



Jardine Matheson

Jardine Matheson Holdings Limited
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Press Release

www.jardines.com

To: Business Editor

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For immediate release

Jardine Lloyd Thompson Group plc Interim Management Statement

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

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Jardine Lloyd Thompson Group plc Interim Management Statement

3rd November 2015, London: Jardine Lloyd Thompson Group plc (“JLT”), one of the world’s leading providers of insurance, reinsurance and employee benefits related advice, brokerage and associated services, today released its Interim Management Statement for the period 1st July 2015 to 2nd November 2015.

Risk and Insurance

The Group’s Risk and Insurance businesses continued to trade in line with our expectations despite the ongoing challenges of a weak insurance and reinsurance rating environment and falling levels of capital investment by corporates, particularly in the energy and mining sectors in the wake of declining commodity prices.

Both JLT Specialty and JLT Re have continued to perform well, with the former seeing the benefits of its merger with Lloyd & Partners coming through. We anticipate that both businesses will report full year trading margins above those of the prior year. The progress in our US Specialty business continues to be encouraging, with good levels of client wins and a strong new business pipeline, and we now expect the net investment spend in this business in 2015 to be lower than indicated previously.

We anticipate the full year organic revenue growth of our Risk and Insurance businesses to be in line with historical levels.

Employee Benefits

Our international Employee Benefits business performed well, with good organic revenue growth. In Australia, our integration of Recovre has been successful and we are encouraged by this business’s recent client wins and improved growth prospects under our ownership.

Our UK Employee Benefits business experienced a further reduction in underlying trading profit during the period. This has been caused in part by a significant slowdown in project work and new business due to the uncertainty created by government-led changes to the UK occupational pensions market. As previously indicated, trading profit was also further reduced by the structural impact of the Retail Distribution Review on our commission revenue, although this is having a greater impact than anticipated at the time of our interim results in July.

Given the above, we anticipate that full year revenues in the UK Employee Benefits business will reduce by a mid to high single digit percentage on 2014 and trading profit (in pounds million) will be in the low to mid-teens. Despite the continued uncertain outlook of the UK occupational pensions market, we nonetheless anticipate some level of revenue growth and an improvement in the trading margin in 2016.

The business, now under new leadership, is focused on continuing to improve its technology platform and enhancing its operational efficiency, which are increasingly important under the emerging UK pensions regime.

Financial Position, Foreign Exchange and Outlook

The Group is well funded and its financial position continues to be strong, with investments and acquisitions financed from operating cash flows and committed borrowing facilities.

The strengthening of sterling since July is anticipated to have a £4m negative translational impact on the Group's reported profit if exchange rates remain at current levels for the balance of the year.

The lower trading profit of our UK Employee Benefits business and foreign exchange headwinds since the time of our interim results have reduced our expectations for group profit in 2015, although the net impact has been partially offset by profit growth in our Risk and Insurance businesses, lower net investment spend in our US build-out, and actions we have taken to reduce costs in the second half.

Dominic Burke, JLT Group Chief Executive, said:

“Our Risk and Insurance and international Employee Benefits businesses have continued to perform robustly despite challenging trading conditions. We are confident that these businesses will deliver good levels of organic revenue growth for the full year, with the performance of our emerging markets operations particularly encouraging. Equally pleasing is the momentum in the US as a result of our ongoing investments. While the recent performance of our UK Employee Benefits business is clearly disappointing, we are confident of returning this business to long-term growth.”

ENDS

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Notes to Editors

About Jardine Lloyd Thompson Group plc

Jardine Lloyd Thompson is one of the world's leading providers of insurance, reinsurance and employee benefits related advice, brokerage and associated services. JLT's client proposition is built upon its deep specialist knowledge, client advocacy, tailored advice and service excellence.

JLT is quoted on the London Stock Exchange and owns offices in 40 territories with more than 10,600 employees. Supported by the JLT International Network, it offers risk management and employee benefit solutions in 135 countries.

www.JLT.com

This announcement may contain "forward looking statements" regarding the financial position, business strategy or plans for future operations of the Group. By their nature, forward looking statements involve risk and uncertainty, relating to facts that are beyond the company's ability to control, such as future market conditions. Any such statements in this announcement speak only as at the date of this announcement. The company does not assume any obligation to, and does not intend to, revise or update these forward looking statements except as required pursuant to applicable law.