5th March 2013

JARDINE LLOYD THOMPSON GROUP plc
PRELIMINARY RESULTS FOR THE YEAR ENDED 31st DECEMBER 2012
(UNAUDITED)

Jardine Lloyd Thompson Group plc ("JLT" or "the Group") announces preliminary results for the year ended 31st December 2012.

Strong Financial Results

- Market leading organic growth of 7%
- Underlying PBT increased by 10% to £161.7m
- Reported PBT up 17% to £156.8m
- Underlying diluted EPS up 11% to 50.2p
- Diluted EPS increased by 20% to 48.4p
- Increased total dividend of 25.5p up by 6.3%

Operational and Strategic developments

- Strong organic growth maintaining track record of last 5 years
- Increasing contribution from faster growing economies
- Continuing investment for growth
  - 850 new people joined in 2012
  - Invested in 5 new businesses for aggregate consideration of £41m, benefits coming through over the next few years
- Launch of a new 2 year Business Transformation Programme, which we anticipate will deliver annualised savings of £12m in 2014

Dominic Burke, Chief Executive, commented:

''We are pleased to be able once again to present a strong set of results which demonstrate the success of our clearly articulated strategy of increasing our specialty focus and broadening our exposure to the higher growth economies of the world. This distinct strategy and our strong momentum give us the confidence in our ability to deliver year-on-year financial progress''.

Enquiries:

Dominic Burke, Chief Executive	Jardine Lloyd Thompson Group	020 7309 8145
Mike Reynolds, Finance Director		020 7528 4375
Paul Dransfield, Corporate Communications		020 7528 4933
Tom Burns	Brunswick Group LLP	020 7404 5959
Kate Holgate		

A presentation to investors and analysts will take place at 9.00am 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 has again delivered market leading organic growth, achieved as a result of its increasing specialty focus and broadening its exposure to the faster growing economies of the world.

The 2012 results are summarised in the tables below:

£m	Total Revenue				Trading Margin			Trading Profit		
	2012	Growth	CRE	Organic	2012	CRE	2011	2012	CRE	2011
Risk & Insurance	676.4	7%	8%	7%	21%	21%	21%	139.7	142.5	131.9
Employee Benefits	203.7	10%	10%	8%	21%	22%	22%	43.3	44.0	40.1
Central costs	-	-	-	-	-	-	-	(22.6)	(22.6)	(25.0)
	880.1	**7%**	**8%**	**7%**	**18.2%**	**18.5%**	**18.0%**	**160.4**	**163.9**	**147.0**

£m	2012	2011
Underlying trading profit	**160.4**	147.0
Associates	8.3	5.1
Underlying net finance costs	(7.0)	(4.5)
Underlying profit before taxation	**161.7**	147.6
Exceptional items	(4.9)	(13.1)
Profit before taxation	**156.8**	134.5
Underlying tax expense	(41.8)	(41.6)
Tax on exceptional items	1.0	2.4
Non-controlling interests	(9.6)	(6.6)
Profit after taxation and non-controlling interests	**106.4**	88.7
Underlying profit after taxation and non-controlling interests	**110.3**	99.4
Diluted earnings per share	**48.4p**	40.4p
Underlying diluted earnings per share	**50.2p**	45.3p

Notes:

CRE: Constant rates of exchange.

Organic growth is based on total revenue excluding the effect of currency, acquisitions, disposals and investment income. Total revenue comprises fees, commissions and investment income.

Underlying results exclude exceptional items.

The results of our Employee Benefits businesses outside the UK and Ireland, which were formerly reported within Risk & Insurance, are now being reported as part of Employee Benefits. The results of Thistle UK are now being reported as part of Risk & Insurance. The 2011 comparative figures within this statement have been restated accordingly.

Total revenue increased to £880.1 million, comprising 7% organic growth and 1% from acquisitions, offset by 1% foreign exchange movements. This represents an 8% increase at constant rates of exchange (CRE). Total revenue and underlying trading profit includes investment income on fiduciary funds of £5.7 million (2011: £6.8 million).

Underlying trading profit increased by 9% to £160.4 million, or 11% at CRE and the underlying trading margin increased from 18.0% to 18.2%, notwithstanding continued investment across the Group.

Underlying profit before tax was £161.7 million, 10% ahead of 2011, while reported profit before tax was £156.8 million compared to £134.5 million in the prior year, an increase of 17%. This is after charging net exceptional costs of £4.9 million, primarily relating to the Business Transformation Programme and acquisition integration costs.

The tax charge was £40.8 million, or £41.8 million on an underlying basis. The underlying effective tax rate for 2012 was 26%, compared to 28% in 2011.

Profit after tax and non-controlling interests was £106.4 million (2011: £88.7 million) and reported diluted earnings per share was 48.4p (2011: 40.4p).

Underlying profit after tax and non-controlling interests increased by 11% to £110.3 million and underlying diluted earnings per share increased by 11% to 50.2p.

DIVIDENDS

Subject to shareholder approval, the final dividend will be increased to 15.9p per share for the year to 31st December 2012 (2011: 14.8p) and will be paid on 1st May 2013 to shareholders on the register at 5th April 2013. This brings the total dividend for the year to 25.5p per share, compared to 24.0p for the prior year, an increase of 6.3%.

OPERATIONAL REVIEW

Risk & Insurance

The total revenue in our Risk & Insurance division increased to £676.4 million, comprising 7% organic growth and 1% from acquisitions, offset by 1% foreign exchange movements. This represents an 8% increase at CRE. Trading profit increased by 6% to £139.7 million for the year, with an unchanged trading margin of 21%, despite continued significant investment in leading industry professionals across the division in the year.

£m	Total Revenue 2012	Growth	CRE	Organic	Trading Profit 2012	CRE	2011	Trading Margin 2012	CRE	2011
Risk & Insurance:										
JLT Specialty	235.9	5%	7%	5%	46.8	48.3	46.5	20%	20%	21%
Australia & NZ	126.5	5%	4%	4%	36.9	36.7	34.0	29%	29%	28%
Lloyd & Partners	79.3	8%	9%	9%	17.6	18.2	16.3	22%	23%	22%
Asia	59.3	16%	15%	13%	9.1	8.9	6.9	15%	15%	14%
JLT Re	53.7	6%	7%	6%	7.4	8.1	11.3	14%	15%	22%
Latin America	50.4	32%	36%	22%	15.7	16.0	12.8	31%	31%	34%
Thistle UK	34.3	(4%)	(4%)	(4%)	4.0	4.0	5.0	12%	12%	14%
Canada	28.2	(3%)	(2%)	(2%)	2.5	2.7	3.7	9%	10%	13%
Insurance Mgt.	6.9	40%	39%	10%	0.6	0.6	0.4	9%	9%	8%
South Africa	1.7	-	-	-	(0.9)	(1.0)	(0.7)	(53%)	(53%)	-
	676.2	8%	8%	7%	139.7	142.5	136.2	21%	21%	22%
Discontinued: Continental Europe	0.2	(96%)	(96%)	-	-	-	(4.3)	(12%)	(12%)	(93%)
	676.4	**7%**	**8%**	**7%**	**139.7**	**142.5**	**131.9**	**21%**	**21%**	**21%**

JLT Specialty delivered revenue growth of 5%, or 7% at CRE, with good organic growth of 5% despite being impacted by the generally poor UK and European economies. Trading profit was however only marginally ahead of the prior year reflecting the investment in recruitment of leading industry professionals. This business is now firmly established as a market leader in many of its areas of specialisation, such as construction, telecommunications and aerospace.

Australia and New Zealand achieved revenue growth of 5%, or 4% at CRE, with organic growth of 4%. The trading profit increased by 8%, with an increased trading margin of 29%, compared to 28% in 2011. Over the past two years, the retail activities have been realigned on specialty lines, the benefit of which is beginning to be seen, and our Public Sector business is continuing to produce good results. We continue to invest in the business as we see significant opportunities for growth.

Lloyd & Partners, the Group's specialist wholesale broker, achieved strong revenue growth of 8%, or 9% at CRE, all of which was organic, and trading profit increased by 8%, with a strong trading margin of 22%. These results reflect the benefit of the ongoing strategic investments made in this business.

Our Asian revenues again benefited from the relatively higher levels of economic growth in that region. Total revenue increased by 16%, or 15% at CRE, with organic growth of 13%, reflecting a number of high profile client wins which demonstrate the increasing success of our Asian specialty capabilities. We see significant opportunities over time to improve the performance of our business in Asia by better leveraging our market position, improving the efficiency of the operating model and taking further advantage of Jardine Matheson's strong presence in the region.

JLT Re delivered good organic revenue growth of 6% or 7% at CRE. The business made pleasing progress in Asia where it has benefited from the significant investments we have made in people and in expanding our international platform. As indicated in the Interim Management Statement in October, as a result of investments in the business and following a decision by some large primary insurers to retain more risk, the trading profit for this business for 2012 was lower than 2011. However, we remain very positive about the prospects for JLT Re and are committed to continue to invest in building a global platform. In 2013 we expect to see growth in both revenues and profits.

Our Latin American operations again performed well with revenues increasing by 32% or 36% at CRE. This increase reflects 22% organic growth, 13% from acquisitions - this being the first full year contribution from Orbital-JLT in Chile - and the combined impact of foreign exchange rates and investment income (-3%). We have continued to benefit from our focus on specialty lines, such as construction, energy and mining, which are aligned with infrastructure investment and demographic growth in the region. We have also continued to invest in leading industry professionals in the region.

In Thistle UK, which is now being reported as part of the Risk and Insurance division, total revenue for the year was 4% lower than 2011, while trading profit was also lower at £4.0 million. This reflected a number of factors, including continued weak UK consumer and business confidence as highlighted in our Interim Management Statement in October. The business continues to maintain underwriting discipline rather than pursue volume, but margins have been further impacted by claims inflation and aggressive competition. Notwithstanding these challenges, we have put new leadership in place in July 2012 to deliver on our strategy and drive the growth that we believe this business is capable of.

Canada is refocusing its business along specialty lines following the appointment of new leadership and we are confident that performance will improve over the coming years.

