



**Jardine Matheson**

Jardine Matheson Holdings Limited  
Jardine House, Reid Street  
Hamilton, Bermuda

## **Press Release**

[www.jardines.com](http://www.jardines.com)

To: Business Editor

1st March 2012

For immediate release

### **Jardine Lloyd Thompson Group plc Preliminary Results for the Year Ended 31st December 2011 (Unaudited)**

The following announcement was issued today by the Company's 42%-owned associate, Jardine Lloyd Thompson Group plc.

For further information please contact:

GolinHarris  
Kennes Young

(852) 2501 7987

**JARDINE LLOYD THOMPSON GROUP plc**  
**PRELIMINARY RESULTS FOR THE YEAR ENDED 31st DECEMBER 2011**  
**(UNAUDITED)**

Jardine Lloyd Thompson Group plc ("JLT" or "the Group") announces preliminary results for the year ended 31st December 2011.

**Financial Summary**

	<b>2011</b>	<b>2010</b>	<b>Change</b>
	<b>£m</b>	<b>£m</b>	
Total revenue*	818.8	746.3	10%
Underlying trading profit **	147.0	129.9	13%
Trading margin	18.0%	17.4%	
Underlying profit before tax **	147.6	130.1	13%
Reported profit before tax	134.5	119.4	13%
Underlying earnings per share (diluted)**	45.3p	40.5p	12%
Reported earnings per share (diluted)	40.4p	41.7p	(3%)
Dividend per share	24.0p	22.5p	7%

\* Total revenue comprises fees and commissions and investment income.

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

**Highlights**

- Strong organic growth of 7%
- Total revenue growth of 10% to £818.8 million
- Particularly strong revenue growth in high growth economies with Asia +28% and Latin America +19%
- Underlying profit before tax increase of 13% to £147.6 million
- Group trading margin improves to 18% whilst still investing for growth
- Further investment for growth through selective acquisitions and minority stakes
- Increased shareholding of Jardine Matheson provides further strategic support and enhances JLT's business and prospects
- Business Transformation Programme now expected to deliver £23 million of recurring annualised cost savings
- Dividend increased to 24p per share

**Dominic Burke, Chief Executive, commented:**

"Our emphasis on being a client-first organisation continues to serve us well, as demonstrated by our strong growth record. Our strategy, built around growing our areas of specialty, strengthening our international footprint and driving efficiency, provides us with confidence that we will continue to make financial progress in 2012."

**Enquiries:**

Dominic Burke, Chief Executive  
Paul Dransfield, Corporate Communications

Jardine Lloyd Thompson Group

020 7528 4948  
020 7528 4933

Rebecca Shelley  
Dania Saidam

Brunswick Group LLP

020 7404 5959

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](http://www.jltgroup.com).

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*FULL RELEASE FOLLOWS:*

## PRELIMINARY STATEMENT

JLT has again delivered a strong financial performance amidst challenging economic conditions, which included lacklustre GDP growth in mature markets and a soft insurance rating environment. Driving this performance has been strong organic growth of 7%, the increasing realisation of the benefits of our continued recruitment of leading industry professionals, carefully selected acquisitions and our increasing exposure to high growth economies.

The 2011 results are summarised in the table below:

£m	Total Revenue				Trading Margin			Trading Profit		
	2011	Growth	CRE	Organic	2011	CRE	2010	2011	CRE	2010
Risk & Insurance:										
Retail	312.5	15%	11%	10%	22%	23%	24%	70.1	68.7	64.0
London Market	329.9	8%	7%	7%	21%	21%	21%	70.2	67.6	65.7
	642.4	11%	9%	8%	22%	22%	22%	140.3	136.3	129.7
Employee Benefits	137.0	5%	5%	5%	19%	19%	17%	26.0	26.0	21.7
Thistle Insurance Services	39.4	-	-	-	15%	15%	14%	5.8	5.8	5.5
Central costs	-	-	-	-	-	-	-	(25.1)	(25.1)	(27.0)
	<b>818.8</b>	<b>10%</b>	<b>8%</b>	<b>7%</b>	<b>18.0%</b>	<b>17.8%</b>	<b>17.4%</b>	<b>147.0</b>	<b>143.0</b>	<b>129.9</b>
<b>Underlying trading profit</b>								<b>147.0</b>		129.9
Associates' contribution after tax								5.1		3.7
Underlying net finance costs								(4.5)		(3.5)
<b>Underlying profit before taxation</b>								<b>147.6</b>		130.1
Net exceptional costs								(13.1)		(10.7)
<b>Profit before taxation for the year</b>								<b>134.5</b>		119.4
Underlying tax expense								(41.6)		(37.7)
Non-recurring tax credit and tax on net exceptional items								2.4		13.2
Non-controlling interests								(6.6)		(4.2)
<b>Profit after taxation and non-controlling interests</b>								<b>88.7</b>		90.7
<b>Underlying profit after taxation and non-controlling interests</b>								<b>99.4</b>		88.2
<b>Diluted earnings per share</b>								<b>40.4p</b>		41.7p
<b>Underlying diluted earnings per share</b>								<b>45.3p</b>		40.5p

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

CRE: Constant rates of exchange.

Total revenue increased by 10% to £818.8 million compared to 2010, or 8% at constant rates of exchange (CRE), including organic growth of 7%. Total revenue and underlying trading profit includes investment income on fiduciary funds of £6.8 million (2010: £5.6 million).

Underlying trading profit increased by 13% to £147.0 million, or 10% at CRE. The underlying trading margin increased from 17.4% to 18.0%, notwithstanding continued investment for growth throughout the Group.

The contribution to profit after tax from associates was £5.1 million compared to £3.7 million in 2010, which included our share of Siaci Saint Honoré in France, in which JLT now has a 26% stake.

Underlying profit before tax was £147.6 million, 13% ahead of 2010. Reported profit before tax was £134.5 million compared to £119.4 million in the prior year, an increase of 13%. This is after charging net exceptional costs of £13.1 million, comprising Business Transformation Programme costs of £8.9 million, advisory costs of £1.9 million associated with the Jardine Matheson partial offer, costs associated with the restructuring of our Italian operations of £1.7 million and acquisition integration costs of £0.6 million.

The tax charge was £39.2 million, or £41.6 million on an underlying basis. The 2010 comparative included a non-recurring tax credit of £13.2 million, relating largely to a re-assessment of the Group's tax position following the resolution with tax authorities of several long outstanding tax matters. The underlying effective tax rate for 2011 was 28%.

Profit after tax and non-controlling interests was £88.7 million (2010: £90.7 million which included the benefit of the non-recurring tax credit). Diluted earnings per share were 40.4p per share (on a reported basis for the year).

Underlying profit after tax and non-controlling interests increased by 13% to £99.4 million and underlying diluted earnings per share increased by 12% to 45.3p per share.

## **DIVIDENDS**

Subject to shareholder approval, the final dividend will be increased by 1.1p per share to 14.8p per share for the year to 31st December 2011 and will be paid on 1st May 2012 to shareholders on the register at 10th April 2012. This brings the total dividend for the year to 24p per share, compared to 22.5p for the prior year, an increase of 7%.

## **OPERATIONAL REVIEW**

### **Risk & Insurance**

Combined revenue in Risk & Insurance increased by 11% to £642.4 million or 9% at CRE, with strong organic growth of 8%. Underlying trading profit increased by 8% to £140.3 million for the year, with an unchanged trading margin of 22%.

## **Retail**

Within the Risk & Insurance Group, Retail revenue increased by 15% to £312.5 million, or 11% at CRE, and included 10% organic growth. Underlying trading profit increased by 10% to £70.1 million for the year, representing an underlying trading margin of 22%, or 23% at CRE, compared to 24% for the prior year.

<i>£m</i>	<b>Total Revenue</b>				<b>Trading Profit</b>			<b>Trading Margin</b>		
	2011	Growth	CRE	Organic	2011	CRE	2010	2011	CRE	2010
Australasia	125.6	16%	6%	5%	34.9	31.8	29.9	28%	28%	28%
Asia	81.9	28%	29%	29%	17.3	18.8	13.7	21%	23%	21%
Latin America	48.8	19%	19%	19%	14.9	15.1	11.7	31%	31%	28%
Canada	30.0	(1%)	(2%)	(2%)	3.9	3.9	4.9	13%	13%	16%
Europe	20.9	(4%)	(7%)	(17%)	(0.6)	(0.6)	3.5	(3%)	(3%)	16%
Other	5.3	8%	11%	12%	(0.3)	(0.3)	0.3	(5%)	(5%)	6%
	<b>312.5</b>	<b>15%</b>	<b>11%</b>	<b>10%</b>	<b>70.1</b>	<b>68.7</b>	<b>64.0</b>	<b>22%</b>	<b>23%</b>	<b>24%</b>

The Group's retail businesses achieved a good overall performance, although individual results were mixed with strong performances in Asia, Latin America and Australasia. Our Canadian and some of our European businesses had a more difficult year and this impacted the overall retail trading margin.

Australasia delivered increased revenues, up 16% which was principally due to the effect of the strengthening Australian dollar. At constant rates of exchange, the increase was 6%. Organic growth was 5%, with a number of significant new business wins contributing to this result.

Asia once again had strong revenue growth, delivering an increase of 28% for the year and maintained its trading margin of 21% (23% at CRE). The Group made further investments in the region in senior hires and won major new corporate accounts notably in the Telecommunications and Energy sectors. There has been a rapid expansion of our employee benefits capabilities in the region and these are now a significant contributor to our profit in Asia.

Our operations in Latin America performed well with organic revenue growth of 19%. The trading margin increased from 28% to 31%. The acquisition of Orbital in Chile continued the Group's expansion in the region. Our operations in Latin America and Asia once again benefited from the Group's areas of specialisation such as Natural Resources, Construction, Telecommunications and Aviation being important drivers of economic growth in these regions.

