Jardine Matheson

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

Press Release

www.jardines.com

To: Business Editor

27th July 2012

For immediate release

Jardine Lloyd Thompson Group plc
Unaudited Interim Results for the Six Months to 30th June 2012

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

For further information please contact:

GolinHarris
Annie Leung (852) 2501 7918

Issued by: Jardine Matheson Limited
48th Floor Jardine House, Central, Hong Kong

Incorporated in Bermuda with limited liability

27th July 2012

JARDINE LLOYD THOMPSON GROUP plc

UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS TO 30th JUNE 2012

Maintaining momentum with strong organic growth

Jardine Lloyd Thompson Group plc ("JLT" or "the Group"), an international group of risk specialists and employee benefits consultants, today announces interim results for the six months ended 30th June 2012.

Highlights

Strong Financial Results

- Total revenue up 7% to £441.7m
- Strong organic revenue growth of 6.3%
- Increasing contribution from the high growth economies of Asia and Latin America
- 90 basis point improvement in trading profit margin to 19.4%
- Underlying PBT up 12% to £89.4m
- PBT up 11% to £85.1m
- Underlying diluted EPS up 12% to 28.5p
- Diluted EPS up 11% to 27.0p
- Interim dividend increased by 4% to 9.6p

Operational and Strategic developments

- Strong organic growth, maintaining the track record of the last four years
- Continuing investment in international specialty capabilities with 400 new hires in the period
- Increasing focus on 'One JLT' collaboration of specialty and regional operations to secure new business
- Successful conclusion of 3 year Business Transformation Programme, securing annualised recurring savings of £24m for a one-off cost of £27m
- Continuing international expansion of the Employee Benefits business

Dominic Burke, Chief Executive, commented:

"JLT's continued execution of its clearly defined strategy gives us confidence in our ability to deliver year-on-year financial progress despite the difficult global economic conditions."

For further information please contact:

Dominic Burke - Chief Executive	Jardine Lloyd Thompson	020 7528 4948
Simon Mawson - Finance Director		020 7528 4026
Paul Dransfield - Corporate Communications		020 7528 4935
Mike Smith	Brunswick Group LLP	020 7404 5959
Tom Burns		

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:

INTERIM STATEMENT

For the first half of 2012 JLT delivered another strong performance with organic revenue growth of 6.3%, despite the challenging economic and trading environment.

The financial performance is summarised in the table below:

6 months to 30th June 2012

£m	Total Revenue				Trading Profit			Trading Margin		
	2012	Growth	CRE	Organic	2012	CRE	2011	2012	CRE	2011
Risk & Insurance	331.6	8%	9%	7%	80.3	81.2	70.4	24%	24%	23%
Employee Benefits	95.0	6%	5%	5%	18.1	17.9	17.0	19%	19%	19%
Thistle Insurance Services	15.1	(2%)	(2%)	(2%)	0.1	0.1	(0.4)	-	-	(2%)
Central costs	-	-	-	-	(12.8)	(12.8)	(10.9)	-	-	-
	441.7	**7%**	**8%**	**6%**	**85.7**	**86.4**	76.1	**19.4%**	**19.5%**	18.5%

	2012	2011
Underlying trading profit	**85.7**	76.1
Associates after tax	7.0	5.7
Underlying net finance costs	(3.3)	(2.0)
Underlying profit before taxation	**89.4**	79.8
Net exceptional costs	(4.3)	(3.4)
Profit before taxation for the period	**85.1**	76.4
Underlying tax expense	(22.9)	(21.0)
Tax on exceptional items	0.9	0.9
Non-controlling interests	(3.8)	(2.7)
Profit after taxation and non-controlling interests	**59.3**	53.6
Underlying profit after taxation and non-controlling interests	**62.7**	56.0
Diluted earnings per share	**27.0p**	24.4p
Underlying diluted earnings per share	**28.5p**	25.5p

Notes

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.

CRE: Constant rates of exchange.

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 2011 comparative figures have been restated accordingly.

Underlying results exclude exceptional items.

Total revenue for the 6 months to 30th June 2012 increased by 7% to £441.7 million or 8% at Constant Rates of Exchange (CRE).

The underlying trading profit increased by 13% to £85.7 million (14% at CRE) and the trading margin increased to 19.4% compared to 18.5% for the same period in 2011.

Profit before tax increased by 11% to £85.1 million after incurring net exceptional costs of £4.3 million, including £3.8 million relating to the Business Transformation Programme that concluded at the end of June 2012. Underlying profit before tax, which excludes the impact of exceptional items, increased by 12% to £89.4 million.

Diluted earnings per share were 27.0 pence compared to 24.4 pence for the same period in 2011 while underlying diluted earnings per share increased by 12% to 28.5 pence.

These results demonstrate the strength of JLT's diversified business model and the increasing realisation of the benefits of the investments we continue to make for growth.

The Board has declared an increased interim dividend of 9.6 pence per share, up from 9.2 pence per share, which will be paid on 1st October, 2012 to shareholders on the register at 7th September, 2012.

OPERATIONAL REVIEW

The Group operates in three principal areas: Risk & Insurance, Employee Benefits and Thistle Insurance Services.

The results of each of these businesses are reported in more detail below:

Risk & Insurance

The Risk & Insurance Group achieved total revenue of £331.6 million an increase of 8% (9% at CRE), driven by organic growth of 7%. Underlying trading profit increased by 14% to £80.3 million in the period, with an underlying trading margin of 24%, compared to 23% in the same period in 2011.

Risk & Insurance

6 months to 30th June 2012

£m	**Total Revenue**				**Trading Profit**			**Trading Margin**		
	2012	Growth	CRE	Organic	2012	CRE	2011	2012	CRE	2011
JLT Specialty	110.1	5%	5%	3%	21.2	21.6	19.9	19%	19%	19%
Lloyd & Partners	42.9	4%	6%	6%	10.8	11.2	10.8	25%	26%	26%
JLT Re	38.7	16%	17%	17%	11.5	11.8	10.4	30%	30%	31%
Australasia	68.1	5%	3%	3%	23.0	22.7	21.8	34%	34%	33%
Latin America	22.9	31%	34%	14%	6.9	7.0	5.3	30%	30%	31%
Asia	29.9	22%	21%	18%	5.1	5.2	2.5	17%	18%	10%
Canada	14.3	(1%)	(1%)	(1%)	1.5	1.4	1.2	10%	10%	9%
South Africa	1.3	-	-	-	0.1	0.1	(0.2)	9%	9%	-
Insurance Management	3.2	39%	37%	22%	0.2	0.2	-	6%	6%	(1%)
Discontinued	0.2	(94%)	(93%)	-	-	-	(1.3)	(12%)	(12%)	(53%)
	331.6	**8%**	**9%**	**7%**	**80.3**	**81.2**	70.4	**24%**	**24%**	23%

JLT Specialty achieved revenue growth of 5% (5% at CRE) and organic growth of 3%. In recent years the business has achieved higher rates of organic growth in the second half and we anticipate a similar trend this year. The investments made to expand its Aviation and Financial Risks specialty capabilities are delivering encouraging results. JLT Specialty now includes our Ireland and Nordic region businesses.