Employee Benefits

	Total Revenue				**Trading Profit**			**Trading Margin**		
£m	2012	Growth	CRE	Organic	2012	CRE	2011	2012	CRE	2011
UK & Ireland	146.0	5%	5%	3%	28.0	28.0	26.7	19%	19%	19%
Asia	38.2	24%	25%	25%	11.7	12.5	10.3	30%	32%	33%
Latin America	12.7	20%	19%	19%	2.3	2.2	2.1	18%	18%	20%
Australia	5.1	12%	11%	12%	1.3	1.3	0.8	26%	26%	19%
Canada	1.7	62%	63%	(12%)	-	-	0.2	(1%)	(1%)	17%
	203.7	**10%**	**10%**	**8%**	**43.3**	**44.0**	**40.1**	**21%**	**22%**	**22%**

Total revenue for the Group's global Employee Benefits business was £203.7 million, an increase of 10%, with organic growth of 8%. Trading profit increased by 8% to £43.3 million with a trading margin of 21% compared to 22% for the prior year.

The UK and Ireland operation delivered a 5% increase in total revenues, a good performance in a marketplace that remains very challenging given the state of the UK and Irish economies and the generally very cautious attitude of most corporate buyers. Organic growth was 3% with 2% attributable to the part year contribution of Alexander Forbes Consultants & Actuaries Ltd ('AFCA') which we acquired in December 2012. This acquisition adds significantly to our expertise and capabilities particularly in the Health and Wellness, Risk, Annuity and Investment areas and expands our geographical footprint in the UK.

In Asia, we have a strong and growing Employee Benefits business and total revenue increased by 24% for the year, or 25% at CRE, all of which was organic. This growth was underpinned by our strong life insurance broking business which provides solutions to high net worth clients, working closely with some of the largest private banks in the region. This business is also focusing on developing its healthcare capabilities in an environment where today many larger employers self-insure their healthcare coverage. Many insurers are equally keen to expand their healthcare business but lack the claims analysis skills and network management services which JLT can now provide.

Our developing employee benefits operations in Latin America and Australia are also making good progress.

ASSOCIATES

	Contribution After Tax		
£m	2012	2011	Growth
Income from Associates	**8.3**	5.1	62%

In 2012, the contribution from our associates increased by 62% to £8.3 million. This primarily reflects the contributions from our 25% holdings in March-JLT in Spain and MAG-JLT in Italy for the first time and a full year contribution from our increased stake of 26% in Siaci Saint Honoré in France, together with the ongoing contributions from GrECo and JLT Sterling.

The Group's relationships with its associates are progressing well and are bringing increasing opportunities to share knowledge and win new business together.

EXCEPTIONAL ITEMS

Total net exceptional and non-recurring costs for the year were £4.9 million (2011: £13.1 million). These primarily comprised the costs of the three year Business Transformation Programme which concluded in June 2012, the programme costs for 2012 being £3.8 million. The total cost and savings in the first six months of 2012 were in line with expectations, the overall programme delivering £24 million of recurring annual savings for an overall investment of £27 million. Other exceptional costs included acquisition integration costs primarily in relation to FBD Insurance Brokers in Ireland and some initial exceptional costs in relation to AFCA which was acquired in December 2012.

OPERATING COSTS

During 2012 the Group's overall operating cost ratio improved by 20 basis points to 81.8%, notwithstanding continued investment in the business through recruitment, building our global presence, enhancing our IT platform and other new initiatives. Fixed costs remained stable.

The Group remains, as ever, focused on cost discipline but our track record for organic revenue growth gives us the confidence to make investments through the P&L as and when we identify opportunities to build the business for the long term.

Due to rapid expansion in recent years, we are consolidating our London property estate in the second half of 2013 when we move from five separate buildings to new premises at the St. Botolph Building. Whilst the move will provide significant benefits, not least in terms of improved communications and collaboration, this will result in increased costs in 2013 of some £2 million, and a further £5 million annually from 2014.

CASH FLOW AND BALANCE SHEET

Net debt at 31st December 2012 was £142 million. At that date the Group had committed long term unsecured bank facilities of £270 million and drawn private placement loan notes equivalent to £76 million, resulting in total debt facilities equivalent to £346 million, with maturities between 2015 and 2022. Gross borrowings as at 31st December 2012 were £254 million, which includes £237 million of borrowings under the Group's committed facilities leaving unutilised committed facilities headroom of approximately £100 million.

Following the successful completion of the private placement of US$250 million fixed rate loan notes in January 2013, the Group now has committed unsecured long term debt facilities equivalent to approximately £500 million. This places the Group in a strong position to continue to make earnings accretive acquisitions. The total cost of the Group's borrowings is estimated to increase by approximately £2.5 million for 2013.

FOREIGN EXCHANGE

The Group's major currency transaction exposure arises in those businesses that operate in the London Market which currently earn annual US dollar denominated revenue of approximately US$280 million. Consequently, the Group's results are sensitive to changes in the Sterling/US Dollar exchange rate. The Group continues to operate a US Dollar hedging programme to smooth out the volatility caused by exchange rate movements. As a guide, each one cent movement in the achieved rate currently translates into a change of approximately £1 million in revenue and a corresponding impact on trading profit equal to approximately 65% of the revenue change. Based on current hedging levels, it would take a movement of six cents in the spot rate to create a one cent movement in the 2013 achieved rate.

In 2012, the Group achieved an average rate after hedging of US$1.55 compared to an average market rate of US$1.59.

As at 1st March 2013, some 85% of anticipated dollar revenues for 2013 are hedged at an average rate of US$1.54. For 2014, some 75% of dollar revenues are hedged at an average rate of US$1.55 and 45% hedged for 2015 at an average rate of US$1.53 .

AMENDMENTS TO INTERNATIONAL ACCOUNTING STANDARD 19 (IAS19) EFFECTIVE 1ST JANUARY 2013

Following a change to IAS19 which has taken effect from 1st January 2013, the expected rate of return assumed for scheme assets will be limited to the same AA corporate bond discount rate applied to the scheme liabilities. In 2013 we will re-state the Group's 2012 net pensions finance charge on this new basis and this will have the effect of increasing the net pensions finance charge in 2012 from £0.5 million to £5.7 million. It is expected that the 2013 finance charge will be broadly similar to the re-stated 2012 charge.

BUSINESS TRANSFORMATION PROGRAMME 2013 - 2014

Today we are announcing a new Business Transformation Programme. The new two year programme is designed to address two further opportunities which did not fall within the scope of the first programme.

Firstly, to improve the process and back-office activities of our Asian and Latin American businesses, which are today much larger businesses than they were four years ago when the first business transformation programme started and whose local language demands cannot easily be met in Mumbai.

Secondly, whilst the benefits of offshore process migration from our more mature businesses have largely been captured, it has become evident that there are significant additional benefits to be gained from strengthening and aligning their operating platforms to enable greater specialty focus, increased international collaboration and the seamless servicing of global clients.

The anticipated financial impact of this programme is total estimated one-off project costs of £18 million over two years resulting in annualised savings of £12 million in 2014. Due to the material size and nature of this non-recurring expenditure we intend to treat the project costs as exceptional. We expect to incur £12 million in costs in 2013 resulting in anticipated savings of £6 million in the year.

2013 EXCEPTIONAL AND NON-RECURRING COSTS

It is currently anticipated that exceptional costs in 2013 will be in the region of £23 million. These are driven by one-off costs related to our move to new premises in London (£7m), acquisition and integration costs principally associated with AFCA (£4m) and the new Business Transformation Programme (£12m) noted above. A further update will be provided at the time of the Group's Interim results.

OUTLOOK

The insurance rating environment remains generally weak with a surplus of capacity and, absent a major catastrophe, this is not expected to change in the medium term. Macro-economic conditions also remain challenging, particularly in JLT's UK and European markets.

JLT, however, has consistently shown its ability to deliver strong organic revenue growth, despite challenging trading conditions, by deepening its specialty capabilities and broadening its exposure to higher growth economies.

We are, therefore, confident that our distinctive strategy and strong momentum will enable us to deliver year-on-year financial progress.

Results follow

Jardine Lloyd Thompson Group plc
Consolidated Income Statement
For the year ended 31st December 2012

	Notes	**2012**	2011
		£'000	£'000
Fees and commissions	3	**874,320**	812,004
Investment income		**5,744**	6,760
Total revenue		**880,064**	818,764
Salaries and associated expenses		**(518,919)**	(489,700)
Premises		**(44,408)**	(42,394)
Other operating costs		**(140,179)**	(133,319)
Depreciation, amortisation and impairment charges	4	**(21,037)**	(19,410)
Operating profit	3,4	**155,521**	133,941
Analysed as:			
Operating profit before exceptional items		**160,384**	147,034
Business Transformation Programme	4	**(3,794)**	(8,936)
Acquisition and integration costs	4	**(1,875)**	(568)
Partial offer costs	4	**-**	(1,918)
Other non-recurring items	4	**806**	(1,671)
Operating Profit	3,4	**155,521**	133,941
Finance costs	5	**(8,623)**	(7,377)
Finance income	5	**1,621**	2,816
Finance costs - net	5	**(7,002)**	(4,561)
Share of results of associates		**8,271**	5,099
Profit before taxation	3	**156,790**	134,479
Income tax expense	6	**(40,769)**	(39,210)
Profit for the year		**116,021**	95,269
Profit attributable to:			
Owners of the parent		**106,447**	88,746
Non-controlling interests		**9,574**	6,523
		116,021	95,269
Earnings per share attributable to the equity holders of the Company during the year (expressed in pence per share)	8		
Basic earnings per share		**48.6**	40.7
Diluted earnings per share		**48.4**	40.4

Jardine Lloyd Thompson Group plc
Consolidated Statement of Comprehensive Income
For the year ended 31st December 2012

	Notes	**2012 £'000**	2011 £'000
Profit for the year	3	**116,021**	95,269
Other comprehensive income			
Actuarial losses recognised in post retirement benefit schemes	14	**(16,205)**	(54,605)
Taxation thereon		**2,137**	11,116
		(14,068)	(43,489)
Fair value gains/(losses) net of tax			
- available-for-sale		**43**	(52)
- cashflow hedges		**21,074**	(2,724)
Currency translation differences		**(9,664)**	(8,002)
Other comprehensive income net of tax		**(2,615)**	(54,267)
Total comprehensive income for the year		**113,406**	41,002
Attributable to:			
Owners of the parent		**104,258**	34,585
Non-controlling interests		**9,148**	6,417
		113,406	41,002