Canada had a more difficult trading environment with a disappointing performance resulting in a 1% fall in revenue and a lower trading margin. The anticipated improvement in trading in the second half did not occur and the leadership of this business was changed at the beginning of 2012.

In Europe, the results were mixed with Ireland and the Nordic region delivering strong performances. The acquisition in late December 2011 of FBD Insurance Brokers, a specialist broker in the Irish agri-food sector provides a potential new area of specialisation for the Group.

In Southern Europe the performance of our Italian business was unsatisfactory and action was taken to restructure and merge that business with an independent specialty broker, Marine & Aviation SpA. More recently, we merged our Spanish business with March-Unipsa, the largest independent insurance broker in Spain (which is subject to regulatory approval). In both countries, we have a 25% stake in the combined businesses.

### **London Market**

Revenue in our London Market operations increased to £329.9 million up 8%, or 7% at CRE, with notable organic growth of 7% in what was a very competitive marketplace throughout 2011.

The trading profit margin was unchanged at 21%, despite our ongoing investment in the recruitment of leading industry professionals.

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

JLT Specialty achieved significant new business wins in Aviation, Energy, Construction, Marine, Credit & Political Risks and Real Estate and its revenue grew to £205.7 million, an increase of 11%, or 10% at CRE, with 9% organic growth. The recently expanded Financial Risks specialty is developing in line with our expectations.

Lloyd & Partners, the Group's specialist wholesale broker, had a good second half and delivered a 3% increase in revenue at £72.3 million with 2% organic growth. As a large part of Lloyd & Partners' business is derived from the US market, which was extremely competitive in 2011, this was an encouraging result.

During 2011, JLT Reinsurance Brokers, the Group's reinsurance broking business, achieved revenues of £51.9 million and organic growth of 3%. The trading margin also improved to 22% from 21% despite ongoing investment. This included the opening of new offices in three countries to expand the Group's global reinsurance capabilities, the addition of treaty reinsurance skills in Singapore and a move into the Life Reinsurance sector in Switzerland.

## UK & Ireland Employee Benefits

<i>£m</i>	Total Revenue				Trading Profit			Trading Margin		
	2011	Growth	CRE	Organic	2011	CRE	2010	2011	CRE	2010
Employee Benefits	137.0	5%	5%	5%	26.0	26.0	21.7	19%	19%	17%

The UK & Ireland Employee Benefits business had a strong year with revenue growth of 5% and an improved trading margin of 19%, up from 17%, reflecting the strength and success of the diversification of this business in recent years.

The business is evolving as the marketplace changes with its defined contribution pension, benefits and wealth management businesses expanding with a focus on technology solutions.

As previously indicated, from 2012 we will additionally report our Employee Benefits revenue and trading profit on an international basis.

## Thistle Insurance Services

<i>£m</i>	Total Revenue				Trading Profit			Trading Margin		
	2011	Growth	CRE	Organic	2011	CRE	2010	2011	CRE	2010
Thistle Insurance Services	39.4	-	-	-	5.8	5.8	5.5	15%	15%	14%

The lack of consumer confidence in the UK and Thistle's exit from a significant but unprofitable book of business in 2010 has contributed to a flat revenue performance in 2011. The trading margin has continued to improve to 15% and underlying organic revenue (excluding the exited book of business) grew by 4%.

Thistle is still in the investment phase of its development. We remain committed to the business model which is being successfully adapted in both Australia and Canada and there are plans to extend this into Asia and Latin America.

## BUSINESS TRANSFORMATION PROGRAMME

We started a three year Business Transformation Programme in July 2009 and this remains on track to complete by June 2012. It is estimated that the programme will deliver recurring annual savings of £23 million for total one-off costs of £27 million. Whilst the programme has reduced our cost base and enabled us to reinvest for growth, just as importantly it has provided improved quality and service to clients.

As this non-recurring expenditure has been significant, the programme costs are being treated as exceptional. The additional one-off costs in 2012 are forecast to be £4 million, generating a recurring benefit of £5 million.



## **CASH FLOW AND BALANCE SHEET**

Net debt at 31st December 2011 was £100 million. The Group has committed unsecured long term debt facilities equivalent to £352 million, with maturities between 2015 and 2022. Gross borrowings as at 31st December 2011 were £190 million, leaving unutilised committed headroom of approximately £162 million.

Net pension liabilities increased by £48 million to £121 million. This is mainly due to a reduction in the interest rate assumptions used to measure accounting liabilities. Otherwise the key assumptions remain broadly consistent.

## **FOREIGN EXCHANGE**

The Group's major currency transaction exposure arises in the London Market businesses which currently earn annual US dollar denominated revenue of approximately US\$265 million. Consequently, the Group's results are sensitive to changes in the Sterling/US dollar exchange rate. The Group continues to operate a prudent 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 in 2012, it would take a movement of seven cents in the spot rate to create a one cent movement in the achieved rate.

In 2011, the Group achieved an average rate after hedging of US\$1.52 compared to an average market rate of US\$1.60.

As at 28th February 2012, some 86% of anticipated dollar revenues for 2012 are hedged at an average rate of US\$1.54. For 2013, some 85% of dollar revenues are hedged at an average rate of US\$1.54 and 70% hedged for 2014 at an average rate of US\$1.56. We have now also commenced our rolling hedging for 2015, with 20% hedged at an average rate of US\$1.53.

## **OUTLOOK**

Our emphasis on being a client-first organisation continues to serve us well, as demonstrated by our strong growth record. Our strategy, built around growing our areas of specialty, strengthening our international footprint and driving efficiency, provides us with confidence that we will continue to make financial progress in 2012.

*Results follow*

**Jardine Lloyd Thompson Group plc**  
**Consolidated Income Statement**  
**For the year ended 31st December 2011**

	Notes	2011 £'000	2010 £'000
Fees and commissions	3	812,004	740,679
Investment income		6,760	5,601
Salaries and associated expenses		(489,700)	(441,797)
Premises		(42,394)	(40,125)
Other operating costs		(133,319)	(128,801)
Depreciation, amortisation and impairment charges	4	(19,410)	(17,365)
<b>Operating profit</b>	3,4	<b>133,941</b>	118,192
<b>Analysed as:</b>			
<b>Operating profit before exceptional items</b>		<b>147,034</b>	129,859
Business transformation programme	4	(8,936)	(7,282)
Partial offer costs	4	(1,918)	-
Other non-recurring items	4	(2,239)	(4,385)
<b>Operating Profit</b>	3,4	<b>133,941</b>	118,192
Finance costs	5	(7,377)	(6,427)
Finance income	5	2,816	3,832
Finance costs - net	5	(4,561)	(2,595)
Share of results of associates after tax and non-controlling interests		5,099	3,772
<b>Profit before taxation</b>	3	<b>134,479</b>	119,369
Income tax expense	6	(39,210)	(24,554)
<b>Profit for the year</b>		<b>95,269</b>	94,815
<b>Profit attributable to:</b>			
Owners of the parent		88,746	90,664
Non-controlling interests		6,523	4,151
		<b>95,269</b>	94,815
<b>Earnings per share attributable to the equity holders of the Company during the year (expressed in pence per share)</b>	8		
Basic earnings per share		40.7	41.8
Diluted earnings per share		40.4	41.7

**Jardine Lloyd Thompson Group plc**  
**Consolidated Statement of Comprehensive Income**  
**For the year ended 31st December 2011**

	<b>2011</b>	2010
	<b>£'000</b>	£'000
<b>Profit for the year</b>	<b>95,269</b>	94,815
<b>Other comprehensive income</b>		
Actuarial (losses)/gains recognised in post retirement benefit schemes	<b>(54,605)</b>	12,960
Taxation thereon	<b>11,116</b>	(3,816)
	<b>(43,489)</b>	9,144
Fair value losses net of tax		
- available-for-sale	<b>(52)</b>	(114)
- cashflow and fair value hedges	<b>(2,724)</b>	(10,661)
Currency translation differences	<b>(7,896)</b>	8,191
<b>Other comprehensive income net of tax</b>	<b>(54,161)</b>	6,560
<b>Total comprehensive income for the year</b>	<b>41,108</b>	101,375
<b>Attributable to:</b>		
Owners of the parent	<b>34,585</b>	97,224
Non-controlling interests	<b>6,523</b>	4,151
	<b>41,108</b>	101,375

**Jardine Lloyd Thompson Group plc**  
**Consolidated Group Balance Sheet**  
**As at 31st December 2011**

	Notes	2011 £'000	2010 £'000
<b>NET OPERATING ASSETS</b>			
<b>Non-current assets</b>			
Goodwill		259,910	243,783
Intangible assets		51,470	38,281
Property, plant and equipment		25,628	28,860
Investment in associates		72,385	60,794
Available-for-sale financial assets	9	2,535	1,908
Derivative financial instruments	10	8,945	3,770
Employee benefit trusts		491	510
Deferred tax assets		54,520	41,130
		<b>475,884</b>	<b>419,036</b>
<b>Current assets</b>			
Trade and other receivables	11	288,711	271,435
Derivative financial instruments	10	2,986	4,510
Available-for-sale financial assets	9	158	38,260
Cash and cash equivalents	12	573,616	524,865
		<b>865,471</b>	<b>839,070</b>
<b>Current liabilities</b>			
Borrowings		(1,842)	(2,725)
Trade and other payables	13	(689,781)	(687,270)
Derivative financial instruments	10	(5,759)	(4,282)
Current tax liabilities		(7,053)	(10,538)
Provisions for liabilities and charges	15	(9,001)	(13,099)
		<b>(713,436)</b>	<b>(717,914)</b>
<b>Net current assets</b>		<b>152,035</b>	<b>121,156</b>
<b>Non-current liabilities</b>			
Borrowings		(188,340)	(142,660)
Derivative financial instruments	10	(7,814)	(8,244)
Deferred tax liabilities		(8,080)	(8,100)
Retirement benefit obligations	14	(120,999)	(72,835)
Provisions for liabilities and charges	15	(4,252)	(4,935)
		<b>(329,485)</b>	<b>(236,774)</b>
		<b>298,434</b>	<b>303,418</b>
<b>TOTAL EQUITY</b>			
<b>Capital and reserves attributable to the Company's equity holders</b>			
Ordinary shares		10,960	10,890
Share premium	16	99,670	93,577
Fair value and hedging reserves	16	(5,661)	(2,885)
Exchange reserves	16	30,131	38,027
Retained earnings		151,007	155,368
<b>Shareholders' equity</b>		<b>286,107</b>	<b>294,977</b>
<b>Non-controlling interests</b>		<b>12,327</b>	<b>8,441</b>
		<b>298,434</b>	<b>303,418</b>