Lloyd & Partners, our specialist wholesale broker, delivered revenue growth of 4% (6% at CRE) with 6% organic growth. A significant part of its business is the placement of US based risks in insurance markets outside the US. Rate hardening in some sectors of the US domestic market meant that insurance markets outside the US became more competitive, benefiting Lloyd & Partners in the period, although these modest rate increases plateaued in the second quarter of the year.

JLT Re has benefited from its expanded international platform and delivered revenue growth of 16% for the period (17% at CRE) with organic growth of 17%. We remain positive about the long term prospects of our reinsurance broking activities. Over the period, we have increased our headcount by some 10% and remain very active, attracting new talent as we further develop our international platform. As a result of these investments, it is envisaged that the trading profit for the full year will be broadly flat when compared to the prior year.

Australasia's results reflect the benefit of the restructuring of its business onto specialty lines with revenue growth of 5% (3% at CRE) and organic growth of 3%. This business delivered an improved trading profit margin of 34%, although it is anticipated this will fall back for the full year as has been the case in prior years, reflecting the high volume of business transacted in June each year.

In Latin America, revenue increased by 31% (34% at CRE), with 14% organic growth and 19% contributed from acquisitions. This includes the first full period contribution from Orbital-JLT in Chile. Further investments for growth continued to be made across the region including the recruitment of leading industry professionals.

In Asia, revenue increased by 22% (21% at CRE), with organic growth of 18%. The trading margin has increased to 17%, up from 10% in the prior year, which reflected the significant investments being made in the region. With senior new hires, good progress has been made over the last two years to develop leading specialty capabilities in Aviation, Construction and Telecoms in Asia.

Canada continues to experience challenging trading conditions but good progress is being made by the new management team, including the recruitment of a number of leading mining specialists.

Employee Benefits

We are reporting our Employee Benefits business on an international basis for the first time. Total revenue increased by 6% to £95.0 million with organic growth of 5%.

6 months to 30th June 2012

£m	Total Revenue				Trading Profit			Trading Margin		
	2012	Growth	CRE	Organic	2012	CRE	2011	2012	CRE	2011
UK & Ireland	69.8	3%	3%	3%	11.7	11.7	10.7	17%	17%	16%
Asia	17.3	18%	15%	15%	5.9	5.7	5.5	34%	34%	38%
Latin America	5.3	6%	4%	4%	0.6	0.6	1.0	12%	11%	21%
Australia	1.8	11%	10%	10%	(0.1)	(0.1)	(0.3)	(3%)	(3%)	(21%)
Canada	0.8	44%	45%	(26%)	-	-	0.1	3%	3%	23%
	95.0	**6%**	**5%**	**5%**	**18.1**	**17.9**	17.0	**19%**	**19%**	19%

The UK and Ireland Employee Benefits business delivered a 3% increase in revenues, all organic, which was a strong performance in the poor trading environment.

Whilst there is a continuing focus on providing services to the mature, but still substantial, Defined Benefit scheme market we are also seeing expanding opportunities in the Defined Contribution market particularly through BenPal, our integrated online benefits platform.

The Employee Benefits business in Asia achieved revenue growth of 18%, with 15% organic growth. This performance reflects the strong contribution of our wealth management business which provides life assurance solutions for high net worth clients. We are also expanding healthcare capabilities and working with insurers to provide services in relation to the management and servicing of healthcare schemes.

Latin America achieved good revenue growth of 6% (4% at CRE). Our focus in the region is on healthcare, where we see exciting opportunities for further growth, particularly in Brazil where the market is expected to maintain its rapid expansion.

The smaller EB businesses in Australia and Canada continue to gain traction.

Thistle Insurance Services

6 months to 30th June 2012

£m	Total Revenue		Trading Profit		Trading Margin	
	2012	Growth	2012	2011	2012	2011
Thistle Insurance Services	**15.1**	**(2%)**	**0.1**	(0.4)	**0.3%**	(2%)

The UK operations have been impacted by negative GDP growth resulting in reduced revenues at the half year. Although margins have been impacted by claims inflation and the competitive environment, Thistle was able to achieve an improved trading margin in the first half. Underwriting discipline has been maintained and Thistle's share of underwriting profits will, as in prior years, largely be recognised in the second half of the year.

ASSOCIATES

6 months to 30th June 2012

£m	Contribution after tax		
	2012	2011	Growth
Associates	**7.0**	5.7	23%

Siaci St Honoré had a positive first half and its contribution was further increased as a consequence of JLT's holding increasing from 20% to 26% following a capital restructuring of that business in July 2011. The increased contribution from associates also reflects a good performance from GrECo-JLT in Austria and its developing presence in Central and Eastern Europe. Associates include for the first time Marine and Aviation-JLT in Italy and March-JLT in Spain, where JLT has recently acquired a 25% interest.

CASH FLOW AND BALANCE SHEET

Net debt at 30th June 2012 was £177.2 million. The Group has committed unsecured long term debt facilities equivalent to £359 million with maturities between 2015 and 2022. Gross borrowings at 30th June were £251 million, leaving unutilised committed headroom of approximately £108 million.

Net pension liabilities at 30th June 2012 have increased to £131 million mainly due to the impact of low interest rates on the discount rate assumptions used.

BUSINESS TRANSFORMATION PROGRAMME

Our three year Business Transformation Programme, which commenced in July 2009, completed on 30th June 2012, delivering annualised cost savings of £24 million for total one-off costs amounting to £27 million.

Our processing operation in India has grown significantly and has been able to add broader knowledge based skills to the range of services it provides.

FOREIGN EXCHANGE

The Group's major transactional currency exposure arises in those of our businesses which earn US dollar-denominated revenue but which have a sterling cost base. The Group continues to operate a rolling US dollar hedging programme to smooth the volatility caused by exchange rate movements.

At the end of July 2012, some 87% of anticipated dollar revenues for 2012 (approximately US$ 280 million) 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, 75% hedged for 2014 at an average rate of US$1.55, 40% hedged for 2015 at an average rate of US$1.54 and 10% hedged for 2016 at an average rate of US$1.54.

As a guide, each one cent movement in our 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.

OUTLOOK

JLT's continued execution of its clearly defined strategy gives us confidence in our ability to deliver year-on-year financial progress despite the difficult global economic conditions.

