

4th MARCH 2014

Preliminary Results 2013

For the year ending 31st December



2013 Preliminary Results

Highlights

- Strong organic revenue growth of 8.5%
- Underlying PBT increased by 13%
- 70 basis point improvement in the trading margin
- Good performances from Reinsurance, Asia, Latin America and Employee Benefits
- 10 acquisitions made for a total consideration of £200m
- Business Transformation Programme on track to deliver £12 million of recurring savings in 2014
- Increased final dividend of 17.1p

2013 Preliminary Financial Highlights

Year ending 31 st December (£m)	2013	2012 ⁵	Growth		
			Actual	CRE ³	Organic ⁴
Total revenue ¹	979.2	880.1	11%	12%	8.5%
Underlying trading profit ²	185.4	160.2	16%	17%	
Underlying profit margin ²	18.9%	18.2%			
Underlying PBT ²	177.4	156.4	13%		
Reported PBT	154.6	151.5	2%		
Underlying EPS (diluted) ²	54.5p	48.2p	13%		
Reported EPS (diluted)	46.4p	46.5p	-		
Dividend per share	27.2p	25.5p	7%		

1 Total revenue comprises fees, commissions and investment income

2 Underlying results exclude exceptional items

3 CRE = constant rates of exchange

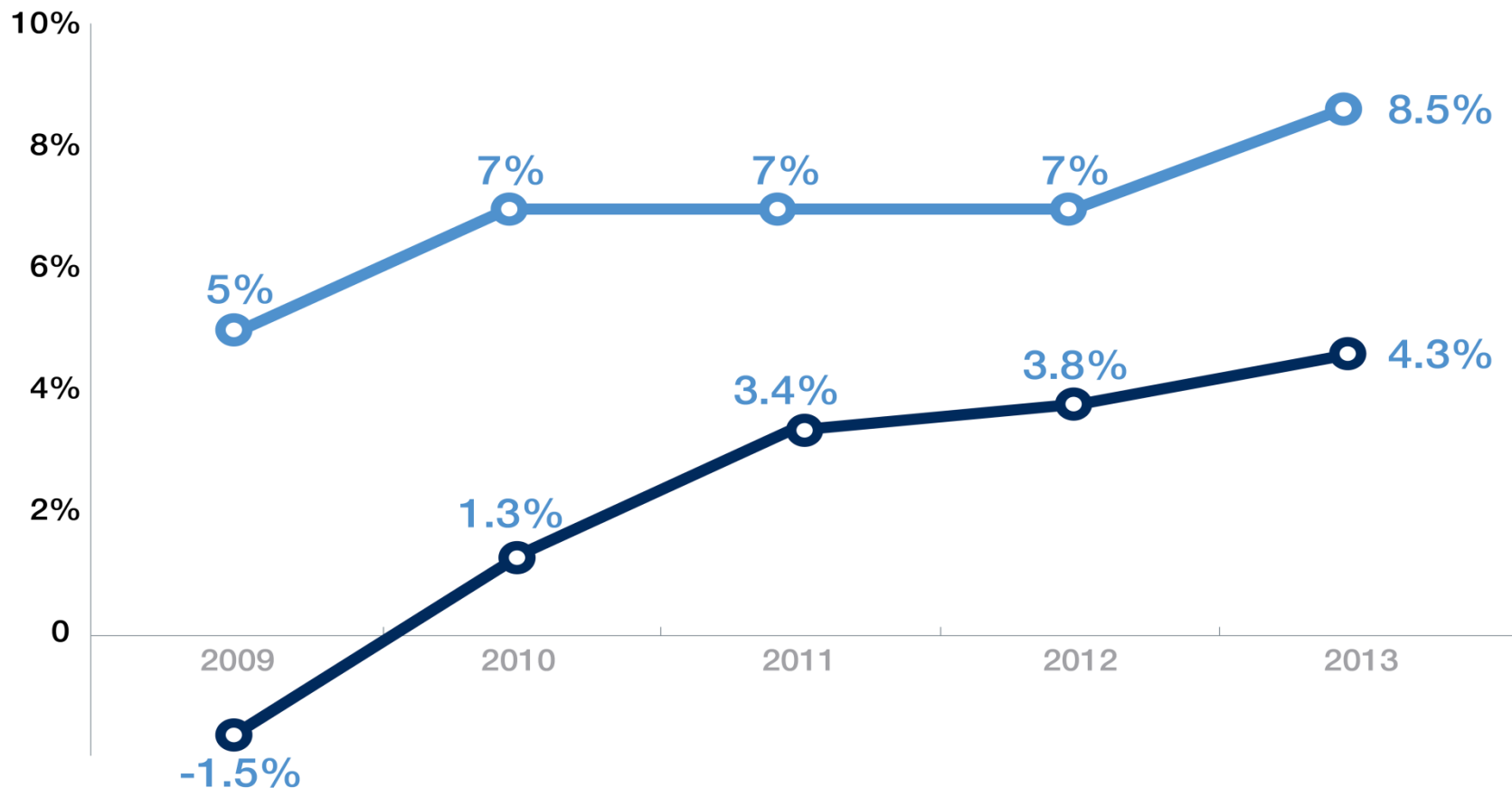
4 Organic growth is based on total revenue excluding the effect of currency, acquisitions, disposals and investment income

