality operational processes and efficiencies as good as any in the industry.

# Investing for growth

## Initiatives

- New hires
- New initiatives
  - ICAP JLT
  - Insurantz.com
  - Thistle Underwriters
  - Plus many others within the business

# Investing for growth

## Bolt-on Acquisitions

- During 2008
  - 9 acquisitions
  - Total net investment, including estimated deferred consideration of £22.8 million
  - Total annualised revenues of £16.3 million.

# Generating growth

## Working together

- 120 offices across 36 countries
- With correspondents and associates in over 120 countries
- Providing a distinctive choice.

# Financial Review

**Jim Rush**

**Group Finance Director**

3rd March 2009



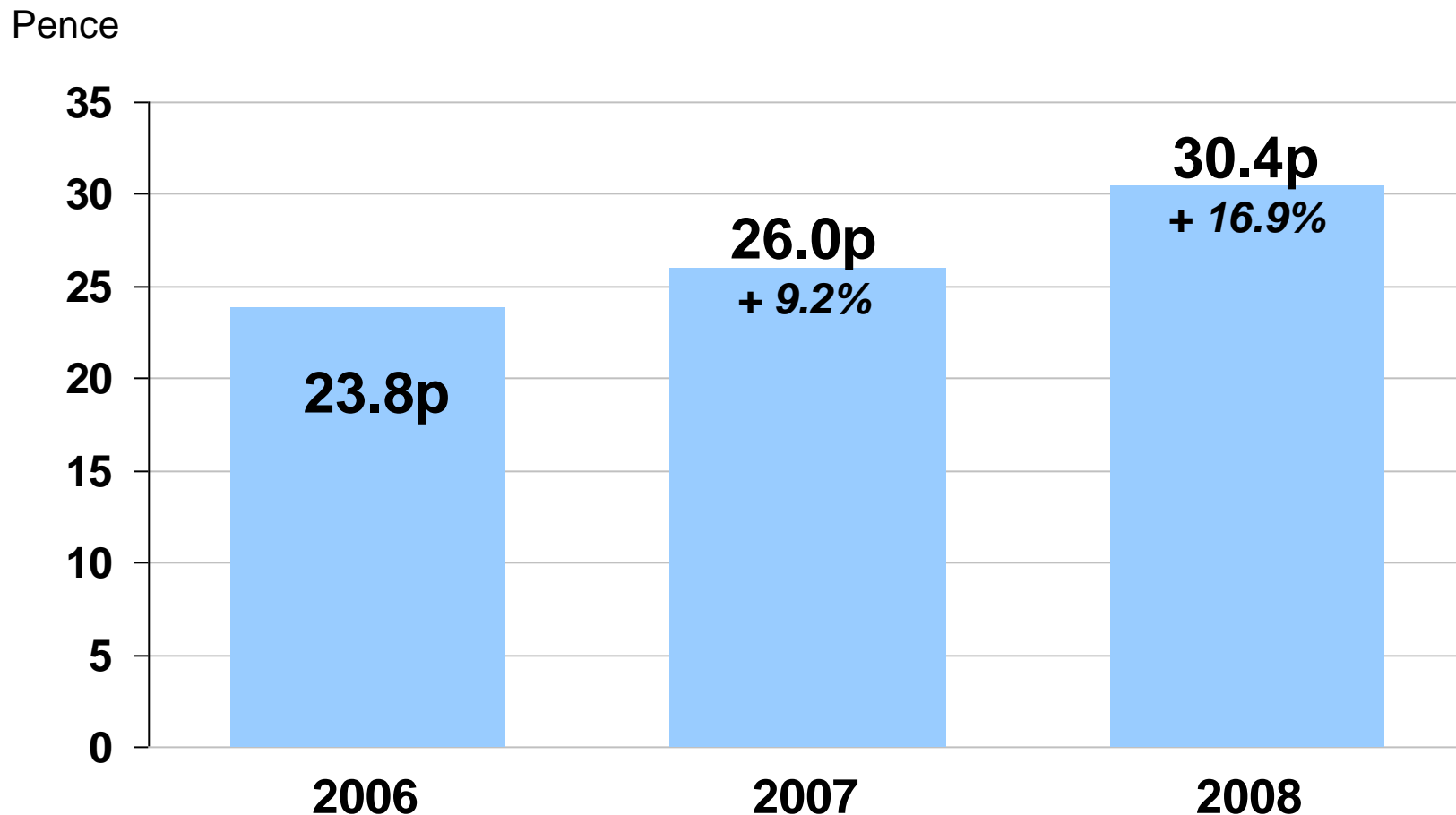
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THOMPSON**  
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# Profit and loss

