



# **Preliminary Results**

for the year ended 31<sup>st</sup> December 2011



## Highlights

- Strong organic growth of 7%
- Increased contribution from high growth economies
- Benefits from investing for growth
- Improved trading margin
- Business Transformation Programme delivering additional savings
- Increased final dividend

# 2011 Financial Highlights



(£m)

	2011	2010	Growth		Organic
			Actual	CRE	
Total revenue*	818.8	746.3	10%	8%	7%
Underlying trading profit**	147.0	129.9	13%	10%	
Trading margin	18.0%	17.4%			
Underlying PBT**	147.6	130.1	13%		
Reported PBT	134.5	119.4	13%		
Underlying EPS (diluted)**	45.3p	40.5p	12%		
Reported EPS (diluted)	40.4p	41.7p	(3%)		
Dividend per share	24.0p	22.5p	7%		

\* Total revenue comprises fees and commissions and investment income

\*\* Underlying results exclude exceptional and non-recurring items

CRE is constant rates of exchange

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

# Total Revenue & Trading Profit

*Strong organic revenue growth continues*



(£m)

	Total Revenue				Trading Profit			Trading Margin		
	2011	Growth	CRE	Organic	2011	CRE	2010	2011	CRE	2010
Retail	312.5	15%	11%	10%	70.1	68.7	64.0	22%	23%	24%
London Market	329.9	8%	7%	7%	70.2	67.6	65.7	21%	21%	21%
Risk & Insurance	642.4	11%	9%	8%	140.3	136.3	129.7	22%	22%	22%
Employee Benefits	137.0	5%	5%	5%	26.0	26.0	21.7	19%	19%	17%
Thistle Insurance Services	39.4	-	-	-	5.8	5.8	5.5	15%	15%	14%
Central Costs	-	-	-	-	(25.1)	(25.1)	(27.0)	-	-	-
	<b>818.8</b>	<b>10%</b>	<b>8%</b>	<b>7%</b>	<b>147.0</b>	<b>143.0</b>	<b>129.9</b>	<b>18.0%</b>	<b>17.8%</b>	<b>17.4%</b>

# Retail

## *Developing economies driving growth*



(£m)

	Total Revenue				Trading Profit			Trading Margin		
	2011	Growth	CRE	Organic	2011	CRE	2010	2011	CRE	2010
Australasia	125.6	16%	6%	5%	34.9	31.8	29.9	28%	28%	28%
Asia	81.9	28%	29%	29%	17.3	18.8	13.7	21%	23%	21%
Latin America	48.8	19%	19%	19%	14.9	15.1	11.7	31%	31%	28%
Canada	30.0	(1%)	(2%)	(2%)	3.9	3.9	4.9	13%	13%	16%
Continental Europe	20.9	(4%)	(7%)	(17%)	(0.6)	(0.6)	3.5	(3%)	(3%)	16%
Insurance Management	5.0	2%	4%	5%	0.4	0.4	0.3	8%	8%	6%
South Africa	0.3	-	-	-	(0.7)	(0.7)	-	-	-	-
	<b>312.5</b>	<b>15%</b>	<b>11%</b>	<b>10%</b>	<b>70.1</b>	<b>68.7</b>	<b>64.0</b>	<b>22%</b>	<b>23%</b>	<b>24%</b>



# Continental Europe



(£m)

	Total Revenue				Trading Profit			Trading Margin		
	2011	Growth	CRE	Organic	2011	CRE	2010	2011	CRE	2010
Northern Europe	16.4	29%	24%	2%	3.5	3.4	2.3	21%	21%	18%
Southern Europe	4.5	(49%)	(50%)	(43%)	(4.1)	(4.0)	1.2	(88%)	(88%)	13%
	20.9	(4%)	(7%)	(17%)	(0.6)	(0.6)	3.5	(3%)	(3%)	16%

# JLT Specialty

*Investments delivering revenue growth*



(£m)

	Total Revenue				Trading Profit			Trading Margin		
	2011	Growth	CRE	Organic	2011	CRE	2010	2011	CRE	2010
<b>JLT Specialty</b>	<b>205.7</b>	<b>11%</b>	<b>10%</b>	<b>9%</b>	<b>42.6</b>	<b>40.8</b>	<b>38.4</b>	<b>21%</b>	<b>20%</b>	<b>21%</b>
Lloyd & Partners	72.3	3%	2%	2%	16.3	15.8	16.9	23%	22%	24%
JLT Re	51.9	5%	4%	3%	11.3	11.0	10.4	22%	21%	21%
	329.9	8%	7%	7%	70.2	67.6	65.7	21%	21%	21%