Results follow:

Jardine Lloyd Thompson Group plc
Consolidated Income Statement
Unaudited results for the six months ended 30th June 2012

	Notes	**6 months to 30th June 2012 £'000**	6 months to 30th June 2011 £'000
Fees and commissions	3	**439,202**	408,732
Investment income	3	**2,467**	2,525
Salaries and associated expenses		**(257,117)**	(244,689)
Premises		**(22,850)**	(21,307)
Other operating costs		**(70,592)**	(63,351)
Depreciation, amortisation and impairment charges	4	**(9,752)**	(9,179)
Operating profit	2,3,4	**81,358**	72,731
Analysed as:			
Operating profit before exceptional items		**85,690**	76,052
Business Transformation Programme	4	**(3,794)**	(3,321)
Acquisition integration costs	4	**(774)**	-
Other non-recurring items	4	**236**	-
Operating profit	2,3,4	**81,358**	72,731
Finance costs		**(3,982)**	(3,575)
Finance income		**686**	1,559
Finance costs - net		**(3,296)**	(2,016)
Share of results of associates after tax and non-controlling interests		**7,010**	5,716
Profit before taxation	2,3	**85,072**	76,431
Income tax expense	5	**(21,981)**	(20,142)
Profit for the period		**63,091**	56,289
Profit attributable to:			
Owners of the parent	3	**59,290**	53,588
Non-controlling interests		**3,801**	2,701
		63,091	56,289
Earnings per share attributable to the equity holders of the Company during the period (expressed in pence per share)			
Basic earnings per share	7	**27.1p**	24.6p
Diluted earnings per share	7	**27.0p**	24.4p

Jardine Lloyd Thompson Group plc
Consolidated Statement of Comprehensive Income
Unaudited results for the six months ended 30th June 2012

	6 months to 30th June 2012 £'000	6 months to 30th June 2011 £'000
Profit for the period	**63,091**	56,289
Other comprehensive income:		
Actuarial losses recognised in post retirement benefit schemes	**(11,214)**	(3,074)
Taxation thereon	**1,733**	288
	(9,481)	(2,786)
Fair value gains/(losses) net of tax:		
- available-for-sale	**7**	(72)
- cash flow and fair value hedges	**8,825**	7,888
Currency translation differences	**(4,484)**	4,354
Other comprehensive income net of tax	**(5,133)**	9,384
Total comprehensive income for the period	**57,958**	65,673
Attributable to:		
Owners of the parent	**54,329**	62,868
Non-controlling interests	**3,629**	2,805
	57,958	65,673

Jardine Lloyd Thompson Group plc
Consolidated Balance Sheet
Unaudited as at 30th June 2012

	Notes	**As at 30th June 2012 £'000**	As at 30th June 2011 £'000	As at 31st December 2011 £'000
NET OPERATING ASSETS				
Non-current assets				
Goodwill		**267,620**	244,983	259,910
Intangible assets		**51,020**	41,228	51,470
Property, plant and equipment		**24,691**	27,644	25,628
Investment in associates		**90,783**	69,167	72,385
Available-for-sale financial assets	8	**2,697**	2,008	2,535
Derivative financial instruments	9	**15,957**	8,174	8,945
Employee benefit trusts		**495**	509	491
Deferred tax assets		**51,610**	44,775	54,520
		504,873	438,488	475,884
Current assets				
Trade and other receivables	10	**345,234**	312,933	288,711
Derivative financial instruments	9	**2,863**	5,878	2,986
Available-for-sale financial assets	8	**363**	3,126	158
Cash and cash equivalents	11	**678,410**	629,361	573,616
		1,026,870	951,298	865,471
Current liabilities				
Borrowings		**(1,396)**	(1,132)	(1,842)
Trade and other payables	12	**(793,125)**	(742,603)	(689,781)
Derivative financial instruments	9	**(3,690)**	(3,841)	(5,759)
Current tax liabilities		**(10,717)**	(3,928)	(7,053)
Provisions for liabilities and charges	14	**(8,111)**	(6,779)	(9,001)
		(817,039)	(758,283)	(713,436)
Net current assets		**209,831**	193,015	152,035
Non-current liabilities				
Borrowings		**(249,807)**	(191,345)	(188,340)
Derivative financial instruments	9	**(4,566)**	(7,211)	(7,814)
Deferred tax liabilities		**(11,264)**	(19,176)	(8,080)
Retirement benefit obligations	13	**(130,729)**	(73,487)	(120,999)
Provisions for liabilities and charges	14	**(3,909)**	(4,179)	(4,252)
		(400,275)	(295,398)	(329,485)
		314,429	336,105	298,434
TOTAL EQUITY				
Capital and reserves attributable to the Company's equity holders				
Ordinary shares		**10,979**	10,916	10,960
Share premium	15	**101,393**	96,120	99,670
Fair value and hedging reserves	15	**3,171**	4,931	(5,661)
Exchange reserves	15	**25,819**	42,277	30,131
Retained earnings		**161,130**	171,762	151,007
Shareholders' equity		**302,492**	326,006	286,107
Non-controlling interests		**11,937**	10,099	12,327
		314,429	336,105	298,434

Jardine Lloyd Thompson Group plc
Consolidated Statement of Changes in Equity
Unaudited results for the six months ended 30th June 2012

For the 6 months to 30th June 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 period	-	-	59,290	**59,290**	3,801	**63,091**
Other comprehensive income for the period	-	4,520	(9,481)	**(4,961)**	(172)	**(5,133)**
Total comprehensive income for the period	**-**	**4,520**	**49,809**	**54,329**	**3,629**	**57,958**
Dividends paid	-	-	(32,634)	**(32,634)**	(3,467)	**(36,101)**
Amounts in respect of share based payments:						
- Shares acquired by the Employee Benefit Trust	-	-	(15,000)	**(15,000)**	-	**(15,000)**
- Reversal of amortisation in respect of share based payments	-	-	8,569	**8,569**	-	**8,569**
Acquisitions	-	-	-	**-**	(501)	**(501)**
Disposals	-	-	-	**-**	(51)	**(51)**
Change in non-controlling interests	-		(621)	**(621)**	-	**(621)**
Issue of share capital	19	1,723	-	**1,742**	-	**1,742**
Balance at 30th June 2012	**10,979**	**130,383**	**161,130**	**302,492**	**11,937**	**314,429**

For the 6 months to 30th June 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 period	-	-	53,588	53,588	2,701	56,289
Other comprehensive income for the period	-	12,066	(2,786)	9,280	104	9,384
Total comprehensive income for the period	-	12,066	50,802	62,868	2,805	65,673
Dividends paid	-	-	(29,954)	(29,954)	(1,932)	(31,886)
Amounts in respect of share based payments:						
- Shares acquired by the Employee Benefit Trust	-	-	(13,799)	(13,799)	-	(13,799)
- Reversal of amortisation in respect of share based payments	-	-	10,064	10,064	-	10,064
Acquisitions	-	-	-	-	(337)	(337)
Disposals	-	-	-	-	1,122	1,122
Change in non-controlling interests	-	-	(719)	(719)	-	(719)
Issue of share capital	26	2,543	-	2,569	-	2,569
Balance at 30th June 2011	10,916	143,328	171,762	326,006	10,099	336,105

Jardine Lloyd Thompson Group plc
Consolidated Statement of Cash Flows
Unaudited results for the six months ended 30th June 2012