Jardine Lloyd Thompson Group plc
Consolidated Group Balance Sheet
As at 31st December 2012

	Notes	**2012 £'000**	2011 £'000
NET OPERATING ASSETS			
Non-current assets			
Goodwill		**276,388**	259,910
Intangible assets		**55,399**	51,470
Property, plant and equipment		**28,227**	25,628
Investment in associates		**91,167**	72,385
Available-for-sale financial assets	9	**17,398**	3,026
Derivative financial instruments	10	**21,551**	8,945
Deferred tax assets		**54,659**	54,520
		544,789	475,884
Current assets			
Trade and other receivables	11	**348,452**	288,711
Derivative financial instruments	10	**9,107**	2,986
Available-for-sale financial assets	9	**252**	158
Cash and cash equivalents	12	**624,321**	573,616
		982,132	865,471
Current liabilities			
Borrowings		**(16,954)**	(1,842)
Trade and other payables	13	**(736,809)**	(689,781)
Derivative financial instruments	10	**(2,094)**	(5,759)
Current tax liabilities		**(11,508)**	(7,053)
Provisions for liabilities and charges	15	**(12,241)**	(9,001)
		(779,606)	(713,436)
Net current assets		**202,526**	152,035
Non-current liabilities			
Borrowings		**(236,702)**	(188,340)
Derivative financial instruments	10	**(14,699)**	(7,814)
Deferred tax liabilities		**(12,416)**	(8,080)
Retirement benefit obligations	14	**(131,391)**	(120,999)
Provisions for liabilities and charges	15	**(3,889)**	(4,252)
		(399,097)	(329,485)
		348,218	298,434
TOTAL EQUITY			
Capital and reserves attributable to the Company's equity holders			
Ordinary shares		**10,997**	10,960
Share premium	16	**103,188**	99,670
Fair value and hedging reserves	16	**15,456**	(5,661)
Exchange reserves	16	**20,893**	30,131
Retained earnings		**182,775**	151,007
Shareholders' equity		**333,309**	286,107
Non-controlling interests		**14,909**	12,327
		348,218	298,434

Jardine Lloyd Thompson Group plc
Consolidated Statement of Changes in Equity
For year ended 31st December 2012

For the year ended 31st December 2012	**Ordinary shares £'000**	**Other reserves £'000**	**Retained earnings £'000**	**Shareholders' equity £'000**	**Non-controlling interests £'000**	**Total equity £'000**
Balance at 1st January 2012	**10,960**	**124,140**	**151,007**	**286,107**	**12,327**	**298,434**
Profit for the year	-	-	106,447	**106,447**	9,574	**116,021**
Other comprehensive income for the year	-	11,879	(14,068)	**(2,189)**	(426)	**(2,615)**
Total comprehensive income for the year	**-**	**11,879**	**92,379**	**104,258**	**9,148**	**113,406**
Dividends paid	-	-	(53,571)	**(53,571)**	(5,679)	**(59,250)**
Amounts in respect of share based payments						
- Reversal of amortisation in respect of share based payments	-	-	14,720	**14,720**	-	**14,720**
- Shares acquired by the Employee Benefit Trust	-	-	(18,200)	**(18,200)**	-	**(18,200)**
Acquisitions	-	-	-	**-**	(1,176)	**(1,176)**
Disposals	-	-	-	**-**	289	**289**
Change in non-controlling interests	-	-	(3,560)	**(3,560)**	-	**(3,560)**
Issue of share capital	37	3,518	-	**3,555**	-	**3,555**
Balance at 31st December 2012	**10,997**	**139,537**	**182,775**	**333,309**	**14,909**	**348,218**

For the year ended 31st December 2011	Ordinary shares £'000	Other reserves £'000	Retained earnings £'000	Shareholders' equity £'000	Non-controlling interests £'000	Total equity £'000
Balance at 1st January 2011	10,890	128,719	155,368	294,977	8,441	303,418
Profit for the year	-	-	88,746	88,746	6,523	95,269
Other comprehensive income for the year	-	(10,672)	(43,489)	(54,161)	(106)	(54,267)
Total comprehensive income for the year	-	(10,672)	45,257	34,585	6,417	41,002
Dividends paid	-	-	(50,000)	(50,000)	(3,635)	(53,635)
Amounts in respect of share based payments						
- Reversal of amortisation in respect of share based payments	-	-	16,848	16,848	-	16,848
- Shares acquired by the Employee Benefit Trust	-	-	(14,799)	(14,799)	-	(14,799)
Acquisitions	-	-	-	-	(257)	(257)
Disposals	-	-	-	-	1,361	1,361
Change in non-controlling interests	-	-	(1,667)	(1,667)	-	(1,667)
Issue of share capital	70	6,093	-	6,163	-	6,163
Balance at 31st December 2011	10,960	124,140	151,007	286,107	12,327	298,434

Jardine Lloyd Thompson Group plc
Consolidated Statement of Cash Flows
For the year ended 31st December 2012

	Notes	2012 £'000	2011 £'000
Cash flows from operating activities			
Cash generated from operations	17	**133,399**	142,570
Interest paid		**(7,924)**	(6,968)
Interest received		**7,469**	8,158
Taxation paid		**(35,190)**	(42,024)
Increase/(decrease) in net insurance broking payables		**45,005**	(10,818)
		142,759	90,918
Dividend received from associates		**1,140**	876
Net cash generated from operating activities		**143,899**	91,794
Cash flows from investing activities			
Purchase of property, plant and equipment		**(12,820)**	(8,980)
Purchase of intangible fixed assets		**(20,671)**	(27,298)
Proceeds from sale of property, plant and equipment		**1,508**	1,125
Proceeds from sale of intangible fixed assets		**-**	345
Acquisition of businesses, net of cash acquired	18	**(25,779)**	(14,815)
Acquisition of associate undertakings		**(14,690)**	(4,540)
Proceeds from disposal of business, net of cash disposed	19	**(736)**	(2,278)
Proceeds from disposal of associate undertakings		**-**	513
Proceeds from disposal of available-for-sale other investments		**-**	9
Net cash used in investing activities		**(73,188)**	(55,919)
Cash flows from financing activities			
Dividends paid to company's shareholders		**(53,533)**	(49,855)
Purchase of available-for-sale financial assets		**(14,852)**	(159)
Proceeds from disposal of available-for-sale financial assets		**158**	38,126
Purchase of investments by Employee Benefit Trust		**(18,200)**	(14,799)
Proceeds from issuance of ordinary shares		**3,555**	6,163
Proceeds from borrowings		**74,626**	43,421
Repayments in borrowings		**(1,206)**	(2,782)
Dividends paid to non-controlling interests		**(5,679)**	(3,635)
Net cash (used)/generated from financing activities		**(15,131)**	16,480
Net increase in cash and cash equivalents		**55,580**	52,355
Cash and cash equivalents at beginning of period		**573,616**	524,865
Exchange losses on cash and cash equivalents		**(4,875)**	(3,604)
Cash and cash equivalents at end of the year	12	**624,321**	573,616

Jardine Lloyd Thompson Group plc
Notes to the Preliminary Results
For the year ended 31st December 2012

1. Basis of preparation

The Group's consolidated preliminary results 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 adopted by the European Union.

The Group's accounting policies are set out in the 2011 Annual Report & Financial Statements.

The preliminary results for the year ended 31st December 2012 are unaudited.

2. Alternative income statement

The format of the consolidated income statement on page 10 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 2012		
	Underlying profit £'000	**Exceptional items £'000**	**Total £'000**
Fees and commissions	**874,320**	-	**874,320**
Investment income	**5,744**	-	**5,744**
Salaries and associated expenses	**(516,096)**	(2,823)	**(518,919)**
Premises	**(44,313)**	(95)	**(44,408)**
Other operating costs	**(138,234)**	(1,945)	**(140,179)**
Depreciation, amortisation and impairment	**(21,037)**	-	**(21,037)**
Trading profit	**160,384**	**(4,863)**	**155,521**
Finance costs - net	**(7,002)**	-	**(7,002)**
Share of results of associates	**8,271**	-	**8,271**
Profit before taxation	**161,653**	**(4,863)**	**156,790**

	Year to 31st December 2011		
	Underlying profit £'000	Exceptional items £'000	Total £'000
Fees and commissions	812,004	-	812,004
Investment income	6,760	-	6,760
Salaries and associated expenses	(482,641)	(7,059)	(489,700)
Premises	(41,740)	(654)	(42,394)
Other operating costs	(127,939)	(5,380)	(133,319)
Depreciation, amortisation and impairment	(19,410)	-	(19,410)
Trading profit	147,034	(13,093)	133,941
Finance costs - net	(4,561)	-	(4,561)
Share of results of associates	5,099	-	5,099
Profit before taxation	147,572	(13,093)	134,479

3. Segment information

Management has determined its reporting segments based on the analysis used to make strategic decisions.

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

The Risk & Insurance segment comprises JLT's global specialist, wholesale, reinsurance broking, personal lines and SME activities. The Employee Benefits segment consists of pension administration, outsourcing and employee benefits consultancy, healthcare and wealth management activities. Certain Risk & Insurance and Employee Benefits operating segments have been disclosed within the reporting segments given their individual size. 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
Management assesses the performance of the operating segments based upon a measure of underlying trading profit. 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 Group's own funds and finance costs are excluded since the trading activities of the Group's primary segments are not of a financial nature. Income tax expense and the change in respect of non-controlling interests is excluded from the segmental allocation.

Segment assets and liabilities
Assets and liabilities are not allocated to individual segments and are therefore all reported within Head office and other.

Investments in associates
On 14th March 2012, the Group acquired 25% of March-Unipsa, renamed March-JLT, which mainly operates in Spain. On 31st December 2011, the Group acquired 25% of the Marine and Aviation Group, renamed MAG-JLT, which operates mainly in Italy. Following a restructuring in July 2011, the Group increased its stake in the holding company of Siaci Saint Honoré, which operates principally in France, from 20% to 26%. In 2010, the Group acquired 20% of the Austrian company GrECo which operates mainly in Austria and Eastern Europe. The investment and the Group's share of the net profits of Siaci Honoré, GrECo, MAG-JLT and March-JLT are included in the Head Office & Other segment, together with the investment and results of the Group's other associates, Sterling Re Intermediaro de Reaseguro SA de CV and JLT Insurance Management Malta.