**Jardine Lloyd Thompson Group plc**  
**Consolidated Statement of Changes in Equity**  
**For year ended 31st December 2011**

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
<b>Balance at 1st January 2011</b>	<b>10,890</b>	<b>128,719</b>	<b>155,368</b>	<b>294,977</b>	<b>8,441</b>	<b>303,418</b>
<b>Profit for the year</b>	-	-	<b>88,746</b>	<b>88,746</b>	<b>6,523</b>	<b>95,269</b>
<b>Other comprehensive income</b>						
Actuarial losses recognised in post retirement benefit schemes	-	-	(43,489)	<b>(43,489)</b>	-	<b>(43,489)</b>
Fair value losses net of tax						
- available-for-sale	-	(52)	-	<b>(52)</b>	-	<b>(52)</b>
- cashflow and fair value hedges	-	(2,724)	-	<b>(2,724)</b>	-	<b>(2,724)</b>
Currency translation differences	-	(7,896)	-	<b>(7,896)</b>	(106)	<b>(8,002)</b>
<b>Total other comprehensive income</b>	-	<b>(10,672)</b>	<b>(43,489)</b>	<b>(54,161)</b>	<b>(106)</b>	<b>(54,267)</b>
<b>Total comprehensive income for the year</b>	-	<b>(10,672)</b>	<b>45,257</b>	<b>34,585</b>	<b>6,417</b>	<b>41,002</b>
Dividends paid	-	-	(50,000)	<b>(50,000)</b>	(3,635)	<b>(53,635)</b>
Amounts in respect of share based payments						
- reversal of amortisation in respect of share based payments	-	-	16,848	<b>16,848</b>	-	<b>16,848</b>
- shares acquired by the Employee Benefit Trust	-	-	(14,799)	<b>(14,799)</b>	-	<b>(14,799)</b>
Acquisitions	-	-	-	-	(257)	<b>(257)</b>
Disposals	-	-	-	-	1,361	<b>1,361</b>
Change in non-controlling interests	-	-	(1,667)	<b>(1,667)</b>	-	<b>(1,667)</b>
Issue of share capital	70	6,093	-	<b>6,163</b>	-	<b>6,163</b>
<b>Balance at 31st December 2011</b>	<b>10,960</b>	<b>124,140</b>	<b>151,007</b>	<b>286,107</b>	<b>12,327</b>	<b>298,434</b>

For the year ended 31st December 2010

	Ordinary shares £'000	Other reserves £'000	Retained earnings £'000	Shareholders' equity £'000	Non- controlling interests £'000	Total equity £'000
<b>Balance at 1st January 2010</b>	<b>10,776</b>	<b>122,366</b>	<b>99,532</b>	<b>232,674</b>	<b>6,760</b>	<b>239,434</b>
<b>Profit for the year</b>	-	-	<b>90,664</b>	<b>90,664</b>	<b>4,151</b>	<b>94,815</b>
<b>Other comprehensive income</b>						
Actuarial gains recognised in post retirement benefit schemes	-	-	9,144	<b>9,144</b>	-	<b>9,144</b>
Fair value losses net of tax						
- available-for-sale	-	(114)	-	<b>(114)</b>	-	<b>(114)</b>
- cashflow hedges	-	(10,661)	-	<b>(10,661)</b>	-	<b>(10,661)</b>
Currency translation differences	-	8,191	-	<b>8,191</b>	642	<b>8,833</b>
<b>Total other comprehensive income</b>	-	<b>(2,584)</b>	<b>9,144</b>	<b>6,560</b>	<b>642</b>	<b>7,202</b>
<b>Total comprehensive income for the year</b>	-	<b>(2,584)</b>	<b>99,808</b>	<b>97,224</b>	<b>4,793</b>	<b>102,017</b>
Dividends paid	-	-	(46,280)	<b>(46,280)</b>	(2,191)	<b>(48,471)</b>
Amounts in respect of share based payments						
- reversal of amortisation in respect of share based payments	-	-	17,297	<b>17,297</b>	-	<b>17,297</b>
- shares acquired by the Employee Benefit Trust	-	-	(13,708)	<b>(13,708)</b>	-	<b>(13,708)</b>
Acquisitions	-	-	-	-	(1,405)	<b>(1,405)</b>
Disposals	-	-	-	-	484	<b>484</b>
Change in non-controlling interests	-	-	(1,281)	<b>(1,281)</b>	-	<b>(1,281)</b>
Issue of share capital	114	8,937	-	<b>9,051</b>	-	<b>9,051</b>
<b>Balance at 31st December 2010</b>	<b>10,890</b>	<b>128,719</b>	<b>155,368</b>	<b>294,977</b>	<b>8,441</b>	<b>303,418</b>

**Jardine Lloyd Thompson Group plc**  
**Consolidated Statement of Cash Flows**  
**For the year ended 31st December 2011**

	Notes	2011 £'000	2010 £'000
<b>Cash flows from operating activities</b>			
Cash generated from operations	17	142,570	96,507
Interest paid		(6,968)	(3,844)
Interest received		8,158	9,719
Taxation paid		(42,024)	(25,656)
(Decrease)/increase in net insurance broking creditors		(10,818)	34,506
		<b>90,918</b>	<b>111,232</b>
Dividend received from associates		<b>876</b>	-
Net cash generated from operating activities		<b>91,794</b>	<b>111,232</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(8,980)	(9,205)
Purchase of intangible fixed assets		(27,298)	(23,834)
Proceeds from sale of property, plant and equipment		1,125	880
Proceeds from sale of intangible fixed assets		345	343
Acquisition of businesses, net of cash acquired	18	(14,815)	(12,866)
Acquisition of associate undertakings		(4,540)	(15,592)
Proceeds from disposal of business, net of cash disposed	19	(2,278)	1,783
Proceeds from disposal of associate undertakings		513	-
Purchase of available-for-sale other investments		-	(214)
Proceeds from disposal of available-for-sale other investments		9	96
Net cash used in investing activities		<b>(55,919)</b>	<b>(58,609)</b>
<b>Cash flows from financing activities</b>			
Dividends paid to company's shareholders		(49,855)	(45,824)
Net cash flows from investments and deposits		37,967	42,911
Purchase of investments by Employee Benefit Trust		(14,799)	(13,708)
Proceeds from issuance of ordinary shares		6,163	9,051
Net increase in borrowing		40,639	43,464
Dividends paid to non-controlling interests		(3,635)	(2,191)
Net cash generated from financing activities		<b>16,480</b>	<b>33,703</b>
<b>Net increase in cash and cash equivalents</b>		<b>52,355</b>	<b>86,326</b>
Cash and cash equivalents at beginning of period		524,865	437,218
Exchange (losses)/gains on cash and cash equivalents		(3,604)	1,321
<b>Cash and cash equivalents at end of the year</b>	12	<b>573,616</b>	<b>524,865</b>

**Jardine Lloyd Thompson Group plc**  
**Notes to the Preliminary Results**  
**For the year ended 31st December 2011**

**1. Basis of preparation**

The Group's 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).

The Group's accounting policies are set out in the 2010 Annual Report & Financial Statements.

**2. Alternative income statement**

The format of the consolidated income statement on page 9 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 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)
<b>Trading profit</b>	<b>147,034</b>	<b>(13,093)</b>	<b>133,941</b>
Finance costs - net	(4,561)	-	(4,561)
Share of results of associates after tax and non-controlling interests	5,099	-	5,099
<b>Profit before taxation</b>	<b>147,572</b>	<b>(13,093)</b>	<b>134,479</b>

	Year to 31st December 2010		
	Underlying profit £'000	Exceptional items £'000	Total £'000
Fees and commissions	740,679	-	740,679
Investment income	5,601	-	5,601
Salaries and associated expenses	(435,028)	(6,769)	(441,797)
Premises	(39,661)	(464)	(40,125)
Other operating costs	(124,367)	(4,434)	(128,801)
Depreciation, amortisation and impairment	(17,365)	-	(17,365)
<b>Trading profit</b>	<b>129,859</b>	<b>(11,667)</b>	<b>118,192</b>
Finance costs - net	(3,531)	936	(2,595)
Share of results of associates after tax and non-controlling interests	3,772	-	3,772
<b>Profit before taxation</b>	<b>130,100</b>	<b>(10,731)</b>	<b>119,369</b>

**Jardine Lloyd Thompson Group plc**  
**Notes to the Preliminary Results**  
**For the year ended 31st December 2011**

### **3. Segment information**

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

#### **Business segment analysis**

The Group is organised on a worldwide basis into five main segments: London Market, Retail, Employee Benefits, Thistle Insurance Services 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 international insurance broking and risk services activities. The Employee Benefits segment consists of pension administration, outsourcing and employee benefits consultancy. The Thistle Insurance Services segment provides solutions to Affinities, SME and retail markets via its own business units as well as third party brokers, mainly through open-market placements, delegated authorities and Managed General Underwriting (MGU) arrangements. The Head Office & Other segment consists mainly of holding companies, the central administration function, 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 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 Group's own funds are excluded from segmental assets.

