



# ***Investing in the Future – Delivering Today***

## **Interim Results**

for the six months ended 30<sup>th</sup> June 2008

1<sup>st</sup> August 2008



**JARDINE LLOYD THOMPSON**  
Group plc

# JLT's good progress continues

- Delivering organic growth
- Bolt-on acquisitions expected to continue
- Steady progress with start up initiatives
- Continuing to attract new talent
- Strong balance sheet
- Delivering on costs saving

# 2008 Interim Highlights

| <b>£M</b>                 | <b>1H</b>    | <b>1H</b>    | <b>Growth</b> |               |
|---------------------------|--------------|--------------|---------------|---------------|
|                           | <b>2008</b>  | <b>2007</b>  | <b>Actual</b> | <b>at CRE</b> |
| Turnover                  | <b>266.2</b> | <b>244.7</b> | <b>9%</b>     | <b>6%</b>     |
| Underlying trading profit | <b>44.0</b>  | <b>40.4</b>  | <b>9%</b>     | <b>10%</b>    |
| Trading margin            | <b>17%</b>   | <b>17%</b>   |               |               |
| Underlying PBT            | <b>53.4</b>  | <b>51.1</b>  | <b>4%</b>     | <b>5%</b>     |
| Reported PBT              | <b>53.4</b>  | <b>76.6</b>  |               |               |
| Underlying EPS (diluted)  | <b>17.3p</b> | <b>16.0p</b> | <b>8%</b>     |               |
| Reported EPS (diluted)    | <b>17.3p</b> | <b>28.4p</b> |               |               |
| Dividend per share        | <b>8.5p</b>  | <b>8.5p</b>  |               |               |

*CRE = Constant rates of exchange*

# Trading Profit – steady growth

| £M                          | 1H 2008      |           |           |                |             |                | 1H 2007    |             |            |
|-----------------------------|--------------|-----------|-----------|----------------|-------------|----------------|------------|-------------|------------|
|                             | Turnover     |           |           | Trading Profit |             | Trading Margin |            | Trading     |            |
|                             | Actual       | Growth    | at CRE    | Actual         | at CRE      | Actual         | at CRE     | Profit      | Margin     |
| Retail                      | 110.6        | 17%       | 8%        | 19.2           | 17.8        | 17%            | 17%        | 17.8        | 19%        |
| London Market               | 112.7        | 2%        | 4%        | 24.9           | 26.7        | 22%            | 23%        | 24.6        | 22%        |
| <b>Risk &amp; Insurance</b> | <b>223.3</b> | <b>9%</b> | <b>6%</b> | <b>44.1</b>    | <b>44.5</b> | <b>20%</b>     | <b>21%</b> | <b>42.4</b> | <b>21%</b> |
| UK Employee Benefits        | 42.9         | 8%        | 8%        | 7.3            | 7.3         | 17%            | 17%        | 6.6         | 17%        |
| Central Overheads           | -            | -         | -         | (7.4)          | (7.4)       | -              | -          | (8.6)       | -          |
| <b>Total</b>                | <b>266.2</b> | <b>9%</b> | <b>6%</b> | <b>44.0</b>    | <b>44.4</b> | <b>17%</b>     | <b>17%</b> | <b>40.4</b> | <b>17%</b> |

# Retail – good underlying revenue growth

£M

|                | 1H 2008      |            |            |              |              | 1H 2007      |              |
|----------------|--------------|------------|------------|--------------|--------------|--------------|--------------|
|                | Turnover     |            |            | Trading      |              | Trading      |              |
|                | Actual       | Growth     | at CRE     | Profit       | Margin       | Profit       | Margin       |
| Australia/NZ   | <b>40.8</b>  | <b>22%</b> | <b>7%</b>  | <b>11.5</b>  | <b>28%</b>   | <b>10.1</b>  | <b>30%</b>   |
| Asia           | <b>19.5</b>  | <b>14%</b> | <b>10%</b> | <b>4.4</b>   | <b>23%</b>   | <b>4.2</b>   | <b>25%</b>   |
| Europe         | <b>28.8</b>  | <b>13%</b> | <b>10%</b> | <b>0.9</b>   | <b>3%</b>    | <b>2.1</b>   | <b>8%</b>    |
| Canada         | <b>10.4</b>  | <b>21%</b> | <b>9%</b>  | <b>1.3</b>   | <b>13%</b>   | <b>0.8</b>   | <b>9%</b>    |
| Latin America  | <b>9.3</b>   | <b>15%</b> | <b>4%</b>  | <b>1.3</b>   | <b>13%</b>   | <b>1.0</b>   | <b>12%</b>   |
| Insurance Mgt. | <b>1.8</b>   | <b>6%</b>  | <b>6%</b>  | <b>(0.2)</b> | <b>(11%)</b> | <b>(0.4)</b> | <b>(21%)</b> |
|                | <b>110.6</b> | <b>17%</b> | <b>8%</b>  | <b>19.2</b>  | <b>17%</b>   | <b>17.8</b>  | <b>19%</b>   |