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

The former London Market businesses, the insurance broking and risk services businesses of the former Retail segment and Thistle Insurance Services are now reported as Risk & Insurance. The Employee Benefits businesses of Australia, Latin America, Asia and Canada which were previously reported within the former Retail segment are now reported as Employee Benefits.

In light of this, assets and liabilities are now reported within Head Office and Other comparatives for 2011 have been restated accordingly.

3. Segment information cont'd

Year ended 31st December 2012

	Risk & Insurance				Employee Benefits			
	JLT Specialty	Lloyd & Partners	Australia & New Zealand	Other Risk & Insurance	UK & Ireland	Other Employee Benefits	Head Office & Other	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Fees and commissions	234,750	79,126	123,238	233,569	146,030	57,607	-	**874,320**
Investment income	1,166	177	3,283	1,062	7	49	-	**5,744**
Total revenue	**235,916**	**79,303**	**126,521**	**234,631**	**146,037**	**57,656**	**-**	**880,064**
Underlying trading profit	**46,776**	**17,610**	**36,894**	**38,464**	**28,029**	**15,246**	**(22,635)**	**160,384**
Operating profit	45,930	17,510	36,702	38,576	24,374	15,177	(22,748)	**155,521**
Finance costs - net	-	-	-	-	-	-	(7,002)	**(7,002)**
Share of results of associates	-	-	-	-	-	-	8,271	**8,271**
Profit before taxation	**45,930**	**17,510**	**36,702**	**38,576**	**24,374**	**15,177**	**(21,479)**	**156,790**
Income tax expense	-	-	-	-	-	-	(40,769)	**(40,769)**
Non-controlling interests	-	-	-	-	-	-	(9,574)	**(9,574)**
Net profit	**45,930**	**17,510**	**36,702**	**38,576**	**24,374**	**15,177**	**(71,822)**	**106,447**
Segment assets							1,435,754	**1,435,754**
Investment in associates							91,167	**91,167**
Total assets							**1,526,921**	**1,526,921**
Segment liabilities							(1,178,703)	**(1,178,703)**
Total liabilities							**(1,178,703)**	**(1,178,703)**
Other segment items								
Capital expenditure	1,463	391	1,841	8,458	5,750	510	15,078	**33,491**
Depreciation, amortisation and impairment	(4,342)	(2,563)	(2,416)	(6,258)	(3,615)	(400)	(9,239)	**(28,833)**

3. Segment information cont'd

Year ended 31st December 2011 *

	Risk & Insurance				Employee Benefits			
	JLT Specialty £'000	Lloyd & Partners £'000	Australia & New Zealand £'000	Other Risk & Insurance £'000	UK & Ireland £'000	Other Employee Benefits £'000	Head Office & Other £'000	Total £'000
Fees and commissions	221,977	73,198	117,209	213,724	138,868	46,998	30	812,004
Investment income	1,826	270	3,807	775	3	79	-	6,760
Total revenue	223,803	73,468	121,016	214,499	138,871	47,077	30	818,764
Underlying trading profit	46,501	16,296	34,019	35,101	26,655	13,484	(25,022)	147,034
Operating profit	44,729	16,110	33,418	29,890	24,099	13,484	(27,789)	133,941
Finance costs - net	-	-	-	-	-	-	(4,561)	(4,561)
Share of results of associates	-	-	-	-	-	-	5,099	5,099
Profit before taxation	44,729	16,110	33,418	29,890	24,099	13,484	(27,251)	134,479
Income tax expense	-	-	-	-	-	-	(39,210)	(39,210)
Non-controlling interests	-	-	-	-	-	-	(6,523)	(6,523)
Net profit	44,729	16,110	33,418	29,890	24,099	13,484	(72,984)	88,746
Segment assets							1,268,970	1,268,970
Investments in associates							72,385	72,385
Total assets							1,341,355	1,341,355
Segment liabilities							(1,042,921)	(1,042,921)
Total liabilities							(1,042,921)	1,042,921
Other segment items								
Capital expenditure	8,952	1,742	2,762	8,767	2,612	82	11,361	36,278
Depreciation, amortisation and impairment	(4,382)	(2,555)	(2,773)	(5,975)	(3,129)	(241)	(8,265)	(27,320)

* Restated

Geographical segment analysis

Although the Group's two business segments are managed 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 Risk & Insurance segment operates in the United Kingdom, the Group's home country. In the Americas, the Risk & Insurance segment operates in Bermuda, the Caribbean, Brazil, Canada, Colombia, Peru, Chile and the United States. The Australasian segment includes operations in Australia and New Zealand. In Europe, it operates in Republic of Ireland, Sweden, Finland, Norway, Denmark, Guernsey, France, Spain, Switzerland and Russia. The Asian segment includes operations in Singapore, Hong Kong, Taiwan, Indonesia, Japan, Thailand, South Korea, Philippines, Malaysia, China and Vietnam. In Africa, it operates in South Africa.

The Employee Benefits segment operates in the United Kingdom. In the Americas, the Employee Benefits segment operates in Brazil, Canada, Colombia and Peru. The Australasian segment includes operations in Australia and New Zealand. In Europe, it operates in the Republic of Ireland. The Asian segment includes operations in Singapore, Hong Kong, Taiwan, Indonesia, Japan, Thailand, South Korea, Philippines, Malaysia, China and Vietnam.

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 operations are included in the United Kingdom segment.

3. Segment information cont'd

Fees and commissions are disclosed by (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 disclosed based on the country in which they are located or occur. Interest bearing assets (e.g. cash and cash equivalents and investments & deposits) relating to the Group's own funds are excluded from segmental assets. Interest bearing liabilities (e.g. borrowings) and income and deferred tax liabilities are excluded from segment liabilities. Items excluded from segmental allocation are referred to as "unallocated".

Year ended 31st December 2012

	Fees and commissions (1) £'000	**Fees and commissions (2) £'000**	**Segment non-current assets £'000**	**Segment assets £'000**	**Segment liabilities £'000**
UK	497,467	301,286	227,896	864,335	(643,362)
Americas	124,494	215,158	72,602	164,560	(81,933)
Australasia	128,765	140,267	26,435	108,783	(79,359)
Asia	99,852	117,985	18,607	90,018	(67,158)
Europe	22,061	77,160	13,805	38,891	(26,026)
Rest of the World	1,681	22,464	669	494	(399)
	874,320	**874,320**	**360,014**	**1,267,081**	**(898,237)**
Investment in associates				91,167	-
Unallocated assets/(liabilities)				168,673	(280,466)
Total assets/(liabilities)				**1,526,921**	**(1,178,703)**

Year ended 31st December 2011

	Fees and commissions (1) £'000	Fees and commissions (2) £'000	Segment non-current assets £'000	Segment assets £'000	Segment liabilities £'000
UK	476,420	278,444	209,365	731,277	(581,580)
Americas	107,457	197,838	68,426	154,310	(88,526)
Australasia	121,702	133,052	28,172	111,765	(77,515)
Asia	83,201	99,296	15,452	79,444	(59,882)
Europe	22,899	79,924	14,708	43,247	(26,873)
Rest of the World	325	23,450	885	1,634	(318)
	812,004	812,004	337,008	1,121,677	(834,694)
Investment in associates				72,385	-
Unallocated assets/(liabilities)				147,293	(208,227)
Total assets/(liabilities)				1,341,355	(1,042,921)

4. Operating profit

The following items have been (credited)/charged in arriving at operating profit:	**2012 £'000**	2011 £'000
Foreign exchange gains/(losses):		
- fees and commissions	**(4,728)**	(6,829)
- other operating costs/(income)	**1,002**	(441)
	(3,726)	(7,270)
Amortisation of intangible assets:		
- software costs	**10,202**	7,610
- other intangible assets	**794**	609
Depreciation on property, plant and equipment:		
- owned assets	**9,909**	10,969
- leased assets under finance leases	**132**	222
Total depreciation and amortisation charges	**21,037**	19,410
Amortisation of intangible assets:		
- employment contract payments (included in salaries and associated expenses)	**7,796**	7,910
Losses/(gains) on disposal of property, plant and equipment	**7**	(147)
Operating lease rentals payable:		
- minimum lease payments		
- land and buildings	**24,419**	23,811
- furniture, equipment and motor vehicles	**624**	386
- computer equipment and software	**62**	19
-sub-lease receipts		
- land and buildings	**(1,668)**	(1,769)
Available-for-sale financial assets		
- fair value gains	**(4)**	(92)
- gain on sale	**(2)**	(10)

Exceptional items:

Acquisition integration costs of which:		
- included in salaries and associated expenses	**760**	-
- included in premises costs	**59**	-
- included in other operating costs	**1,056**	568
	1,875	568
Business Transformation Programme:		
- included in salaries and associated expenses	**2,063**	7,059
- included in premises costs	**36**	654
- included in other operating costs	**1,695**	1,223
	3,794	8,936
Profit on sale of JLT Spain	**(235)**	-
Profit on sale of premises in Colombia	**(571)**	-
Partial offer costs	**-**	1,918
Net loss on Italy restructuring	**-**	1,671
Total exceptional items	**4,863**	13,093

5. Finance income and costs

	2012 £'000	2011 £'000
Interest receivable - own funds	**1,337**	1,174
Investment income from fixed asset investments	**280**	2
Interest expense:		
- bank and other borrowings	**(7,836)**	(6,974)
- finance leases	**(26)**	(53)
- interest in respect of liability discounting	**(223)**	(350)
Pension financing:		
- expected return on post employment scheme assets	**27,206**	30,893
- interest on post employment scheme liabilities	**(27,744)**	(29,345)
Net pension financing (expense)/income	**(538)**	1,548
Fair value gains on financial instruments		
- forward contracts: cash flow hedges	**4**	92
Finance costs - net	**(7,002)**	(4,561)
Finance costs	**(8,623)**	(7,377)
Finance income	**1,621**	2,816
Finance costs - net	**(7,002)**	(4,561)

6. Income tax expense

	2012 £'000	2011 £'000
Current tax expense		
Current year	**44,231**	41,611
(Over)/under provided in prior years	**(274)**	337
	43,957	41,948
Deferred tax expense		
Origination and reversal of temporary differences	**(2,117)**	(1,775)
Reduction in tax rate	**859**	697
Benefit of tax losses recognised	**-**	(1,056)
Adjustments in respect of prior years	**(1,930)**	(604)
	(3,188)	(2,738)
Total income tax expense	**40,769**	39,210

The total income tax expense in the income statement of £40,769,000 includes a tax credit on exceptional items of £1,021,000 (2011: £2,392,000).

