3rd March 2009

JARDINE LLOYD THOMPSON GROUP plc

PRELIMINARY RESULTS FOR THE YEAR ENDED 31st DECEMBER 2008 (UNAUDITED)

Jardine Lloyd Thompson Group plc ("JLT" or "the Group") today announces preliminary results for the year ended 31st December 2008.

Financial Summary

	2008 £m	2007 £m	Change %
• Fees and commissions	536.1	473.2	13%
• Underlying trading profit *	76.2	62.1	23%
• Profit before tax	92.8	95.2	-3%
• Underlying profit before tax *	95.2	82.5	15%
• Diluted Earnings Per Share	29.6p	33.7p	-12%
• Underlying Diluted Earnings Per Share *	30.4p	26.0p	17%
• Total dividend for the year	20.5p	20.5p	-

* *Underlying results exclude exceptional items and impairments.*

Highlights

- Turnover up 13% including organic growth of 6%
- Underlying trading profit up 23%
- Trading profit margin up 1% to 14%
- Risk & Insurance turnover up 15% with increased trading margin of 18%
- Employee Benefits turnover up 8% with maintained trading margin of 17%
- Strong financial position with low net debt

Dominic Burke, Chief Executive, commented:

"These results once again demonstrate JLT's excellent operational performance. The strong growth across all of our businesses underlines the progress we have made as a Group during the past three years.

The Group enters 2009 in good shape and this is demonstrated by the results we have reported for 2008. The current economic outlook remains difficult, but assuming no material deterioration from here, we would expect JLT to make further progress in 2009."

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A presentation to investors and analysts will take place at 9.00 am today at 6 Crutched Friars, London EC3N 2PH. A live webcast of the presentation can be viewed on the Group's website www.jltgroup.com.

FULL RELEASE FOLLOWS:

PRELIMINARY STATEMENT

JLT achieved strong growth in 2008 across all of its businesses. This was driven by organic growth and was enhanced by both favourable currency movements and the impact of acquisitions. The financial performance including a comparison using constant rates of exchange (CRE) is summarised in the table below.

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

	2008	2007
Trading Profit	**76.2**	62.1
Investment income, net finance costs and other	15.5	17.7
Associates after taxation	3.5	2.7
Underlying profit before taxation	**95.2**	82.5
Net exceptional items and impairment charge	(2.4)	12.7
Profit before taxation for the year	**92.8**	95.2
Taxation and minority interests	(29.2)	(22.8)
Profit after taxation and minorities	**63.6**	72.4
Underlying profit after taxation and minorities	**65.3**	55.9

Turnover in 2008 was £536.1 million, an increase of 13%, or 8% at CRE, reflecting organic growth of 6% and 2% by acquisition.

Underlying trading profit increased by 23% to £76.2 million or 13% at CRE. The trading margin was 14.2%, compared to 13.1% in 2007. Central overheads in 2008 were £18.7 million, representing an increase of £4.0 million, mainly due to a combination of start up investments for strategic new business initiatives and increases in provisioning for litigation. The improved overall trading performance reflects good organic growth, continued tight cost control and improvements in our operating efficiency.

Underlying profit before tax and exceptional items was £95.2 million, 15% ahead of the prior year, or 6% at CRE. This is due mainly to the trading performance and an increased profit contribution by our associate, SIACI Saint Honore, offset by lower investment income which decreased by £1.6 million to £15.8 million due to lower interest rates. Investment income is forecast to materially decrease in 2009 as interest rates have fallen significantly in all our major currencies in recent months. Profit before tax was £92.8 million compared to £95.2 million in 2007 reflecting a net exceptional gain recognised in 2007 of £12.7 million which arose mainly from the merger of SIACI with Saint Honore in France.

The exceptional costs of £2.4 million in 2008 relate to integration costs in respect of the acquisition in June 2008 of Harman Wicks & Swayne in London.

Profit after tax and minorities reduced by £8.8 million to £63.6 million reflecting the beneficial impact of exceptional items and the impairment charge recognised in 2007, while underlying profit after tax and minorities increased 17% to £65.3 million.

Underlying diluted earnings per share increased by 17% to 30.4 pence per share. Diluted earnings per share were 29.6 pence per share compared to 33.7 pence in 2007.

OPERATIONAL REVIEW

Risk & Insurance

Risk & Insurance comprises our retail and London Market broking businesses. Combined turnover increased by 15% to £448.5 million or 8% at CRE, comprising 6% organic growth and 2% by acquisition. Underlying trading profit increased by 26% to £79.8 million for the year representing an underlying trading margin of 18% compared to 16% for the prior year.

<u>Retail</u>

Turnover for our retail businesses showed strong growth of 19% to £233.5 million, or 10% at CRE, comprising 7% organic growth and 3% due to acquisitions. The trading margin was 19%, unchanged on the prior year.

	Year ended 2008							Year Ended 2007	
£m	Turnover			Trading Profit		Trading Margin		Trading	
	Actual	Growth	at CRE	Actual	at CRE	Actual	at CRE	Profit	Margin
Australasia	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%)
	233.5	**19%**	**10%**	**45.0**	**41.9**	**19%**	**19%**	**36.6**	**19%**

All territories within our retail group continued to experience very competitive market conditions but all achieved good revenue growth with particularly strong performances from Asia, Canada and Latin America.

London Market

Our London Market operations achieved strong growth in turnover and trading profit. Turnover increased by 11% to £215.0 million, or 7% at CRE, comprising 6% organic growth and 1% by acquisition. The trading margin was 16% compared to 14% in 2007.

	Year Ended 2008							Year Ended 2007	
£m	Turnover			Trading Profit		Trading Margin		Trading	
	Actual	Growth	at CRE	Actual	at CRE	Actual	at CRE	Profit	Margin
Jardine Lloyd Thompson Limited	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%
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%**

Jardine Lloyd Thompson Limited, our London Market based specialty broker, achieved revenue growth for the year of 9% or 5% at CRE, following a good performance in the second half of the year. There has also been a further improvement in the trading profit for this business and its target remains to deliver a trading margin of 20% for the full year by 2011.

Lloyd & Partners, the Group's wholesale specialist, has continued its strong revenue growth with revenue increasing by 15% or 13% at CRE. This was achieved against continued challenging insurance market conditions particularly in the USA. Excluding the impact of the acquisition of Park in Bermuda, the organic revenue growth was 11%.

JLT Reinsurance Brokers also produced a strong performance in 2008 in both its reinsurance and global aerospace practices. The 2008 year was a pivotal one for the business, being the 3rd year of its original 5 year development plan. All parts of the business performed well in challenging markets. Revenue increased by 11%, or 6% at CRE, and there was a further improvement in the trading margin from 11% to 15%.

The acquisition in June 2008 of Harman Wicks & Swayne has been successfully integrated and has strengthened the non-marine capabilities of this business, albeit that the 2008 results were only marginally impacted by the acquisition as the majority of its revenue and profit is earned in the first half of each year.

Employee Benefits

Turnover for our Employee Benefits business in the UK & Ireland increased by 8% to £87.6 million for the year, comprising 4% organic growth and 3% by acquisition. Trading profit increased by 10% to £15.1 million with an unchanged trading margin of 17%.

£m	Year Ended 2008				Year Ended 2007	
	Turnover		Trading		Trading	
	Actual	Growth	Profit	Margin	Profit	Margin
UK & Ireland	**87.6**	**8%**	**15.1**	**17%**	**13.7**	**17%**

During the year there were generally high levels of trustee client activity supporting our traditional consulting and administration businesses and further progress was also made in our corporate advisory business. The investment in the Online pensions and retirement benefits platform remains on track for implementation in 2009. There has also been steady progress in both SIPP and private client businesses as the move for individuals to take greater control of their retirement planning takes hold.

Associates

The contribution to profit from JLT's 20% owned French associate SIACI St Honore for 2008 was £4.0 million, a significant improvement over the 2007 profit of £2.6 million. The ICAP JLT joint venture, which remains in early stages of development, generated a loss to JLT of £0.5 million for the year.

CASH FLOW AND BALANCE SHEET

The Group has strong cash flows from a diversified range of cash generative businesses and has a strong balance sheet, funded mainly by equity which increased by £7.9 million during 2008 to £227.2 million. Net debt remains low at £8.6 million with long term committed bank facilities equivalent to £254 million to December 2011. Gross bank borrowings as at 31st December 2008 were £70.3 million leaving unutilised committed headroom of £183.7 million.

SHARE BUY-BACK

On 20th November 2007, the Group announced the commencement of a share buy-back programme which involved the potential purchase of up to £40 million of shares. The Group purchased a total of 1,143,131 shares under the programme between November 2007 and April 2008 at an average purchase price of 332 pence per share representing a total cash consideration of £3.8 million. The shares are held as Treasury shares.

It is proposed to renew the standing share buy-back authority at the AGM in 2009. This would be exercised subject to market conditions and the Group's capital requirements, consistent with the objective of enhancing returns to shareholders.

FOREIGN EXCHANGE

The Group's major currency transaction exposure arises in our London Market businesses which earn annual US dollar denominated revenue of approximately $250 million which represents 26% of Group revenue. As a consequence, the Group's results are highly sensitive to changes in the Sterling/US dollar exchange rate, each one cent movement in our achieved rate, after hedging, currently translating into a change of approximately £0.75 million in profit before tax. Group policy is to adopt a prudent approach to the management of these exposures by maintaining a rolling hedging programme. In 2008, the Group achieved an average rate after hedging of US$1.81 compared with the average market rate of US$1.85. In 2007, the Group achieved an average rate after hedging of US$1.85 compared to an average market rate of US$2.00.

At the end of February 2009, some 85% of anticipated dollar earnings for 2009 are hedged at an average rate of US$1.72. For 2010 some 65% of dollar earnings are hedged at an average rate of US$1.57 and 20% hedged for 2011 at an average rate of US$1.46.

DIVIDENDS

Subject to shareholder approval, an unchanged final dividend of 12.0p per share for the year to 31st December 2008 will be paid on 1st May 2009 to shareholders on the register at 3rd April 2009. This brings the total dividend for the year to 20.5p per share, unchanged over the prior year.

STRATEGY AND CORPORATE DEVELOPMENTS

JLT's strategy continues to be based on achieving sustainable growth by organic means and selected bolt-on acquisitions.