#### **Segment liabilities include:**

- trade and other payables
- provisions for liabilities and charges

Interest bearing liabilities (e.g. borrowings) and income & deferred tax liabilities are excluded from segment liabilities.

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

#### **Investments in associates**

On 31st December 2011 the Group acquired 25 per cent of the Marine and Aviation Group 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 per cent. In 2010, the Group acquired 20 per cent of the Austrian company GrECO which operates mainly in Austria and Eastern Europe. The investment and the Group's share of Siaci Saint Honoré's, GrECO's and Marine and Aviation's net profits are included in the Head Office & other segment, together with the investment and results of the Group's other associates, Sterling Re Intermediario de Reaseguro SA de CV, JLT Insurance Malta and ICAP-JLT.

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

Comparatives for 2010 have been restated to reflect the transfer of businesses between the Employee Benefits and Thistle Insurance Services segments.



**Jardine Lloyd Thompson Group plc**  
**Notes to the Preliminary Results**  
**For the year ended 31st December 2011**

**3. Segment information cont'd**

<b>Year to 31st December 2011</b>	<b>London Market £'000</b>	<b>Retail £'000</b>	<b>Employee Benefits £'000</b>	<b>Thistle Insurance Services £'000</b>	<b>Head Office &amp; Other £'000</b>	<b>Unallocated £'000</b>	<b>Total £'000</b>
Fees and commissions	327,839	307,932	136,935	39,268	30	-	812,004
Investment income	2,089	4,574	-	97	-	-	6,760
<b>Total revenue</b>	<b>329,928</b>	<b>312,506</b>	<b>136,935</b>	<b>39,365</b>	<b>30</b>	<b>-</b>	<b>818,764</b>
Underlying trading profit	70,214	70,061	26,007	5,773	(25,021)	-	147,034
Operating profit	66,962	65,938	23,451	5,268	(27,678)	-	133,941
Finance costs - net	-	-	-	-	-	(4,561)	(4,561)
Share of results of associates after tax and non-controlling interests	-	-	-	-	5,099	-	5,099
<b>Profit before taxation</b>	<b>66,962</b>	<b>65,938</b>	<b>23,451</b>	<b>5,268</b>	<b>(22,579)</b>	<b>(4,561)</b>	<b>134,479</b>
Income tax expense	-	-	-	-	-	(39,210)	(39,210)
Non-controlling interests	-	-	-	-	-	(6,523)	(6,523)
<b>Net profit</b>	<b>66,962</b>	<b>65,938</b>	<b>23,451</b>	<b>5,268</b>	<b>(22,579)</b>	<b>(50,294)</b>	<b>88,746</b>
Segment assets	546,541	377,506	95,525	90,262	11,843	-	1,121,677
Investment in associates	-	-	-	-	72,385	-	72,385
Unallocated assets	-	-	-	-	-	147,293	147,293
<b>Total assets</b>	<b>546,541</b>	<b>377,506</b>	<b>95,525</b>	<b>90,262</b>	<b>84,228</b>	<b>147,293</b>	<b>1,341,355</b>
Segment liabilities	(404,222)	(207,688)	(24,460)	(28,413)	(169,911)	-	(834,694)
Unallocated liabilities	-	-	-	-	-	(208,227)	(208,227)
<b>Total liabilities</b>	<b>(404,222)</b>	<b>(207,688)</b>	<b>(24,460)</b>	<b>(28,413)</b>	<b>(169,911)</b>	<b>(208,227)</b>	<b>(1,042,921)</b>
<b>Other segment items</b>							
Capital expenditure	11,087	8,698	2,612	2,520	11,361	-	36,278
Depreciation, amortisation and impairment	(7,527)	(7,300)	(3,129)	(1,099)	(8,265)	-	(27,320)

**Jardine Lloyd Thompson Group plc**  
**Notes to the Preliminary Results**  
**For the year ended 31st December 2011**

**3. Segment information cont'd**

Year to 31st December 2010	London Market £'000	Retail £'000	Employee Benefits £'000	Thistle Insurance Services £'000	Head Office & Other £'000	Unallocated £'000	Total £'000
Fees and commissions	304,163	267,000	130,116	39,397	3	-	740,679
Investment income	1,562	3,872	-	165	2	-	5,601
<b>Total revenue</b>	<b>305,725</b>	<b>270,872</b>	<b>130,116</b>	<b>39,562</b>	<b>5</b>	<b>-</b>	<b>746,280</b>
Underlying trading profit	65,704	63,964	21,759	5,469	(27,037)	-	129,859
Operating profit	62,170	61,470	15,290	4,683	(25,421)	-	118,192
Finance costs - net	-	-	-	-	-	(2,595)	(2,595)
Share of results of associates after tax and non-controlling interests	-	-	-	-	3,772	-	3,772
Profit before taxation	62,170	61,470	15,290	4,683	(21,649)	(2,595)	119,369
Income tax expense	-	-	-	-	-	(24,554)	(24,554)
Non-controlling interests	-	-	-	-	-	(4,151)	(4,151)
<b>Net profit</b>	<b>62,170</b>	<b>61,470</b>	<b>15,290</b>	<b>4,683</b>	<b>(21,649)</b>	<b>(31,300)</b>	<b>90,664</b>
Segment assets	578,753	308,606	98,258	76,834	24,340	-	1,086,791
Investment in associates	-	-	-	-	60,794	-	60,794
Unallocated assets	-	-	-	-	-	110,521	110,521
<b>Total assets</b>	<b>578,753</b>	<b>308,606</b>	<b>98,258</b>	<b>76,834</b>	<b>85,134</b>	<b>110,521</b>	<b>1,258,106</b>
Segment liabilities	(415,736)	(190,422)	(36,524)	(24,663)	(120,617)	-	(787,962)
Unallocated liabilities	-	-	-	-	-	(166,726)	(166,726)
<b>Total liabilities</b>	<b>(415,736)</b>	<b>(190,422)</b>	<b>(36,524)</b>	<b>(24,663)</b>	<b>(120,617)</b>	<b>(166,726)</b>	<b>(954,688)</b>
Other segment items							
Capital expenditure	7,837	6,214	1,291	2,093	15,604	-	33,039
Depreciation, amortisation and impairment	(4,220)	(5,779)	(3,511)	(1,120)	(7,062)	-	(21,692)

**Geographical segment analysis**

Although the Group's four 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 London Market segment operates in the United Kingdom, its home country. In the Americas, the London Market segment operates in Bermuda, Cayman Islands and the United States. In Europe, it operates in France, Spain, Switzerland and Russia. In Asia, it operates in Singapore.

The Retail segment operates in the Americas, in Bermuda, Brazil, Canada, Colombia, Mexico, Peru and Chile. In Europe, it operates in the Republic of Ireland, Italy, Spain, Poland, Sweden, Finland, Norway and Guernsey. The Australasian segment includes operations in Australia and New Zealand. The Asian segment includes operations in Singapore, Hong Kong, Taiwan, Indonesia, Japan, Thailand, Korea, Philippines, Malaysia, China and Vietnam. In Africa, it operates in South Africa.

The Employee benefits segment operates in the United Kingdom, its home country and the Republic of Ireland.

The Thistle Insurance Services 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 operations are included in the United Kingdom segment.

**Jardine Lloyd Thompson Group plc**  
**Notes to the Preliminary Results**  
**For the year ended 31st December 2011**

**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.

**Year to 31st December 2011**

	<b>Fees and commissions (1) £'000</b>	<b>Fees and commissions (2) £'000</b>	<b>Segment non-current assets £'000</b>	<b>Segment assets £'000</b>	<b>Segment liabilities £'000</b>
UK	476,420	278,444	209,856	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)
	<b>812,004</b>	<b>812,004</b>	<b>337,499</b>	<b>1,121,677</b>	<b>(834,694)</b>
Investment in associates				72,385	-
Unallocated assets/(liabilities)				147,293	(208,227)
<b>Total assets/(liabilities)</b>				<b>1,341,355</b>	<b>(1,042,921)</b>

**Year to 31st December 2010**

	<b>Fees and commissions (1) £'000</b>	<b>Fees and commissions (2) £'000</b>	<b>Segment non-current assets £'000</b>	<b>Segment assets £'000</b>	<b>Segment liabilities £'000</b>
UK	442,323	272,186	197,539	726,035	(562,647)
Americas	103,571	185,878	62,104	142,907	(81,113)
Australasia	105,340	116,343	28,978	107,471	(74,381)
Asia	65,694	78,661	14,678	66,215	(44,961)
Europe	23,751	69,989	8,135	44,163	(24,860)
Rest of the World	-	17,622	-	-	-
	<b>740,679</b>	<b>740,679</b>	<b>311,434</b>	<b>1,086,791</b>	<b>(787,962)</b>
Investment in associates				60,794	-
Unallocated assets/(liabilities)				110,521	(166,726)
<b>Total assets/(liabilities)</b>				<b>1,258,106</b>	<b>(954,688)</b>