	Notes	**6 months to 30th June 2012 £'000**	6 months to 30th June 2011 £'000
Cash flows from operating activities			
Cash generated from operations	17	**21,478**	30,106
Interest paid		**(3,561)**	(3,318)
Interest received		**3,240**	2,778
Taxation paid		**(12,322)**	(18,869)
Increase in net insurance broking creditors		**122,416**	63,775
Net cash generated from operating activities		**131,251**	74,472
Cash flows from investing activities			
Purchase of property, plant and equipment		**(4,255)**	(4,054)
Purchase of intangible fixed assets		**(8,714)**	(11,001)
Proceeds from sale of property, plant and equipment		**323**	323
Proceeds from sale of intangible fixed assets		**67**	40
Acquisition of businesses, net of cash acquired	18	**(8,006)**	(2,822)
Acquisition of associate undertakings		**(14,415)**	-
Proceeds from disposal of business, net of cash disposed	19	**(837)**	388
Proceeds from disposal of available-for-sale other investments		**-**	7
Net cash used in investing activities		**(35,837)**	(17,119)
Cash flows from financing activities			
Dividends paid to company's shareholders		**(32,124)**	(30,139)
Net cash flows from investments and deposits		**(328)**	34,967
Purchase of investments by the Employee Benefit Trust		**(15,000)**	(13,799)
Proceeds from issuance of ordinary shares		**1,742**	2,569
Net increase in borrowings		**59,641**	53,985
Dividends paid to non-controlling interests		**(3,467)**	(1,932)
Net cash generated from financing activities		**10,464**	45,651
Net increase in cash and cash equivalents		**105,878**	103,004
Cash and cash equivalents at beginning of period		**573,616**	524,865
Exchange gains on cash and cash equivalents		**(1,084)**	1,492
Cash and cash equivalents at end of the period		**678,410**	629,361

1. Accounting policies

Basis of accounting

The condensed consolidated interim financial statements for the six months ended 30th June 2012 have been prepared on a going concern basis and in accordance with the Disclosure and Transparency Rules of the Financial Services Authority and with IAS 34, 'Interim financial reporting' as adopted by the European Union. These financial statements should be read in conjunction with the consolidated statutory accounts of the Group for the year ended 31st December 2011, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

The unaudited results for the six months ended 30th June 2012 have been prepared under the historical cost convention as modified by the revaluation of available-for-sale investments and derivative financial instruments and using the accounting policies adopted in respect of the year ended 31st December 2011 which are in accordance with IFRS as adopted by the European Union.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

This condensed consolidated interim financial information does not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. Statutory accounts for the year ended 31st December 2011 were approved by the Board of Directors on 20th March 2012 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 498 of the Companies Act 2006.

This condensed consolidated interim financial information has been reviewed, not audited.

The accounting policies are consistent with those of the annual financial statements for the year ended 31st December 2011.

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31st December 2011.

Full details of the audited accounts and accounting policies for the year ended 31st December 2011 are available at www.jltgroup.com.

2. Alternative income statement

The format of the consolidated income statement on page 9 conforms to the requirements of IFRS. The alternative income statements 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.

	6 months to 30th June 2012		
	Underlying profit £'000	**Exceptional items £'000**	**Total £'000**
Fees and commissions	**439,202**	-	**439,202**
Investment income	**2,467**	-	**2,467**
Salaries and associated expenses	**(254,898)**	(2,219)	**(257,117)**
Premises	**(22,743)**	(107)	**(22,850)**
Other operating costs	**(68,586)**	(2,006)	**(70,592)**
Depreciation, amortisation and impairment	**(9,752)**	-	**(9,752)**
Trading profit	**85,690**	**(4,332)**	**81,358**
Finance costs - net	**(3,296)**	-	**(3,296)**
Share of results of associates after tax and non-controlling interests	**7,010**	-	**7,010**
Profit before taxation	**89,404**	**(4,332)**	**85,072**

	6 months to 30th June 2011		
	Underlying profit £'000	Exceptional items £'000	Total £'000
Fees and commissions	408,732	-	408,732
Investment income	2,525	-	2,525
Salaries and associated expenses	(241,812)	(2,877)	(244,689)
Premises	(21,284)	(23)	(21,307)
Other operating costs	(62,930)	(421)	(63,351)
Depreciation, amortisation and impairment	(9,179)	-	(9,179)
Trading profit	76,052	(3,321)	72,731
Finance costs - net	(2,016)	-	(2,016)
Share of results of associates after tax and non-controlling interests	5,716	-	5,716
Profit before taxation	79,752	(3,321)	76,431

3. Segment information

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

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

The Risk & Insurance segment comprises JLT's specialist, wholesale and reinsurance broking activities, and the Group's international insurance broking and risk services activities. The Employee Benefits segment consists of the Group's UK and international 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, 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 business segments are not of a financial nature. Income tax expense and the change in respect of non-controlling interests is excluded from 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 and cash equivalents and investments and 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 and deferred tax liabilities are excluded from segmental liabilities.

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

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 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, Marine and Aviation 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, JLT Insurance Management Malta and ICAP-JLT.

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

The former London Market businesses and the insurance broking and risk services businesses of the former Retail segment 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 addition, a small book of business was transferred from Thistle Insurance Services to Risk & Insurance.

Comparatives for 2011 have been restated accordingly.

3. Segment information cont'd

6 months to 30th June 2012

	Risk & Insurance £'000	Employee Benefits £'000	Thistle Insurance Services £'000	Head Office & Other £'000	Unallocated £'000	Total £'000
Fees and commissions	329,134	94,999	15,069	-	-	**439,202**
Investment income	2,398	26	43	-	-	**2,467**
Total revenue	**331,532**	**95,025**	**15,112**	**-**	**-**	**441,669**
Operating profit	79,402	15,158	(434)	(12,768)	-	**81,358**
Finance costs - net	-	-	-	-	(3,296)	**(3,296)**
Share of results of associates after tax and non-controlling interests	-	-	-	7,010	-	**7,010**
Profit before taxation	**79,402**	**15,158**	**(434)**	**(5,758)**	**(3,296)**	**85,072**
Income tax expense	-	-	-	-	(21,981)	**(21,981)**
Non-controlling interests	-	-	-	-	(3,801)	**(3,801)**
Net profit	**79,402**	**15,158**	**(434)**	**(5,758)**	**(29,078)**	**59,290**
Segment assets	1,072,112	129,152	93,665	17,665	-	**1,312,594**
Investment in associates	-	-	-	90,783	-	**90,783**
Unallocated assets	-	-	-	-	128,366	**128,366**
Total assets	**1,072,112**	**129,152**	**93,665**	**108,448**	**128,366**	**1,531,743**
Segment liabilities	(700,698)	(32,985)	(35,708)	(171,340)	-	**(940,731)**
Unallocated liabilities	-	-	-	-	(276,583)	**(276,583)**
Total liabilities	**(700,698)**	**(32,985)**	**(35,708)**	**(171,340)**	**(276,583)**	**(1,217,314)**
Other segment items						
Capital expenditure	5,894	2,388	1,022	3,665	-	**12,969**
Depreciation, amortisation and impairment	(7,101)	(1,821)	(538)	(4,453)	-	**(13,913)**