# Lloyd & Partners

## *Challenging market*



(£m)

	Total Revenue				Trading Profit			Trading Margin		
	2011	Growth	CRE	Organic	2011	CRE	2010	2011	CRE	2010
JLT Specialty	205.7	11%	10%	9%	42.6	40.8	38.4	21%	20%	21%
<b>Lloyd &amp; Partners</b>	<b>72.3</b>	<b>3%</b>	<b>2%</b>	<b>2%</b>	<b>16.3</b>	<b>15.8</b>	<b>16.9</b>	<b>23%</b>	<b>22%</b>	<b>24%</b>
JLT Re	51.9	5%	4%	3%	11.3	11.0	10.4	22%	21%	21%
	329.9	8%	7%	7%	70.2	67.6	65.7	21%	21%	21%



(£m)

	Total Revenue				Trading Profit			Trading Margin		
	2011	Growth	CRE	Organic	2011	CRE	2010	2011	CRE	2010
JLT Specialty	205.7	11%	10%	9%	42.6	40.8	38.4	21%	20%	21%
Lloyd & Partners	72.3	3%	2%	2%	16.3	15.8	16.9	23%	22%	24%
<b>JLT Re</b>	<b>51.9</b>	<b>5%</b>	<b>4%</b>	<b>3%</b>	<b>11.3</b>	<b>11.0</b>	<b>10.4</b>	<b>22%</b>	<b>21%</b>	<b>21%</b>
	329.9	8%	7%	7%	70.2	67.6	65.7	21%	21%	21%

# UK & Ireland Employee Benefits

*Changing market generating new opportunities*



(£m)

	Total Revenue			Trading Profit		Trading Margin	
	2011	Growth	Organic	2011	2010	2011	2010
UK & Ireland Employee Benefits	137.0	5%	5%	26.0	21.7	19%	17%

# UK Thistle Insurance Services

*Maintaining positive underwriting discipline*



(£m)

	Total Revenue			Trading Profit		Trading Margin	
	2011	Growth	Organic	2011	2010	2011	2010
<b>UK Thistle Insurance Services</b>	<b>39.4</b>	<b>-</b>	<b>-</b>	<b>5.8</b>	<b>5.5</b>	<b>15%</b>	<b>14%</b>



**Simon Mawson**  
Group Finance Director



# Profit & Loss



(£m)

	2011	2010	Change
Revenue	818.8	746.3	72.5
Operating Costs	(671.8)	(616.4)	(55.4)
Underlying trading profit	147.0	129.9	17.1
Associates after tax	5.1	3.7	1.4
Net underlying finance costs	(4.5)	(3.5)	(1.0)
Underlying PBT	147.6	130.1	17.5
Net exceptional costs	(13.1)	(10.7)	(2.4)
PBT	134.5	119.4	15.1
Underlying tax expense	(41.6)	(37.7)	(3.9)
Non-recurring tax credit	2.4	13.2	(10.8)
Non-controlling interest	(6.6)	(4.2)	(2.4)
PAT (after non-controlling interest)	88.7	90.7	(2.0)
Underlying PAT (after non-controlling interest)	99.4	88.2	11.2
Diluted EPS	40.4p	41.7p	(1.3p)
Underlying diluted EPS	45.3p	40.5p	4.8p
Total dividend per share	24.0p	22.5p	1.5p

# USD revenue protection



## Full Year Projections

		Forward rates			
	Actual 2011	2012	2013	2014	2015
Hedging rates achieved as at 28 February 2012	\$1.52	\$1.54	\$1.54	\$1.56	\$1.53
% Revenue hedged	100%	86%	85%	70%	20%
Market forward rates as at 28 February 2012		\$1.58	\$1.57	\$1.57	\$1.56
Blended rates post hedging	<b>\$1.52</b>	<b>\$1.54</b>	<b>\$1.54</b>	<b>\$1.56</b>	<b>\$1.55</b>
Value of 2011 revenue (\$265m)	£174m	£172m	£172m	£170m	£171m
Approx YOY revenue impact	£3m	(£2m)	-	(£2m)	£1m

# Underlying operating Cost Ratio



(£m)