**Jardine Lloyd Thompson Group plc**  
**Notes to the Preliminary Results**  
**For the year ended 31st December 2011**

**4. Operating profit**

<b>The following items have been (credited)/charged in arriving at operating profit:</b>	<b>2011</b>	2010
	<b>£'000</b>	£'000
Foreign exchange (gains)/losses		
- fees and commissions	<b>(6,829)</b>	57
- other operating costs	<b>(441)</b>	892
	<b>(7,270)</b>	949
Amortisation of intangible assets:		
- software costs	<b>7,610</b>	6,829
- other intangible assets	<b>609</b>	530
Depreciation on property, plant and equipment:		
- owned assets	<b>10,969</b>	9,742
- leased assets under finance leases	<b>222</b>	264
Total depreciation, amortisation and impairment charges	<b>19,410</b>	17,365
Amortisation of intangible assets:		
- employment contract payments (included in salaries and associated expenses)	<b>7,910</b>	4,327
Gains on disposal of property, plant and equipment	<b>(147)</b>	(26)
Operating lease rentals payable:		
- minimum lease payments		
- land and buildings	<b>23,811</b>	21,901
- furniture, equipment and motor vehicles	<b>386</b>	861
- computer equipment and software	<b>19</b>	63
-sub-lease receipts		
- land and buildings	<b>(1,769)</b>	(1,837)
Available-for-sale financial assets		
- fair value (gains)/losses	<b>(92)</b>	128
- gain on sale	<b>(10)</b>	-
<b>Exceptional items:</b>		
Acquisition integration costs of which:		
- included in salaries and associated expenses	-	3,769
- included in premises costs	-	311
- included in other operating costs	<b>568</b>	1,487
	<b>568</b>	5,567
Business transformation programme:		
- included in salaries and associated expenses	<b>7,059</b>	3,000
- included in premises costs	<b>654</b>	153
- included in other operating costs	<b>1,223</b>	4,129
	<b>8,936</b>	7,282
Partial offer costs	<b>1,918</b>	-
Net loss on Italy restructuring	<b>1,671</b>	-
Loss on Mexico restructuring	-	618
Profit on sale of JLT Poland and JLT Malta	-	(184)
Gain on deferred consideration	-	(1,616)
<b>Total exceptional items included within operating profit</b>	<b>13,093</b>	11,667
Interest receivable from HMRC - included within finance income	-	(936)
<b>Total exceptional items</b>	<b>13,093</b>	10,731

**Jardine Lloyd Thompson Group plc**  
**Notes to the Preliminary Results**  
**For the year ended 31st December 2011**

**5. Finance income and costs**

	2011 £'000	2010 £'000
Interest receivable - own funds	1,174	2,896
Investment income from fixed asset investments	2	-
Interest receivable from HMRC	-	936
Interest expense:		
- bank and other borrowings	(6,974)	(4,423)
- finance leases	(53)	(85)
- interest in respect of liability discounting	(350)	(629)
Pension financing:		
- expected return on post employment scheme assets	30,893	28,740
- interest on post employment scheme liabilities	(29,345)	(29,902)
Net pension financing income/(expense)	1,548	(1,162)
Fair value gains/(losses) on financial instruments		
- forward contracts: fair value hedges	92	(128)
<b>Finance costs - net</b>	<b>(4,561)</b>	<b>(2,595)</b>
Finance costs	(7,377)	(6,427)
Finance income	2,816	3,832
<b>Finance costs - net</b>	<b>(4,561)</b>	<b>(2,595)</b>

**6. Income tax expense**

	2011 £'000	2010 £'000
<b>Current tax expense</b>		
Current year	41,611	33,305
Under/(over) provided in prior years	337	(6,025)
	41,948	27,280
<b>Deferred tax expense</b>		
Origination and reversal of temporary differences	(1,775)	1,821
Reduction in tax rate	697	535
Benefit of tax losses recognised	(1,056)	-
Adjustments in respect of prior years	(604)	(5,082)
	(2,738)	(2,726)
<b>Total income tax expense</b>	<b>39,210</b>	<b>24,554</b>

There were no non-recurring tax credits in the year. In 2010 there were non-recurring tax credits of £5,180,000 relating to the release of tax provisions, and £5,113,000 relating to the release of a deferred tax liability in respect of overseas earnings no longer expected to be repatriated in the foreseeable future.

**Jardine Lloyd Thompson Group plc**  
**Notes to the Preliminary Results**  
**For the year ended 31st December 2011**

**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 2011, and 1% in the three subsequent years to reduce the UK tax rate from 28% to 23%. As at 31st December 2011 the 2% rate reduction to 26% is already in force and only the first subsequent 1% rate reduction has been substantively enacted. Therefore the impact of the two remaining annual 1% reductions have not been incorporated in the income tax charge for the year ended 31st December 2011. The impact of a 1% rate reduction in the deferred tax balances as at 31st December 2011 would result in the following changes:

	1% rate change £'000
Impact on Income Statement	<b>367</b>
Impact on Reserves	<b>809</b>

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:

	2011 £'000	2010 £'000
<b>Profit before taxation</b>	<b>134,479</b>	119,369
Tax calculated at UK Corporation Tax rate of 26.5% (2010: 28%)	<b>35,637</b>	33,423
Non-deductible expenses *	<b>4,771</b>	2,323
Tax losses not previously recognised	<b>(347)</b>	(1,170)
Adjustments to tax charge in respect of prior years	<b>(267)</b>	(11,107)
Benefit of tax losses recognised	<b>(1,056)</b>	-
Effect of UK and non-UK tax rate differences	<b>1,090</b>	1,824
Effect of reduction in UK tax rate	<b>734</b>	317
Tax on associates	<b>(1,352)</b>	(1,056)
<b>Total income tax expense</b>	<b>39,210</b>	24,554

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

**7. Dividends**

	2011 £'000	2010 £'000
Final dividend in respect of 2010 of 13.7 p per share (2009: 12.5p)	<b>30,743</b>	27,690
Less: adjustment*	<b>(866)</b>	(592)
	<b>29,877</b>	27,098
Interim dividend in respect of 2011 of 9.2p per share (2010: 8.8p)	<b>20,123</b>	19,182
	<b>50,000</b>	46,280

\* 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 2011 of 14.8p per share (2010: 13.7p) amounting to a total of £32,274,000 (2010: £29,685,000) is proposed by the Board. The dividend proposed will not be accounted for until it has been approved at the Annual General Meeting on 26th April 2012.

**Jardine Lloyd Thompson Group plc**  
**Notes to the Preliminary Results**  
**For the year ended 31st December 2011**

**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.

	<b>2011</b>	2010
	<b>No. of shares</b>	No. of shares
Weighted average number of ordinary shares in issue	<b>218,127,384</b>	216,663,347
Effect of outstanding share options	<b>1,291,994</b>	960,089
<b>Adjusted weighted average number of ordinary shares for diluted earnings per share</b>	<b>219,419,378</b>	217,623,436

	<b>2011</b>			2010		
	<b>Basic pence per share</b>	<b>Diluted pence per share</b>	£'000	Basic pence per share	Diluted pence per share	£'000
<b>Earnings reconciliation</b>						
<b>Underlying profit after taxation and non-controlling interests</b>	<b>45.6</b>	<b>45.3</b>	99,447	40.7	40.5	88,219
Exceptional items and non-recurring items before tax			<b>(13,093)</b>			(10,731)
Taxation thereon			<b>2,392</b>			2,883
Non-recurring tax credit			<b>-</b>			10,293
	<b>(4.9)</b>	<b>(4.9)</b>	<b>(10,701)</b>	1.1	1.2	2,445
<b>Profit attributable to the owners of the parent</b>	<b>40.7</b>	<b>40.4</b>	<b>88,746</b>	41.8	41.7	90,664

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**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
<b>At 1st January 2011</b>	<b>1,908</b>	<b>38,260</b>	<b>40,168</b>
Exchange differences	21	(84)	(63)
Additions	-	159	159
Disposals/maturities	-	(38,126)	(38,126)
Revaluation deficit (included within equity)	16	(50)	(34)
Provision release	589	-	589
<b>At 31st December 2011</b>	<b>2,534</b>	<b>159</b>	<b>2,693</b>
<b>Analysis of available for sale financial assets</b>			
Current	-	158	158
Non-current	2,534	1	2,535
<b>At 31st December 2011</b>	<b>2,534</b>	<b>159</b>	<b>2,693</b>
<b>Available for sale investments &amp; deposits</b>			
Fiduciary		-	
Own funds		159	
<b>At 31st December 2011</b>		<b>159</b>	
	Other investments £'000	Investments & deposits £'000	Total £'000
At 1st January 2010	1,590	80,015	81,605
Exchange differences	114	1,379	1,493
Additions	214	31,568	31,782
Disposals/maturities	(8)	(74,479)	(74,487)
Revaluation deficit (included within equity)	(2)	(223)	(225)
<b>At 31st December 2010</b>	<b>1,908</b>	<b>38,260</b>	<b>40,168</b>
<b>Analysis of available for sale financial assets</b>			
Current	-	38,260	38,260
Non-current	1,908	-	1,908
<b>At 31st December 2010</b>	<b>1,908</b>	<b>38,260</b>	<b>40,168</b>
<b>Available for sale investments &amp; deposits</b>			
Fiduciary		38,089	
Own funds		171	
<b>At 31st December 2010</b>		<b>38,260</b>	



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**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:

	<b>2011</b>	2010
	<b>£'000</b>	£'000
AA	1	13,243
AA/A	-	24,836
A	58	181
Other	100	-
<b>Total</b>	<b>159</b>	<b>38,260</b>

**10. Derivative financial instruments**

	<b>2011</b>		2010	
	<b>Assets</b>	<b>Liabilities</b>	Assets	Liabilities
	<b>£'000</b>	<b>£'000</b>	£'000	£'000
Interest rate swaps – fair value hedges	6,012	-	-	-
Forward foreign exchange contracts - cash flow hedges	5,919	(13,573)	8,280	(12,526)
<b>Total</b>	<b>11,931</b>	<b>(13,573)</b>	<b>8,280</b>	<b>(12,526)</b>
Current	2,986	(5,759)	4,510	(4,282)
Non-current	8,945	(7,814)	3,770	(8,244)
<b>Total</b>	<b>11,931</b>	<b>(13,573)</b>	<b>8,280</b>	<b>(12,526)</b>

The credit quality of counterparties with whom derivative financial assets are held is assessed by reference to external credit ratings, where available, and to other current and historical information.