3. Segment information cont'd

6 months to 30th June 2011 - Restated

	Risk & Insurance £'000	Employee Benefits £'000	Thistle Insurance Services £'000	Head Office & Other £'000	Unallocated £'000	Total £'000
Fees and commissions	303,743	89,578	15,411	-	-	408,732
Investment income	2,443	37	45	-	-	2,525
Total revenue	306,186	89,615	15,456	-	-	411,257
Operating profit	67,749	16,503	(585)	(10,936)	-	72,731
Finance costs - net	-	-	-	-	(2,016)	(2,016)
Share of results of associates after tax and non-controlling interests	-	-	-	5,716	-	5,716
Profit before taxation	67,749	16,503	(585)	(5,220)	(2,016)	76,431
Income tax expense	-	-	-	-	(20,142)	(20,142)
Non-controlling interests	-	-	-	-	(2,701)	(2,701)
Net profit	67,749	16,503	(585)	(5,220)	(24,859)	53,588
Segment assets	972,239	112,665	84,027	29,360	-	1,198,291
Investment in associates	-	-	-	69,167	-	69,167
Unallocated assets	-	-	-	-	122,328	122,328
Total assets	972,239	112,665	84,027	98,527	122,328	1,389,786
Segment liabilities	(649,444)	(37,026)	(27,634)	(121,405)	-	(835,509)
Unallocated liabilities	-	-	-	-	(218,172)	(218,172)
Total liabilities	(649,444)	(37,026)	(27,634)	(121,405)	(218,172)	(1,053,681)
Other segment items						
Capital expenditure	10,706	997	153	3,199	-	15,055
Depreciation, amortisation and impairment	(6,500)	(1,659)	(548)	(4,223)	-	(12,930)

4. Operating profit

The following items have been (credited)/charged in arriving at operating profit:	**6 months to 30th June 2012 £'000**	6 months to 30th June 2011 £'000
Foreign exchange (gains)/losses:		
- fees and commissions	**(3,004)**	(4,412)
- other operating costs	**242**	1,118
	(2,762)	(3,294)
Amortisation of intangible assets:		
- software costs	**4,524**	3,907
- other intangible assets	**374**	305
Depreciation on property, plant and equipment	**4,854**	4,967
Total depreciation, amortisation and impairment charges	**9,752**	9,179
Amortisation of intangible assets:		
- employment contract payments (included in salaries and associated expenses)	**4,161**	3,751
(Gains)/losses on disposal of property, plant and equipment	**(27)**	11
Available-for-sale financial assets:		
- fair value losses/(gains)	**51**	(97)
- gain on sale	**(2)**	(3)
	49	(100)
Exceptional items:		
Business Transformation Programme of which:		
- included in salaries and associated expenses	**2,063**	2,877
- included in premises costs	**36**	23
- included in other operating costs	**1,695**	421
	3,794	3,321
Acquisition integration costs of which:		
- included in salaries and associated expenses	**156**	-
- included in premises costs	**71**	-
- included in other operating costs	**547**	-
	774	-
Profit on sale of JLT Spain	**(236)**	-
Total exceptional items	**4,332**	3,321

5. Income tax expense

	6 months to 30th June 2012 £'000	6 months to 30th June 2011 £'000
Current tax expense		
Current year	**17,035**	14,831
Under provided in prior periods	**203**	85
	17,238	14,916
Deferred tax expense		
Origination and reversal of temporary differences	**5,456**	6,266
Reduction in tax rate	**436**	538
Benefit of tax losses recognised	**-**	(1,017)
Adjustments in respect of prior periods	**(1,149)**	(561)
	4,743	5,226
Total income tax expense	**21,981**	20,142

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 1% in the two subsequent years to reduce the UK tax rate from 26% to 22%. As at 30th June 2012 the 2% rate reduction to 24% is already in force (1% of which was substantively enacted as at 31st December 2011). The two subsequent 1% rate reductions have not been substantively enacted yet and therefore the impact of the two remaining annual 1% reductions have not been incorporated into the income tax charge for the six months ended 30th June 2012.

The impact of a 1% rate reduction in the deferred tax balances as at 30th June 2012 would result in the following charges:

	1% rate change £'000
Impact on income statement	432
Impact on reserves	1,275

5. Income tax expense cont'd

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

	6 months to 30th June 2012 £'000	6 months to 30th June 2011 £'000
Profit before tax	**85,072**	76,431
Tax calculated at UK Corporation Tax rate of 24.5% (2011: 26.5%)	**20,843**	20,254
Non-deductible expenses *	**2,357**	2,084
Adjustments to tax charge in respect of prior periods	**(946)**	(476)
Benefit of tax losses recognised	**-**	(1,017)
Effect of UK and non-UK tax rate differences	**1,012**	811
Effect of reduction in UK tax rate	**432**	-
Tax on associates	**(1,717)**	(1,514)
Total income tax expense	**21,981**	20,142

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

6. Dividends

	6 months to 30th June 2012 £'000	6 months to 30th June 2011 £'000
Final dividend in respect of 2011 of 14.8p per share (2010: 13.7p)	**32,634**	29,954

An interim dividend in respect of 2012 of 9.6p per share (2011: 9.2p) amounting to a total of £20,972,000 (2011: £20,053,000) is payable on 1st October 2012 to shareholders who are registered at the close of business on 7th September 2012. The dividend proposed will not be accounted for until it is paid. The ex-dividend date will be 5th September 2012.

7. Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of the parent of the company 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:

	6 months to 30th June 2012 No. of shares	6 months to 30th June 2011 No. of shares
Weighted average number of ordinary shares in issue	**219,144,006**	218,013,646
Effect of outstanding share options	**1,026,700**	1,373,790
Weighted average number of shares for diluted earnings per share	**220,170,706**	219,387,436

	6 months to 30th June 2012			6 months to 30th June 2011		
Earnings reconciliation	**£'000**	**Basic pence per share**	**Diluted pence per share**	£'000	Basic pence per share	Diluted pence per share
Underlying profit after taxation and non-controlling interests	**62,679**	**28.6**	**28.5**	56,021	25.7	25.5
Exceptional items before tax	**(4,332)**			(3,321)		
Taxation thereon	**943**			888		
	(3,389)	**(1.5)**	**(1.5)**	(2,433)	(1.1)	(1.1)
Profit attributable to the owners of the parent	**59,290**	**27.1**	**27.0**	53,588	24.6	24.4

8. 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 which include securities and other investments held for strategic purposes. These investments are held at fair value unless this cannot be accurately determined in which case they are held at cost less any provision for impairment.

For the 6 months ended 30th June 2012	**Other investments £'000**	**Investments & deposits £'000**	**Total £'000**
At 1st January 2012	**2,534**	**159**	**2,693**
Exchange differences	**47**	**(8)**	**39**
Additions	**-**	**486**	**486**
Disposals/maturities	**-**	**(158)**	**(158)**
At 30th June 2012	**2,581**	**479**	**3,060**
Analysis of available-for-sale financial assets			
Current	**-**	**363**	**363**
Non-current	**2,581**	**116**	**2,697**
At 30th June 2012	**2,581**	**479**	**3,060**
Available-for-sale investments & deposits			
Fiduciary		**-**	
Own funds		**479**	
At 30th June 2012		**479**	

For the 6 months ended 30th June 2011	Other investments £'000	Investments & deposits £'000	Total £'000
At 1st January 2011	1,908	38,260	40,168
Exchange differences	99	(112)	(13)
Additions	-	3,127	3,127
Disposals/maturities	-	(38,094)	(38,094)
Revaluation deficit (included within equity)	-	(54)	(54)
At 30th June 2011	2,007	3,127	5,134
Analysis of available-for-sale financial assets			
Current	-	3,126	3,126
Non-current	2,007	1	2,008
At 30th June 2011	2,007	3,127	5,134
Available-for-sale investments & deposits			
Fiduciary		3,119	
Own funds		8	
At 30th June 2011		3,127	

9. Derivative financial instruments

	As at 30th June 2012		As at 30th June 2011	
	Assets	**Liabilities**	Assets	Liabilities
	£'000	**£'000**	£'000	£'000
Interest-rate swaps - fair value hedges	**8,578**	**-**	245	(619)
Forward foreign exchange contracts - cash flow hedges	**10,242**	**(8,256)**	13,807	(10,433)
Total	**18,820**	**(8,256)**	14,052	(11,052)
Current	**2,863**	**(3,690)**	5,878	(3,841)
Non-current	**15,957**	**(4,566)**	8,174	(7,211)
Total	**18,820**	**(8,256)**	14,052	(11,052)

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 denominated in the currencies of the Group's main markets.