JLT's medium term strategic goals are to continue to build a balanced and mutually reinforcing business using bolt-on acquisitions to enhance the composition of the Group; to offer global representation, capacity and placing power through our international network, with retail operations that support our speciality strengths; to continue working with US independent brokers to provide leading risk transfer services to US corporates and to underpin these goals with high quality operational processes as efficient as any in the insurance broking industry.

The Group's investment initiatives, the ICAP JLT joint venture, JLT Online and Thistle Underwriters are progressing well.

Selective bolt-on acquisitions remain an integral part of JLT's growth strategy. During 2008, JLT completed nine bolt-on acquisitions with aggregate net consideration of £22.8 million to acquire annualised revenue of £16.3 million. This included the acquisition of Harman Wicks & Swayne in June 2008.

MARKET CONDITIONS

The insurance rating environment is mixed. In some areas, such as catastrophe affected classes, financial lines and aviation, there is some evidence of rates hardening and, generally, primary insurers are becoming resistant to further reductions.

There is a general expectation that rates may harden progressively during 2009 but increases in gross premium levels may be offset by reduced economic activity, resulting in lower values at risk due to the current global economic environment.

JLT continues to earn a proportion of its Risk & Insurance revenues in negotiated fees as opposed to commissions. Whilst this limits the potential benefits from a hardening insurance market, the overall quality of our earnings in recent years has improved as we become less geared to the insurance market cycle.

OUTLOOK

The Group enters 2009 in good shape and this is demonstrated by the results we have reported for 2008. The current economic outlook remains difficult, but assuming no material deterioration from here, we would expect JLT to make further progress in 2009.

Results follow *Continued on P.8*

Jardine Lloyd Thompson Group plc
Consolidated Income Statement
For the year ended 31st December 2008

	Notes	2008 £'000	2007 £'000
Fees and commissions	3	**536,093**	473,194
Investment income		**15,849**	17,450
Salaries and associated expenses		**(329,282)**	(298,363)
Premises		**(31,232)**	(31,595)
Other operating costs		**(90,560)**	(55,290)
Depreciation, amortisation and impairment charges	3,4	**(11,240)**	(12,978)
Operating Profit	3,4	**89,628**	92,418
Analysed as:			
Operating profit before exceptional items and impairment charges		**91,998**	79,665
Other non-recurring items	4	**(2,370)**	(2,811)
Gain on disposal of investment in associate	4	**-**	29,097
Group reorganisation and rationalisation costs	4	**-**	(10,103)
Impairment charges	4	**-**	(3,430)
Operating Profit	3,4	**89,628**	92,418
Finance costs	5	**(6,091)**	(5,264)
Finance income	5	**5,769**	5,389
Net finance (cost)/income	5	**(322)**	125
Share of results of associates after tax and minority interests		**3,502**	2,669
Profit before taxation	3	**92,808**	95,212
Income tax expense	6	**(27,978)**	(22,006)
Profit for the year		**64,830**	73,206
Attributable to:			
Shareholders of the Company		**63,611**	72,402
Minority interests		**1,219**	804
		64,830	73,206
Earnings per share	8		
Basic		**29.6p**	33.7p
Diluted		**29.6p**	33.7p

Jardine Lloyd Thompson Group plc
Consolidated Group Balance Sheet
As at 31st December 2008

	Notes	2008 £'000	2007 £'000
NET OPERATING ASSETS			
Non-current assets			
Goodwill		**196,992**	160,010
Intangible assets		**15,576**	11,101
Property, plant and equipment		**27,920**	24,473
Investment in associates		**42,764**	30,250
Available-for-sale financial assets	9	**10,956**	1,034
Derivative financial instruments	10	**3,725**	403
Employee benefit trusts		**517**	1,287
Deferred tax assets		**35,079**	26,349
Retirement benefit surpluses	14	**-**	4,464
		333,529	259,371
Current assets			
Trade and other receivables	11	**208,308**	160,852
Current tax assets		**-**	2,881
Derivative financial instruments	10	**-**	3,890
Available-for-sale financial assets	9	**-**	11,103
Cash and cash equivalents	12	**511,495**	348,659
		719,803	527,385
Current liabilities			
Borrowings		**(497)**	(2,078)
Trade and other payables	13	**(627,669)**	(444,508)
Derivative financial instruments	10	**(24,101)**	(730)
Current tax liabilities		**(15,279)**	-
Provisions for liabilities and charges	15	**(14,365)**	(20,473)
		(681,911)	(467,789)
Net current assets		**37,892**	59,596
Non-current liabilities			
Borrowings		**(69,788)**	(49,509)
Derivative financial instruments	10	**(13,539)**	(97)
Deferred tax liabilities		**(6,451)**	(6,751)
Retirement benefit obligations	14	**(29,291)**	(31,856)
Provisions for liabilities and charges	15	**(19,853)**	(8,291)
		(138,922)	(96,504)
		232,499	222,463
TOTAL EQUITY			
Capital and reserves attributable to the Company's equity holders			
Ordinary shares	16	**10,676**	10,667
Share premium	16	**77,338**	76,764
Fair value and hedging reserves	16	**(24,702)**	2,681
Exchange reserves	16	**37,398**	1,494
Retained earnings	16	**126,456**	127,694
Shareholders' equity	16	**227,166**	219,300
Minority interests		**5,333**	3,163
		232,499	222,463

Jardine Lloyd Thompson Group plc
Consolidated Statement of Recognised Income and Expense
For the year ended 31st December 2008

	2008 **£'000**	2007 £'000
Actuarial (losses)/gains recognised in post retirement benefit schemes	**(11,577)**	**35,268**
Taxation thereon	**3,057**	**(9,963)**
	(8,520)	**25,305**
Fair value gains/(losses) net of tax		
- available-for-sale	**244**	**(1,098)**
- cashflow hedges	**(27,627)**	**(3,219)**
Currency translation differences	**35,904**	**5,564**
Net gains recognised directly in shareholders' equity	**1**	**26,552**
Profit for the year	**64,830**	**73,206**
Total recognised income and expense for the year	**64,831**	**99,758**
Attributable to:		
Shareholders of the Company	**63,612**	**98,954**
Minority interests	**1,219**	**804**
	64,831	**99,758**

Jardine Lloyd Thompson Group plc
Consolidated Cash Flow Statement
For the year ended 31st December 2008

	Notes	**2008** **£'000**	2007 £'000
Cash flows from operating activities			
Cash generated from operations	17	**74,277**	14,416
Interest paid		**(6,015)**	(5,025)
Fair value gains on financial instruments		**777**	(51)
Interest received		**18,946**	20,013
Taxation paid		**(7,115)**	(13,971)
Increase in net insurance broking creditors		**137,213**	20,451
		218,083	35,833
Dividend received from associates		**35**	64
Net cash from operating activities		**218,118**	35,897
Cash flows from investing activities			
Purchase of property, plant and equipment		**(9,989)**	(8,336)
Purchase of intangible fixed assets		**(9,515)**	(6,060)
Disposal of property, plant and equipment		**810**	676
Disposal of intangible fixed assets		**803**	732
Acquisition of businesses (net of cash acquired)	18	**(5,274)**	(17,478)
Acquisition of associate undertakings		**(1,709)**	-
Disposal of business (net of cash disposed of)	19	**709**	16,671
Purchase of available for sale "other" investments		**(212)**	(18)
Disposal of available for sale "other" investments		**-**	969
Net cash used in investing activities		**(24,377)**	(12,844)
Cash flows from financing activities			
Equity dividend paid		**(43,559)**	(43,512)
Net cash flows from investments and deposits		**1,941**	3,010
Purchase of investments by Employee Benefit Trust		**(19,000)**	(4,827)
Share buy back programme		**(1,070)**	(2,738)
Issue of ordinary shares		**583**	2,229
Net increase in borrowings		**15,517**	22,490
Dividend paid to minority shareholding		**(775)**	(2,374)
Net cash used in financing activities		**(46,363)**	(25,722)
Net increase/(decrease) in cash and cash equivalents		**147,378**	(2,669)
Cash and cash equivalents at beginning of year		**348,659**	350,339
Effects of exchange rate changes		**15,458**	989
Cash and cash equivalents at end of the year		**511,495**	348,659

Jardine Lloyd Thompson Group plc
Notes to the Preliminary Results
For the year ended 31st December 2008

1. Basis of Preparation

Basis of preparation

The Group consolidated financial statements have been prepared under the historical cost convention as modified by the revaluation of available-for-sale investments and derivative financial instruments and using accounting policies and presentation which comply with International Financial Reporting Standards (IFRS) as required by IAS 1.

Change in accounting policy

IFRS 8, 'Operating segments', effective for annual periods beginning on or after 1 January 2009 has been early adopted in the year beginning 1 January 2008. IFRS 8 replaces IAS 14, 'Segment reporting', and requires a 'management approach' under which segment information is presented on the same basis as that used for internal reporting purposes. This has resulted in an increase in the number of reportable segments presented, as the previously reported Risk & Insurance segment has been split into London Market and Retail segments.

Operating segments are reported in a manner consistent with the internal management reporting.

Comparatives for 2007 have been restated to reflect the revised segmental reporting.

2. Alternative Income Statement

The format of the consolidated income statement on page 8 conforms to the requirements of IFRS. The alternative income statement set out below, which is provided by way of additional information, has been prepared on a basis that conforms more closely to the approach adopted by the Group in assessing its performance.

