Jardine Matheson

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Press Release

www.jardines.com

To: Business Editor

26th July 2016

For immediate release

Jardine Lloyd Thompson Group plc
Interim Results for the Six Months ended 30th June 2016 (Unaudited)

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

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26 JULY 2016

Jardine Lloyd Thompson Group plc

INTERIM RESULTS

FOR THE SIX MONTHS ENDED 30 JUNE 2016 (UNAUDITED)

Jardine Lloyd Thompson Group plc ('JLT' or 'the Group') announces its interim results for the six months ended 30 June 2016.

In the period, the Group delivered a good underlying financial performance, reflecting the continued momentum of the business.

FINANCIAL HIGHLIGHTS

- Revenue growth of 5% to £619.4m
- Group organic revenue growth of 1%, or 4% excluding UK Employee Benefits
- Reported profit before tax (PBT) down 46% to £55.2m, reflecting US investment* and exceptional costs
- Underlying PBT £89.2m, down 7%
  - Underlying PBT, excluding US investment*, £106.4m down 2%
- Positive impact of foreign exchange movements
- Underlying profit margin down 140bp to 15.9%
  - Underlying profit margin, excluding US investment*, 19.2%, 330 bp higher
- Reported diluted EPS of 15.1p
- Interim cash dividend of 11.6p, up 4.5%

* Net investment in JLT USA in the six month period to 30 June 2016 was £17.2m (2015: £12.6m)

BUSINESS HIGHLIGHTS

- Specialty businesses and JLT Re deliver organic revenue growth of 5% and 3% respectively
- UK Employee Benefits restructuring on track
- US Specialty business making significant progress, revenues doubled over corresponding period in 2015

Dominic Burke, Group Chief Executive, commented:

"During the first half of this year we have been encouraged by the level of client wins, which have been as strong as at any time since I became CEO. We are seeing significant financial benefit from collaboration between our Specialty operations around the world, which is helping sustain momentum and drive organic revenue growth across the business. Economic and industry conditions remain challenging; nevertheless we remain confident about the Group's ability to deliver year-on-year financial progress."

ENQUIRIES:

Jardine Lloyd Thompson Group plc

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A presentation to investors and analysts will take place at 9.00am today at The St Botolph Building, 138 Houndsditch, London, EC3A 7AW. A live webcast of the presentation can be viewed on the Group's website www.jlt.com.

INTERIM STATEMENT

JLT has delivered good underlying results in the first half of 2016, which reflect the sustained overall momentum of the business set against the backdrop of a challenging environment. Total revenues increased by 5%, or 2% at constant rates of exchange, to £619.4m, with overall organic revenue growth of 1%.

6 months to 30 June	Total Revenue					Trading Margin			Underlying Trading Profit		
£m	2016	Growth	CRE	Organic	2015	2016	CRE	2015	2016	CRE	2015
Risk & Insurance											
Specialty Businesses	354.1	8%	6%	5%	329.5	13%	12%	15%	45.7	42.5	51.1
JLT Re	127.7	8%	3%	3%	117.9	38%	36%	34%	48.0	43.5	40.0
	481.8	**8%**	**5%**	**4%**	**447.4**	**19%**	**18%**	**20%**	**93.7**	**86.0**	**91.1**
Employee Benefits											
UK & Ireland	74.9	(12%)	(12%)	(15%)	85.0	-	-	8%	0.2	0.2	7.1
International EB	62.7	6%	3%	(1%)	59.2	28%	26%	26%	17.2	16.1	15.5
	137.6	**(5%)**	**(6%)**	**(10%)**	**144.2**	**13%**	**12%**	**16%**	**17.4**	**16.3**	**22.6**
Group*	**619.4**	**5%**	**2%**	**1%**	**591.6**	**15.9%**	**14.8%**	**17.3%**	**98.4**	**89.5**	**102.4**

Notes:
- Total revenue comprises fees, commissions and investment income.
- CRE: Constant rates of exchange are calculated by translating 2016 results at 2015 exchange rates.
- Organic growth is based on total revenue excluding the effect of currency, acquisitions, disposals and investment income.
- Underlying results exclude exceptional items.

* Underlying trading profit figures include central costs.

The Group's Risk & Insurance businesses, which represent over 75% of global turnover, grew revenues to £481.8 million, an increase of 8%, with organic revenue growth of 4%.

The Specialty businesses increased revenues by 8%, with strong organic revenue growth of 5%. The reduction in the Specialty businesses' trading margin to 13% largely reflects the US Specialty investment in the period. Excluding the net investment cost in the US, the trading margin for the first half would have been 19%, compared to 20% reported in the corresponding period in 2015.

JLT Re increased revenues by 8% to £127.7 million, a 3% increase at constant rates of exchange, all of which was on an organic basis. JLT Re's trading profit margin increased to 38%, up from 34% for the same period in 2015.

Revenues within the combined Employee Benefits businesses decreased by 5%, reflecting the performance of the UK and Ireland Employee Benefits business, which saw revenues reduce by 12%.

6 months to 30 June £m	2016	2015
Underlying trading profit	**98.4**	102.4
Underlying share of associates	1.9	5.8
Net finance costs	(11.1)	(11.9)
Underlying profit before taxation	**89.2**	96.3
Exceptional items	(34.0)	5.2
Profit before taxation	**55.2**	101.5
Underlying tax expense	(25.6)	(26.0)
Tax on exceptional items	6.6	2.3
Non-controlling interests	(2.9)	(3.9)
Profit after taxation and non-controlling interests	**33.3**	73.9
Underlying profit after taxation and non-controlling interests	**60.7**	66.4
Diluted earnings per share	**15.1p**	33.6p
Underlying diluted earnings per share	**27.6p**	30.2p
Total dividend per share	**11.6p**	11.1p

Underlying trading profit decreased by 4% to £98.4 million, with underlying PBT reducing by 7% to £89.2 million. Consequently, the trading profit margin for the first half reduced from 17.3% to 15.9%.