Where forward foreign exchange contracts are used 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 deferred in equity and designated as effective hedges was a net asset of £2.0 million based upon market values as at 30th June 2012 (2011: net asset of £3.4 million). Gains and losses arising on derivative instruments outstanding as at 30th June 2012 will be released to the income statement at various dates up to:

(i) 48 months in respect of cash flow hedges on currency denominated UK earnings.

(ii) $10^{1/2}$ 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 from equity 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 30th June 2012 the Group had outstanding forward foreign exchange contracts, principally in USD, amounting to a principal value of £758,110,289 (2011: £556,409,856).

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 30th June 2012 was USD125,000,000 (2011: USD125,000,000).

c) Price risk

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

10. Trade and other receivables

	As at 30th June 2012 £'000	As at 30th June 2011 £'000
Trade receivables	**243,636**	226,315
Provision for impairment of trade receivables	**(10,575)**	(14,090)
Trade receivables - net	**233,061**	212,225
Other receivables	**85,535**	72,666
Prepayments	**26,638**	28,042
	345,234	312,933

11. Cash and cash equivalents

	As at 30th June 2012 £'000	As at 30th June 2011 £'000
Cash at bank and in hand	**217,120**	171,608
Short-term bank deposits	**461,290**	457,753
	678,410	629,361
Fiduciary	**604,858**	554,475
Own funds	**73,552**	74,886
	678,410	629,361

The effective interest rate in respect of short term deposits was 0.80% (2011: 0.90%).
These deposits have an average maturity of 20 days (2011: 18 days).

12. Trade and other payables

	As at 30th June 2012 £'000	As at 30th June 2011 £'000
Insurance payables	**604,858**	557,594
Social security and other taxes	**15,174**	17,186
Other payables	**101,258**	98,225
Accruals and deferred income	**64,436**	60,650
Deferred consideration (see note 14)	**7,399**	8,948
	793,125	742,603

13. Retirement benefit obligations

The Group operates a number of pension schemes throughout the world, the most significant of which are defined benefit operating on a funded basis. The principal defined benefit pension schemes are the Jardine Lloyd Thompson Pension Scheme in the UK, the JLT (USA) Employee Retirement Plan, the Pension Plan for Employees of Jardine Lloyd Thompson Canada Inc and the Jardine Lloyd Thompson Ireland Limited Pension Fund.

The charge for pension contribution costs is as follows:

	6 months ended 30th June 2012			6 months ended 30th June 2011		
	UK £'000	**Overseas £'000**	**Total £'000**	UK £'000	Overseas £'000	Total £'000
Defined benefit schemes	**-**	**8**	**8**	-	-	-
Defined contribution schemes	**7,598**	**6,271**	**13,869**	7,419	5,673	13,092
	7,598	**6,279**	**13,877**	**7,419**	**5,673**	**13,092**

	UK Scheme		**Overseas Schemes**		**Total**	
	6 months ended 30th June 2012 £'000	6 months ended 30th June 2011 £'000	**6 months ended 30th June 2012 £'000**	6 months ended 30th June 2011 £'000	**6 months ended 30th June 2012 £'000**	6 months ended 30th June 2011 £'000
Service cost (included within salaries and associated expenses)	**-**	-	**(8)**	-	**(8)**	-
Interest cost	**(12,474)**	(13,136)	**(1,368)**	(1,460)	**(13,842)**	(14,596)
Expected return on assets	**12,260**	14,162	**1,335**	1,455	**13,595**	15,617
Total (included within finance (Costs)/income)	**(214)**	1,026	**(33)**	(5)	**(247)**	1,021
(Loss)/profit before taxation	**(214)**	1,026	**(41)**	(5)	**(255)**	1,021

The amounts disclosed in respect of both the UK and Overseas defined benefit schemes ("the Schemes") have been projected from previous valuations of the schemes. They do not represent the results of a full actuarial valuation. The Group has updated its assumption regarding the discount rate applicable to the Scheme liabilities in line with current market information.

13. Retirement benefit obligations cont'd

The amounts under IAS19 that have been recognised in the statement of comprehensive income in respect of the Schemes are set out below:

6 months ended 30th June 2012	**UK Scheme £'000**	**%**	**Overseas Schemes £'000**	**%**	**Total £'000**
Actual return less expected return on Scheme assets	**6,892**		**968**		**7,860**
% of period end market value of Scheme assets		**1.6%**		**2.1%**	
Experience gains arising on Scheme liabilities (1)	-		**134**		**134**
% of period end present value of Scheme liabilities (1)		**0.0%**		**0.2%**	
Changes in assumptions underlying the present value of the Scheme liabilities	**(15,269)**		**(3,939)**		**(19,208)**
% of period end present value of Scheme liabilities		**(2.8%)**		**(5.8%)**	
Actuarial loss recognised in reserves (2)	**(8,377)**		**(2,837)**		**(11,214)**
% of period end present value of Scheme liabilities		**(1.5%)**		**(4.1%)**	

	UK Scheme		**Overseas Schemes**		**Total**	
	2012 £'000	2011 £'000	**2012 £'000**	2011 £'000	**2012 £'000**	2011 £'000
Defined benefit liability						
Present value of funded obligations	**(544,968)**	(493,805)	**(68,361)**	(56,894)	**(613,329)**	(550,699)
Fair value of plan assets	**437,155**	433,207	**45,445**	44,005	**482,600**	477,212
Net liability recognised in the balance sheet	**(107,813)**	(60,598)	**(22,916)**	(12,889)	**(130,729)**	(73,487)

	UK Scheme		**Overseas Schemes**		**Total**	
	2012 £'000	2011 £'000	**2012 £'000**	2011 £'000	**2012 £'000**	2011 £'000
Reconciliation of defined benefit liability						
Opening defined benefit liability	**(99,222)**	(57,413)	**(21,777)**	(15,422)	**(120,999)**	(72,835)
Exchange differences	**-**	-	**499**	416	**499**	416
Pension (expense)/income	**(214)**	1,026	**(41)**	(5)	**(255)**	1,021
Employer contributions	**-**	-	**1,240**	985	**1,240**	985
Total (loss)/gain recognised in reserves (2)	**(8,377)**	(4,211)	**(2,837)**	1,137	**(11,214)**	(3,074)
Net liability recognised in the balance sheet	**(107,813)**	(60,598)	**(22,916)**	(12,889)	**(130,729)**	(73,487)

	Total	
	2012 £'000	2011 £'000
Defined obligation recognised in the balance sheet		
Retirement benefit obligations	**(130,729)**	(73,487)