	Year to 31st December 2008				
	Underlying profit £'000	**Reclassification £'000**	**Impairment charges £'000**	**Exceptional items £'000**	**Total £'000**
Fees and commissions	**536,093**	-	-	-	**536,093**
Salaries and associated expenses	**(328,539)**	-	-	(743)	**(329,282)**
Premises	**(29,694)**	-	-	(1,538)	**(31,232)**
Other operating costs	**(90,915)**	444	-	(89)	**(90,560)**
Depreciation, amortisation and impairment	**(10,732)**	(508)	-	-	**(11,240)**
Trading profit	**76,213**	(64)	-	(2,370)	**73,779**
Investment income	**15,849**	-	-	-	**15,849**
Profit on disposal of business	**444**	(444)	-	-	**-**
Amortisation of other intangibles	**(508)**	508	-	-	**-**
Operating profit	**91,998**	-	-	(2,370)	**89,628**
Net finance income	**(322)**	-	-	-	**(322)**
Share of results of associates after tax and minority interests	**3,502**	-	-	-	**3,502**
Profit before taxation	**95,178**	**-**	**-**	**(2,370)**	**92,808**

Jardine Lloyd Thompson Group plc
Notes to the Preliminary Results
For the year ended 31st December 2008

2. Alternative Income Statement (cont'd)

	Year to 31st December 2007				
	Underlying profit £'000	Reclassification £'000	Impairment charges £'000	Exceptional items £'000	Total £'000
Fees and commissions	473,194	-	-	-	473,194
Salaries and associated expenses	(291,578)	-	-	(6,785)	(298,363)
Premises	(30,440)	-	-	(1,155)	(31,595)
Other operating costs	(79,980)	567	-	24,123	(55,290)
Depreciation, amortisation and impairment	(9,076)	(472)	(3,430)	-	(12,978)
Trading profit	62,120	95	(3,430)	16,183	74,968
Investment income	17,450	-	-	-	17,450
Profit on disposal of fixed asset investments	567	(567)	-	-	-
Amortisation of other intangibles	(472)	472	-	-	-
Operating profit	79,665	-	(3,430)	16,183	92,418
Net finance costs	125	-	-	-	125
Share of results of associates after tax and minority interests	2,669	-	-	-	2,669
Profit before taxation	82,459	-	(3,430)	16,183	95,212

2. Alternative Income Statement (cont'd)

Segment information - reporting format reconciliation

Year to 31st December 2008	**London Market £'000**	**Retail £'000**	**Employee Benefits £'000**	**Head Office & Other £'000**	**Total £'000**
Underlying trading profit	**34,752**	**44,999**	**15,154**	**(18,692)**	**76,213**
Profit on disposal of business	-	444	-	-	444
Amortisation of other intangibles	(47)	(207)	(254)	-	(508)
Exceptional items	(2,370)	-	-	-	(2,370)
Segment result	**32,335**	**45,236**	**14,900**	**(18,692)**	**73,779**
Investment income	8,921	6,868	37	23	15,849
Operating profit	**41,256**	**52,104**	**14,937**	**(18,669)**	**89,628**

Year to 31st December 2007	London Market £'000	Retail £'000	Employee Benefits £'000	Head Office & Other £'000	Total £'000
Underlying trading profit	26,486	36,608	13,732	(14,706)	62,120
Profit/(loss) on disposal of fixed asset investments	-	135	488	(56)	567
Amortisation of other intangibles	(66)	(153)	(253)	-	(472)
Exceptional items	(4,046)	(3,580)	(5,143)	28,952	16,183
Segment result	22,374	33,010	8,824	14,190	78,398
Impairment charges	(30)	(3,400)	-	-	(3,430)
Investment income	10,444	6,876	98	32	17,450
Operating profit	32,788	36,486	8,922	14,222	92,418

3. Segment Information

Business segment analysis
The Group is organised on a worldwide basis into four main segments: London Market, Retail, Employee Benefits and Head Office & Other operations. These segments are consistent with the internal reporting structure of the Group.

The London Market segment comprises JLT's specialist, wholesale and reinsurance broking activities. The Retail segment comprises the Group's international insurance broking and risk services activities. The Employee Benefits segment consists of pension administration, outsourcing and employee benefits consultancy. The Head Office & Other segment consists mainly of holding companies, central administration functions, the Group's captive insurance companies and the Group's principal investments in associates.

Segment results
In accordance with IFRS 8, segment results include the net income or expense derived from the trading activities of the segment, together with the investment income earned on fiduciary funds. Interest income on the Groups own funds and finance costs are excluded since the trading activities of the Group's primary segments are not of a financial nature. The standard also specifically excludes the income tax expense from segmental allocation with the consequence that the minority interest charge is also excluded.

Segment assets include:
- non current assets excluding investments in associates and deferred tax assets,
- trade and other receivables,
- fiduciary funds

Interest bearing assets (e.g. cash & cash equivalents and investments & deposits) relating to the Groups own funds are excluded from segmental assets.

Segment liabilities include:
- trade and other payables,
- provisions for liabilities and charges.

It excludes any interest bearing liabilities (e.g. borrowings) as well as income & deferred tax liabilities.

Items excluded from segmental allocation are referred to below as "unallocated".

Investments in associates: the Group owns 20 per cent of the French company Newstone Courtage (the holding company of Siaci Saint Honore) which operates principally in France. Although the investment and the Group's share of Newstones' net profit are excluded from the segmental analysis of assets and revenue, they are shown separately in conjunction with data from the Head Office & Other segment together with the investment and results from ICAP-JLT and JLT Re do Brazil. Group companies also own a number of small associates in Asia, which are included in the Retail segment.

Capital expenditure comprises additions to property, plant and equipment and intangible assets.

3. Segment Information cont'd

Year to 31st December 2008	**London Market £'000**	**Retail £'000**	**Employee Benefits £'000**	**Head Office & Other £'000**	**Unallocated £'000**	**Total £'000**
Fees and commissions	214,953	233,561	87,570	9	-	536,093
Segment result	32,335	45,236	14,900	(18,692)	-	73,779
Investment income	8,921	6,868	37	23	-	15,849
Operating profit	41,256	52,104	14,937	(18,669)	-	89,628
Net finance income	-	-	-	-	(322)	(322)
Share of results of associates after tax & minority interests	-	35	-	3,467	-	3,502
Profit before taxation	**41,256**	**52,139**	**14,937**	**(15,202)**	**(322)**	**92,808**
Income tax expense	-	-	-	-	(27,978)	(27,978)
Minority interests	-	-	-	-	(1,219)	(1,219)
Profit for the year	**41,256**	**52,139**	**14,937**	**(15,202)**	**(29,519)**	**63,611**
Segment assets	469,436	277,194	79,810	91,144	-	917,584
Associates	-	-	-	42,764	-	42,764
Unallocated assets	-	-	-	-	92,984	92,984
Total assets	**469,436**	**277,194**	**79,810**	**133,908**	**92,984**	**1,053,332**
Segment liabilities	(447,015)	(178,404)	(24,191)	(77,920)	-	(727,530)
Unallocated liabilities	-	-	-	-	(93,303)	(93,303)
Total liabilities	**(447,015)**	**(178,404)**	**(24,191)**	**(77,920)**	**(93,303)**	**(820,833)**
Other segment items						
Capital expenditure	2,852	7,548	4,701	4,403	-	19,504
Depreciation, amortisation and impairment	(748)	(5,485)	(1,057)	(3,950)	-	(11,240)

3. Segment Information cont'd

Year to 31st December 2007	London Market £'000	Retail £'000	Employee Benefits £'000	Head Office & Other £'000	Unallocated £'000	Total £'000
Fees and commissions	194,303	196,824	81,480	587	-	473,194
Segment result	22,374	33,010	8,824	14,190	-	78,398
Impairment charge	(30)	(3,400)	-	-	-	(3,430)
Investment income	10,444	6,876	98	32	-	17,450
Operating profit	32,788	36,486	8,922	14,222	-	92,418
Net finance income	-	-	-	-	125	125
Share of results of associates after tax & minority interests	-	32	-	2,637	-	2,669
Profit before taxation	32,788	36,518	8,922	16,859	125	95,212
Income tax expense	-	-	-	-	(22,006)	(22,006)
Minority interests	-	-	-	-	(804)	(804)
Profit for the year	32,788	36,518	8,922	16,859	(22,685)	72,402
Segment assets	335,709	224,955	73,364	42,734	-	676,762
Associates	-	2,607	-	27,643	-	30,250
Unallocated assets	-	-	-	-	79,744	79,744
Total assets	335,709	227,562	73,364	70,377	79,744	786,756
Segment liabilities	(260,882)	(144,983)	(21,666)	(73,019)	-	(500,550)
Unallocated liabilities	-	-	-	-	(63,743)	(63,743)
Total liabilities	(260,882)	(144,983)	(21,666)	(73,019)	(63,743)	(564,293)
Other segment items						
Capital expenditure	4,931	6,007	756	2,702	-	14,396
Depreciation, amortisation and impairment	(560)	(8,168)	(980)	(3,270)	-	(12,978)

Geographical segment analysis

Although the Group manages its four business segments on a worldwide basis, they operate in five principal geographical areas of the world.

The United Kingdom is the home country of the parent company Jardine Lloyd Thompson Group plc.

The London Market segment operates in the United Kingdom, its home country. In the Americas, the London Market segment operates in Bermuda and the United States. In Europe, it operates in France, Sweden, Norway and Russia.

The Retail segment operates in the United Kingdom, its home country, and also in Guernsey. In the Americas, the Retail segment operates in the following countries: Brazil, Canada, Colombia, Mexico and Peru. In Europe, it operates in the Republic of Ireland, Italy, Spain and Poland. The Australasian segment includes operations in Australia and New Zealand and the Asian segment includes operations in Singapore, Hong Kong, Taiwan, Indonesia, Japan, Thailand, Korea, Philippines, Malaysia, China and Vietnam.

The Employee Benefits segment operates in the United Kingdom , its home country.

The Head Office & Other activities segment is mainly based in the United Kingdom with minor operations in the United States, Europe and Asia. The Group's captive insurance companies, whilst located in Bermuda, are included in the United Kingdom segment.

Fees and commissions are allocated based on (1) the country in which the office is located and (2) the country in which the customer is located.

Segment non current assets, segment assets and segment liabilities are allocated based on the country in which they are located or occur.