5 Restated to reflect the amendments in IAS 19 (Revised) effective in 2013

Total Revenue and Trading Profit

£m	Total Revenue				Trading Profit			Trading Margin		
	2013	Growth	CRE	Organic	2013	CRE	2012	2013	CRE	2012
Risk & Insurance	723.9	7%	8%	7%	149.9	152.2	139.7	21%	21%	21%
Employee Benefits	255.3	25%	26%	14%	55.8	55.6	43.3	22%	22%	21%
Central Costs	-	-	-	-	(20.3)	(20.4)	(22.8)	-	-	-
	979.2	11%	12%	8.5%	185.4	187.4	160.2	18.9%	18.9%	18.2%

Five year annual organic revenue growth



Organic growth is on fees and commissions excluding the impact of acquisitions, disposals, investment income and currency

*Aon, Marsh, Willis, Gallagher

Source: Data Company

■ JLT
■ Average for US quoted brokers*

Risk & Insurance

JLT Specialty

£m	Total Revenue				Trading Profit			Trading Margin		
	2013	Growth	CRE	Organic	2013	CRE	2012	2013	CRE	2012
JLT Specialty	244.8	4%	3%	4%	51.2	51.2	46.8	21%	21%	20%

Highlights

- Organic revenue growth of 4% and an increase in trading profit of 9%
- Margin improvement despite continued investments in the business
- Benefits of investments in areas such as Aviation and Financial Lines
- Some signs of improved economic activity in mainland Europe and UK

Risk & Insurance

Australia & New Zealand

£m	Total Revenue				Trading Profit			Trading Margin		
	2013	Growth	CRE	Organic	2013	CRE	2012	2013	CRE	2012
Australia & NZ	124.5	(2%)	4%	5%	37.1	39.4	36.9	30%	30%	29%

Highlights

- Organic revenue growth of 5%
- Public Sector business continues to perform well
- Investments in building leading Specialty team starting to pay off
- Financial contribution to the Group reduced due to second half FX movements

Risk & Insurance

Lloyd & Partners

£m	Total Revenue				Trading Profit			Trading Margin		
	2013	Growth	CRE	Organic	2013	CRE	2012	2013	CRE	2012
Lloyd & Partners	83.7	5%	6%	6%	18.3	18.6	17.6	22%	22%	22%

Highlights

- Organic revenue growth of 6%
- Benefiting from improving US economy and increasing demand for access to the London Market
- 5% increase in staff numbers

Risk & Insurance

JLT Towers Re

£m	Total Revenue				Trading Profit			Trading Margin		
	2013	Growth	CRE	Organic	2013	CRE	2012	2013	CRE	2012
JLT Re	66.9	25%	24%	25%	11.7	11.4	7.4	17%	17%	14%
Towers Watson Re	9.9	-	-	-	(0.4)	(0.4)	-	(4%)	(4%)	-
JLT Towers Re	76.8	43%	43%	25%	11.3	11.0	7.4	15%	14%	14%

Highlights

- JLT Re delivered organic revenue growth of 25%
- Towers Watson Re contribution for 8 week period only
- Creation of JLT Towers Re in November 2013

Risk & Insurance

Asia

£m	Total Revenue				Trading Profit			Trading Margin		
	2013	Growth	CRE	Organic	2013	CRE	2012	2013	CRE	2012
Asia	67.1	13%	13%	9%	10.4	10.2	9.1	15%	15%	15%