# London Market

## Steady result despite challenging market

£M

|                                       | 1H 2008      |           |           |                |             |                | 1H 2007    |             |            |
|---------------------------------------|--------------|-----------|-----------|----------------|-------------|----------------|------------|-------------|------------|
|                                       | Turnover     |           |           | Trading Profit |             | Trading Margin |            | Trading     |            |
|                                       | Actual       | Growth    | at CRE    | Actual         | at CRE      | Actual         | at CRE     | Profit      | Margin     |
| <b>Jardine Lloyd Thompson Limited</b> | <b>61.7</b>  | <b>1%</b> | <b>2%</b> | <b>14.2</b>    | <b>14.9</b> | <b>23%</b>     | <b>24%</b> | <b>13.7</b> | <b>22%</b> |
| Lloyd & Partners                      | 25.7         | 13%       | 16%       | 5.4            | 6.0         | 21%            | 23%        | 4.9         | 22%        |
| JLT Re                                | 25.3         | (5%)      | (3%)      | 5.3            | 5.8         | 21%            | 23%        | 6.0         | 22%        |
|                                       | <b>112.7</b> | <b>2%</b> | <b>4%</b> | <b>24.9</b>    | <b>26.7</b> | <b>22%</b>     | <b>23%</b> | <b>24.6</b> | <b>22%</b> |

# London Market

## Steady result despite challenging market

£M

|                                   | 1H 2008      |             |             |                |             |                | 1H 2007    |             |            |
|-----------------------------------|--------------|-------------|-------------|----------------|-------------|----------------|------------|-------------|------------|
|                                   | Turnover     |             |             | Trading Profit |             | Trading Margin |            | Trading     |            |
|                                   | Actual       | Growth      | at CRE      | Actual         | at CRE      | Actual         | at CRE     | Profit      | Margin     |
| Jardine Lloyd<br>Thompson Limited | <b>61.7</b>  | <b>1%</b>   | <b>2%</b>   | <b>14.2</b>    | <b>14.9</b> | <b>23%</b>     | <b>24%</b> | <b>13.7</b> | <b>22%</b> |
| <b>Lloyd &amp; Partners</b>       | <b>25.7</b>  | <b>13%</b>  | <b>16%</b>  | <b>5.4</b>     | <b>6.0</b>  | <b>21%</b>     | <b>23%</b> | <b>4.9</b>  | <b>22%</b> |
| JLT Re                            | <b>25.3</b>  | <b>(5%)</b> | <b>(3%)</b> | <b>5.3</b>     | <b>5.8</b>  | <b>21%</b>     | <b>23%</b> | <b>6.0</b>  | <b>22%</b> |
|                                   | <b>112.7</b> | <b>2%</b>   | <b>4%</b>   | <b>24.9</b>    | <b>26.7</b> | <b>22%</b>     | <b>23%</b> | <b>24.6</b> | <b>22%</b> |

# London Market

## Steady result despite challenging market

£M

|                                   | 1H 2008      |             |             |                |             |                | 1H 2007    |             |            |
|-----------------------------------|--------------|-------------|-------------|----------------|-------------|----------------|------------|-------------|------------|
|                                   | Turnover     |             |             | Trading Profit |             | Trading Margin |            | Trading     |            |
|                                   | Actual       | Growth      | at CRE      | Actual         | at CRE      | Actual         | at CRE     | Profit      | Margin     |
| Jardine Lloyd<br>Thompson Limited | <b>61.7</b>  | <b>1%</b>   | <b>2%</b>   | <b>14.2</b>    | <b>14.9</b> | <b>23%</b>     | <b>24%</b> | <b>13.7</b> | <b>22%</b> |
| Lloyd & Partners                  | <b>25.7</b>  | <b>13%</b>  | <b>16%</b>  | <b>5.4</b>     | <b>6.0</b>  | <b>21%</b>     | <b>23%</b> | <b>4.9</b>  | <b>22%</b> |
| <b>JLT Re</b>                     | <b>25.3</b>  | <b>(5%)</b> | <b>(3%)</b> | <b>5.3</b>     | <b>5.8</b>  | <b>21%</b>     | <b>23%</b> | <b>6.0</b>  | <b>22%</b> |
|                                   | <b>112.7</b> | <b>2%</b>   | <b>4%</b>   | <b>24.9</b>    | <b>26.7</b> | <b>22%</b>     | <b>23%</b> | <b>24.6</b> | <b>22%</b> |