	<b>2011</b>	2010
	<b>£'000</b>	£'000
AA	560	3,498
AA/A	6,297	698
A	5,074	4,084
<b>Total</b>	<b>11,931</b>	<b>8,280</b>

**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.

	<b>Less than 1 year</b>	<b>Greater than 1 year</b>
	<b>£'000</b>	<b>year</b>
	<b>£'000</b>	<b>£'000</b>
<b>At 31st December 2011</b>		
Forward foreign exchange contracts		
Outflow	(243,317)	(430,813)
Inflow	241,270	430,291
<b>At 31st December 2010</b>	<b>£'000</b>	<b>£'000</b>
Forward foreign exchange contracts		
Outflow	(213,654)	(432,279)
Inflow	211,582	432,017

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**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 profit and loss account.

The fair value of financial derivatives based upon market values as at 31st December 2011 and designated as effective hedges was a liability of £7.6 million and has been deferred in equity (2010: liability of £4.2 million). Gains and losses arising on derivative instruments outstanding as at 31st December 2011 will be released to the income statement at various dates up to:

- a) 48 months in respect of cash flow hedges on currency denominated UK earnings.
- b) 11 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 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 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 2011 the Group had outstanding foreign exchange contracts, principally in USD, amounting to a principal value of £671,561,000 (2010: £643,599,000).

**b) Interest Rate Swaps and Forward Rate Agreements**

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 2011 was USD125,000,000 (2010: USD125,000,000).

**c) Price Risk**

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

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**11. Trade and other receivables**

	<b>2011</b>	2010
	<b>£'000</b>	£'000
Trade receivables	<b>211,480</b>	198,043
Less: provision for impairment of trade receivables	<b>(10,516)</b>	(14,265)
Trade receivables - net	<b>200,964</b>	183,778
Other receivables	<b>73,728</b>	68,364
Prepayments	<b>14,019</b>	19,293
	<b>288,711</b>	271,435

**12. Cash and cash equivalents**

	<b>2011</b>	2010
	<b>£'000</b>	£'000
Cash at bank and in hand	<b>223,006</b>	177,311
Short-term bank deposits	<b>350,610</b>	347,554
	<b>573,616</b>	524,865
Fiduciary funds	<b>483,615</b>	455,730
Own funds	<b>90,001</b>	69,135
	<b>573,616</b>	524,865

The effective interest rate in respect of short-term deposits was 0.90% (2010: 0.80%). These deposits have an average maturity of 22 days (2010: 15 days).

**13. Trade and other payables**

	<b>2011</b>	2010
	<b>£'000</b>	£'000
Insurance payables	<b>483,615</b>	493,819
Social security and other taxes	<b>13,569</b>	12,871
Other payables	<b>100,766</b>	99,343
Accruals and deferred income	<b>82,217</b>	73,039
Deferred consideration (see note 15)	<b>9,614</b>	8,198
	<b>689,781</b>	687,270

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**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:

	2011			2010		
	UK £'000	Overseas £'000	Total £'000	UK £'000	Overseas £'000	Total £'000
Defined benefit schemes	-	9	9	-	-	-
Defined contribution schemes	14,359	11,871	26,230	14,080	10,317	24,397
	<b>14,359</b>	<b>11,880</b>	<b>26,239</b>	<b>14,080</b>	<b>10,317</b>	<b>24,397</b>

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 a trustee administered fund 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 valuation of the Jardine Lloyd Thompson Pension Scheme was undertaken on a preliminary basis as at 1st April 2011. It is anticipated that this, together with the revised funding plan, will be finalised by the end of June 2012. This preliminary valuation was updated to 31st December 2011 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 – \$16,500 in 2011 – 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 \$ 9,800. Employees aged over 50 may make "catch-up" contributions subject to an IRS maximum each year - \$5,500 in 2011.

b) The JLT (USA) Employee Retirement Plan which is a defined benefit scheme. The latest actuarial valuation was undertaken at 1st January 2011 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 2008 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 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 2008. With effect from 30th November 2008 the scheme was closed to new entrants and future service accrual. A funding proposal, effective 30th April 2010, was accepted by the Pensions Board.

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.

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**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 basic 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:

<b>31st December 2011</b>	<b>UK Scheme</b>	<b>US Scheme</b>	<b>Canadian Scheme</b>	<b>Irish Scheme</b>
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
<b>31st December 2010</b>	<b>UK Scheme</b>	<b>US Scheme</b>	<b>Canadian Scheme</b>	<b>Irish Scheme</b>
Rate of increase in salaries	n/a	n/a	4.00%	n/a
Rate of increase of pensions in payment (a)	3.35%	n/a	3.50%	3.00%
Discount rate	5.45%	5.15%	5.50%	5.10%
Inflation rate	3.10%-3.45%	3.00%	2.50%	2.00%
Revaluation rate for deferred pensioners	2.60%	n/a	n/a	2.00%
Expected return on plan assets (b)	6.51%	8.00%	7.00%	5.20%
Mortality - life expectancy at age 65 for male member: (c) Aged 65 at 31st December	23.6	18.9	19.5	21.4

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**14. Retirement benefit obligations cont'd**

- (a) In respect of the UK scheme, retail prices are limited to 5% 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 RP-2000 Mortality Table projected to 2010 by Scale AA.

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 active and deferred pensioners, assume that deaths after retirement will be in accordance with standard mortality tables 62% PNML00 for males and 70% PNFL00 for females. Pre retirement mortality has been assumed as nil.

	UK Scheme		Overseas Schemes		Total	
	2011	2010	2011	2010	2011	2010
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Defined benefit obligation</b>						
Present value of funded obligations	(523,846)	(492,911)	(66,407)	(59,425)	(590,253)	(552,336)
Fair value of plan assets	424,624	435,498	44,630	44,003	469,254	479,501
<b>Net liability recognised in the balance sheet</b>	<b>(99,222)</b>	<b>(57,413)</b>	<b>(21,777)</b>	<b>(15,422)</b>	<b>(120,999)</b>	<b>(72,835)</b>

	UK Scheme		Overseas Schemes		Total	
	2011	2010	2011	2010	2011	2010
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Reconciliation of defined benefit liability</b>						
Opening defined benefit liability	(57,413)	(71,626)	(15,422)	(16,267)	(72,835)	(87,893)
Exchange differences	-	-	(117)	(395)	(117)	(395)
Pension income/(expense)	1,657	(836)	(118)	(326)	1,539	(1,162)
Employer contributions	716	-	4,303	3,655	5,019	3,655
Total (loss)/gain recognised in reserves	(44,182)	15,049	(10,423)	(2,089)	(54,605)	12,960
<b>Net liability recognised in the balance sheet</b>	<b>(99,222)</b>	<b>(57,413)</b>	<b>(21,777)</b>	<b>(15,422)</b>	<b>(120,999)</b>	<b>(72,835)</b>

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**14. Retirement benefit obligations cont'd**

	UK Scheme		Overseas Schemes		Total	
	2011	2010	2011	2010	2011	2010
<b>Reconciliation of defined benefit obligation</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Opening defined benefit obligation	(492,911)	(480,701)	(59,425)	(54,379)	(552,336)	(535,080)
Exchange differences	-	-	274	(1,490)	274	(1,490)
Service cost	-	-	(9)	-	(9)	-
Interest cost	(26,408)	(26,920)	(2,937)	(2,982)	(29,345)	(29,902)
Loss on defined benefit obligation	(21,463)	(2,362)	(6,971)	(3,133)	(28,434)	(5,495)
Actual benefit payments	16,936	17,072	2,661	2,559	19,597	19,631
<b>Closing defined benefit obligation</b>	<b>(523,846)</b>	<b>(492,911)</b>	<b>(66,407)</b>	<b>(59,425)</b>	<b>(590,253)</b>	<b>(552,336)</b>

	UK Scheme		Overseas Schemes		Total	
	2011	2010	2011	2010	2011	2010
<b>Reconciliation of fair value of assets</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Opening value of assets	435,498	409,075	44,003	38,112	479,501	447,187
Exchange differences	-	-	(391)	1,095	(391)	1,095
Expected return on assets	28,065	26,084	2,828	2,656	30,893	28,740
Actuarial (loss)/gain	(22,719)	17,411	(3,452)	1,044	(26,171)	18,455
Employer contributions	716	-	4,303	3,655	5,019	3,655
Actual benefit payments	(16,936)	(17,072)	(2,661)	(2,559)	(19,597)	(19,631)
<b>Closing value of assets</b>	<b>424,624</b>	<b>435,498</b>	<b>44,630</b>	<b>44,003</b>	<b>469,254</b>	<b>479,501</b>

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

	UK Scheme			Overseas schemes		
	Long-term rate of return	Value £'000	Value %	Long-term rate of return	Value £'000	Value %
<b>At 31st December 2011</b>						
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%
<b>Total market value</b>	<b>6.57%</b>	<b>424,624</b>	<b>100%</b>	<b>6.93%</b>	<b>44,630</b>	<b>100%</b>

	UK Scheme			Overseas schemes		
	Long-term rate of return	Value £'000	Value %	Long-term rate of return	Value £'000	Value %
<b>At 31st December 2010</b>						
Equities	8.01%	152,473	35%	8.57%	30,270	69%
Bonds	5.66%	268,307	61%	6.32%	9,820	22%
Other assets	8.01%	11,489	3%	4.00%	2,464	6%
Cash	5.66%	3,229	1%	2.30%	1,449	3%
<b>Total market value</b>	<b>6.51%</b>	<b>435,498</b>	<b>100%</b>	<b>7.19%</b>	<b>44,003</b>	<b>100%</b>

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**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 2011 have been derived considering market conditions at 31st December 2010.