6. Income tax expense cont'd

The UK Government has announced various measures in relation to UK corporation tax including a 2% reduction in the headline rate of corporation tax from April 2012, and reductions of 1% in 2013 and 2% in 2014. The future reduction will reduce the UK tax rate from 24% to 21%. As at 31st December 2012 the 2% rate reduction to 24% is already in force and only the first subsequent 1% rate reduction has been substantively enacted. Therefore the impact of the remaining 2% reduction has not been incorporated into the income tax charge for the year ended 31st December 2012. The impact of a 2% rate reduction in the deferred tax balances as at 31st December 2012 would result in the following changes:

	2% rate change £'000
Impact on Income Statement	**993**
Impact on Reserves	**2,137**

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:

	2012 £'000	2011 £'000
Profit before taxation	**156,790**	134,479
Tax calculated at UK Corporation Tax rate of 24.5% (2011: 26.5%)	**38,414**	35,637
Non-deductible expenses *	**2,968**	4,771
Tax losses not previously recognised	**(64)**	(347)
Adjustments to tax charge in respect of prior years	**(2,204)**	(267)
Benefit of tax losses recognised	**-**	(1,056)
Effect of UK and non-UK tax rate differences	**2,873**	1,090
Effect of reduction in UK tax rate	**808**	734
Tax on associates	**(2,026)**	(1,352)
Total income tax expense	**40,769**	39,210

* The non-deductible expenses relate principally to non-deductible entertainment expenses.

7. Dividends

	2012 £'000	2011 £'000
Final dividend in respect of 2011 of 14.8 p per share (2010: 13.7p)	**31,567**	30,743
Less: adjustment*	**(891)**	(866)
	30,676	29,877
Interim dividend in respect of 2012 of 9.6p per share (2011: 9.2p)	**22,895**	20,123
	53,571	50,000

* 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 2012 of 15.9p per share (2011: 14.8p) amounting to a total of £34,781,000 (2011: £32,274,000) is proposed by the Board. The dividend proposed will not be accounted for until it has been approved at the Annual General Meeting on 30th April 2013.

8. Earnings per share

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

Diluted earnings per share are calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

Additional basic and diluted earnings per share are also calculated based on underlying earnings attributable to the owners of the parent.

A reconciliation of earnings is set out below.

	2012 **No. of shares**	2011 No. of shares
Weighted average number of ordinary shares in issue	**218,829,889**	218,127,384
Effect of outstanding share options	**1,059,100**	1,291,994
Adjusted weighted average number of ordinary shares for diluted earnings per share	**219,888,989**	219,419,378

	2012			2011		
	£'000	**Basic pence per share**	**Diluted pence per share**	£'000	Basic pence per share	Diluted pence per share
Earnings reconciliation						
Underlying profit after taxation and non-controlling interests	**110,289**	**50.4**	**50.2**	99,447	45.6	45.3
Exceptional items and non-recurring items before tax	**(4,863)**			(13,093)		
Taxation thereon	**1,021**			2,392		
	(3,842)	**(1.8)**	**(1.8)**	(10,701)	(4.9)	(4.9)
Profit attributable to the owners of the parent	**106,447**	**48.6**	**48.4**	88,746	40.7	40.4

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 consist mainly of fixed term deposits. These investments are held at fair value and are classified between current and non-current assets according to maturity date.
2) Other investments 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 2012	**3,025**	**159**	**3,184**
Exchange differences	**30**	**(307)**	**(277)**
Additions	**-**	**14,852**	**14,852**
Disposals/maturities	**-**	**(158)**	**(158)**
Revaluation gain (included within equity)	**49**	**-**	**49**
At 31st December 2012	**3,104**	**14,546**	**17,650**
Analysis of available-for-sale financial assets			
Current	**-**	**252**	**252**
Non-current	**3,104**	**14,294**	**17,398**
At 31st December 2012	**3,104**	**14,546**	**17,650**
Available-for-sale investments & deposits			
Fiduciary		**14,165**	
Own funds		**381**	
At 31st December 2012		**14,546**	

	Other investments £'000	Investments & deposits £'000	Total £'000
At 1st January 2011	2,418	38,260	40,678
Exchange differences	21	(84)	(63)
Additions	-	159	159
Disposals/maturities	-	(38,126)	(38,126)
Revaluation deficit (included within equity)	(3)	(50)	(53)
Provisions release	589	-	589
At 31st December 2011	3,025	159	3,184
Analysis of available-for-sale financial assets			
Current	-	158	158
Non-current	3,025	1	3,026
At 31st December 2011	3,025	159	3,184
Available-for-sale investments & deposits			
Fiduciary		-	
Own funds		159	
At 31st December 2011		159	

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:

	2012 £'000	2011 £'000
AA	**14,294**	1
AA/A	**148**	-
A	**-**	58
Other	**104**	100
Total	**14,546**	159

10. Derivative financial instruments

	2012		2011	
	Assets £'000	**Liabilities £'000**	Assets £'000	Liabilities £'000
Interest rate swaps – fair value hedges	**7,738**	**(8,102)**	6,012	-
Forward foreign exchange contracts - cash flow hedges	**22,920**	**(8,691)**	5,919	(13,573)
Total	**30,658**	**(16,793)**	11,931	(13,573)
Current	**9,107**	**(2,094)**	2,986	(5,759)
Non-current	**21,551**	**(14,699)**	8,945	(7,814)
Total	**30,658**	**(16,793)**	11,931	(13,573)

The credit quality of counterparties with whom derivative financial assets are held is assessed by reference to external credit ratings, where available, or to historical information about counterparty default rates:

	2012 £'000	2011 £'000
AA	**11,953**	560
AA/A	**1,963**	6,297
A	**16,742**	5,074
Total	**30,658**	11,931

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.

At 31st December 2012	**Less than 1 year £'000**	**Greater than 1 year £'000**
Forward foreign exchange contracts		
Outflow	**(230,341)**	**(565,808)**
Inflow	**241,703**	**587,691**

At 31st December 2011	£'000	£'000
Forward foreign exchange contracts		
Outflow	(243,317)	(430,813)
Inflow	241,270	430,291

10. Derivative financial instruments cont'd

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 audit.

The Group uses various derivative instruments including forward foreign exchange contracts, interest rate swaps and from time to time, foreign currency collars and options to manage the risks arising from variations in currency 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, and qualify as highly probable transactions for which hedge accounting is applied. The Group anticipates that hedge accounting requirements will continue to be met on its foreign currency and interest rate hedging activities and that no material ineffectiveness will arise which will result in gains or losses being recognised through the income statement.

The fair value of financial derivatives based upon market values as at 31st December 2012 and designated as effective cash flow hedges was an asset of £14.2 million and has been deferred in equity (2011: liability of £7.6 million). Gains and Losses arising on derivative instruments outstanding as at 31st December 2012 will be released to the income statement at various dates up to:

a) 42 months in respect of cash flow hedges on currency denominated UK earnings.

b) 10 years in respect of specific hedges on USD denominated long term debt drawn under the group's USD Private Placement programme.

No material amounts were transferred to the income statement during the period in respect of ineffectiveness arising from cash flow hedges.

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 date are classified as non-current maturities.

a) Forward Foreign Exchange Contracts

The Group's major currency transaction exposure arises in USD and the Group continues to adopt a prudent approach in actively managing this exposure. As at 31st December 2012 the Group had outstanding foreign exchange contracts, principally in USD, amounting to a principal value of £829,394,000 (2011: £671,561,000).

b) Interest Rate Swaps

The Group uses interest rate hedges, principally interest rate swaps, to mitigate the impact of changes in interest rates. The notional principal amounts of outstanding cross currency interest rate swaps as at 31st December 2012 was USD375,000,000 (2011: USD125,000,000).

c) Price Risk

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

11. Trade and other receivables

	2012 £'000	2011 £'000
Trade receivables	**235,368**	211,480
Less: provision for impairment of trade receivables	**(11,029)**	(10,516)
Trade receivables - net	**224,339**	200,964
Other receivables	**110,052**	73,728
Prepayments	**14,061**	14,019
	348,452	288,711

12. Cash and cash equivalents

	2012 £'000	2011 £'000
Cash at bank and in hand	**297,031**	223,006
Short-term bank deposits	**327,290**	350,610
	624,321	573,616
Fiduciary funds	**513,371**	483,615
Own funds	**110,950**	90,001
	624,321	573,616

The effective interest rate in respect of short-term deposits was 0.60% (2011:0.90%). These deposits have an average maturity of 28 days (2011: 22 days).

13. Trade and other payables

	2012 £'000	2011 £'000
Insurance payables	**527,536**	483,615
Social security and other taxes	**15,658**	13,569
Other payables	**100,954**	100,766
Accruals and deferred income	**85,608**	82,217
Deferred consideration	**7,053**	9,614
	736,809	689,781

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) Employees' Retirement Plan, the Pension Plan for Employees of Jardine Lloyd Thompson Canada Inc and the Jardine Lloyd Thompson Ireland Limited Pension Fund.

The pension costs for the year are comprised as follows:

	2012			2011		
	UK £'000	**Overseas £'000**	**Total £'000**	UK £'000	Overseas £'000	Total £'000
Defined benefit schemes	**-**	**8**	**8**	-	9	9
Defined contribution schemes	**13,743**	**12,418**	**26,161**	14,359	11,871	26,230
	13,743	**12,426**	**26,169**	14,359	11,880	26,239

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

With effect from 1st December 2006 the Scheme was amended to eliminate future benefits accrual. 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 latest triennial actuarial valuation of the Jardine Lloyd Thompson Pension Scheme was undertaken as at 31st March 2011 and finalised in June 2012. This valuation was updated to 31st December 2012 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 – $17,000 in 2012 – and the Group contributes at a rate of 100% of each 1% contributed by the employee up to a maximum employee contribution of 4%, up to a maximum of $ 10,000. Employees aged over 50 may make "catch-up" contributions subject to an IRS maximum each year - $5,500 in 2012.

b) The JLT (USA) Employee Retirement Plan which is a defined benefit scheme. The latest actuarial valuation was undertaken at 1st January 2012 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 service and compensation prior to 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 age and service. The last formal valuation of the JLT Canada Pension Plan was undertaken as of 31st December 2011 by a qualified third party actuary. The defined benefits section was amended to eliminate future benefits accrual 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 agreed between the Trustees and the Company based on advice by a qualified actuary. The most recent triennial actuarial valuation for funding purposes was carried out by a qualified independent actuary as at 1st June 2011. With effect from 30th November 2008 the scheme was closed to new entrants and future service accrual. 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 provided benefits based on final salary, which were solely funded by the participating employer, while the JMESRP and section B of the JMGRP provided benefits based on final salary, which were funded by both the participating employer and the members.