# Employee Benefits – good growth

£M

|                      | 1H 2008     |           |            |            | 2007       |            |
|----------------------|-------------|-----------|------------|------------|------------|------------|
|                      | Turnover    |           | Trading    |            | Trading    |            |
|                      | Actual      | Growth    | Profit     | Margin     | Profit     | Margin     |
| UK Employee Benefits | <b>42.9</b> | <b>8%</b> | <b>7.3</b> | <b>17%</b> | <b>6.6</b> | <b>17%</b> |



# Financial Review

**Jim Rush**

Group Finance Director



JARDINE LLOYD THOMPSON  
Group plc

# Profit and Loss

| £M   | <u>1H 2008</u> | <u>1H 2007</u> | <u>Change</u> |
|--|----------------|----------------|---------------|
| Underlying trading profit                  | <b>44</b>      | 40             | 4             |
| Investment income/finance costs/associates | <b>9</b>       | 11             | (2)           |
| Underlying PBT                             | <b>53</b>      | 51             | 2             |
| Exceptional items and impairments          | -              | 26             | (26)          |
| PBT  | <b>53</b>      | 77             | (24)          |
| Tax expense                                | <b>(15)</b>    | (15)           | -             |
| Minorities                                 | <b>(1)</b>     | (1)            | -             |
| PAT (after minorities)                     | <b>37</b>      | 61             | (24)          |
| EPS  | <b>17.3p</b>   | 28.4p          | (11.1p)       |
| Underlying PAT                             | <b>37</b>      | 34             | 3             |
| Underlying EPS                             | <b>17.3p</b>   | 16.0p          | 1.3p          |
| Interim dividend per share                 | <b>8.5p</b>    | 8.5p           | -             |

# Underlying operating costs by category

| £M                            | 1H 2008      |                | 1H 2007 |         | Change |         |
|-------------------------------|--------------|----------------|---------|---------|--------|---------|
| Revenue                       | <b>266</b>   | <b>100%</b>    | 245     | 100%    | 21     | 100%    |
| Operating costs:              |              |                |         |         |        |         |
| Staff costs                   | <b>(157)</b> | <b>(59.1%)</b> | (144)   | (58.8%) | (13)   | (61.9%) |
| Premises                      | <b>(15)</b>  | <b>(5.7%)</b>  | (16)    | (6.3%)  | 1      | 4.7%    |
| Other operating costs         | <b>(45)</b>  | <b>(16.8%)</b> | (41)    | (16.8%) | (4)    | (19.0%) |
| Depreciation and amortisation | <b>(5)</b>   | <b>(1.9%)</b>  | (4)     | (1.6%)  | (1)    | (4.7%)  |
|                               | <b>(222)</b> | <b>(83.5%)</b> | (205)   | (83.5%) | (17)   | (80.9%) |
| Underlying trading profit     | <b>44</b>    | <b>16.5%</b>   | 40      | 16.5%   | 4      | 19.1%   |

# Underlying operating costs by business

| £M                       | 1H 2008    | 1H 2007 | Change | %       |
|--------------------------|------------|---------|--------|---------|
| London Market businesses | <b>88</b>  | 86      | 2      | 2.5%    |
| Retail                   | <b>91</b>  | 77      | 14     | 19.0%   |
| Employee Benefits        | <b>36</b>  | 33      | 3      | 7.8%    |
| Central costs and other  | <b>7</b>   | 9       | (2)    | (16.3%) |
|                          | <b>222</b> | 205     | 17     | 8.7%    |