	UK Scheme		Overseas Schemes		Total	
	2011	2010	2011	2010	2011	2010
Reconciliation of return on assets	£'000	£'000	£'000	£'000	£'000	£'000
Expected return on assets	28,065	26,084	2,828	2,656	30,893	28,740
Actuarial (loss)/gain	(22,719)	17,411	(3,452)	1,044	(26,171)	18,455
<b>Actual return on assets</b>	<b>5,346</b>	<b>43,495</b>	<b>(624)</b>	<b>3,700</b>	<b>4,722</b>	<b>47,195</b>

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

	UK Scheme		Overseas Schemes		Total	
	2011	2010	2011	2010	2011	2010
	£'000	£'000	£'000	£'000	£'000	£'000
Service cost	-	-	(9)	-	(9)	-
Total (included within salaries and associated expenses)	-	-	(9)	-	(9)	-
Interest cost	(26,408)	(26,920)	(2,937)	(2,982)	(29,345)	(29,902)
Expected return on assets	28,065	26,084	2,828	2,656	30,893	28,740
Total (included within finance costs)	1,657	(836)	(109)	(326)	1,548	(1,162)
<b>Gain/(loss) before taxation</b>	<b>1,657</b>	<b>(836)</b>	<b>(118)</b>	<b>(326)</b>	<b>1,539</b>	<b>(1,162)</b>

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

	UK Scheme		Overseas Schemes		Total	
	2011	2010	2011	2010	2011	2010
	£'000	£'000	£'000	£'000	£'000	£'000
Loss on defined benefit obligation	(21,463)	(2,362)	(6,971)	(3,133)	(28,434)	(5,495)
Actuarial (loss)/gain	(22,719)	17,411	(3,452)	1,044	(26,171)	18,455
<b>Total actuarial (losses)/gains recognised</b>	<b>(44,182)</b>	<b>15,049</b>	<b>(10,423)</b>	<b>(2,089)</b>	<b>(54,605)</b>	<b>12,960</b>
<b>Cumulative actuarial losses recognised</b>	<b>(173,198)</b>	<b>(129,016)</b>	<b>(36,507)</b>	<b>(26,084)</b>	<b>(209,705)</b>	<b>(155,100)</b>



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**14. Retirement benefit obligations cont'd**

The five year history of experience adjustments is as follows:

	<b>UK Scheme</b>				
	<b>2011</b>	2010	2009	2008	2007
	<b>£'000</b>	£'000	£'000	£'000	£'000
Defined benefit obligation at end of year	<b>(523,846)</b>	(492,911)	(480,701)	(376,859)	(442,751)
Fair value of plan assets	<b>424,624</b>	435,498	409,075	365,913	415,499
<b>Deficit in the scheme</b>	<b>(99,222)</b>	(57,413)	(71,626)	(10,946)	(27,252)

**Difference between the expected and actual return on plan assets**

- amount (£'000)	<b>(22,719)</b>	17,411	23,856	(59,326)	(6,295)
- expressed as a percentage of the plan assets	<b>(5.35%)</b>	4.00%	5.83%	(16.21%)	(1.52%)

**Experience losses/(gains) on plan liabilities**

- amount (£'000)	<b>903</b>	1,902	(4,639)	(6,450)	(2,227)
- expressed as percentage of the present value of the plan liabilities	<b>(0.17%)</b>	(0.39%)	0.97%	1.71%	0.50%

	<b>Overseas Schemes</b>				
	<b>2011</b>	2010	2009	2008	2007
	<b>£'000</b>	£'000	£'000	£'000	£'000
Defined benefit obligation at end of year	<b>(66,407)</b>	(59,425)	(54,379)	(67,006)	(50,106)
Fair value of plan assets	<b>44,630</b>	44,003	38,112	48,661	49,966
<b>Deficit in the scheme</b>	<b>(21,777)</b>	(15,422)	(16,267)	(18,345)	(140)

**Difference between the expected and actual return on plan assets**

- amount (£'000)	<b>(3,452)</b>	1,044	2,918	(17,765)	(58)
- expressed as a percentage of the plan assets	<b>(7.73%)</b>	2.37%	7.66%	(36.51%)	(0.26%)

**Experience losses/(gains) on plan liabilities**

- amount (£'000)	<b>308</b>	453	(3,060)	2,012	482
- expressed as a percentage of the present value of the plan liabilities	<b>(0.46%)</b>	(0.76%)	5.63%	(3.00%)	(1.79%)

During 2007 the schemes in Canada, Ireland and Hong Kong were recognised on the Group balance sheet for the first time. 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 2012 are as follows:**

	<b>Defined benefit</b>
	<b>£'000</b>
UK Scheme	7,000
USA Scheme	2,731
Canadian Scheme	1,059
Irish Scheme	795
<b>Total expected contributions</b>	<b>11,585</b>

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**15. Provisions**

	Property related provisions £'000	Litigation provisions £'000	Other £'000	Total £'000
<b>At 1st January 2011</b>	<b>6,802</b>	<b>10,316</b>	<b>916</b>	<b>18,034</b>
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
<b>At 31st December 2011</b>	<b>6,604</b>	<b>6,112</b>	<b>537</b>	<b>13,253</b>
	Property related provisions £'000	Litigation provisions £'000	Other £'000	Total £'000
At 1st January 2010	7,474	20,418	380	28,272
Exchange adjustment	2	135	-	137
Adjustment to gross basis	-	1,900	-	1,900
Reclassification from current assets/liabilities	-	-	756	756
Utilised in the year	(980)	(22,193)	(220)	(23,393)
Charged to the Income statement	184	10,031	-	10,215
Interest charge	122	-	-	122
Acquisitions	-	25	-	25
At 31st December 2010	6,802	10,316	916	18,034
			<b>2011</b>	2010
			<b>£'000</b>	<b>£'000</b>
<b>Analysis of total provisions:</b>				
Non-current – to be utilised in more than one year			<b>4,252</b>	4,935
Current – to be utilised within one year			<b>9,001</b>	13,099
			<b>13,253</b>	<b>18,034</b>

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**15. Provisions 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 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 2011, the Group's litigation provisions and other receivables include an amount of £0.1million (2010: £1.9 million) to reflect this gross basis. This presentation has had no effect on the Consolidated Income Statement for the year ended 31st December 2011 (2010: nil).

**Other**

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

**Deferred consideration**

Liabilities are credited in respect of additional consideration payable following the initial completion of an acquisition.

The amounts in respect of deferred consideration have been reclassified to trade and other payables. The prior year comparatives have been restated to reflect this treatment.

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**16 Other reserves**

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

	Share premium £'000	Fair value & hedging reserves £'000	Exchange reserves £'000	Total other reserves £'000
Balance at 1st January 2010	84,640	7,890	29,836	122,366
Fair value losses net of tax				
- available-for-sale	-	(114)	-	(114)
- cashflow hedges	-	(10,661)	-	(10,661)
Currency translation differences	-	-	8,191	8,191
Net (losses)/gains recognised directly in equity	-	(10,775)	8,191	(2,584)
Issue of share capital	8,937	-	-	8,937
Balance at 31st December 2010	93,577	(2,885)	38,027	128,719

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**17. Cash generated from operations**

	<b>2011</b>	2010
	<b>£'000</b>	£'000
<b>Profit before taxation</b>	<b>134,479</b>	119,369
Investment income receivable	<b>(7,942)</b>	(9,433)
Interest payable on bank loans and finance leases	<b>7,027</b>	4,508
Fair value (gains)/losses on financial instruments	<b>(92)</b>	128
Net pension financing (income)/expenses	<b>(1,548)</b>	1,162
Unwinding of liability discounting	<b>350</b>	629
Depreciation	<b>11,191</b>	10,006
Amortisation of intangible assets	<b>16,129</b>	11,686
Amortisation of share based payments	<b>14,598</b>	12,579
Amortisation of employee benefit trust	<b>-</b>	24
Share of results of associate undertakings	<b>(5,099)</b>	(3,772)
Non cash exceptional items	<b>8,449</b>	916
Profit on disposal of businesses	<b>(4,663)</b>	(1,800)
Gain on disposal of property, plant and equipment	<b>(147)</b>	(26)
Losses/(gains) on disposal of fixed asset investments	<b>1</b>	(86)
Gains on disposal of current asset investments	<b>(10)</b>	(2)
Increase in trade and other receivables	<b>(25,733)</b>	(35,453)
Increase in trade and other payables - excluding insurance broking balances	<b>3,547</b>	2,905
Decrease in provisions for liabilities and charges	<b>(2,957)</b>	(13,178)
Decrease in retirement benefit obligation	<b>(5,010)</b>	(3,655)
<b>Net cash inflow from operations</b>	<b>142,570</b>	96,507

**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 as at 31st Dec 10	Paid during the year	Change in estimated deferred consideration	Deferred consideration at 31st Dec 11
	£'000	£'000	£'000	£'000
Revisions to deferred consideration	277	(96)	(181)	-

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**18. Business combinations cont'd**

**2010 acquisitions**

During the year, the process of finalising the provisional fair values in respect of acquisitions carried out during 2010 has been completed.