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3. Segment Information cont'd

Year to 31st December 2008	Fees and commissions (1) £'000	Fees and commissions (2) £'000	Segment non-current assets £'000	Segment assets £'000	Segment Liabilities £'000
UK	331,306	196,799	142,615	645,388	(549,667)
Americas	63,255	127,016	57,998	106,930	(62,055)
Australasia	78,230	85,488	20,418	71,538	(51,739)
Asia	41,707	51,418	13,187	51,870	(34,630)
Europe	21,595	61,953	6,787	41,858	(29,439)
Rest of World	-	13,419	-	-	-
	536,093	**536,093**	**241,005**	**917,584**	**(727,530)**
Associates				42,764	-
Unallocated assets/(liabilities)				92,984	(93,303)
Total assets/(liabilities)				**1,053,332**	**(820,833)**

Year to 31st December 2007	Fees and commissions (1) £'000	Fees and commissions (2) £'000	Segment non-current assets £'000	Segment assets £'000	Segment Liabilities £'000
UK	306,644	148,951	125,674	477,857	(375,091)
Americas	50,307	114,680	43,046	81,319	(43,116)
Australasia	65,620	72,487	15,978	59,285	(45,720)
Asia	34,342	42,809	7,452	29,642	(17,987)
Europe	16,281	83,886	4,721	28,659	(18,636)
Rest of World	-	10,381	-	-	-
	473,194	473,194	196,871	676,762	(500,550)
Associates				30,250	-
Unallocated assets/(liabilities)				79,744	(63,743)
Total assets/(liabilities)				786,756	(564,293)

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4. Operating Profit

The following items have been charged/(credited) in arriving at operating profit:	**2008 £'000**	2007 £'000
Foreign exchange gains:		
Fees and commissions	**(3,365)**	(9,208)
Other operating costs	**(1,098)**	(42)
	(4,463)	(9,250)
Impairment charges		
- goodwill	**-**	3,400
- employment contract payments	**-**	30
Amortisation of intangible assets:		
- software costs	**1,964**	1,435
- other intangible assets	**508**	472
Depreciation on property, plant and equipment		
- owned assets	**8,446**	7,313
- leased assets under finance leases	**322**	328
Total depreciation, amortisation and impairment charges	**11,240**	12,978
Amortisation of intangible assets:		
- Employment contract payments (included in salaries and associated expenses)	**2,475**	2,492
Loss/(profit) on disposal of property, plant and equipment:	**76**	(27)
Operating lease rentals payable:		
Minimum lease payments		
Land & Buildings	**11,823**	11,164
Furniture, equipment & motor vehicles	**258**	195
Computer equipment & software	**53**	20
Other	**449**	391
Sub-lease payments		
Land & Buildings	**(2,376)**	(2,747)
Available for sale financial assets		
- Fair value gains	**(78)**	(14)
- Gain on sale	**(5)**	(5)
	(83)	(19)

Exceptional items:		
Acquisition integration costs of which:		
- included in salaries and associated expenses	**743**	458
- included in premises costs	**1,538**	152
- included in other operating costs	**89**	19
	2,370	629
Reorganisation and redundancy costs of which:		
- included in salaries and associated expenses	**-**	6,327
- included in premises costs	**-**	1,003
- included in other operating costs	**-**	2,773
	-	10,103
Sale of associate - Courcelles Participations (included in other operating costs)	**-**	(29,097)
Commercial dispute settlement (included in other operating costs)	**-**	2,182
	2,370	(16,183)

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5. Net finance (cost)/income

	2008 £'000	2007 £'000
Interest receivable - own funds	**2,824**	2,682
Investment income from fixed asset investments	**190**	50
Interest expense:		
- bank and other borrowings	**(5,725)**	(4,791)
- finance leases	**(110)**	(100)
- interest in respect of provision discounting	**(256)**	(312)
Pension financing:		
- expected return on post employment scheme assets	**30,982**	28,282
- interest on post employment scheme liabilities	**(28,305)**	(25,700
- net pension financing income	**2,677**	2,582
Net foreign exchange transaction gain/(losses)		
Fair value losses/(gains) on financial instruments		
- interest rate swaps : cash flow hedges, transfer from equity	**16**	75
- forward contracts : fair value hedges	**62**	(61)
	(322)	125
Finance costs	**(6,091)**	(5,264)
Finance income	**5,769**	5,389
Net finance (costs)/income	**(322)**	125

6. Income tax expense

	2008 £'000	2007 £'000
Current tax expense		
Current year	**25,507**	11,966
Over provided in prior years	**442**	(273)
	25,949	11,693
Deferred tax expense		
Origination and reversal of temporary differences	**(1,765)**	5,081
Reduction in tax rate	**159**	809
Benefit of tax losses recognised	**746**	4,410
Adjustment in respect of prior period losses	**2,889**	13
	2,029	10,313
Total income tax expense	**27,978**	22,006

6. Income tax expense cont'd

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the tax rate of the home country of the Company as follows:

	2008	2007
	£'000	£'000
Profit before taxation	**92,808**	95,212
Tax calculated at UK Corporation Tax rate of 28.5% (2007: 30%)	**26,450**	28,564
Non-deductible expenses *	**875**	3,103
Share based payments	**(1,603)**	2,005
Other adjustments to taxable profit	**-**	(8,733)
Adjustments to tax charge in respect of prior periods	**3,523**	(125)
Effect of UK and non-UK tax rate differences	**(136)**	(2,826)
Effect of reduction in UK tax rate	**-**	809
Tax on associates	**(1,131)**	(791)
Total income tax expense	**27,978**	22,006

* The non-deductible expenses for 2008 relate principally to non-deductible entertainment expenses. The non-deductible expenses for 2007 relate principally to non deductible entertaining expenses and the impairment of goodwill attributable to Latin America.

The other adjustments to taxable profit for 2007 relate principally to the gain realised on the disposal of the Group's investment in Courcelles Participation that is not subject to tax.

7. Dividends

	2008	2007
	£'000	£'000
Final dividend in respect of 2007 of 12.0p per share (2006: 12.0p)	**25,878**	25,493
Less: adjustment*	**(140)**	(38)
	25,738	25,455
Interim dividend in respect of 2008 of 8.5p per share (2006: 8.5p)	**18,316**	18,057
	44,054	43,512

* Adjustment relating to dividend equivalents accrued in respect of various performance related share awards and long-term incentive plans not currently anticipated to fully vest.

A final dividend in respect of 2008 of 12.0p per share (2007: 12.0p) amounting to a total of £25,625,000 (2007: £25,714,000) is proposed by the Board. The dividend proposed will not be accounted for until it has been approved at the Annual General Meeting.

8. Earnings per Share

Basic earnings per share are calculated by dividing the profit attributable to shareholders by the weighted average number of ordinary shares in issue during the year, excluding unallocated shares held by the Trustees of the Employees' Share Ownership Plan Trust.

Diluted earnings per share are calculated by adjusting the weighted average number of ordinary shares in issue to take account of the potential dilutive effect of outstanding share options.

Additional basic and diluted earnings per share are also calculated based on underlying earnings attributable to shareholders. A reconciliation of earnings is set out below.

	2008 No. of shares	2007 No. of shares
Weighted average number of ordinary shares in issue	**214,649,942**	214,732,389
Effect of outstanding share options	**439,534**	474,373
Adjusted weighted average number of shares	**215,089,476**	215,206,762

Earnings reconciliation	**£'000**	**2008 Basic pence per share**	**Diluted pence per share**	£'000	2007 Basic pence per share	Diluted pence per share
Underlying profit	**65,306**	**30.4**	**30.4**	55,911	26.0	26.0
Impairment charges	**-**			(3,430)		
Taxation thereon	**-**			9		
	-	**-**	**-**	(3,421)	(1.6)	(1.6)
Exceptional items	**(2,370)**			16,183		
Taxation thereon	**675**			3,729		
	(1,695)	**(0.8)**	**(0.8)**	19,912	9.3	9.3
Profit attributable to shareholders	**63,611**	**29.6**	**29.6**	72,402	33.7	33.7

9. Available-for-sale financial assets

Available for sale financial assets are categorised according to their nature into one of two categories:

1) Investments and deposits, which consist mainly of Bonds, Commercial Paper and Fixed Deposits - these investments are held at fair value and are classified between current and non-current assets according to maturity date.

2) Other investments, which include securities and other investments held for strategic purposes - these investments are held at fair value unless a fair value cannot be accurately determined in which case they are held at cost less any provision for impairment.

	Other investments £'000	**Investments & deposits £'000**	**Total £'000**
At 1st January 2008	**846**	**11,291**	**12,137**
Exchange differences	**(6)**	**843**	**837**
Additions	**19**	**9,876**	**9,895**
Reclassification	**193**	**(193)**	**-**
Disposals/maturities	**-**	**(11,624)**	**(11,624)**
Revaluation deficit (included within equity)	**(254)**	**(35)**	**(289)**
At 31st December 2008	**798**	**10,158**	**10,956**
Analysis of available-for-sale financial assets			
Current	**-**	**-**	**-**
Non- current	**798**	**10,158**	**10,956**
At 31st December 2008	**798**	**10,158**	**10,956**
Analysis of available-for-sale investments and deposits			
Fiduciary		**10,158**	
Own funds		**-**	
At 31st December 2008		**10,158**	
At 1st January 2007	2,481	13,231	15,712
Exchange differences	62	1,004	1,066
Additions	18	8,243	8,261
Disposals/maturities	(402)	(11,253)	(11,655)
Revaluation (deficit)/surplus (included within equity)	(1,313)	66	(1,247)
At 31st December 2007	846	11,291	12,137
Analysis of available-for-sale financial assets			
Current	-	11,103	11,103
Non- current	846	188	1,034
At 31st December 2007	846	11,291	12,137
Analysis of available -for-sale investments and deposits			
Fiduciary		10,961	
Own funds		330	
At 31st December 2007		11,291	

9. Available-for-sale financial assets cont'd

The credit quality of available for sale investments and deposits can be assessed by reference to external credit ratings, where available, or to historical information about counterparty default rates:

	2008 £'000	2007 £'000
AAA	**-**	194
AA	**10,158**	8,854
AA/A	**-**	2,240
Other	**-**	3
Total	**10,158**	11,291

10. Derivative financial instruments

	31st December 2008		31st December 2007	
	Assets £'000	**Liabilities £'000**	Assets £'000	Liabilities £'000
Interest-rate swaps - cash flow hedges	-	-	-	(402)
Forward foreign exchange contracts - cash flow hedges	**3,725**	**(37,640)**	4,293	(425)
Total	**3,725**	**(37,640)**	4,293	(827)

	31st December 2008		31st December 2007	
	Assets £'000	**Liabilities £'000**	Assets £'000	Liabilities £'000
Current	**-**	**(24,101)**	3,890	(730)
Non current	**3,725**	**(13,539)**	403	(97)
Total	**3,725**	**(37,640)**	4,293	(827)

The credit quality of derivative financial assets can be assessed by reference to external credit ratings, where available, or to historical information about counterparty default rates.