# 1H 2008 / 1H 2007 operating costs reconciliation

## - FX Impact

|                                      |            |
|--------------------------------------|------------|
| 1H 2007 Operating costs              | 205        |
| Inflation in 1H 2008 - £205m @ 3.5%  | 7          |
| Impact of acquisitions               | 5          |
| Impact of foreign exchange           | 7          |
|                                      | <hr/>      |
|                                      | 224        |
| 1H 2008 core processing cost savings | (2)        |
|                                      | <hr/>      |
|                                      | <u>222</u> |

# USD/GBP achieved FX rates in 1H 2008

|   | 1H 2007 | 1H 2008 |
|---|---------|---------|
|   | Actuals |         |
| Hedging rates achieved as at 30 June 2008 | \$1.82  | \$1.93  |
| Revenue % hedged                          | 72%     | 75%     |
| Average market rates                      | \$1.97  | \$1.98  |
| Revenue % unhedged                        | 28%     | 25%     |
| Actual achieved rates after hedging       | \$1.86  | \$1.94  |
| Value of <u>c\$125M</u> revenue in £M     | £67     | £64     |
| Approximately YOY revenue impact in £M    | (£2)    | (£3)    |

# USD/GBP hedging positions

|   | Actual 2007 | Full year     |        |
|---|-------------|---------------|--------|
|   |             | 2008          | 2009   |
|   |             | Forward rates |        |
| Average market rates                      | \$2.00      |               |        |
| Hedging rates achieved as at 30 June 2008 |             | \$1.94        | \$1.96 |
| Revenue % hedged                          |             | 77%           | 35%    |
| Market forward rates as at 30 June 2008   |             | \$1.96        | \$1.94 |
| Revenue % unhedged                        |             | 23%           | 65%    |
| Potential achieved rates after hedging    |             | \$1.94        | \$1.94 |
| Revenue % hedged + unhedged               |             | 100%          | 100%   |
| Actual achieved rates after hedging       | 1.85        |               |        |
| Value of c\$220M revenue in £M            | £119        | £113          | £113   |
| Approximately YOY revenue loss in £M      |             | (£6)          | -      |



# Cash flow

| £M                         | <u>1H 2008</u> | <u>1H 2007</u> |
|----------------------------|----------------|----------------|
| Underlying EBITDA          | <b>63</b>      | <b>59</b>      |
| Exceptional items paid     | <b>-</b>       | <b>(2)</b>     |
| <b>EBITDA</b>              | <b>63</b>      | <b>57</b>      |
| Net interest / tax / other | <b>(9)</b>     | <b>(12)</b>    |
| Net working capital        | <b>(39)</b>    | <b>(49)</b>    |
| Shares issued / (buy-back) | <b>(1)</b>     | <b>2</b>       |
| Normal capex               | <b>(7)</b>     | <b>(12)</b>    |
| Acquisitions               | <b>(11)</b>    | <b>(1)</b>     |
| Pension deficit funding    | <b>(11)</b>    | <b>(31)</b>    |
|                            | <b>(15)</b>    | <b>(46)</b>    |
| Dividends paid             | <b>(25)</b>    | <b>(25)</b>    |
| Foreign exchange           | <b>2</b>       | <b>-</b>       |
| <b>Net cash outflow</b>    | <b>(38)</b>    | <b>(71)</b>    |

# Balance Sheet

| £M                         | 30 June<br>2008 | 31 Dec<br>2007 | Change      |
|----------------------------|-----------------|----------------|-------------|
| Goodwill and intangibles   | <b>187</b>      | <b>171</b>     | <b>16</b>   |
| Deferred net tax assets    | <b>17</b>       | <b>20</b>      | <b>(3)</b>  |
| Fixed assets               | <b>25</b>       | <b>24</b>      | <b>1</b>    |
| Associates and investments | <b>33</b>       | <b>32</b>      | <b>1</b>    |
| Net working capital        | <b>34</b>       | <b>3</b>       | <b>31</b>   |
| Net pension deficit        | <b>(13)</b>     | <b>(27)</b>    | <b>14</b>   |
| Net debt                   | <b>(39)</b>     | <b>(1)</b>     | <b>(38)</b> |
|                            | <b>244</b>      | <b>222</b>     | <b>22</b>   |