£M	2008	2007	Change
Underlying trading profit	76.2	62.1	14.1
Investment income / finance costs / associates	19.0	20.4	(1.4)
Underlying PBT	95.2	82.5	12.7
Exceptional items and impairment	(2.4)	12.7	(15.1)
PBT	92.8	95.2	(2.4)
Tax expense	(28.0)	(22.0)	(6.0)
Minorities	(1.2)	(0.8)	(0.4)
PAT (after minorities)	63.6	72.4	(8.8)
EPS	29.6p	33.7p	(4.1p)
Underlying PAT (after minorities)	65.3	55.9	9.4
Underlying EPS	30.4p	26.0p	4.4p
Total dividend per share	20.5p	20.5p	-

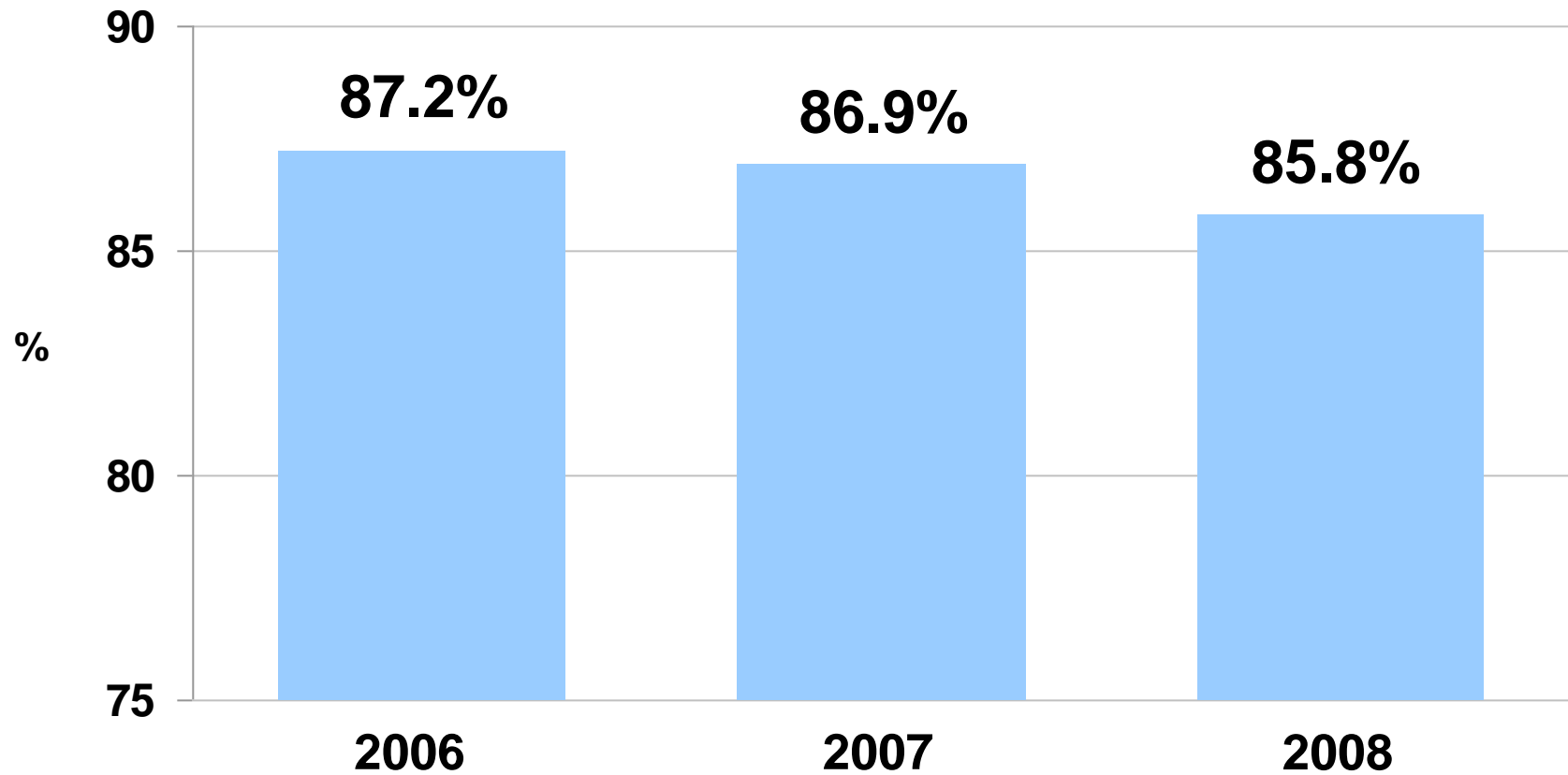


# Underlying diluted EPS



*Dividend maintained at 20.5p for the full year*

# Underlying operating cost ratio



# Underlying operating costs by operation

<b>£M</b>	<b>2008</b>	<b>2007</b>	<b>Change</b>	<b>%</b>
<b>London Market businesses:</b>				
Jardine Lloyd Thompson Ltd	<b>99</b>	94	5	5.8%
Lloyd & Partners (including Bermuda)	<b>39</b>	35	4	13.3%
JLT Re	<b>42</b>	39	3	5.9%
	<b>180</b>	168	12	7.4%
<b>Retail</b>	<b>189</b>	160	29	17.7%
<b>Employee Benefits</b>	<b>72</b>	68	4	6.9%
<b>Central costs and new initiatives</b>	<b>19</b>	15	4	22.6%
	<b>460</b>	411	49	11.9%

# USD/GBP achieved FX rates and hedging

	2007	2008	2009	2010	2011
	Actuals		Forward rates		
<b>Average market rates</b>	<b>\$2.00</b>	<b>\$1.85</b>			
<b>Hedging rates achieved as at 27 Feb 2009</b>			<b>\$1.72</b>	<b>\$1.57</b>	<b>\$1.46</b>
Revenue % - Hedged			85%	65%	20%
<b>Market forward rates as at 27 Feb 2009</b>			<b>\$1.42</b>	<b>\$1.42</b>	<b>\$1.42</b>
Revenue % - Unhedged			15%	35%	80%
<b>Potential achieved rates after hedging</b>			<b>\$1.67</b>	<b>\$1.51</b>	<b>\$1.43</b>
Revenue % - Hedged + Unhedged			100%	100%	100%
<b>Actual achieved rates after hedging</b>	<b>\$1.85</b>	<b>\$1.81</b>			
Revenue %	100%	100%			
<b>Value of <u>c\$250M</u> revenue in £M</b>	<b>£135</b>	<b>£138</b>	<b>£150</b>	<b>£165</b>	<b>£175</b>