(1) calculation is only done as part of the year-end valuation of the scheme
(2) amounts recognised in reserves have been taken through the statement of comprehensive income

14. 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)**	**(22)**	**-**	**(23)**
Utilised in the period	**(513)**	**(1,903)**	**-**	**(2,416)**
Charged to the Income Statement	**117**	**1,041**	**19**	**1,177**
Interest charge	**29**	**-**	**-**	**29**
At 30th June 2012	**6,236**	**5,228**	**556**	**12,020**

	Property related provisions £'000	Litigation provisions £'000	Other £'000	Total £'000
At 1st January 2011	6,802	10,316	916	18,034
Exchange adjustment	(1)	(22)	5	(18)
Adjustment to gross basis	-	(1,891)	-	(1,891)
Reclassification	(11)	-	11	-
Utilised in the period	(881)	(3,760)	(516)	(5,157)
Charged/(credited) to the Income Statement	170	(322)	100	(52)
Interest charge	42	-	-	42
At 30th June 2011	6,121	4,321	516	10,958

	As at 30th June 2012 £'000	As at 30th June 2011 £'000
Analysis of total provisions:		
Current - to be utilised within one year	**8,111**	6,779
Non-current - to be utilised in more than one year	**3,909**	4,179
	12,020	10,958

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.

14. Provisions for liabilities and charges cont'd

Litigation provisions

At any point in time the Group can be involved in a variety of litigation issues. A balance sheet 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 30th June 2012, in connection with certain litigation matters, the Group's litigation provisions included 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 period ended 30th June 2012 (2011: nil).

Other

Other provisions include provision for claw-back of commissions 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.

15. Other reserves

For the 6 months to 30th June 2012	**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	-	7	-	**7**
- cash flow and fair value hedges	-	8,825	-	**8,825**
Currency translation differences	-	-	(4,312)	**(4,312)**
Net gain/(losses) recognised directly in equity	**-**	**8,832**	**(4,312)**	**4,520**
Issue of share capital	1,723	-	-	**1,723**
Balance at 30th June 2012	**101,393**	**3,171**	**25,819**	**130,383**

For the 6 months to 30th June 2011	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)/gains net of tax				
- available-for-sale	-	(72)	-	(72)
- cash flow and fair value hedges	-	7,888	-	7,888
Currency translation differences	-	-	4,250	4,250
Net gains recognised directly in equity	-	7,816	4,250	12,066
Issue of share capital	2,543	-	-	2,543
Balance at 30th June 2011	96,120	4,931	42,277	143,328

16. Qualifying share ownership trust

During the period, the QUEST has allocated no ordinary shares to employees in satisfaction of options that have been exercised under the Jardine Lloyd Thompson Sharesave Schemes (2011: nil).

Jardine Lloyd Thompson Group plc
Notes to the Interim Report
For the six months ended 30th June 2012

17. Cash generated from operations

Cash flows from operating activities	**6 months to 30th June 2012 £'000**	6 months to 30th June 2011 £'000
Profit before taxation	**85,072**	76,431
Investment income receivable	**(3,153)**	(2,986)
Interest payable on bank loans and finance leases	**3,539**	3,390
Fair value losses/(gains) on financial instruments	**51**	(97)
Net pension financing expense/(income)	**247**	(1,021)
Unwinding of provision discounting	**146**	186
Depreciation	**4,854**	4,967
Amortisation of intangible assets	**9,059**	7,963
Amortisation of share based payments	**8,008**	7,061
(Gains)/losses on disposal of property, plant and equipment	**(27)**	11
Gains on disposal of fixed asset investments	**-**	(5)
Gains on disposal of current asset investments	**(2)**	(3)
Share of results of associates undertakings	**(7,010)**	(5,716)
Non-cash exceptional items	**505**	229
Profit on disposal of businesses	**(236)**	-
Increase in trade and other receivables	**(56,464)**	(44,470)
Decrease in trade and other payables - excluding insurance broking balances	**(20,641)**	(9,640)
Decrease in provisions for liabilities and charges	**(1,238)**	(5,209)
Decrease in retirement benefit obligation	**(1,232)**	(985)
Net cash inflow from operations	**21,478**	30,106

18. Business combinations

Adjustments in respect of prior year acquisitions

During the period, 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 30th June 2012 £'000
Revisions to deferred consideration impacting goodwill	650	-	(650)	-
Revisions to deferred consideration impacting equity	1,272	(921)	(351)	-

2011 Acquisitions

During the period, the process of finalising the provisional fair values in respect of the 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	**61**	**519**	**(458)**

These changes in fair values 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	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	(1,573)	(659)	(914)
Current taxation	(108)	(108)	-
Deferred taxation	52	52	-
Non-controlling interests	(61)	(517)	456
	61	**519**	**(458)**

Goodwill calculation	At 30th June 2012 £'000	At 31st Dec 2011 £'000	Change £'000
Purchase consideration			
- cash paid	9,727	9,727	-
Total purchase consideration	**9,727**	**9,727**	**-**
Less fair value of net assets acquired	61	519	(458)
Goodwill	**9,666**	**9,208**	**458**

18. Business combinations cont'd

	At 30th June 2012 £'000	At 31st Dec 2011 £'000	Change in consideration £'000
Purchase consideration settled in cash	9,727	9,727	-
Cash and cash equivalents - own cash in subsidiary acquired	(804)	(804)	-
	8,923	**8,923**	-
Cash and cash equivalents - fiduciary cash in subsidiary acquired	**(570)**	(570)	-
Cash outflow on acquisition	**8,353**	**8,353**	-

Current year acquisitions

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

	Acquisition Date	Percentage voting rights acquired	Cost £'000
Towner Management Group	May 2012	-	**4,742**
Excelsus Group	Feb 2012	100%	**2,490**
Acquisition of new businesses completed during the period	Jan – Jun 2012	-	**1,246**
Additional investments in existing business	Jan – Jun 2012	-	**1,211**
			9,689

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 Towner Management US based in Vermont. The acquired business contributed revenue of £360,000 and a net profit of £101,000 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 profit would have been £902,000 and £297,000 respectively.

Goodwill calculation

	£'000
Purchase consideration	
- cash paid	4,106
- contingent consideration	636
Total purchase consideration	**4,742**
Less fair value of net assets acquired	13
Goodwill	**4,729**

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	122	122
Intangible assets	7	7
Trade and other receivables	256	256
Cash and cash equivalents		
- own cash	199	199
Trade and other payables	(565)	(565)
Non-controlling interests	(6)	(6)
	13	**13**

	£'000
Purchase consideration settled in cash	4,106
Cash and cash equivalents – own cash in subsidiary acquired	(199)
Cash outflow on acquisition	**3,907**

As at the 30th June 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 £636,000 is based on the expected net revenue of USD2,005,000 and net profit of USD250,000 for the 12 month period following the acquisition. The minimum amount payable is £477,000 and is capped at £1,271,000.

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 £633,000 and a net profit of £231,000 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 profit would have been £804,000 and £286,000 respectively.