# ***Investing in the Future – Delivering Today***

**Dominic Burke**  
Group Chief Executive



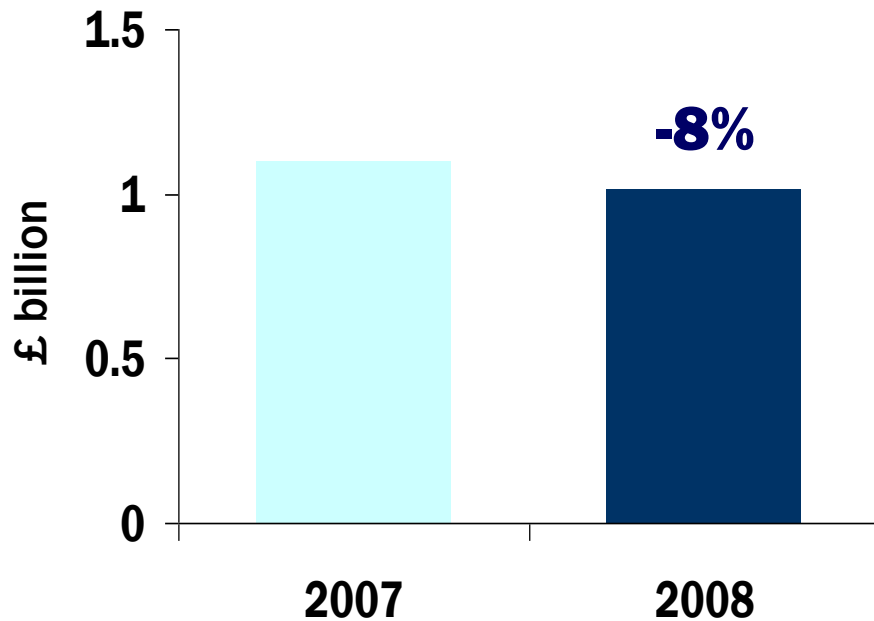
**JARDINE LLOYD THOMPSON**  
Group plc



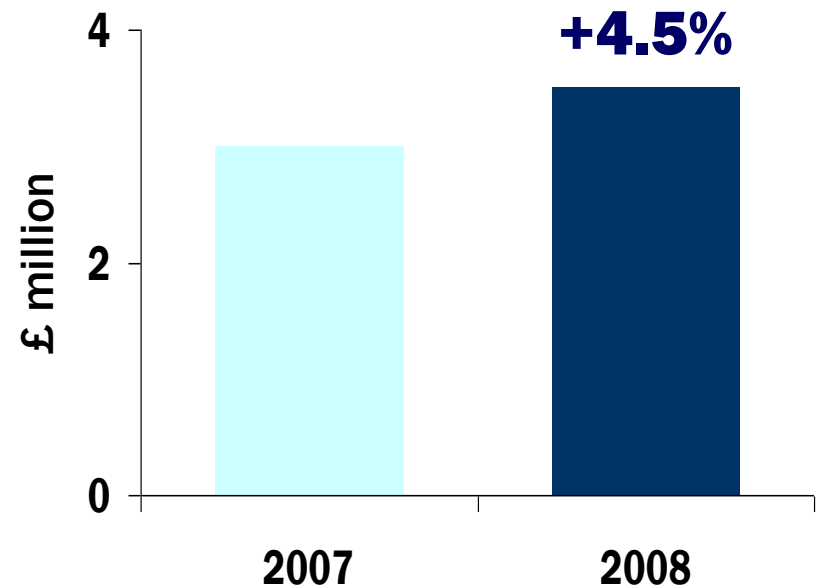
# **Why a Soft Market isn't necessarily a strong Headwind**

# JLT Ltd and Lloyd & Partners London operations

## Premium Placed



## Revenue



*At constant rates of exchange*

# A soft market isn't necessarily a strong headwind

- Move from commission to fees
- JLT trusted adviser and not just transactional broker
- JLT sometimes shares in soft market benefits realised by clients
- Winning new business through greater collaboration

# JLT Strategy – remains

- **Prioritising bolt-on acquisitions**
- **Investing in lower risk initiatives**
- **Concentrating on areas of strength**
- **Exploiting the balance of the Group's operations**

# Acquisitions made since beginning of 2007

- **14 acquisitions**
- **Total net investment, including estimated deferred consideration, £42 million**
- **Total annualised revenues of £28 million of which £8.7 million in H1 2008**



# JLT - delivering on our strategy

- **Prioritising bolt-on acquisitions**
- **Concentrating on areas of strength**
- **Investing in lower risk initiatives**
- **Exploiting the balance of the Group's operations**



Traditional insurances may not change, but the way in which they are delivered needs to be transformed.