14. Retirement benefit obligations cont'd

With effect from 31st December 2009, the participation in the JMESRP, JMRSRP and JMGRP (collectively the plans) ceased and the schemes were closed.

The accrued rights of the members in the plans were transferred to the Hong Kong Mandatory Provident Fund (MPF) scheme on 1st January 2010. The MPF scheme provides benefits on a defined contribution basis. The scheme is funded by both the employer and the members. The employer contribution under the MPF scheme ranges from 5% to 15% of the member's monthly basis salary based on an age factor. The MPF scheme is held and administered by a separate trust, which is funded by both the participating employer and the members.

The principal actuarial assumptions used were as follows:

31st December 2012	**UK Scheme**	**US Scheme**	**Canadian Scheme**	**Irish Scheme**
Rate of increase in salaries	**n/a**	**n/a**	**3.00%**	**n/a**
Rate of increase of pensions in payment (a)	**3.01%**	**n/a**	**3.50%**	**3.00%**
Discount rate	**4.60%**	**3.75%**	**3.90%**	**3.60%**
Inflation rate	**2.57-3.11%**	**3.00%**	**2.25%**	**2.00%**
Revaluation rate for deferred pensioners	**1.77%**	**n/a**	**n/a**	**2.00%**
Expected return on plan assets (b)	**5.82%**	**7.25%**	**6.00%**	**5.93%**
Mortality - life expectancy at age 65 for male member: (c)				
Aged 65 at 31st December	**23.8**	**19.6**	**19.7**	**21.7**

31st December 2011	UK Scheme	US Scheme	Canadian Scheme	Irish Scheme
Rate of increase in salaries	n/a	n/a	4.00%	n/a
Rate of increase of pensions in payment (a)	2.95%	n/a	3.50%	3.00%
Discount rate	4.85%	4.00%	4.50%	5.10%
Inflation rate	2.60%-3.05%	3.00%	2.50%	2.00%
Revaluation rate for deferred pensioners	1.70%	n/a	n/a	2.00%
Expected return on plan assets (b)	6.57%	7.25%	7.00%	6.10%
Mortality - life expectancy at age 65 for male member: (c)				
Aged 65 at 31st December	23.7	19.6	19.6	21.4

14. Retirement benefit obligations cont'd

(a) In respect of the UK scheme, where there are inflation linked benefits the inflation levels are limited to a maximum of 5% per annum (some are limited to 3% per annum).

(b) The expected return on scheme assets assumption was determined as the average of the expected returns on the intended long term asset strategy or the actual assets held by the schemes on 31st December of the previous year.

(c) Mortality assumptions for the UK scheme are based on 100% PN*A00yobLC0.5%U for pensioners and 105% PN*A00yobLC0.5%U for deferred pensioners.

Mortality assumptions for the US scheme are based on the IRS 2013 Mortality Table with Static Projections.

Mortality assumptions for the Canadian scheme are based on the 1994 Uninsured Pensioner Mortality Table projected generationally using Scale AA for all members.

Mortality assumptions for the Irish scheme, in respect of both deferred pensioners and pensioner, assume that deaths after retirement will be in accordance with standard mortality tables 62% PNML00 for males and 70% PNFL00 for females with an increase to the annuity value of:

- 0.5% (male with no spouse’s pension)
- 0.38% (female with no spouse’s pension)
- 0.39% (male or female with spouse’s pension)

This is per annum compound for each year between 2008 and the year in which normal pension date falls. Pre-retirement mortality has been assumed as nil.

	UK Scheme		**Overseas Schemes**		**Total**	
	2012	2011	**2012**	2011	**2012**	**2011**
Defined benefit obligation	**£'000**	£'000	**£'000**	£'000	**£'000**	**£'000**
Present value of funded obligations	**(574,360)**	(523,846)	**(68,937)**	(66,407)	**(643,297)**	(590,253)
Fair value of plan assets	**463,621**	424,624	**48,285**	44,630	**511,906**	469,254
Net liability recognised in the balance sheet	**(110,739)**	(99,222)	**(20,652)**	(21,777)	**(131,391)**	(120,999)

	UK Scheme		**Overseas Schemes**		**Total**	
	2012	2011	**2012**	2011	**2012**	2011
Reconciliation of defined benefit liability	**£'000**	£'000	**£'000**	£'000	**£'000**	£'000
Opening defined benefit liability	**(99,222)**	(57,413)	**(21,777)**	(15,422)	**(120,999)**	(72,835)
Exchange differences	**-**	-	**1,004**	(117)	**1,004**	(117)
Pension (expense)/income	**(728)**	1,657	**182**	(118)	**(546)**	1,539
Employer contributions	**1,363**	716	**3,992**	4,303	**5,355**	5,019
Total loss recognised in reserves	**(12,152)**	(44,182)	**(4,053)**	(10,423)	**(16,205)**	(54,605)
Net liability recognised in the balance sheet	**(110,739)**	(99,222)	**(20,652)**	(21,777)	**(131,391)**	(120,999)

14. Retirement benefit obligations cont'd

	UK Scheme		Overseas Schemes		Total	
	2012	2011	**2012**	2011	**2012**	2011
Reconciliation of defined benefit obligation	**£'000**	£'000	**£'000**	£'000	**£'000**	£'000
Opening defined benefit obligation	**(523,846)**	(492,911)	**(66,407)**	(59,425)	**(590,253)**	(552,336)
Exchange differences	**-**	-	**3,114**	274	**3,114**	274
Service cost	**-**	-	**(8)**	(9)	**(8)**	(9)
Interest cost	**(25,035)**	(26,408)	**(2,709)**	(2,937)	**(27,744)**	(29,345)
Loss on defined benefit obligation	**(40,990)**	(21,463)	**(5,889)**	(6,971)	**(46,879)**	(28,434)
Actual benefit payments	**15,511**	16,936	**2,962**	2,661	**18,473**	19,597
Closing defined benefit obligation	**(574,360)**	(523,846)	**(68,937)**	(66,407)	**643,297**	(590,253)

	UK Scheme		Overseas Schemes		Total	
	2012	2011	**2012**	2011	**2012**	2011
Reconciliation of fair value of assets	**£'000**	£'000	**£'000**	£'000	**£'000**	£'000
Opening value of assets	**424,624**	435,498	**44,630**	44,003	**469,254**	479,501
Exchange differences	**-**	-	**(2,110)**	(391)	**(2,110)**	(391)
Expected return on assets	**24,307**	28,065	**2,899**	2,828	**27,206**	30,893
Actuarial gains/(losses)	**28,838**	(22,719)	**1,836**	(3,452)	**30,674**	(26,171)
Employer contributions	**1,363**	716	**3,992**	4,303	**5,355**	5,019
Actual benefit payments	**(15,511)**	(16,936)	**(2,962)**	(2,661)	**(18,473)**	(19,597)
Closing value of assets	**463,621**	424,624	**48,285**	44,630	**511,906**	469,254

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

	UK Scheme			**Overseas schemes**		
At 31st December 2012	**Long-term rate of return**	**Value £'000**	**Value %**	**Long-term rate of return**	**Value £'000**	**Value %**
Equities	**6.80%**	**167,119**	**36%**	**7.75%**	**29,695**	**62%**
Bonds	**4.85%**	**238,801**	**52%**	**4.65%**	**12,981**	**27%**
Other assets	**6.80%**	**55,556**	**12%**	**4.70%**	**1,059**	**2%**
Cash	**4.85%**	**2,145**	**-**	**4.25%**	**4,550**	**9%**
Total market value	**5.82%**	**463,621**	**100%**	**6.60%**	**48,285**	**100%**

	UK Scheme			Overseas schemes		
At 31st December 2011	Long-term rate of return	Value £'000	Value %	Long-term rate of return	Value £'000	Value %
Equities	7.68%	180,252	43%	8.03%	28,646	64%
Bonds	5.45%	234,233	55%	5.05%	10,571	24%
Other assets	-	-	-	3.50%	1,053	2%
Cash	5.45%	10,139	2%	2.37%	4,360	10%
Total market value	6.57%	424,624	100%	6.93%	44,630	100%

14. Retirement benefit obligations cont'd

Other assets include hedge funds and property. The schemes do not hold cash as a strategic investment and cash balances at 31st December represent working balances.

The long-term rates of return on scheme assets at 31st December 2012 have been derived considering market conditions at 31st December 2011.