	2008 £'000	2007 £'000
AA	**3,725**	4,293
Total	**3,725**	4,293

Maturity analysis

The table below analyses the Group's derivative financial instruments which will be settled on a gross basis into relevant maturity groupings based upon the remaining period at the balance sheet date to contractual maturity. The amounts disclosed are the contractual undiscounted cash flows.

31st December 2008	**Less than 1 year £'000**	**Between 1 and 2 years £'000**
Forward foreign exchange contracts		
Outflow	**(184,998)**	**(147,150)**
Inflow	**154,578**	**133,475**
Foreign exchange collars		
Outflow	**(7,104)**	**-**
Inflow	**7,104**	**-**

10. Derivative financial instruments cont'd

31st December 2007	Less than 1 year £'000	Between 1 and 2 years £'000
Forward foreign exchange contracts		
Outflow	(101,127)	(4,516)
Inflow	103,889	4,624
Foreign exchange collars		
Outflow	(25,715)	(5,143)
Inflow	25,715	5,143

The Group's treasury policies are approved by the Board and are implemented by a centralised treasury department. The treasury department operates within a framework of policies and procedures that establishes specific guidelines to manage currency risk, liquidity risk and interest rate risk and the use of counter-parties and financial instruments to manage these. The treasury department is subject to regular internal and external audit.

The Group uses various derivative instruments including forward foreign exchange contracts, interest rate swaps and forward currency collars and options to manage the risks arising from variations in currency and interest earnings that arise from movements in exchange and interest rates. Derivative instruments purchased are primarily denominated in the currencies of the Group's main markets.

Where forward foreign exchange contracts have been entered into to manage currency risk, they are designated as hedges of currency risk on specific future cash flows, which qualify as highly probable transactions for which hedge accounting has been used. The Group anticipates that hedge accounting criteria will continue to be met on its foreign currency and interest rate hedging activities and that no material ineffectiveness will arise which will give rise to timing issues on gains or losses being recognised through the profit and loss account.

The fair value after tax of financial derivatives based upon market values as at 31st December 2008 and designated as effective cash flow hedges was £37.6 million and has been deferred in equity (2007: £3.5 million). Gains and losses arising on derivative instruments outstanding as at 31st December 2008 will be released to the income statement at various dates up to thirty six months from the balance sheet date. No material amounts were transferred to the income statement during the period in respect of the fair value of financial derivatives.

Transactions maturing within 12 months of the balance sheet date are classified in current maturities. Transactions maturing in a period in excess of 12 months of the balance sheet are classified as non-current maturities.

a) Forward Foreign Exchange Contracts

The Group’s major currency transaction exposure arises in US$ and the Group continues to adopt a prudent approach in actively managing this exposure. As at 31st December 2008 the Group had outstanding forward foreign exchange contracts, including foreign currency collars, principally in US$, amounting to a principal value of £295,156,000 (2007: £168,089,000).

b) Interest Rate Swaps and Forward Rate Agreements

The Group uses interest rate hedges, principally interest rate swaps, to mitigate the impact upon interest earnings and expense of changes in interest rates. The notional principal amounts of outstanding interest rate swaps and FRAs as at 31st December 2008 was nil (2007: US$100,000,000 at a fixed rate of 4.6% and £50,000,000 at a fixed rate of 4.5%).

c) Price Risk

The Group does not have a material exposure to commodity price risk.

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11. Trade and other receivables

Current receivables and prepayments	**2008 £'000**	2007 £'000
Trade receivables	**157,763**	118,882
Less: Provision for bad debt	**(14,524)**	(11,696)
Trade receivables - net	**143,239**	107,186
Other debtors	**55,810**	45,787
Prepayments	**9,259**	7,879
Trade and other receivables	**208,308**	160,852

12. Cash and cash equivalents

	2008 £'000	2007 £'000
Cash at bank and in hand	**146,578**	178,581
Short term bank deposits	**364,917**	170,078
	511,495	348,659
	£'000	£'000
Fiduciary funds	**449,853**	298,352
Own funds	**61,642**	50,307
	511,495	348,659

The effective interest rate and average maturity in respect of short-term deposits was 2.14% (2007: 6.34%). These deposits have an average maturity of 30 days (15 days in 2007).

13. Trade and other payables

	2008 £'000	2007 £'000
Insurance creditors	**460,011**	309,313
Social security and other taxes	**12,219**	9,424
Other creditors	**92,166**	66,939
Accruals and deferred income	**63,273**	58,832
	627,669	444,508

14. Retirement benefit obligations

The Group operates a number of pension schemes throughout the world, the most significant of which are of the defined benefit type and operate on a funded basis. The principal pension schemes are the Jardine Lloyd Thompson Pension Scheme in the UK, the JLT (USA) Employee Retirement Plan, the Pension Plan for Employees of Jardine Lloyd Thompson Canada Inc, the Jardine Lloyd Thompson Ireland Limited Pension Fund and the Jardine Matheson Executive Staff Retirement Plan (JMESRP), the Jardine Matheson Resident Staff Retirement Plan (JMRSRP) and the Menu Plan sections of the Jardine Matheson Group Retirement Plan in Hong Kong.

During 2007 the schemes in Canada, Ireland and Hong Kong were recognised on the Group balance sheet for the first time.

The pension costs for the year are comprised as follows:

	2008			2007		
	UK £'000	**Overseas £'000**	**Total £'000**	UK £'000	Overseas £'000	Total £'000
Defined benefit schemes	**-**	**1,424**	**1,424**	-	-	-
Defined contribution schemes	**9,021**	**6,914**	**15,935**	8,947	6,725	15,672
	9,021	**8,338**	**17,359**	8,947	6,725	15,672

The Jardine Lloyd Thompson Pension Scheme is based in the UK and has two sections: one providing defined benefits based primarily on Final Pensionable Salary and the other providing benefits on a defined contribution basis. The assets of the scheme are held in a trustee administered fund separate from the Company.

With effect from 1st December 2006, the Scheme was amended to eliminate future benefit accruals. Under the Scheme as amended, a participant's normal retirement benefit will be determined based on their service and compensation prior to 1st December 2006. The average compensation and length of service will be determined as at 1st December 2006. The amendment to the plan gave rise to a curtailment gain of £31,300,000 which was treated as an exceptional item in 2006. The Company agreed to make additional contributions to the scheme totalling £65 million. An initial amount of £14 million was paid in December 2006 and a further amount of £31 million was paid in January 2007, £10 million was paid in January 2008 with the balance of £10 million payable no later than December 2009.

The last formal valuation of the Jardine Lloyd Thompson Pension Scheme was undertaken at 1st April 2006. This was updated to 31st December 2008 by a qualified actuary employed by the Group.

The principal overseas schemes are:

a) The JLT (USA) Incentive Savings Plan which is a defined contribution scheme. Employees may contribute up to 50% of their salary subject to an IRS maximum each year - $15,500 in 2008 - and the Group contributes at a rate of 100% of each 1% contributed by the employee up to a maximum employee contribution of 4%. Employees aged over 50 may make "catch-up" contributions subject to an IRS maximum each year - $5,000 in 2008.

b) The JLT (USA) Employee Retirement Plan which is a defined benefit scheme. The latest actuarial valuation was undertaken at 31st December 2007 by independent actuaries. With effect from 31st July 2005 the Plan was amended to eliminate future benefit accruals. Under the Plan as amended, a participant's normal retirement benefit will be determined based on their service and compensation prior to 31st July 2005. The average compensation and length of service will be determined as at 31st July 2005.

c) The Pension Plan for Employees of Jardine Lloyd Thompson Canada Inc. The JLT Canada Pension Plan has two sections; one providing defined benefits based primarily on the 2007 pensionable salary and the other providing benefits on a defined contribution basis. The JLT pension contribution for the defined contribution plan ranges from 3% to 15% based on an Age and Service factor where service has twice the weight of age. The last formal valuation of the JLT Canada Pension Plan was undertaken as of 31st December 2007 by a qualified third party actuary. The defined benefits section was amended to eliminate benefit accruals with effect from 1st January 2009.

d) The Jardine Lloyd Thompson Ireland Limited Pension Fund which is a defined benefit pension scheme with assets held in a separately administered fund. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The most recent valuation for funding purposes was carried out by a qualified independent actuary as at 1st June 2008. The scheme is based on final salary and is closed to new entrants. The company also operates a defined contribution scheme namely The Jardine Lloyd Thompson 2004 Retirement Benefits Scheme which is held and administered by a separate trust.

e) The Jardine Matheson Executive Staff Retirement Plan (JMESRP), Jardine Matheson Resident Staff Retirement Plan (JMRSRP) and Menu Plan section B and C of the Jardine Matheson Group Retirement Plan (JMGRP). The JMRSRP and section C of the JMGRP provides benefits based on final salary, which are solely funded by the participating employer, while the JMESRP and section B of the JMGRP provide benefits based on final salary, which are funded by both the participating employer and the members.

14. Retirement benefit obligations cont'd

The principal assumptions used in the valuations as at 31st December 2008 and prior year were as follows:

31st December 2008	**UK Scheme**	**US Scheme**	**Canadian Scheme**	**Irish Scheme**	**Hong Kong Scheme**
Rate of increase in salaries	**n/a**	**n/a**	**4.00%**	**4.50%**	**5.00%**
Rate of increase of pensions in payment (retail prices limited to 5% per annum) (a)	**2.80%**	**n/a**	**3.50%**	**3.00%**	**n/a**
Discount rate	**6.50%**	**5.50%**	**6.00%**	**5.70%**	**6.00%**
Inflation rate	**2.80%**	**3.00%**	**2.50%**	**2.00%**	**n/a**
Revaluation rate for deferred pensioners	**2.80%**	**n/a**	**n/a**	**2.00%**	**n/a**
Expected return on plan assets (b)	**6.95%**	**8.23%**	**8.00%**	**6.00%**	**7.50%**
Mortality - life expectancy at age 65 for male member: (c)					
Aged 65 at 31st December	**22.0**	**17.6**	**19.4**	**19.2**	**n/a**

31st December 2007	UK Scheme	US Scheme	Canadian Scheme	Irish Scheme	Hong Kong Scheme
Rate of increase in salaries	n/a	n/a	4.00%	5.00%	5.00%
Rate of increase of pensions in payment (retail prices limited to 5% per annum) (a)	3.30%	n/a	2.50%	3.00%	n/a
Discount rate	5.90%	5.75%	5.50%	5.70%	4.90%
Inflation rate	3.30%	3.00%	2.50%	2.50%	n/a
Revaluation rate for deferred pensioners	3.30%	n/a	n/a	2.50%	n/a
Expected return on plan assets (b)	6.90%	8.50%	8.00%	5.90%	7.50%
Mortality - life expectancy at age 65 for male member: (c)					
Aged 65 at 31st December	21.9	17.6	19.6	19.2	n/a

(a) Provision has been made for alternative pension increase guarantees where appropriate.