**Thistle will be at the forefront of that transformation.**

## Welcome to Thistle Underwriters

### CONTACT US

Thistle Underwriters Limited is a newly created underwriting intermediary and is part of the [Jardine Lloyd Thompson Group](#).

Based in London, Thistle will operate as a fully integrated Managing General Underwriter (MGU) and is currently obtaining all necessary regulatory authorisations.

Underwriting products will be focused on the insurance needs of small commercial organisations. Thistle will also specialise in the provision of processing and servicing efficiencies for portfolio clients such as affinities, associations, clubs and similar purchasing groups.

Thistle has brought together a team of professionals - both from within and without the insurance industry - to build a fresh trading model for the cost effective handling of highly frictional business.



## Welcome to Insurantz

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Please select your business or occupation 

go 

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For insurance that's exactly right for your business, start here!



## WE PROMISE

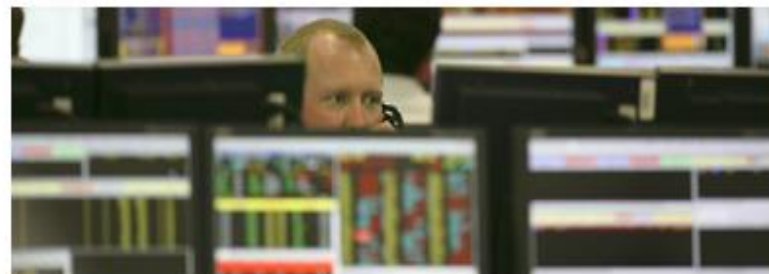
-  Prices are guaranteed for 24 months... 
-  But, if prices go down, your insurance gets cheaper... 
-  And, we'll pay double the difference if you find a better deal... 
-  With nothing to pay for 28 days. 
-  You get free cancellation within 14 days... 
-  And, if you make a claim, you don't pay more. 
-  We don't charge start-ups extra... 
-  And, no claims means lower premiums. 

## Home page

**ICAP plc and JLT Group plc have formed a joint venture to establish an 'insurance based' derivatives and securities broking platform.**

The joint venture combines JLT's (re)insurance and 'cross-market' capabilities with ICAP's capital markets' capabilities in order to develop a customer focused business providing capital markets' solutions to the (re)insurance market. Ultimately, the joint venture's aim is to develop a leading position in broking insurance based financial instruments.

Initially ICAP-JLT will focus on broking catastrophe products including Catastrophe Swaps and secondary market cat bond securities. Further products, such as longevity / mortality derivatives and other indices and financial instruments will be developed in line with market demand.



For transaction execution and further information please Email the ICAP/JLT Team via the Contact Us page, or contact them direct using the following information:

|                     |                  |  |
|---------------------|------------------|--|
| <b>Jonty Camsey</b> | +44 20 7000 5463 | <a href="mailto:jonty.camsey@icap.com">jonty.camsey@icap.com</a>   |
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# JLT - delivering on our strategy

- **Prioritising bolt-on acquisitions**
- **Concentrating on areas of strength**
- **Investing in lower risk initiatives**
- **Exploiting the balance of the Group's operations**

# Internationalisation of Employee Benefits

- Objective - to accelerate growth
- Multi-country marketing and exploitation of platforms, products and services
- Multi-country offerings to clients.
- Primary reporting to remain geographic
- William Nabarro appointed International Chairman of Employee Benefits

# The Headwinds

- but JLT's progress continues

- **Soft Market conditions**
- **Sterling/dollar exchange rate**
- **Broker competition**
- **Interest rates**
- **Global economic and financial environment**

# JLT's good progress continues

- Delivering organic growth
- Bolt-on acquisitions expected to continue
- Steady progress with start up initiatives
- Continuing to attract new talent
- Strong balance sheet
- Delivering on costs saving



# 2008 Outlook

*Our outlook remains unchanged - we expect further profitable growth for 2008 and we believe that the strategy we have put in place will enable JLT to continue to deliver value to our shareholders, our clients and our employees.*

***Investing in the Future – Delivering Today***



# ***Investing in the Future – Delivering Today***

## **Interim Results**

for the six months ended 30<sup>th</sup> June 2008

**1<sup>st</sup> August 2008**



**JARDINE LLOYD THOMPSON**  
Group plc