Goodwill calculation

	£'000
Purchase consideration	
- cash paid	1,932
- contingent consideration	558
Total purchase consideration	**2,490**
Less fair value of net assets acquired	30
Goodwill	**2,460**

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	1,932
Cash and cash equivalents – own cash in subsidiary acquired	(4)
Cash outflow on acquisition	**1,928**

As at the 30th June 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 £558,000 is based on expected net revenue of SGD2,415,000 for the 12 month period following the acquisition. The minimum amount payable is £56,000 and is capped at £1,060,000.

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	2,179
- deferred consideration	30
- contingent consideration	248
Total purchase consideration	**2,457**
Less fair value of net assets acquired	3
Less equity movement on transactions with non-controlling interests	1,133
Goodwill	**1,321**

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

	Acquiree's carrying amount £'000	Fair value £'000
Property, plant and equipment	9	9
Trade and other receivables	64	64
Cash and cash equivalents		
- own cash	8	8
Trade and other payables	(129)	(129)
Non-controlling interests	51	51
	3	**3**

18. Business combinations cont'd

	£'000
Purchase consideration settled in cash	2,179
Cash and cash equivalents – own cash in subsidiary acquired	(8)
Cash outflow on acquisition	**2,171**

As at 30th June 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.

Group summary of the net assets acquired and goodwill

	Towner Group £'000	**Excelsus Group £'000**	**Others £'000**	**Total £'000**
Purchase consideration				
- cash paid	4,106	1,932	2,179	**8,217**
- deferred consideration	-	-	30	**30**
- contingent consideration	636	558	248	**1,442**
Total purchase consideration	**4,742**	**2,490**	**2,457**	**9,689**
Less fair value on acquisitions occurring during the period	13	30	3	**46**
Less equity movement on transactions with non-controlling interests	-	-	1,133	**1,133**
Goodwill on acquisitions occurring during the period	**4,729**	**2,460**	**1,321**	**8,510**
Impact of revisions to deferred consideration				**(650)**
Impact of revision to fair value adjustment in relation to acquisitions completed in 2011				**458**
Net increase in goodwill				**8,318**
Impact of revisions to deferred consideration				**(351)**
Impact of the additional investments				**1,133**
Net decrease in equity				**782**

18. Business combinations cont'd

	Towner Group £'000	Excelsus Group £'000	Others £'000	Total £'000
Purchase consideration settled in cash	4,106	1,932	2,179	**8,217**
Cash and cash equivalents				
- own cash in subsidiary acquired	(199)	(4)	(8)	**(211)**
Cash outflow on acquisition in the period	**3,907**	**1,928**	**2,171**	**8,006**

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	820
Cash and cash equivalents	
- own cash	278
- fiduciary cash	1,173
Insurance payables	(1,173)
Trade and other payables	(448)
Current taxation	(25)
Non-controlling interests	(171)
Net assets at disposal	**476**
Exchange gains recycled from exchange reserves	(98)
Gain on disposal	236
Proceeds on disposal	**614**
Disposal consideration settled in cash	614
Cash and cash equivalents - own cash in subsidiary sold	(278)
	336
Cash and cash equivalents - fiduciary cash in subsidiary sold	(1,173)
Cash outflow on disposal	**(837)**

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	120
Equity movement on transactions with non-controlling interests	161
	281
Consideration in the form of deferred proceeds	**281**

20. Related party transactions

The Group has taken advantage of the exemption available under IAS 24, "Related Party Disclosures", not to disclose details of transactions with its subsidiary undertakings. There were no material related party transactions during the period.

21. Principal risks

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

The Group takes a holistic approach to risk management and the control environment with the responsibility and accountability shared across all the Group companies, and the ultimate responsibility resting with the Board.

The principal risks to which the Group will be exposed in the second half of the financial year are substantially the same as those discussed on pages 28 and 29 of the Annual Report and Financial Statements for 2011. These are summarised below:

Principal Risks	**Nature of Risk**
STRATEGIC AND OPERATIONAL RISKS	
Strategic Risks	Risks to the business model arising from changes in external events, our markets and customer behaviour as well as risks arising from mergers and acquisitions.
Loss of Key Staff	Risks arising from the inability to retain key staff within our core business operations.
Business Interruption	Risk of business interruption arising from a major external event.
Loss of IT Environment	Risks arising from non-performance of an IT supplier, malicious act, cyber crime and staff not following Group IT policies and procedures.
Information Security	Risk of loss of records, breach of confidentiality or inadequate security measures.
CONDUCT OF BUSINESS RISKS	
Errors & Omissions	Risks arising from non-compliance with operating procedures in place across the Group, or alleged negligence in provision of services/advice.
Regulatory Sanctions/Financial Crime	Risks arising from non-compliance with or misinterpretation of local and international regulations and failure to meet regulatory standards.
FINANCIAL RISKS	
Capital Risk and Liquidity	Risks arising from an inability to maintain an efficient capital structure and ensure an optimal cost of capital.
Foreign Currency	Risk of adverse impact on the balance sheet or earnings arising from exposure to significant foreign currency transactions.
Interest Rate Risk	Risk of adverse impact on earnings from net exposure to changes in interest rates.
Counterparty Risk	Risk of loss of own cash, fiduciary funds, investments and deposits, derivative assets and trade receivables as a result of the failure of key counterparties.

22. Forward-looking Statements

Certain statements in this interim report are forward-looking. Although the Group believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurance that these expectations will prove to have been correct. Because these statements involve risks and uncertainties, actual results may differ materially from those expressed or implied by these forward-looking statements.

The Group undertakes no obligation to update any forward-looking statements whether as a result of new information, future events or otherwise.

Statement of Directors' Responsibilities

The directors confirm that this consolidated interim financial information has been prepared in accordance with IAS 34 as adopted by the European Union and that the interim management report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

- An indication of important events that have occurred during the first six months and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- Material related-party transactions in the first six months and any material changes in the related-party transactions described in the last annual report.

The directors of Jardine Lloyd Thompson Group plc are listed in the Annual Report of the Company for the year ended 31st December 2011. John Paynter retired from the Board on 30th June 2012.

On behalf of the Board

S J Mawson
Finance Director

27th July 2012

Independent review report Jardine Lloyd Thompson Group plc

Introduction

We have been engaged by Jardine Lloyd Thompson Group plc (the company) to review the financial information in the half-yearly financial report for the six months ended 30th June 2012, which comprises the consolidated income statement, the consolidated statement of comprehensive income, the consolidated balance sheet, the consolidated statement of changes in equity, the consolidated statement of cash flow and related notes. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the financial statements.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

As disclosed in note 1, the annual financial statements of Jardine Lloyd Thompson Group plc are prepared in accordance with IFRSs as adopted by the European Union. The financial information included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union.

Our responsibility

Our responsibility is to express to the company a conclusion on the financial information in the half-yearly financial report based on our review. This report, including the conclusion, has been prepared for and only for the company for the purpose of the Disclosure and Transparency Rules of the Financial Services Authority and for no other purpose. We do not, in producing this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial information in the half-yearly financial report for the six months ended 30th June 2012 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

PricewaterhouseCoopers LLP
Chartered Accountants

27th July 2012

7 More London Riverside,
London, SE1 2RT

Notes:

a) The maintenance and integrity of the Jardine Lloyd Thompson Group Plc website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.