	UK Scheme		Overseas Schemes		Total	
	2012	2011	**2012**	2011	**2012**	2011
Reconciliation of return on assets	**£'000**	£'000	**£'000**	£'000	**£'000**	£'000
Expected return on assets	**24,307**	28,065	**2,899**	2,828	**27,206**	30,893
Actuarial gains/(losses)	**28,838**	(22,719)	**1,836**	(3,452)	**30,674**	(26,171)
Actual return on assets	**53,145**	5,346	**4,735**	(624)	**57,880**	4,722

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

	UK Scheme		Overseas Schemes		Total	
	2012	2011	**2012**	2011	**2012**	2011
	£'000	£'000	**£'000**	£'000	**£'000**	£'000
Service cost	**-**	-	**(8)**	(9)	**(8)**	(9)
Total (included within salaries and associated expenses)	**-**	-	**(8)**	(9)	**(8)**	(9)
Interest cost	**(25,035)**	(26,408)	**(2,709)**	(2,937)	**(27,744)**	(29,345)
Expected return on assets	**24,307**	28,065	**2,899**	2,828	**27,206**	30,893
Total (included within finance costs)	**(728)**	1,657	**190**	(109)	**(538)**	1,548
(Expense)/income before taxation	**(728)**	1,657	**182**	(118)	**(546)**	1,539

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

	UK Scheme		Overseas Schemes		Total	
	2012	2011	**2012**	2011	**2012**	2011
	£'000	£'000	**£'000**	£'000	**£'000**	£'000
Loss on defined benefit obligation	**(40,990)**	(21,463)	**(5,889)**	(6,971)	**(46,879)**	(28,434)
Actuarial gains/(losses)	**28,838**	(22,719)	**1,836**	(3,452)	**30,674**	(26,171)
Total actuarial losses recognised	**(12,152)**	(44,182)	**(4,053)**	(10,423)	**(16,205)**	(54,605)
Cumulative actuarial losses recognised	**(185,350)**	(173,198)	**(40,560)**	(36,507)	**(225,910)**	(209,705)

14. Retirement benefit obligations cont'd

The five year history of experience adjustments is as follows:

	UK Scheme				
	2012	2011	2010	2009	2008
	£'000	£'000	£'000	£'000	£'000
Defined benefit obligation at end of year	**(574,360)**	(523,846)	(492,911)	(480,701)	(376,859)
Fair value of plan assets	**463,621**	424,624	435,498	409,075	365,913
Deficit in the scheme	**(110,739)**	(99,222)	(57,413)	(71,626)	(10,946)
Difference between the expected and actual return on plan assets					
- amount (£'000)	**28,838**	(22,719)	17,411	23,856	(59,326)
- expressed as a percentage of the plan assets	**6.22%**	(5.35%)	4.00%	5.83%	(16.21%)
Experience losses/(gains) on plan liabilities					
- amount (£'000)	**11,890**	903	1,902	(4,639)	(6,450)
- expressed as percentage of the present value of the plan liabilities	**(2.07%)**	(0.17%)	(0.39%)	0.97%	1.71%

	Overseas Schemes				
	2012	2011	2010	2009	2008
	£'000	£'000	£'000	£'000	£'000
Defined benefit obligation at end of year	**(68,937)**	(66,407)	(59,425)	(54,379)	(67,006)
Fair value of plan assets	**48,285**	44,630	44,003	38,112	48,661
Deficit in the scheme	**(20,652)**	(21,777)	(15,422)	(16,267)	(18,345)
Difference between the expected and actual return on plan assets					
- amount (£'000)	**1,836**	(3,452)	1,044	2,918	(17,765)
- expressed as a percentage of the plan assets	**3.80%**	(7.73%)	2.37%	7.66%	(36.51%)
Experience (gains)/losses on plan liabilities					
- amount (£'000)	**(3,925)**	308	453	(3,060)	2,012
- expressed as a percentage of the present value of the plan liabilities	**5.69%**	(0.46%)	(0.76%)	5.63%	(3.00%)

The expected employer contributions for the year ending 31st December 2013 are as follows:

	Defined benefit
	£'000
UK Scheme	7,000
USA Scheme	1,290
Canadian Scheme	1,175
Irish Scheme	784
Total expected contributions	**10,249**

15. Provisions for liabilities and charges

	Property related provisions £'000	**Litigation provisions £'000**	**Other £'000**	**Total £'000**
At 1st January 2012	**6,604**	**6,112**	**537**	**13,253**
Exchange adjustment	**(1)**	**(57)**	**-**	**(58)**
Utilised in the year	**(966)**	**(2,448)**	**(66)**	**(3,480)**
Charged to the Income statement	**563**	**4,476**	**61**	**5,100**
Interest charge	**58**	**-**	**-**	**58**
Companies Acquired	**605**	**225**	**427**	**1,257**
At 31st December 2012	**6,863**	**8,308**	**959**	**16,130**

	Property related provisions £'000	Litigation provisions £'000	Other £'000	Total £'000
At 1st January 2011	6,802	10,316	916	18,034
Exchange adjustment	-	(12)	-	(12)
Adjustment to gross basis	-	(1,900)	-	(1,900)
Reclassification (to)/from current assets/liabilities	(11)	-	15	4
Utilised in the year	(1,266)	(5,408)	(663)	(7,337)
Charged to the Income statement	995	3,116	269	4,380
Interest charge	84	-	-	84
At 31st December 2011	6,604	6,112	537	13,253

	2012 £'000	2011 £'000
Analysis of total provisions:		
Current – to be utilised within one year	**12,241**	9,001
Non-current – to be utilised in more than one year	**3,889**	4,252
	16,130	13,253

15. Provisions for liabilities and charges cont'd

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 relevant lease terms for each country are to 2016 and 2017 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 receivables" within trade and other receivables. At 31st December 2012, in connection with certain litigation matters, the Group's litigation provisions include an amount of £0.1 million (2011: £0.1 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 year ended 31st December 2012 (2011: nil).

Other

Other provisions include provisions for clawback of commission which arises on certain types of Employee Benefit contracts.

16 Other reserves

	Share premium £'000	**Fair value & hedging reserves £'000**	**Exchange reserves £'000**	**Total other reserves £'000**
Balance at 1st January 2012	**99,670**	**(5,661)**	**30,131**	**124,140**
Fair value gains/(losses) net of tax:				
- available-for-sale	-	43	-	43
- cashflow hedges	-	21,074	-	21,074
Currency translation differences	-	-	(9,238)	(9,238)
Net gains/(losses) recognised directly in equity	**-**	**21,117**	**(9,238)**	**11,879**
Issue of share capital	3,518	-	-	**3,518**
Balance at 31st December 2012	**103,188**	**15,456**	**20,893**	**139,537**

	Share premium £'000	Fair value & hedging reserves £'000	Exchange reserves £'000	Total other reserves £'000
Balance at 1st January 2011	93,577	(2,885)	38,027	128,719
Fair value losses net of tax:				
- available-for-sale	-	(52)	-	(52)
- cashflow hedges	-	(2,724)	-	(2,724)
Currency translation differences	-	-	(7,896)	(7,896)
Net losses recognised directly in equity	-	(2,776)	(7,896)	(10,672)
Issue of share capital	6,093	-	-	6,093
Balance at 31st December 2011	99,670	(5,661)	30,131	124,140

17. Cash generated from operations

	2012 £'000	2011 £'000
Profit before taxation	**156,790**	134,479
Investment income receivable	**(7,361)**	(7,942)
Interest payable on bank loans and finance leases	**7,862**	7,027
Fair value gains on financial instruments	**(4)**	(92)
Net pension financing expenses/(income)	**538**	(1,548)
Unwinding of liability discounting	**223**	350
Depreciation	**10,041**	11,191
Amortisation of intangible assets	**18,792**	16,129
Amortisation of share based payments	**15,902**	14,598
Share of results of associate undertakings	**(8,271)**	(5,099)
Non cash exceptional items	**795**	8,449
Profit on disposal of businesses	**(235)**	(4,663)
Gain on disposal of property, plant and equipment	**(564)**	(147)
Losses on disposal of fixed asset investments	**-**	1
Gains on disposal of current asset investments	**(2)**	(10)
Increase in trade and other receivables	**(50,366)**	(25,733)
(Decrease)/Increase in trade and other payables - excluding insurance broking balances	**(7,014)**	3,547
Increase/(Decrease) in provisions for liabilities and charges	**1,620**	(2,957)
Decrease in retirement benefit obligation	**(5,347)**	(5,010)
Net cash inflow from operations	**133,399**	142,570

18. Business combinations

Adjustments in respect of prior year acquisitions

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

	Deferred consideration at 31st Dec 2011 £'000	Paid during the period £'000	Change in estimated deferred consideration £'000	Deferred consideration at 31st Dec 2012 £'000
Revisions to deferred consideration impacting goodwill	650	-	(650)	-
Revisions to deferred consideration impacting equity	1,272	(921)	(351)	-

18. Business combinations cont'd

2011 Acquisitions

During the year, the process of finalising the provisional fair values in respect of acquisitions carried out during 2011 has been completed.

	Revised fair value acquired £'000	Provisional fair value reported at 31st Dec 2011 £'000	Change in fair value £'000
Alta SA	57	519	(462)
FBD Insurance Brokers Group	(141)	299	(440)
	(84)	**818**	**(902)**

These changes in fair value affected the following balance sheet classes:

	Revised fair value acquired £'000	Provisional fair value reported at 31st Dec 2011 £'000	Change in fair value £'000
Property, plant and equipment	186	197	(11)
Intangible assets	47	37	10
Trade and other receivables	1,006	988	18
Cash and cash equivalents			
- own cash	1,725	1,728	(3)
- fiduciary cash	3,215	3,143	72
Insurance payables	(3,215)	(3,143)	(72)
Trade and other payables	(2,965)	(1,464)	(1,501)
Current taxation	(97)	(208)	111
Deferred taxation	120	57	63
Provisions for liabilities and charges	(49)	-	(49)
Non-controlling interests	(57)	(517)	460
	(84)	**818**	**(902)**

Goodwill calculation	**At 31st Dec 2012 £'000**	**At 31st Dec 2011 £'000**	**Change £'000**
Purchase consideration			
- cash paid	15,601	15,601	-
- deferred consideration	375	1,201	(826)
Total purchase consideration	**15,976**	**16,802**	**(826)**
Less fair value of net assets acquired	(84)	818	(902)
Goodwill	**16,060**	**15,984**	**76**

18. Business combinations cont'd

	At 31st Dec 2012 £'000	At 31st Dec 2011 £'000	Change £'000
Purchase consideration settled in cash	15,601	15,601	-
Cash and cash equivalents - own cash in subsidiary acquired	(1,725)	(1,728)	3
	13,876	**13,873**	**3**
Cash and cash equivalents - fiduciary cash in subsidiary acquired	(3,215)	(3,143)	(72)
Cash outflow on acquisition	**10,661**	**10,730**	**(69)**

Current year acquisitions

During the year the following new business acquisitions and additional investments were completed:

	Acquisition Date	Percentage voting rights acquired	Cost £'000
Alexander Forbes – Employee Benefits business	Dec 2012	100%	**18,616**
Towner Management Group	May 2012	70%-100%	**4,702**
Excelsus Group	Feb 2012	100%	**2,503**
Acquisition of new businesses completed during the year	Jan – Dec 2012	-	**1,231**
Additional investments in existing business	Jan – Dec 2012	-	**5,392**
			32,444

Acquisition of Alexander Forbes – Employee Benefits business

On 7th December 2012 the Group announced the acquisition of the Alexander Forbes' Employee Benefits business reinforcing its expertise in the Health and Wellness, Risk, Annuity and Investment areas. The acquired business contributed revenue of £2,738,000 and a net profit of £408,000 to the Group for the period since acquisition. If the acquisition had taken place on 1st January 2012 the contribution to Group revenue and net loss would have been £27,954,000 and £454,000 respectively.