Highlights

- Organic revenue growth of 9%
- Continuing in-country investments across the region:
 - Infield in Malaysia
 - ForVision in Taiwan
 - Lambert Brothers in Hong Kong (January 2014)
- Employee numbers increased by 18% during the period – c. 10% of Group's workforce are now in Risk & Insurance in Asia
- Opportunity to improve trading margin

Risk & Insurance

Latin America

£m	Total Revenue				Trading Profit			Trading Margin		
	2013	Growth	CRE	Organic	2013	CRE	2012	2013	CRE	2012
Latin America	55.5	10%	14%	14%	17.2	17.6	15.7	31%	31%	31%

Highlights

- Organic revenue growth of 14%
- Benefiting from strong market position in dynamic growth sectors such as Construction, Energy and Mining
- Strong collaboration between JLT's LATAM and London-based businesses
- Launch of affinity operations
- Looking to increase presence in region through new hires, bolt-on acquisitions and investments

Employee Benefits

UK & Ireland

£m	Total Revenue				Trading Profit			Trading Margin		
	2013	Growth	CRE	Organic	2013	CRE	2012	2013	CRE	2012
UK & Ireland	172.1	18%	18%	4%	32.2	32.2	28.0	19%	19%	19%

Highlights

- Organic revenue growth of 4%
- Trading Profit increase of 15%
- Successful integration of Alexander Forbes Consultants & Actuaries and retention of all significant clients
- Legislative changes continuing to create business opportunities

Employee Benefits

International

£m	Total Revenue				Trading Profit			Trading Margin		
	2013	Growth	CRE	Organic	2013	CRE	2012	2013	CRE	2012
Asia	55.4	45%	43%	38%	18.6	18.2	11.7	34%	33%	30%
Latin America	18.1	42%	47%	47%	4.3	4.4	2.3	24%	24%	18%
Australia & NZ	7.6	49%	59%	59%	1.1	1.1	1.3	14%	14%	26%
Other	2.1	27%	32%	18%	(0.4)	(0.3)	-	(17%)	(19%)	(1%)

Highlights

- Asia
 - Organic revenue growth of 38%
 - Trading Profit increase of 60%
 - Further acquisitions made during the period
 - Two Indonesian healthcare businesses administering over 750,000 lives
- Latin America and Australasia EB businesses delivered substantial growth in revenues

Associates

£m	2013	2012	Growth
Total contribution to JLT after tax	8.1	8.3	(2%)

Principal Associate Holdings			Highlights
Siaci Saint Honoré	France	26%	<ul style="list-style-type: none"> Flat revenues due to mixed trading conditions Improved specialty alignment Strengthened international collaboration
March-JLT	Spain	25%	
GrECo	Austria	20%	
MAG-JLT	Italy	25%	
JLT Sterling	Mexico	36%	

% = JLT equity interest



Mike Reynolds
Group Finance Director

Financial review agenda

- Underlying operating cost ratio
- USD revenue protection
- Translational exchange effect
- Breakdown of exceptional items
- Balance Sheet and Cash Flow
- Group Funding update
- Towers Watson Re Transaction
- 2014 impact of:
 - Exceptional items
 - Business Transformation Programme 2013-2014

Underlying operating cost ratio

£m	2013		2012		Variance
Total revenue	979	100%	880	100%	99
Operating costs:					
Staff costs	570	58.2%	516	58.7%	54
Premises	48	4.9%	44	5.0%	4
Depreciation & amortisation	25	2.5%	21	2.4%	4
Travel & entertainment	37	3.7%	34	3.8%	3
Other operating costs	114	11.8%	105	11.9%	9
	794	81.1%	720	81.8%	74

USD revenue protection

	Full Year Projections			
	Actual 2013	Forward rates		
		2014	2015	2016
USD Hedging rates achieved as at 28 Feb 2014	1.54	1.56	1.53	1.54
Current USD hedged positions	-	74%	47%	25%
Forward USD rates as at 28 Feb 2014	-	1.67	1.67	1.66
Blended USD rates post hedging	1.55	1.59	1.60	1.63
Value of 2013 revenue (\$350m)*	£226m	£220m	£219m	£215m
Illustrative YOY revenue impact	-	(£6m)	(£1m)	(£4m)

* Note: 2013 restated to illustrate pro forma full year impact of acquired Towers Watson Re USD revenue