	2011		2010		Variance
Fees and commissions	<b>812</b>	<b>100%</b>	741	100%	71
<b>Operating costs:</b>					
Staff costs	<b>483</b>	<b>59.4%</b>	435	58.7%	48
Premises	<b>42</b>	<b>5.1%</b>	40	5.4%	2
Depreciation & amortisation	<b>19</b>	<b>2.4%</b>	17	2.3%	2
Travel & entertainment	<b>32</b>	<b>4.0%</b>	27	3.6%	5
Other operating costs	<b>96</b>	<b>11.8%</b>	97	13.2%	(1)
	<b>672</b>	<b>82.7%</b>	616	83.2%	56



# Breakdown of exceptional items



(£m)

## Net exceptional costs:

Business Transformation Programme costs

Acquisition integration costs

Partial offer costs

Restructuring costs

Other exceptional costs

## Taxation impact of exceptional items:

Settlement of tax claims

Tax on exceptional items

	2011	2010
Business Transformation Programme costs	8.9	7.3
Acquisition integration costs	0.6	5.5
Partial offer costs	1.9	-
Restructuring costs	1.7	-
Other exceptional costs	-	(2.1)
	<b>13.1</b>	<b>10.7</b>
Settlement of tax claims	-	10.3
Tax on exceptional items	2.4	2.9
	<b>2.4</b>	<b>13.2</b>





# Business Transformation Programme



(£m)

30th June 2009

30th June 2012

	 <b>H2 2009 Actual</b>	 <b>2010 Actual</b>	 <b>2011 Actual</b>	 <b>H1 2012 F'cast</b>
<b>Incremental:</b>				
One-off costs	(7)	(7)	(9)	(4)
Associated benefits	3	8	7	5
<b>Cumulative:</b>				
One-off costs	(7)	(14)	(23)	(27)
Recurring benefit	3	11	18	23

# Associates' contribution after tax



**Associates**

**2011**

**2010**

**5.1**

**3.7**

## Associate holdings at 1st March 2012

Siaci St Honoré	France	26%
GrECo-JLT	Central & Eastern Europe	20%
Marine & Aviation-JLT	Italy	25%
March-JLT	Spain	25%
JLT Sterling	Mexico	34%

# Balance Sheet



(£m)

	2011	2010 Change	
Goodwill and intangibles	311	282	29
Fixed assets	26	29	(3)
Associates and investments	75	63	12
Net working capital and other	62	49	13
Hedging contracts after deferred tax	-	(4)	4
Net pension deficit after deferred tax	(95)	(56)	(39)
Other deferred net tax assets	19	16	3
Net debt	(100)	(76)	(24)
Net assets	298	303	(5)

# Cash Flow

(Operational basis)



(£m)

	2011	2010
<b>Underlying EBITDA</b>	<b>194</b>	<b>168</b>
<i>Deduct:</i> exceptional items paid	(9)	(11)
<b>EBITDA</b>	<b>185</b>	<b>157</b>
<i>Deduct:</i> Net interest associates & other	(14)	(6)
Tax paid	(42)	(26)
Net working capital increase	(25)	(44)
Normal capex	(35)	(32)
Net shares acquired	(9)	(5)
Pension deficit funding	(5)	(4)
Acquisitions / Disposals	(22)	(27)
Dividends paid	(53)	(48)
Foreign exchange	(4)	1
<b>Net cash outflow</b>	<b>(24)</b>	<b>(34)</b>



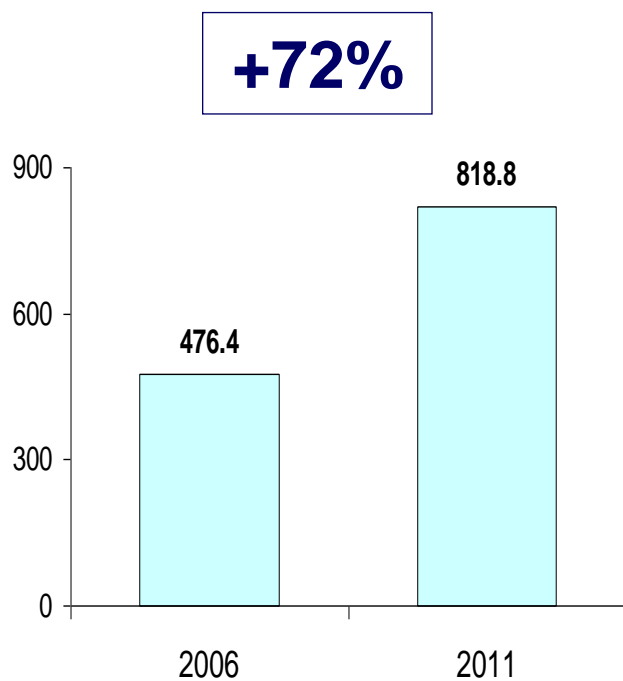
**Dominic Burke**  
Group Chief Executive