(b) The expected return on scheme assets assumption was determined as the average of the expected returns on the assets held by the schemes on 31st December of the previous year.

(c) Mortality assumptions for the UK scheme are based on the 92 Medium Cohort Year of Birth. Mortality assumptions for the US scheme are based on the RP-2000 Combined Healthy Mortality table. Mortality assumptions for the Canadian scheme are based on 1994 Uninsured Pensioner Mortality Table projected using Scale AA to 2023 for all members. Mortality assumptions for the Irish scheme, in respect of both active and deferred pensioners, assume that deaths before retirement will be in accordance with standard mortality table AM92 for males and AF92 for females, and deaths after retirement will be in accordance with standard mortality table PMA92/PFA92 (C=2004, 90%qx) with appropriate allowance for expected future improvements in mortality. Existing pensioners have been valued using open market CPA (compulsory purchase annuity) rates.

Defined Benefit obligation	**UK Scheme**		**Overseas Schemes**		**Total**	
	2008	2007	**2008**	2007	**2008**	2007
	£'000	£'000	**£'000**	£'000	**£'000**	£'000
Present value of funded obligations	**(376,859)**	(442,751)	**(67,006)**	(50,106)	**(443,865)**	(492,857)
Fair value of plan assets	**365,913**	415,499	**48,661**	49,966	**414,574**	465,465
Net liability	**(10,946)**	(27,252)	**(18,345)**	(140)	**(29,291)**	(27,392)

Defined Benefit obligation recognised in the balance sheet	**Total**	
	2008	2007
	£'000	£'000
Retirement benefit surpluses	**-**	4,464
Retirement benefit obligations	**(29,291)**	(31,856)
Net liability	**(29,291)**	(27,392)

14. Retirement benefit obligations cont'd

Reconciliation of defined benefit liability	UK Scheme 2008 £'000	UK Scheme 2007 £'000	Overseas Schemes 2008 £'000	Overseas Schemes 2007 £'000	Total 2008 £'000	Total 2007 £'000
Opening defined benefit liability	**(27,252)**	(93,645)	**(140)**	(6,170)	**(27,392)**	(99,815)
Exchange differences	**-**	-	**(3,792)**	240	**(3,792)**	240
Pension income	**1,820**	2,444	**(567)**	138	**1,253**	2,582
Employer contributions	**10,008**	31,000	**2,209**	3,333	**12,217**	34,333
Total gain/(loss) recognised in SORIE	**4,478**	32,949	**(16,055)**	2,319	**(11,577)**	35,268
Net liability recognised in the balance sheet	**(10,946)**	(27,252)	**(18,345)**	(140)	**(29,291)**	(27,392)

Reconciliation of defined benefit obligation	UK Scheme 2008 £'000	UK Scheme 2007 £'000	Overseas Schemes 2008 £'000	Overseas Schemes 2007 £'000	Total 2008 £'000	Total 2007 £'000
Opening defined benefit obligation	**(442,751)**	(473,916)	**(50,106)**	(26,901)	**(492,857)**	(500,817)
Exchange differences	**-**	-	**(16,400)**	(1,057)	**(16,400)**	(1,057)
Service cost	**-**	-	**(1,424)**	-	**(1,424)**	-
Interest cost	**(25,325)**	(24,224)	**(2,980)**	(1,476)	**(28,305)**	(25,700)
Employer contributions	**-**	-	**(267)**	-	**(267)**	-
Additional overseas schemes	**-**	-	**-**	(21,547)	**-**	(21,547)
Gain/(loss) on defined benefit obligation	**63,804**	39,244	**1,710**	(483)	**65,514**	38,761
Actual benefit payments	**27,413**	16,145	**2,461**	1,358	**29,874**	17,503
Closing defined benefit obligation	**(376,859)**	(442,751)	**(67,006)**	(50,106)	**(443,865)**	(492,857)

Reconciliation of fair value of assets	UK Scheme 2008 £'000	UK Scheme 2007 £'000	Overseas Schemes 2008 £'000	Overseas Schemes 2007 £'000	Total 2008 £'000	Total 2007 £'000
Opening value of assets	**415,499**	380,271	**49,966**	20,731	**465,465**	401,002
Exchange differences	**-**	-	**12,608**	1,296	**12,608**	1,296
Expected return on assets	**27,145**	26,668	**3,837**	1,615	**30,982**	28,283
Gain/(loss) on assets	**(59,326)**	(6,295)	**(17,765)**	58	**(77,091)**	(6,237)
Employer contributions	**10,008**	31,000	**2,209**	3,333	**12,217**	34,333
Additional overseas schemes	**-**	-	**-**	24,291	**-**	24,291
Employee contributions	**-**	-	**267**	-	**267**	-
Actual benefit payments	**(27,413)**	(16,145)	**(2,461)**	(1,358)	**(29,874)**	(17,503)
Closing value of assets	**365,913**	**415,499**	**48,661**	49,966	**414,574**	465,465

The analysis of the fair value of the scheme assets is as follows:

	UK Scheme			**Overseas Schemes**		
31st December 2008	Long term rate of return	Value £'000	Value %	Long term rate of return	Value £'000	Value %
Equities	**8.00%**	**69,088**	**19%**	**9.34%**	**25,838**	**53%**
Bonds	**5.90%**	**274,920**	**75%**	**6.01%**	**15,783**	**32%**
Other assets	**8.00%**	**14,422**	**4%**	**5.95%**	**5,204**	**11%**
Cash	**5.90%**	**7,483**	**2%**	**3.57%**	**1,836**	**4%**
Total market value	**6.95%**	**365,913**	**100%**	**7.53%**	**48,661**	**100%**

14. Retirement benefit obligations cont'd

	UK Scheme			Overseas Schemes		
31st December 2007	Long term rate of return	Value £'000	Value %	Long term rate of return	Value £'000	Value %
Equities	8.00%	167,375	40%	9.69%	23,443	47%
Bonds	5.00%	205,845	50%	5.47%	13,093	26%
Other assets	8.00%	36,540	9%	5.95%	12,780	26%
Cash	5.00%	5,739	1%	3.14%	650	1%
Total market value	6.90%	415,499	100%	7.54%	49,966	100%

Other assets include hedge funds and property. The scheme does not hold cash as a strategic investment. Cash balances at the 31st December represent working balances.

Reconciliation of return on assets	**UK Scheme**		**Overseas Schemes**		**Total**	
	2008 £'000	2007 £'000	**2008 £'000**	2007 £'000	**2008 £'000**	2007 £'000
Expected return on assets	**27,145**	26,668	**3,837**	1,614	**30,982**	28,282
Gain/(loss) on assets	**(59,326)**	(6,295)	**(17,765)**	58	**(77,091)**	(6,237)
Actual return on assets	**(32,181)**	20,373	**(13,928)**	1,672	**(46,109)**	22,045

The amounts recognised in the consolidated income statement are as follows:

	UK Scheme		**Overseas Schemes**		**Total**	
	2008 £'000	2007 £'000	**2008 £'000**	2007 £'000	**2008 £'000**	2007 £'000
Service cost	**-**	-	**(1,424)**	-	**(1,424)**	
Total (included within salaries and associated expenses)	-	-	**(1,424)**	-	**(1,424)**	
Interest cost	**(25,325)**	(24,224)	**(2,980)**	(1,476)	**(28,305)**	(25,700)
Expected return on assets	**27,145**	26,668	**3,837**	1,614	**30,982**	28,282
Total (included within finance costs)	**1,820**	2,444	**857**	138	**2,677**	2,582
Profit/(Loss) before taxation	**1,820**	2,444	**(567)**	138	**1,253**	2,582

The amounts included in the consolidated statement of recognised income and expense are as follows:

	UK Scheme		**Overseas Schemes**		**Total**	
	2008 £'000	2007 £'000	**2008 £'000**	2007 £'000	**2008 £'000**	2007 £'000
Gain/(loss) on defined benefit obligation	**63,804**	39,244	**1,710**	(483)	**65,514**	38,761
Gain/(loss) on plan assets	**(59,326)**	(6,295)	**(17,765)**	58	**(77,091)**	(6,237)
Additional overseas schemes	**-**	-	**-**	2,744	**-**	2,744
Total actuarial gains/(losses) recognised	**4,478**	32,949	**(16,055)**	2,319	**(11,577)**	35,268
Cumulative actuarial losses recognised	**(72,735)**	77,213	**(22,008)**	5,953	**(94,743)**	83,166

14. Retirement benefit obligations cont'd

The five year history of experience adjustments is as follows:

	UK Scheme				
	2008 £'000	**2007 £'000**	**2006 £'000**	**2005 £'000**	**2004 £'000**
Defined benefit obligation at end of year	(376,859)	(442,751)	(473,916)	(477,145)	(388,499)
Fair value of plan assets	365,913	415,499	380,271	331,308	273,150
Deficit in the scheme	**(10,946)**	**(27,252)**	**(93,645)**	**(145,837)**	**(115,349)**
Difference between the expected and actual return on plan assets					
- amount (£'000)	(59,326)	(6,295)	7,173	31,642	3,140
- expressed as a percentage of the plan assets	(16.21%)	(1.52%)	1.89%	9.55%	1.15%
Experience losses on plan liabilities					
- amount (£'000)	(6,450)	(2,227)	2,063	82	(2,364)
- expressed as a percentage of the present value of the plan liabilities	1.71%	0.50%	(0.44%)	(0.02%)	0.61%

	Overseas Schemes				
	2008 £'000	**2007 £'000**	**2006 £'000**	**2005 £'000**	**2004 £'000**
Defined benefit obligation at end of year	(67,006)	(50,106)	(26,901)	(29,979)	(25,560)
Fair value of plan assets	48,661	49,966	20,731	22,625	19,896
Deficit in the scheme	**(18,345)**	**(140)**	**(6,170)**	**(7,354)**	**(5,664)**
Difference between the expected and actual return on plan assets					
- amount (£'000)	(17,765)	58	(114)	(148)	(394)
- expressed as a percentage of the plan assets	(36.51%)	0.26%	(0.55%)	(0.65%)	(1.98%)
Experience losses on plan liabilities					
- amount (£'000)	2.012	482	(1,291)	315	(165)
- expressed as a percentage of the present value of the plan liabilities	(3.00%)	(1.79%)	4.80%	(1.05%)	0.65%

The 2007 amounts are expressed as percentages of the overseas schemes excluding the additional overseas schemes recognised in 2007, to allow comparability.