Translational exchange effect

If 2013 trading profit were translated at the 28th February 2014 spot rates:

Exchange rate to £	Trading Profit Impact (£m)
AUD (at 1.87)	(4.2)
USD (at 1.68)	(1.0)
HKD (at 13.00)	(0.5)
SGD (at 2.12)	(1.0)
	(6.7)

Breakdown of exceptional items

£m	2013	2012
Net exceptional costs:		
Business Transformation Programme costs	9.5	3.8
St Botolph costs	5.0	-
Acquisition and integration costs	9.0	1.9
Other	(0.7)	(0.8)
	22.8	4.9
Taxation impact of exceptional items:		
Tax on exceptional items	5.0	1.1

Balance sheet

as at 31st December

£m	2013	2012	Change
Goodwill and intangibles	499	332	167
Fixed assets	60	28	32
Associates and investments	107	94	13
Net working capital and other	137	112	25
Hedging contracts after deferred tax	(7)	10	(17)
Net pension deficit after deferred tax	(106)	(105)	(1)
Other deferred net tax assets	15	19	(4)
Net debt	(345)	(142)	(203)
Net assets	360	348	12

Cash flow (operational basis)

£m	2013	2012
EBITDA	219	209
<i>Deduct:</i> Net interest	(9)	(6)
Tax paid	(41)	(35)
Net working capital increase	(27)	(56)
Annual capex*	(72)	(32)
Net shares acquired	(21)	(15)
Pension deficit funding	(16)	(5)
Acquisitions/Disposals	(177)	(40)
Dividends paid	(63)	(59)
Foreign exchange	(9)	(5)
Associates & other	13	2
Net cash outflow	(203)	(42)

* Note: Including fit-out of the St Botolph Building

Group funding

- Group committed debt facilities of c.£564m
- Net debt/EBITDA ratio of 1.5 : 1*
- Towers Watson Re acquisition financed through existing facilities
- As a result, total cost of borrowings expected to increase in 2014 by c.£6m
- 2013 cash flows exceptional due to Towers Watson Re
- Strong future cash flows and EBITDA growth will de-lever the balance sheet
- Continued Investment in the business but returning to more normal levels

** Calculated in accordance with JLT bank covenants*

Towers Watson Re acquisition – the numbers

- Transaction completed 6th November 2013
- US\$250m purchase consideration
- Financed through existing facilities
- Revenues year to June 30, 2013 \$166m
- PBT year to June 2013 \$26m
- Profitability growth expected to be incremental as we continue to invest in the business for growth
- Acquisition will impact the phasing of the Group's revenues and profitability in 2014.