	Revised fair value acquired £'000	Provisional fair value reported at 31st Dec 2010 £'000	Change in fair value £'000
Tripol AS	1,021	1,175	(154)

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

	Revised fair value acquired £'000	Provisional fair value reported at 31st Dec 2010 £'000	Change in fair value £'000
Property plant and equipment	1	-	1
Intangible assets	665	640	25
Trade and other receivables	1,091	1,054	37
Cash and cash equivalents			
- own cash	292	269	23
Trade and other payables	(903)	(672)	(231)
Current taxation	(134)	(123)	(11)
Deferred taxation	9	7	2
	<b>1,021</b>	<b>1,175</b>	<b>(154)</b>

**Goodwill calculation**

	At 31st Dec 2011 £'000	At 31st Dec 2010 £'000	Change £'000
Purchase consideration			
- cash paid	2,616	2,616	-
- deferred consideration	1,141	1,141	-
<b>Total purchase consideration</b>	<b>3,757</b>	<b>3,757</b>	<b>-</b>
Less fair value of net assets acquired	1,021	1,175	(154)
<b>Goodwill</b>	<b>2,736</b>	<b>2,582</b>	<b>154</b>

	At 31st Dec 2011 £'000	At 31st Dec 2010 £'000	Change £'000
Purchase consideration settled in cash	2,616	2,616	-
Cash and cash equivalents – own cash in subsidiary acquired	(292)	(269)	(23)
<b>Cash inflow on acquisition</b>	<b>2,324</b>	<b>2,347</b>	<b>(23)</b>

**Current year acquisitions**

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

	Acquisition date	Percentage voting rights acquired	Cost £'000
Alta SA	Oct 2011	50%	9,727
FBD Insurance Brokers Group	Dec 2011	100%	7,075
Acquisition of new businesses completed during the period	Jan – Dec 2011	100%	1,446
Additional investments in existing business	Jan – Dec 2011	-	4,849
			<b>23,097</b>

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**18. Business combinations cont'd**

**Acquisition of Alta SA**

On 10th October 2011 the Group announced the acquisition of an initial 50.1% of Alta SA, the holding company of Orbital Corredores de Seguros, the 4th largest insurance broker in Chile, and Alta Re, a reinsurance broker which commenced operations in April 2010. It has been a member of the JLT International Network since 2010. The acquired business contributed revenue of £2,098,000 and a net profit of £763,000 to the Group for the period since acquisition. If the acquisition had taken place on 1st January 2011 the contribution to Group revenue and net profit would have been £6,699,000 and £2,325,000 respectively.

**Goodwill calculation**

	<b>£'000</b>
Purchase consideration	
- cash paid	9,727
<b>Total purchase consideration</b>	<b>9,727</b>
Less fair value of net assets acquired	519
<b>Goodwill</b>	<b>9,208</b>

	<b>Acquiree's carrying amount £'000</b>	<b>Fair value £'000</b>
The assets and liabilities arising from the acquisition were as follows:		
Property, plant and equipment	197	197
Intangible assets	37	37
Trade and other receivables	713	713
Cash and cash equivalents		
- own cash	804	804
- fiduciary cash	570	570
Insurance payables	(570)	(570)
Trade and other payables	(659)	(659)
Current taxation	(108)	(108)
Deferred taxation	52	52
Non-controlling interests	(517)	(517)
	<b>519</b>	<b>519</b>

	<b>£'000</b>
Purchase consideration settled in cash	9,727
Cash and cash equivalents – own cash in subsidiary acquired	(804)
	<b>8,923</b>
Cash and cash equivalents – fiduciary cash in subsidiary acquired	(570)
<b>Cash outflow on acquisition</b>	<b>8,353</b>

As at the 31st December 2011, the process of reviewing the fair values of assets acquired had not been completed and consequently the fair value stated above are provisional.

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

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**18. Business combinations cont'd**

**Acquisition of FBD Insurance Brokers Group**

On 29th December 2011 the Group acquired the FBD Insurance Brokers group of companies in Ireland, an agri-food specialty broker. The acquired business contributed no revenue or net profit to the Group to 31st December 2011. If the acquisition had taken place on 1st January 2011 the contribution to the Group revenue and net profit would have been £3,905,000 and £511,000 respectively

<b>Goodwill calculation</b>	<b>£'000</b>
Purchase consideration	
- cash paid	5,874
- deferred consideration	331
- contingent consideration	870
<b>Total purchase consideration</b>	<b>7,075</b>
Less fair value of net assets acquired	299
<b>Goodwill</b>	<b>6,776</b>

	<b>Acquiree's carrying amount £'000</b>	<b>Fair value £'000</b>
The assets and liabilities arising from the acquisition were as follows:		
Property, plant and equipment	22	-
Trade and other receivables	275	275
Cash and cash equivalents		
- own cash	924	924
- fiduciary cash	2,573	2,573
Insurance payables	(2,573)	(2,573)
Trade and other payables	(936)	(805)
Current taxation	(100)	(100)
Deferred taxation	5	5
	<b>190</b>	<b>299</b>

	<b>£'000</b>
Purchase consideration settled in cash	5,874
Cash and cash equivalents – own cash in subsidiary acquired	(924)
	<b>4,950</b>
Cash and cash equivalents – fiduciary cash in subsidiary acquired	(2,573)
<b>Cash outflow on acquisition</b>	<b>2,377</b>

As at the 31st December 2011, the process of reviewing the fair values of assets acquired had not been completed and consequently the fair values stated above are provisional.

The deferred consideration of £331,000 is based on the completion balance sheet as at the date of acquisition. The amount recognised is based on the disclosed net assets and it will be adjusted on completion if required.

The contingent consideration of £870,000 is based on the net revenue for the financial year to 31st December 2012, which is capped at £1,090,000. The amount recognised at the acquisition date assumes net revenue will reach €4,950,000 in 2012.

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



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**18. Business combinations cont'd**

**Other acquisitions and additional investments**

<b>Goodwill calculation</b>	<b>£'000</b>
Purchase consideration	
- cash paid	4,108
- deferred consideration	1,687
- cancellation of loans	500
<b>Total purchase consideration</b>	<b>6,295</b>
Less fair value of net assets acquired	774
Less equity movement on transactions with non-controlling interests	4,013
<b>Goodwill</b>	<b>1,508</b>

The assets and liabilities arising from the acquisition were as follows:	<b>Acquiree's carrying amount £'000</b>	<b>Fair value £'000</b>
Non-controlling interests	<b>774</b>	<b>774</b>

	<b>£'000</b>
Purchase consideration settled in cash	4,108
Cash outflow on acquisition	<b>4,108</b>

As at 31st December 2011, the process of reviewing the fair values of assets acquired had not been completed, and consequently the fair values stated above are provisional.

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

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**18. Business combinations cont'd**

**Group summary of the net assets acquired and goodwill**

	Alta £'000	FBD £'000	Other £'000	Total £'000
Purchase consideration:				
- cash paid	9,727	5,874	4,108	19,709
- deferred consideration	-	331	1,687	2,018
- contingent consideration	-	870	-	870
- cancellation of loans	-	-	500	500
<b>Total purchase consideration</b>	<b>9,727</b>	<b>7,075</b>	<b>6,295</b>	<b>23,097</b>
Less fair value of net assets on acquisitions occurring during the period	519	299	774	1,592
Less equity movement on transactions with non-controlling interest	-	-	4,013	4,013
<b>Goodwill on acquisitions occurring during the year</b>	<b>9,208</b>	<b>6,776</b>	<b>1,508</b>	<b>17,492</b>
Impact of revisions to deferred consideration				(181)
Impact of revisions to fair value adjustment in relation to acquisitions completed in 2010				154
<b>Net increase in goodwill</b>				<b>17,465</b>

	Alta £'000	FBD £'000	Other £'000	Total £'000
Purchase consideration settled in cash	9,727	5,874	4,108	19,709
Cash and cash equivalents				
- own cash in subsidiary acquired	(804)	(924)	-	(1,728)
	<b>8,923</b>	<b>4,950</b>	<b>4,108</b>	<b>17,981</b>
Cash and cash equivalents – fiduciary cash in subsidiary acquired	(570)	(2,573)	-	(3,143)
<b>Cash outflow on acquisitions during the year</b>	<b>8,353</b>	<b>2,377</b>	<b>4,108</b>	<b>14,838</b>
Impact on cash of revision to fair value adjustment in relation to acquisitions completed in 2010				(23)
<b>Cash outflow in the year</b>				<b>14,815</b>

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**19. Business disposals**

On 31st December 2011 the Group disposed of 100% of its shareholding in its Italian operations (Jardine Lloyd Thompson S.P.A and Jardine Lloyd Thompson S.R.L.).

<b>Net assets and proceeds of disposal</b>	<b>Total £'000</b>
Property, plant and equipment	57
Intangible assets	114
Trade and other receivables	4,035
Cash and cash equivalents	
- own cash	753
- fiduciary cash	2,529
Insurance payables	(2,529)
Trade and other payables	(2,830)
Term loan	(755)
Current taxation	47
<b>Net assets at disposal</b>	<b>1,421</b>
Exchange gains recycled from exchange reserves	(556)
Gain on disposal	4,663
	<b>5,528</b>
 <b>Consideration in the form of investment in associates</b>	 <b>5,528</b>
Cash and cash equivalents – own cash in subsidiary sold	(753)
Cash and cash equivalents – fiduciary cash in subsidiary sold	(2,529)
<b>Cash outflow on disposal</b>	<b>(3,282)</b>

**Other disposals**

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

<b>Net assets and proceeds of disposal</b>	<b>Total £'000</b>
Non-controlling interests	1,361
Equity movement on transactions with non-controlling interest	2,346
	<b>3,707</b>
Deferred proceeds	2,703
Cash inflow on disposal during the year	1,004
<b>Total consideration</b>	<b>3,707</b>

**Group summary of the received consideration**

	<b>JLT Italy £'000</b>	<b>Other £'000</b>	<b>Total £'000</b>
Disposal consideration settled in cash	-	1,004	1,004
Cash and cash equivalents			
- own cash in subsidiary sold	(753)	-	(753)
- fiduciary cash in subsidiary sold	(2,529)	-	(2,529)
<b>Cash (outflow)/inflow on disposal during the year</b>	<b>(3,282)</b>	<b>1,004</b>	<b>(2,278)</b>

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**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 26 to 29 of the Annual Report & Financial Statements for 2010. The Annual Report & Financial Statements for 2011 will contain an updated discussion on these risks and will be posted to shareholders no later than 26th March 2012.

- 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 2011 are unaudited and statutory accounts have not yet been delivered to the Registrar of Companies.
- 22.** Statutory accounts for the year ended 31st December 2011 will be posted to shareholders no later than 26th March 2012 and delivered to the Registrar of Companies following the Annual General Meeting on 26th April 2012.
- 23.** The shareholders entered in the Register of Members at 4.00pm on 10th April 2012 will be entitled to the proposed final dividend of 14.8p per share which will, subject to approval at the Annual General Meeting to be held on 26th April 2012, be payable on 1st May 2012
- 24.** 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.