Goodwill calculation

	£'000
Purchase consideration	
- cash paid	17,000
- deferred consideration	1,616
Total purchase consideration	**18,616**
Less fair value of net assets acquired	6,791
Goodwill	**11,825**

18. Business combinations cont'd

The assets and liabilities arising from the acquisition were as follows:

	Acquiree's carrying amount £'000	Fair value £'000
Property, plant and equipment	1,151	1,151
Intangible assets	-	1,229
Trade and other receivables	8,653	7,381
Cash and cash equivalents		
- own cash	1,085	1,085
Trade and other payables	(2,985)	(3,861)
Current taxation	700	700
Deferred taxation	314	314
Provisions for liabilities and charges	(824)	(1,208)
	8,094	**6,791**

	£'000
Purchase consideration settled in cash	17,000
Cash and cash equivalents – own cash in subsidiary acquired	(1,085)
Cash outflow on acquisition	**15,915**

As at 31st December 2012, the process of reviewing the fair values of assets acquired had not been completed, consequently the fair values stated above are provisional.

The deferred consideration of £1,616,000 is based upon the completion accounts net current assets as at 7th December 2012. The amount recognised is based on the provisional fair value of assets acquired as stated above.

None of the goodwill recognised is expected to be deductible for income tax purposes.

Acquisition of Towner Management Group

On 4th May 2012 the Group announced the acquisition of the Towner Management Group, the leading independent captive management company in Barbados. In addition, the Group acquired 70% of the Towner Management US based in Vermont. The acquired business contributed revenue of £1,453,000 and a net profit of £177,000 to the Group for the period since acquisition. If the acquisition had taken place on 1st January 2012 the contribution to the Group revenue and net profit would have been £2,249,000 and £311,000 respectively.

Goodwill calculation

	£'000
Purchase consideration	
- cash paid	4,072
- contingent consideration	630
Total purchase consideration	**4,702**
Less fair value of net assets acquired	848
Goodwill	**3,854**

18. Business combinations cont'd

The assets and liabilities arising from the acquisition were as follows:

	Acquiree's carrying amount £'000	Fair value £'000
Property, plant and equipment	115	115
Intangible assets	7	953
Trade and other receivables	214	214
Cash and cash equivalents		
- own cash	197	197
Trade and other payables	(673)	(673)
Non-controlling interests	42	42
	(98)	**848**

	£'000
Purchase consideration settled in cash	4,072
Cash and cash equivalents – own cash in subsidiary acquired	(197)
Cash outflow on acquisition	**3,875**

As at 31st December 2012, the process of reviewing the fair values of assets acquired had not been completed, consequently the fair values stated above are provisional.

Contingent consideration of £630,000 is based on the expected net revenue of USD2,005,000 and net profit of USD250,000 for the 12 months period following the acquisition. The minimum amount payable is £461,000 and is capped at £1,231,000.

None of the goodwill recognised is expected to be deductible for income tax purposes.

Acquisition of Excelsus Group

On 8th February 2012 the Group acquired the Excelsus Group, a marine specialty broker based in Singapore and Malaysia. The acquired business contributed revenue of £1,087,000 and a net profit of £274,000 to the period since acquisition. If the acquisition had taken place on 1st January 2012 the contribution to Group revenue and net profit would have been £1,258,000 and £329,000 respectively.

Goodwill calculation

	£'000
Purchase consideration	
- cash paid	1,942
- contingent consideration	561
Total purchase consideration	**2,503**
Less fair value of net assets acquired	30
Goodwill	**2,473**

18. Business combinations cont'd

The assets and liabilities arising from the acquisition were as follows:

	Acquiree's carrying amount £'000	Fair value £'000
Property, plant and equipment	2	2
Cash and cash equivalents		
- own cash	4	4
Current taxation	24	24
	30	**30**

	£'000
Purchase consideration settled in cash	1,942
Cash and cash equivalents - own cash in subsidiary acquired	(4)
Cash outflow on acquisition	**1,938**

As at 31st December 2012, the process of reviewing the fair values of assets acquired had not been completed, consequently the fair values stated above are provisional.

Contingent consideration of £561,000 is based on expected net revenue of SGD2,415,000 for the 12 months period following the acquisition. The minimum amount payable is £56,000 and is capped at £1,064,000.

None of the goodwill recognised is expected to be deductible for income tax purposes.

Other acquisitions and additional investments

Goodwill calculation

	£'000
Purchase consideration	
- cash paid	4,128
- deferred consideration	2,252
- contingent consideration	243
Total purchase consideration	**6,623**
Less fair value of net assets acquired	626
Less equity movement on transactions with non-controlling interests	4,692
Goodwill	**1,305**

18. Business combinations cont'd

The assets and liabilities arising from the other acquisitions and additional investments were as follows:

	Acquiree's carrying amount £'000	**Fair value £'000**
Property, plant and equipment	8	8
Trade and other receivables	63	63
Cash and cash equivalents		
- own cash	8	8
Trade and other payables	(127)	(127)
Non-controlling interests	674	674
	626	**626**

	£'000
Purchase consideration settled in cash	4,128
Cash and cash equivalents – own cash in subsidiary acquired	(8)
Cash outflow on acquisition	**4,120**

As at 31st December 2012, the process of reviewing the fair values of assets acquired had not been completed, consequently the fair values stated above are provisional.

None of the goodwill recognised is expected to be deductible for income tax purposes.

18. Business combinations cont'd

Group summary of the net assets acquired and goodwill

	Alexander Forbes £'000	Towner Group £'000	Excelsus Group £'000	Others £'000	Total £'000
Purchase consideration					
- cash paid	17,000	4,072	1,942	4,128	**27,142**
- deferred consideration	1,616	-	-	2,252	**3,868**
- contingent consideration	-	630	561	243	**1,434**
Total purchase consideration	**18,616**	**4,702**	**2,503**	**6,623**	**32,444**
Less fair value on acquisitions occurring during the year	6,791	848	30	626	**8,295**
Less equity movement on transactions with non-controlling interests	-	-	-	4,692	**4,692**
Goodwill on acquisitions occurring during the year	**11,825**	**3,854**	**2,473**	**1,305**	**19,457**
Impact of revisions to deferred consideration					**(650)**
Impact of revision to fair value adjustment in relation to acquisitions completed in 2011					**76**
Net increase in goodwill					**18,883**
Impact of revisions to deferred consideration					**(351)**
Impact of the additional investments					**4,692**
Net decrease in equity					**4,341**

	Alexander Forbes £'000	Towner Group £'000	Excelsus Group £'000	Others £'000	Total £'000
Purchase consideration settled in cash	17,000	4,072	1,942	4,128	**27,142**
Cash and cash equivalents - own cash in subsidiary acquired	(1,085)	(197)	(4)	(8)	**(1,294)**
Cash outflow on acquisition in the year	**15,915**	**3,875**	**1,938**	**4,120**	**25,848**
Impact on cash of revision to fair value adjustment in relation to acquisitions completed in 2011					**(69)**
Cash outflow in the year					**25,779**

19. Business disposals

On 14th February 2012, the Group disposed of 100% of its shareholding in JLT-Siaci Espana, S.L.

Net assets and proceeds of disposal	**Total £'000**
Property, plant and equipment	24
Intangible assets	(2)
Trade and other receivables	808
Cash and cash equivalents	
- own cash	274
- fiduciary cash	1,156
Insurance payables	(1,156)
Trade and other payables	(440)
Current taxation	(25)
Non-controlling interests	(169)
Net assets at disposal	**470**
Exchange gains recycled from exchange reserves	(91)
Gain on disposal	235
Proceeds on disposal	**614**
Disposal consideration settled in cash	614
Cash and cash equivalents - own cash in subsidiary sold	(274)
	340
Cash and cash equivalents - fiduciary cash in subsidiary sold	(1,156)
Cash outflow on disposal	**(816)**

Other disposals

During the year the Group completed other disposals, none of which were individually significant.

Net assets and proceeds of disposal	**Total £'000**
Non-controlling interests	458
Equity movement on transactions with non-controlling interests	781
	1,239
Deferred proceeds	1,159
Cash inflow on disposal during the year	80
Total consideration	**1,239**

Group summary of the received consideration

	JLT Spain £'000	**Other £'000**	**Total £'000**
Disposal consideration settled in cash	614	80	694
Cash and cash equivalents			
- own cash in subsidiary sold	(274)	-	(274)
- fiduciary cash in subsidiary sold	(1,156)	-	(1,156)
Cash outflow on disposal during the year	**(816)**	**80**	**(736)**

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 23 to 29 of the Annual Report & Financial Statements for 2011. The Annual Report & Financial Statements for 2012 will contain an updated discussion on these risks and will be posted to shareholders no later than 2nd April 2013.

21. The financial information contained in this preliminary announcement does not constitute statutory accounts within the meaning of the Companies Act 2006. The results for the year ended 31st December 2012 are unaudited and statutory accounts have not yet been delivered to the Registrar of Companies.

22. Statutory accounts for the year ended 31st December 2012 will be posted to shareholders no later than 2nd April 2013 and delivered to the Registrar of Companies following the Annual General Meeting on 30th April 2013.

23. The shareholders entered in the Register of Members at 4.00pm on 5th April 2013 will be entitled to the proposed final dividend of 15.9p per share which will, subject to approval at the Annual General Meeting to be held on 30th April 2013, be payable on 1st May 2013.

24. Forward-looking statements –

This document contains forward-looking statements with respect to the operations, performance and financial condition of Jardine Lloyd Thompson Group plc. By their nature, these statements are subject to risks, assumptions and uncertainties that could cause actual results to differ materially from those expressed or implied because they relate to future events.

Unless otherwise required by applicable law, regulation or accounting standard, we do not undertake to publicly update any forward-looking statements, whether as a result of new information, future developments or otherwise. Nothing in this presentation should be construed as a profit forecast.

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