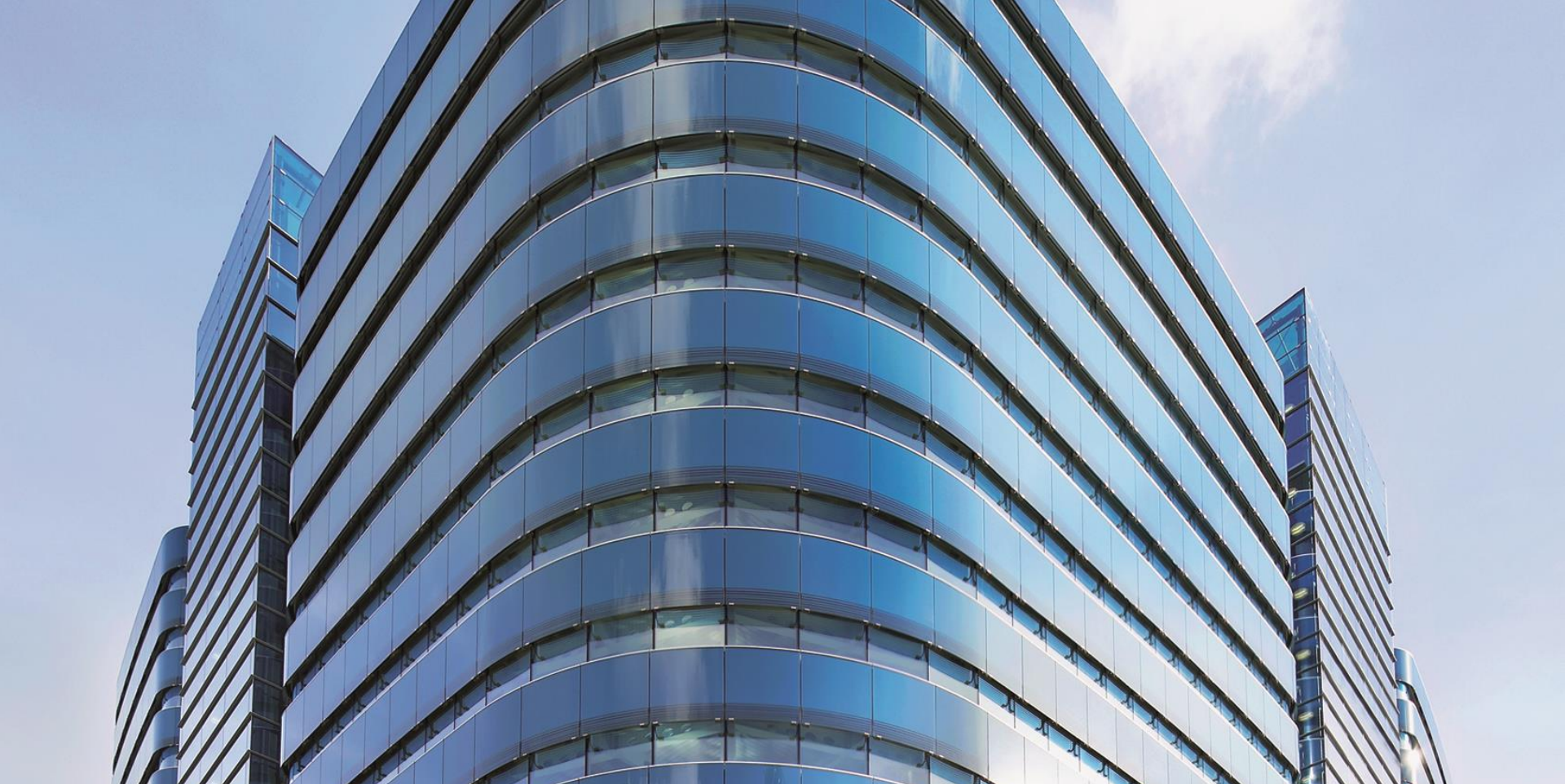
2014 Current estimate of exceptional items

£m	2014
Acquisition and integration costs	12.5
Business Transformation Programme	8.5
	21.0

Business Transformation Programme

(£m)

	2013 Actual	2014 Forecast
Incremental:		
One-off costs	(9.5)	(8.5)
Associated benefits	7.3	4.7
Cumulative:		
One-off costs	(9.5)	(18.0)
Total recurring benefit	7.3	12.0



Dominic Burke
Group Chief Executive

Market update

- Market rates remain very competitive
- January reinsurance renewals creating further downward pressure on rates
- Continued influx of new capital
- Longer term prospects affected by demographics / macro-economic trends

Strong growth prospects built on:

- a distinctive culture

- **Client first**
- **Collaboration**
- **Agility**
- **Rigour**

Strong growth prospects built on:

- a distinctive culture
- a Specialty-led client proposition



Strong growth prospects built on:

- a distinctive culture
- a Specialty-led client proposition
- a strong presence in recovering “mature” economies



Strong growth prospects built on:

- a distinctive culture
- a Specialty-led client proposition
- a strong presence in recovering “mature” economies



- **Over 660 employees**
- **30 locations across 16 countries**
- **Market leading analytical and modelling experience**
- **Strong London Market and North American capabilities**
- **A credible choice for clients**
- **An attractive platform to staff**

Strong growth prospects built on:

- a distinctive culture
- a Specialty-led client proposition
- a strong presence in recovering “mature” economies
- a growing exposure to developing economies



Strong growth prospects built on:

- a distinctive culture
- a Specialty-led client proposition
- a strong presence in recovering “mature” economies
- a growing exposure to developing economies

Employee Benefits

- **2013 revenue of £255m**
- **Delivering 26% of the Group’s revenues**
- **In 2013 revenues grew by:**
 - **19% in mature economies**
 - **45% in developing economies**
- **Healthcare and wealth management focus in developing economies**
- **Investing in people and bolt-on acquisitions**

Outlook

Although the external operating and competitive environment remains challenging, JLT's distinctive culture, clear strategy and expanding platform give us real confidence in our ability to deliver year-on-year financial progress.