<b>Approximate YOY revenue impact in £M</b>	<b>(£2)</b>	<b>£3</b>	<b>£12</b>	<b>£15</b>	<b>£10</b>

# Cash flow

£M	<u>2008</u>	<u>2007</u>
Underlying EBITDA	117	102
Exceptional items paid	(1)	(7)
EBITDA	<u>116</u>	<u>95</u>
Interest/tax/other	(13)	(16)
Net working capital movements	(11)	(27)
Normal CAPEX	(18)	(13)
Shares acquired - Employee trust / share 'buy-back'	(20)	(8)
Net (acquisitions)/disposals	(20)	(9)
Pension deficit funding - UK/USA/Canada	(11)	(34)
	<u>23</u>	<u>(12)</u>
Dividends paid	(44)	(46)
Foreign exchange	13	-
	<u>(8)</u>	<u>(58)</u>

# Balance sheet

£M	<u>2008</u>	<u>2007</u>	<u>Change</u>
Goodwill and intangibles	213	171	42
Deferred net tax assets	29	20	9
Fixed assets	28	24	4
Associates and investments	43	32	11
Net working capital	(43)	3	(46)
Net pension deficit	(29)	(27)	(2)
Net (debt)	(9)	(1)	(8)
	<u>232</u>	<u>222</u>	<u>10</u>

# A sustainable growth story

**Dominic Burke**

Group Chief Executive

3rd March 2009



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# Uncertain trading conditions

- Insurance is a defensive industry
- Will any insurance rates increases be outweighed by falling economic activity?
- The benefit of favourable FX movements being off-set by falling interest rates.



# JLT - sustainable growth

- The right structure and people
- A track record of strong growth
- Continued pipe line of growth initiatives
- Clear focus on managing costs
- Financially strong and able to take advantage of acquisition opportunities.

# Outlook

***"The Group enters 2009 in good shape and this is demonstrated by the results we have reported in 2008.***

***The current economic outlook remains difficult, but assuming no material deterioration from here, we would expect JLT to make further progress in 2009."***