# 2006-2011

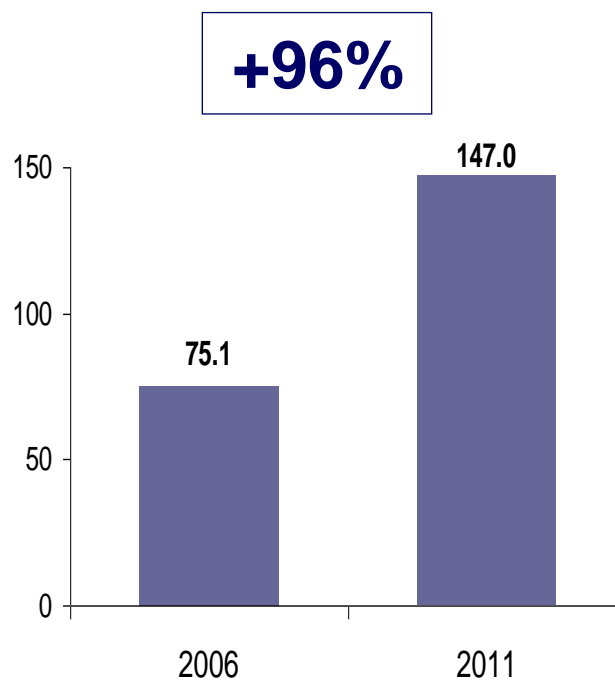


**Total Revenue**  
£m



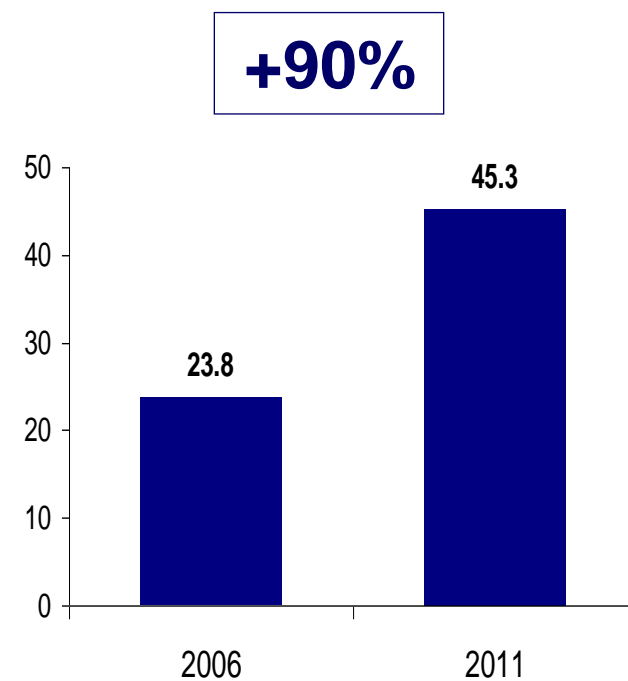
**11.4% CAGR**

**Underlying Trading Profit**  
£m



**14.4% CAGR**

**Underlying Diluted EPS**  
Pence



**13.7% CAGR**

***CAGR = 5 year Compound Annual Growth Rate***



- Soft rating environment
- Interest rates at historic lows
- Aggressive competition
- Weaker consumer demand and business confidence
- Weak and volatile macro-economic environment

- Specialty focus
  - Specialty increasingly at the core of all our businesses
  - Expertise in delivering individual client solutions
  - Driving collaboration and knowledge sharing
  - Attracting and retaining the very best talent

- Specialty focus
- International reach
  - Today a leading international broker network
  - Increasing exposure to faster growing economies
  - Accessing growing number of capital markets
  - Internationalisation of Employee Benefits
  - Expanded international presence

- Specialty focus
- International reach
- Greater efficiency
  - 3 year programme delivering annual savings of £23m for one-off cost of £27m
  - Savings invested back into the business
  - Moving from process efficiency to knowledge management

The market may have finally reached an inflexion point in certain classes of business but the approach remains inconsistent.

*- JLT's prospects are more tied to GDP growth than market rates.*

Our emphasis on being a client-first organisation continues to serve us well, as demonstrated by our strong growth record.

Our strategy, built around growing our areas of specialty, strengthening our international footprint and driving greater efficiency, provides us with confidence that we will continue to make financial progress in 2012.