Profit & Loss

£m	2013	2012	Change
Revenue	979.2	880.1	99.1
operating costs	(793.8)	(719.9)	(73.9)
Underlying trading profit	185.4	160.2	25.2
Associates after tax	8.1	8.3	(0.2)
Net underlying finance costs	(16.1)	(12.1)	(4.0)
Underlying PBT	177.4	156.4	21.0
Net exceptional costs	(22.8)	(4.9)	(17.9)
PBT	154.6	151.5	3.1
Underlying tax expense	(46.8)	(40.8)	(6.0)
Tax on exceptional items	5.0	1.1	3.9
Non-controlling interests	(10.8)	(9.6)	(1.2)
PAT (after non-controlling interests)	102.0	102.2	(0.2)
Underlying PAT (after non-controlling interests)	119.8	106.0	13.8
Diluted EPS	46.4p	46.5p	(0.1p)
Underlying diluted EPS	54.5p	48.2p	6.3p
Total dividend per share	27.2p	25.5p	1.7p

Total Revenue & Trading Profit by business segment

£m	Total Revenue				Trading Profit			Trading Margin		
	2013	Growth	CRE	Organic	2013	CRE	2012	2013	CRE	2012
Risk & Insurance:										
JLT Specialty	244.8	3.8%	3.4%	3.7%	51.2	51.2	46.8	21%	21%	20%
Australia & NZ	124.5	(1.6%)	4.5%	4.9%	37.1	39.4	36.9	30%	30%	29%
Lloyd & Partners	83.7	5.5%	6.0%	5.8%	18.3	18.6	17.6	22%	22%	22%
JLT Towers Re	76.8	43.2%	42.9%	24.9%	11.3	11.0	7.4	15%	14%	14%
Asia	67.1	13.2%	12.9%	9.4%	10.4	10.2	9.1	15%	15%	15%
Latin America	55.5	10.1%	14.0%	14.3%	17.2	17.6	15.7	31%	31%	31%
Thistle UK	34.9	1.8%	1.8%	1.0%	2.4	2.4	4.0	7%	7%	12%
Canada	25.8	(8.3%)	(7.5%)	(7.4%)	1.5	1.3	2.5	6%	5%	9%
Insurance Management	8.0	15.2%	14.3%	4.3%	0.6	0.6	0.6	7%	7%	9%
South Africa	2.8	62.9%	89.5%	88.6%	(0.1)	(0.1)	(0.9)	(2%)	(2%)	(53%)
	723.9	7.0%	8.5%	6.7%	149.9	152.2	139.7	21%	21%	21%
Discontinued:										
Continental Europe	-	(100.0%)	(100.0%)	-	-	-	-	-	-	(12%)
	723.9	7.0%	8.4%	6.7%	149.9	152.2	139.7	21%	21%	21%
Employee Benefits:										
UK & Ireland	172.1	17.8%	17.8%	3.8%	32.2	32.2	28.0	19%	19%	19%
Asia	55.4	45.0%	43.4%	37.6%	18.6	18.2	11.7	34%	33%	30%
Latin America	18.1	42.3%	47.3%	47.3%	4.3	4.4	2.3	24%	24%	18%
Australia & New Zealand	7.6	49.3%	59.3%	59.5%	1.1	1.1	1.3	14%	14%	26%
Canada	1.9	13.2%	15.5%	11.8%	-	-	-	(1%)	(1%)	(1%)
South Africa	0.2	-	-	-	(0.4)	(0.3)	-	-	-	-
	255.3	25.3%	25.6%	14.4%	55.8	55.6	43.3	22%	22%	21%
Central Costs	-	-	-	-	(20.3)	(20.4)	(22.8)	-	-	-
	979.2	11.3%	12.4%	8.5%	185.4	187.4	160.2	18.9%	18.9%	18.2%