The expected employer contributions for the year ending 31st December 2009 are as follows:

	Defined benefit sections £'000	**Defined contribution sections £'000**	**Total £'000**
Jardine Lloyd Thompson Pension Scheme	10,000	7,445	17,445
JLT (USA) Employee's Retirement Plan	1,005	296	1,301
Canada	11	810	821
Ireland	470	203	673
Hong Kong	284	129	413
Total expected contributions	**11,770**	**8,883**	**20,653**

15. Provisions

	Property related provisions £'000	Litigation provisions £'000	Deferred consideration £'000	Acquisition integration provisions £'000	Total £'000
At 1st January 2008	**10,433**	**14,883**	**2,938**	**510**	**28,764**
Exchange adjustment	59	377	534	-	970
Adjustment to gross basis	-	(147)	-	-	(147)
Utilised in the year	(1,924)	(4,836)	(547)	(82)	(7,389)
Charged to the Income Statement	(377)	7,087	-	-	6,710
Interest charge	205	-	51	-	256
Companies acquired	160	-	5,437	-	5,597
Companies disposed of	-	-	(543)	-	(543)
At 31st December 2008	**8,556**	**17,364**	**7,870**	**428**	**34,218**

	Property related provisions £'000	Litigation provisions £'000	Deferred consideration £'000	Acquisition integration provisions £'000	Total £'000
At 1st January 2007	**9,308**	**28,390**	**4,759**	**736**	**43,193**
Exchange adjustment	(7)	56	40	-	89
Reclassification to current liabilities	-	-	(257)	(9)	(266)
Adjustment to gross basis	-	(10,008)	-	-	(10,008)
Utilised in the year	(1,581)	(3,660)	(2,193)	(89)	(7,523)
Charged to the Income Statement	2,526	105	-	(152)	2,479
Interest charge	187	-	102	24	313
Companies acquired	-	-	487	-	487
At 31st December 2007	**10,433**	**14,883**	**2,938**	**510**	**28,764**

	2008 £'000	2007 £'000
Analysis of total provisions:		
Non-current - to be utilised in more than one year	**19,853**	8,291
Current - to be utilised within one year	**14,365**	20,473
	34,218	28,764

Property related provisions

The Group recognises a provision for onerous contracts when the expected benefits to be derived from a contract are less than the unavoidable costs of meeting the obligations under the contract. Provision is made for the future rental cost of vacant property. In calculating the provision required, account is taken of the duration of the lease and any recovery of cost achievable from subletting. Property provisions occur principally in the USA and UK and relate to a variety of lease commitments. The longest lease terms for each country are to 2014 and 2016 respectively.

Litigation provisions

At any point in time the Group can be involved in a variety of litigation issues. A provision is established in respect of such issues when it is probable that the liability has been incurred and the amount of the liability can be reasonably estimated. The Group analyses its litigation exposures based on available information, including external legal consultation where appropriate, to assess its potential liability. Where appropriate the Group also provides for the cost of defending or initiating such matters.

Where a litigation provision has been made it is stated gross of any third party recovery. All such recoveries are included as "other debtors" within trade and other receivables. At 31st December 2008, in connection with certain litigation matters, the Group's litigation provisions include an amount of £0.1 million (2007: £0.2 million) to reflect this gross basis and the corresponding insurance recovery has been included within trade and other receivables. This presentation has had no effect on the Consolidated Income Statement for the period ended 31st December 2008 (2007: Nil).

15. Provisions cont'd

Deferred consideration

Provision is made in respect of additional consideration payable following the initial completion of an acquisition. The value of the deferred consideration may be revised from time to time prior to final settlement.

Acquisition integration provisions

These represent costs expected to be incurred as a result of combining and restructuring operations following an acquisition. These costs are not associated with the ongoing activities of the company.

In accordance with the requirements of IAS 37 the Group has discounted certain provisions to their present value. The discount rate applied to each provision is appropriate to the nature of the provision and the location in which the liability occurs. The interest charge, represents the unwinding of the provision discounting, and has been included as part of "Finance charges" within the Consolidated Income Statement.

16. Changes in Shareholders' Equity

	Share capital £'000	Share premium £'000	Fair value & other reserves £'000	Exchange reserves £'000	Retained earnings £'000	Total Shareholders' equity £'000
Balance at 31st December 2007	**10,667**	**76,764**	**2,681**	**1,494**	**127,694**	**219,300**
Actuarial losses recognised in post retirement benefit schemes net of tax	-	-	-	-	(8,520)	(8,520)
Fair value gains/(losses) net of tax						
- available for sale	-	-	244	-	-	244
- cashflow hedges	-	-	(27,627)	-	-	(27,627)
Currency translation differences	-	-	-	35,904	-	35,904
Net gains/(losses) recognised directly in equity	**-**	**-**	**(27,383)**	**35,904**	**(8,520)**	**1**
Profit for the year	-	-	-	-	63,611	63,611
Total recognised income and expense for the year	**-**	**-**	**(27,383)**	**35,904**	**55,091**	**63,612**
Dividends paid	-	-	-	-	(44,054)	(44,054)
Share buy-back scheme	-	-	-	-	(1,070)	(1,070)
Shares acquired by the Employee Benefit Trust	-	-	-	-	(19,000)	(19,000)
Reversal of amortisation in respect of share based payments	-	-	-	-	7,795	7,795
Issue of share capital	9	574	-	-		583
Balance at 31st December 2008	**10,676**	**77,338**	**(24,702)**	**37,398**	**126,456**	**227,166**

16. Changes in Shareholders' Equity - cont'd

	Share capital £'000	Share premium £'000	Fair value & other reserves £'000	Exchange reserves £'000	Retained earnings £'000	Total Shareholders' equity £'000
Balance at 1st January 2007	10,634	74,568	6,998	(4,070)	73,140	161,270
Actuarial gains recognised in post retirement benefit schemes net of tax	-	-	-	-	25,305	25,305
Fair value losses net of tax						
- available for sale	-	-	(1,098)	-	-	(1,098)
- cashflow hedges	-	-	(3,219)	-	-	(3,219)
Currency translation differences	-	-	-	5,564	-	5,564
Net gains/(losses) recognised directly in equity	-	-	(4,317)	5,564	25,305	26,552
Profit for the year	-	-	-	-	72,402	72,402
Total recognised income and expense for the year	-	-	(4,317)	5,564	97,707	98,954
Dividends paid	-	-	-	-	(43,512)	(43,512)
Share buy-back scheme	-	-	-	-	(2,738)	(2,738)
Shares acquired by the Employee Benefit Trust	-	-	-	-	(4,827)	(4,827)
Reversal of amortisation in respect of share based payments	-	-	-	-	7,924	7,924
Issue of share capital	33	2,196	-	-	-	2,229
Balance at 31st December 2007	10,667	76,764	2,681	1,494	127,694	219,300

17. Notes to the Consolidated Cash Flow Statement

Reconciliation of profit before taxation to cash generated from operations	**2008 £'000**	2007 £'000
Cash flows from Operating activities		
Profit before taxation	**92,808**	95,212
Investment Income receivable	**(18,862)**	(20,182)
Interest payable on bank loans and finance leases	**5,835**	4,891
Fair value gains on financial instruments	**(78)**	(14)
Pension financing net income	**(2,677)**	(2,582)
Unwinding of provision discounting	**256**	312
Depreciation	**8,768**	7,641
Amortisation of intangible assets	**4,947**	4,399
Amortisation of share based payment	**7,795**	7,924
Amortisation of Employee Benefit Trust	**586**	886
Share of results of associates undertakings	**(3,502)**	(2,669)
Non cash exceptional items	**1,027**	5,751
Profit on disposal of business	**(444)**	-
Profit on disposal of property, plant and equipment	**76**	(27)
Profit on disposal of fixed asset investments	**-**	(567)
Gain on disposal of associate investment	**-**	(29,097)
Impairment charges	**-**	3,430
Increase in trade and other receivables	**(38,682)**	(25,427)
Decrease in trade and other payables - excluding insurance broking balances	**28,923**	3,914
Decrease in provisions for liabilities and charges	**(1,706)**	(5,046)
Decrease in retirement benefit obligation	**(10,793)**	(34,333)
Net cash inflow from operations	**74,277**	14,416

18. Business combinations

During the year, the deferred consideration booked in respect of acquisitions completed in previous years has been revised following either the final settlement of amounts due or the revision of estimates based on performance conditions.

	Year of original transaction	Deferred consideration at 31st December 2007 £'000	Deferred consideration at 31st December 2008 £'000	Net movement during the year £'000	Other movements during the year £'000	Change in estimated deferred consideration £'000
Park (Bermuda) Limited	2006	1,539	-	(1,539)	(34)	**(1,505)**

During the period the following acquisitions in new and additional investments in existing businesses were completed.

Acquisition of new businesses completed during the year	**Acquisition Date**	**Percentage voting rights acquired**	**Cost £'000**
Northern Insurance Brokers Pty	May 08	100%	**1,860**
HWS Holdings Limited	June 08	100%	**12,094**
Anda Insurance Group	August 08	100%	**2,580**
Craven & Partners Holdings Limited	December 08	100%	**3,100**
Acquisition of new businesses completed during the year	Jan-June 08	100%	**7,407**
Additional investments in existing businesses	Jan-June 08	-	**1,910**
			28,951

Acquisition of HWS Holdings Limited

On 16th June 2008 the Group announced the acquisition of HWS Holdings Limited (HWS), with its two Lloyd's Broker subsidiaries Harman Wicks & Swayne Limited, the London based Reinsurance Broker and Harman Wicks & Swayne International Limited, a wholesale provider of SME insurance produced to the UK broker marketplace. The acquired business contributed revenue of £2,397,000 and a net profit of £26,000 to the Group for the period since acquisition. If the acquisition had taken place on 1st January 2008 the contribution to Group revenue and profit for the period would have been £5,683,000 and a profit of £398,000 respectively.