Total revenue growth components

12 months to Dec 2013 (%)	Organic Growth	Acquisition Disposal Impact	Investment Income & Other	CRE Growth	Currency Impact	Total Growth
Risk & Insurance:						
JLT Specialty	3.7%	(0.2%)	(0.1%)	3.4%	0.4%	3.8%
Australia & New Zealand	4.9%	-	(0.4%)	4.5%	(6.1%)	(1.6%)
Lloyd & Partners	5.8%	0.2%	-	6.0%	(0.5%)	5.5%
JLT Towers Re	24.9%	18.0%	-	42.9%	0.3%	43.2%
Asia	9.4%	3.5%	-	12.9%	0.3%	13.2%
Latin America	14.3%	-	(0.3%)	14.0%	(3.9%)	10.1%
Thistle UK	1.0%	0.9%	(0.1%)	1.8%	-	1.8%
Canada	(7.4%)	-	(0.1%)	(7.5%)	(0.8%)	(8.3%)
Insurance Management	4.3%	10.0%	-	14.3%	0.9%	15.2%
South Africa	88.6%	-	0.9%	89.5%	(26.6%)	62.9%
	6.7%	1.8%	(0.1%)	8.5%	(1.5%)	7.0%
Discontinued:						
Continental Europe	-	(98.6 %)	(1.4%)	(100.0%)	-	(100.0%)
	6.7%	1.8%	(0.1%)	8.4%	(1.4%)	7.0%
Employee Benefits:						
UK & Ireland	3.8%	14.0%	-	17.8%	-	17.8%
Asia	37.6%	5.8%	-	43.4%	1.6%	45.0%
Latin America	47.3%	-	-	47.3%	(5.0%)	42.3%
Australia & New Zealand	59.5%	-	(0.2%)	59.3%	(10.0%)	49.3%
Canada	11.8%	3.6%	0.1%	15.5%	(2.3%)	13.2%
	14.4%	11.2%	-	25.6%	(0.3%)	25.3%
Total	8.5%	4.0%	(0.1%)	12.4%	(1.1%)	11.3%

EBITDA calculation

12 months to Dec (£m)	2013	2012
Underlying trading profit	185.4	160.2
Add-back:		
Amortisation of staff share options	15.9	15.9
Depreciation and other amortisation	31.4	28.8
Profit from associates	8.1	8.3
Other non-recurring items	(21.8)	(4.3)
EBITDA	219.0	208.9

Net debt

£m	2013	2012
Cash and investments:		
Cash and cash equivalents	753.2	624.3
Available-for-sale cash deposits:		
Current	1.4	0.3
Non current	16.4	14.3
	771.0	638.9
Less: fiduciary cash (insurance payables)	(655.7)	(527.5)
Own funds	115.3	111.4
Borrowings:		
Committed borrowings	(446.7)	(236.5)
Uncommitted/other borrowings	(13.5)	(17.2)
	(460.2)	(253.7)
Net debt	(344.9)	(142.3)

Currency impact on underlying PBT

12 months to Dec (£m)	2013	2012
A) Transactional impact		
UK subsidiaries (mainly USD)	(0.3)	(2.5)
Overseas subsidiaries	0.5	(1.1)
	0.2	(3.6)
B) Translational impact (mainly AUD, BRL & EUR)	(1.9)	(0.5)
Total exchange effect	(1.7)	(4.1)

Foreign exchange exposure sensitivity

	Full Year Projections		
	2014	2015	2016
Sensitivity to USD income earned in the UK as at 28 Feb 2014			
Current hedged position	74%	47%	25%
Potential achieved rate if balance sold forward based off a spot exchange rate of:			
1.55	1.55	1.54	1.53
1.60	1.57	1.56	1.57
1.67 (current spot)	1.59	1.60	1.63
1.70	1.59	1.61	1.64
1.75	1.60	1.63	1.68

Achieved interest rates on investment income

12 months to Dec 2013	2013	2012
Sterling	0.4%	0.5%
US Dollars	0.1%	0.1%
Australian Dollars	3.0%	3.6%

Impact of IAS 19 (revised)

12 months to Dec 2013	2012	IAS19 Impact	2012 Restated
Underlying trading profit	160.4	(0.2)	160.2
Associates after tax	8.3	-	8.3
Net underlying finance costs	(7.1)	(5.0)	(12.1)
Underlying PBT	161.6	(5.2)	156.4
Net exceptional items	(4.9)	-	(4.9)
PBT	156.7	(5.2)	151.5
Underlying tax expense	(41.7)	0.9	(40.8)
Tax on exceptional items	1.1	-	1.1
Non-controlling interests	(9.6)	-	(9.6)
PAT (after non-controlling interests)	106.5	(4.3)	102.2
Underlying PAT (after non-controlling interests)	110.3	(4.3)	106.0
Diluted EPS	48.4p	(1.9p)	46.5p
Underlying diluted EPS	50.2p	(2.0p)	48.2p