	£'000
Purchase consideration	
- cash paid	**9,382**
- deferred consideration	**2,712**
Total purchase consideration	**12,094**
Fair value of net assets acquired	**4,407**
Goodwill	**7,687**

18. Business combinations- cont'd

The assets and liabilities arising from the acquisition were as follows:	Fair value £'000	Acquiree's carrying amount £'000
Property plant and equipment	10	10
Trade and other receivables	2,451	2,451
Cash and cash equivalents	6,910	6,910
Insurance creditors	(3,616)	(3,616)
Trade and other payables	(1,178)	(1,178)
Current taxations	(42)	(42)
Deferred taxation	27	27
Provisions for liabilities and charges	(155)	(155)
	4,407	4,407

	£'000
Purchase consideration settled in cash	9,382
Cash and cash equivalents - own cash in subsidiary acquired	(3,294)
	6,088
Cash and cash equivalents - fiduciary cash in subsidiary acquired	(3,616)
Cash outflow on acquisition	2,472

As at 31st December 2008, the process of reviewing the fair values of assets acquired had not been completed, consequently the fair values stated above are provisional.

Acquisition of Northern Insurance Brokers Pty

On the 16th May 2008 Jardine Lloyd Thompson Pty Ltd acquired Northern Insurance Brokers Pty Ltd an Australian general insurance broker operating in North Queensland and the Northern Territories which specialises in transport and indigenous communities insurance requirements. The acquired businesses contributed revenue of £507,000 and a net profit of £97,000 for the period from 16th May 2008 to 31st December 2008. If the acquisition has taken place on 1st January 2008 the contribution to Group revenue and net profit would have been £737,000 and £55,000 respectively.

	£'000
Purchase consideration	
- cash paid	1,171
- deferred consideration	689
Total purchase consideration	1,860
Fair value of net liabilites acquired	(37)
Goodwill	1,897

The assets and liabilities arising from the acquisition were as follows:	Fair value £'000	Acquiree's carrying amount £'000
Property plant and equipment	255	255
Trade and other receivables	678	678
Cash and cash equivalents	422	422
Insurance creditors	(907)	(907)
Trade and other payables	(46)	(46)
Bank overdrafts	(453)	(453)
Current taxations	47	47
Deferred taxation	(33)	(33)
	(37)	(37)

18. Business combinations- cont'd

	£'000
Purchase consideration settled in cash	1,171
Cash and cash equivalents - own cash in subsidiary acquired	485
	1,656
Cash and cash equivalents - fiduciary cash in subsidiary acquired	(907)
Cash outflow on acquisition	749

As at 31st December 2008, the process of reviewing the fair values of assets acquired had not been completed, consequently the fair values stated above are provisional.

Acquisition of Anda Insurance Group

On 9th July 2008, the Group announced the acquisition of Anda Insurance group of companies in Singapore mainly in the underwriting agency business. The acquired business contributed revenue of £957,000 and a net profit of £301,000 to the Group for the period since acquisition. If the acquisition has taken place on 1st January 2008 the contribution to Group revenue and net profit would have been £2,226,000 and £515,000 respectively.

	£'000
Purchase consideration	
- cash paid	1,806
- deferred consideration	774
Total purchase consideration	2,580
Fair value of net assets acquired	802
Goodwill	1,778

The assets and liabilities arising from the acquisition were as follows:	Fair value £'000	Acquiree's carrying amount £'000
Property plant and equipment	20	20
Trade and other receivables	1,205	1,205
Cash and cash equivalents	2,043	2,043
Insurance creditors	(1,967)	(1,967)
Trade and other payables	(294)	(294)
Current taxations	(199)	(199)
Deferred taxation	(6)	(6)
	802	802

	£'000
Purchase consideration settled in cash	1,806
Cash and cash equivalents - own cash in subsidiary acquired	(76)
	1,730
Cash and cash equivalents - fiduciary cash in subsidiary acquired	(1,967)
Cash inflow on acquisition	(237)

As at 31st December 2008, the process of reviewing the fair values of assets acquired had not been completed, consequently the fair values stated above are provisional.

18. Business combinations- cont'd

Acquisition of Craven & Partners Holdings Limited

On the 30th December 2008 the Group acquired Craven & Partners Holdings Limited with its Lloyd's broker subsidiary Craven & Partners Limited, the London based marine and energy insurance specialist. The acquired group made no contribution to Group revenue and net profit during the period of ownership in 2008. If the acquisition has taken place on the 1st January 2008, the contribution to Group revenue and net profit would have been £3,101,000 and a loss of £88,000 respectively.

	£'000
Purchase consideration	
- cash paid	2,250
- deferred consideration	850
Total purchase consideration	3,100
Fair value of net liabilities acquired	(207)
Goodwill	3,307

The assets and liabilities arising from the acquisition were as follows:	Fair value £'000	Acquiree's carrying amount £'000
Property plant and equipment	13	13
Intangible assets	2	2
Trade and other receivables	1,592	1,592
Cash and cash equivalents	6,956	6,956
Insurance creditors	(7,131)	(7,131)
Trade and other payables	(1,818)	(1,818)
Bank overdraft	(4)	(4)
Current taxations	195	195
Deferred taxation	18	18
Provisions for liabilities and charges	(30)	(30)
	(207)	(207)

	£'000
Purchase consideration settled in cash	2,250
Cash and cash equivalents - own cash in subsidiary acquired	175
	2,425
Cash and cash equivalents - fiduciary cash in subsidiary acquired	(7,131)
Cash inflow on acquisition	(4,706)

As at 31st December 2008, the process of reviewing the fair values of assets acquired had not been completed, consequently the fair values stated above are provisional.

Other acquisitions and additional investments

	£'000
Purchase consideration	
- cash paid	7,400
- deferred consideration	1,917
Total purchase consideration	9,317
Fair value of net liabilities acquired	(134)
Goodwill	9,451

18. Business combinations- cont'd

The assets and liabilities arising from the acquisition were as follows:	**Fair value £'000**	**Acquiree's carrying amount £'000**
Trade & other receivables	**395**	**395**
Cash and cash equivalents	**404**	**404**
Insurance creditors	**(248)**	**(248)**
Current taxations	**(163)**	**(163)**
Deferred taxation	**3**	**3**
Minority interests	**(525)**	**(525)**
	(134)	**(134)**

	£'000
Purchase consideration settled in cash	**7,400**
Cash and cash equivalents - own cash in subsidiary acquired	**(156)**
	7,244
Cash and cash equivalents - fiduciary cash in subsidiary acquired	**(248)**
Cash outflow on acquisition	**6,996**

As at 31st December 2008, the process of reviewing the fair values of assets acquired had not been completed, consequently the fair values stated above are provisional.

Group summary of the net assets acquired and goodwill:

	HWS £'000	**NIB £'000**	**Anda £'000**	**Craven £'000**	**Other £'000**	**Total £'000**
Purchase consideration						
- cash paid	9,382	1,171	1,806	2,250	7,400	**22,009**
- deferred consideration	2,712	689	774	850	1,917	**6,942**
Total purchase consideration	12,094	1,860	2,580	3,100	9,317	**28,951**
Fair value of net assets/(liabilities) acquired	4,407	(37)	802	(207)	(134)	**4,831**
Goodwill	**7,687**	**1,897**	**1,778**	**3,307**	**9,451**	**24,120**
Impact of revisions to deferred consideration in respect of acquisitions completed in 2007						(1,505)
Net increase in goodwill						**22,615**

	HWS £'000	**NIB £'000**	**Anda £'000**	**Craven £'000**	**Other £'000**	**Total £'000**
Purchase consideration settled in cash	9,382	1,171	1,806	2,250	7,400	22,009
Cash and cash equivalents in subsidiary acquired	(6.910)	(422)	(2,043)	(6,956)	(404)	(16,735)
Cash outflow/(inflow) on acquisition	**2,472**	**749**	**(237)**	**(4,706)**	**6,996**	**5,274**

19. Business disposals

During the period the Group sold Risk Solutions Limited part of its Auckland based insurance broking business

Net assets disposed of	**Total £'000**
Goodwill	**1,241**
Property plant and equipment	**11**
Trade and other receivables	**12**
Cash and cash equivalents	**674**
Insurance creditors	**(385)**
Trade and other payables	**(60)**
Current taxation	**(10)**
Deferred taxation	**(1)**
Provisions for liabilities and charges	**(543)**
Net assets at disposal	**939**
Gain on disposal	**444**
Cash proceeds	**1,383**
Disposal consideration settled in cash	**1,383**
Cash and cash equivalents - own cash in subsidiary sold	**(289)**
	1,094
Cash and cash equivalents - fiduciary cash in subsidiary sold	**(385)**
Cash outflow on acquisition	**709**

20. Principal Risks

As with all businesses, the Group is exposed to a range of financial and operational risks, not wholly within its control, which could have a material impact on the Group's financial performance.

The principal risks to which the Group is exposed are discussed on pages 31 and 32 of the Annual Report & Financial Statements for 2007. The Annual Report & Financial Statements for 2008 will contain an updated discussion on these risks and will be posted to shareholders no later than 31st March 2009.

21. The financial information contained in this preliminary announcement does not constitute statutory accounts within the meaning of Section 240 of the Companies Act 1985. The results for the year ended 31st December 2008 are unaudited and statutory accounts have not yet been delivered to the Registrar of Companies.

22. Statutory accounts for the year ended 31st December 2008 will be posted to shareholders no later than 31st March 2009 and delivered to the Registrar of Companies following the Annual General Meeting on 30th April 2009.

23. The shareholders entered in the Register of Members at 4.00pm on 3rd April 2009 will be entitled to the proposed final dividend of 12.0p per share which will, subject to approval at the Annual General Meeting to be held on 30th April 2009, be payable on 1st May 2009.

24. Copies of the preliminary press release (and statutory accounts when available) may be obtained from the Secretary, Jardine Lloyd Thompson Group plc, 6 Crutched Friars, London EC3N 2PH.