The reduction in the Group's underlying trading profit results from the on-going investment in building out the US Specialty business and the specific challenges faced by the UK & Ireland Employee Benefits business, which had a disproportionately large impact on the first half.

Substantial progress has been made in the US Specialty build-out plan and in reshaping the UK & Ireland Employee Benefits business. It is expected that the benefits of the actions taken with respect to the latter will flow through in the second half of the year.

Significant progress and growth has been made in the Group's Specialty and Reinsurance businesses, with continuing momentum in new client wins, the benefit of which will not all be seen in the first half.

Excluding the US net investment of £17.2 million in the period, Group underlying trading profit margin would have been 19.2% (330 basis points higher).

The Group's reported PBT was £55.2 million and reported EPS was 15.1p, both of which include the impact of exceptional costs of £34.0 million during the period.

DIVIDENDS

The Board has declared an increased interim dividend of 11.6p per share for the period ended 30 June 2016 (2015: 11.1p), which will be paid on 3 October 2016 to shareholders on the register at 2 September 2016.

OPERATIONAL REVIEW

The Group operates two sets of businesses: Risk & Insurance and Employee Benefits. The results of the businesses within each of these areas are reported in more detail below:

RISK & INSURANCE

6 months to 30 June	Total Revenue					Trading Margin			Underlying Trading Profit		
£m	2016	Growth	CRE	Organic	2015	2016	CRE	2015	2016	CRE	2015
JLT Specialty	145.3	5%	3%	3%	138.8	17%	15%	17%	24.3	22.1	24.1
JLT Re	127.7	8%	3%	3%	117.9	38%	36%	34%	48.0	43.5	40.1
JLT Australia & New Zealand	61.9	1%	-	1%	61.1	35%	35%	34%	21.6	21.4	20.6
JLT Asia	44.6	11%	6%	6%	40.1	21%	21%	20%	9.5	8.8	8.0
JLT Latin America	27.6	(3%)	3%	3%	28.4	15%	11%	24%	4.0	3.2	6.7
JLT Insurance Services	24.3	(3%)	(6%)	(5%)	25.0	1%	(1%)	6%	0.1	(0.1)	1.6
JLT Europe, Middle East & Africa	20.3	43%	40%	24%	14.2	18%	18%	13%	3.7	3.4	1.9
JLT USA	16.3	118%	103%	93%	7.5	-	-	-	(17.2)	(16.0)	(12.6)
JLT Canada	9.5	(9%)	(9%)	(9%)	10.5	(5%)	(6%)	8%	(0.5)	(0.5)	0.9
JLT Insurance Management	4.3	12%	5%	5%	3.9	4%	5%	(2%)	0.2	0.2	(0.1)
	481.8	**8%**	**5%**	**4%**	**447.4**	**19%**	**18%**	**20%**	**93.7**	**86.0**	**91.1**

JLT Specialty generated revenues of £145.3 million in the period, delivering revenue growth of 5%, or 3% on an organic basis. Trading margins were unchanged but at constant rates of exchange reduced to 15%, reflecting the anticipated greater weighting in profits towards the second half, as previously indicated at the time of the Group's preliminary results in March.

This represents a good performance in the context of the continued fall in insurance pricing and challenging economic conditions. Whilst insurance premium reductions are a positive for clients, they also mask JLT's underlying performance. In the first half of the year, significant new business was won across all of the Specialty divisions, which will contribute to results in the second half. Particularly good performances were achieved in Construction, Aerospace and Credit, Political and Security.

The Energy division performed well and won significant new business, although overall results were negatively impacted by a combination of falling insurance rates and much reduced activity in the oil and gas sector.

Furthermore, JLT Specialty's enlarged Fine Art & Specie division has made an encouraging start, with notable new clients won.

INTERNATIONAL SPECIALTY BUSINESSES

The Group's International Specialty businesses delivered £208.8 million of revenue in the first half of this year, representing one third of the Group's revenue, driven by strong organic growth of 6%. Looking in more detail at the larger of these businesses:

In **Australia and New Zealand** there were notable new business wins across Specialty divisions. These included one of Australia's largest agribusinesses and one of the world's leading legal firms. This increasing Specialty focus has resulted in JLT Australia acting for 13 of the ASX top 50 companies. This strong performance was offset by the significant decline in insurance rates in the region, which limited the organic revenue growth rate to 1%.

At constant rates of exchange, trading profit increased by 4%, with the trading profit margin increasing by 100 basis points to 35%. This was achieved, in part, through the careful management of costs.

Asia delivered a strong performance with a 6% increase in revenues at constant rates of exchange, all of which was organic. On a reported basis, revenues grew by 11% to £44.6 million. There were new business wins including Airport Authority Hong Kong, in connection with the construction of the third runway, and Singapore Airlines, both accounts won through strong collaboration with JLT Specialty in London. The benefits of both of these will largely be seen in the second half.

In **Latin America** there was strong revenue growth of 3% at constant rates of exchange, all of which was organic. However, the impact of adverse exchange rate movements saw reported revenues decrease by 3%.

The Group's Latin American operations continue to make significant investments by the hiring of leading practitioners across all their platforms to accelerate growth. The levels of investment in the first half contributed to the reduction in trading profit, but the benefit of new hires will be increasingly seen during the second half of the year.

JLT's **US Specialty** business generated revenues of nearly US$23 million, or £16.3 million, double that achieved in the first half of 2015. This demonstrates the increasing revenue momentum of this business, with Financial Lines, Cyber, Errors & Omissions (E&O), Real Estate and Natural Resources all winning significant new business. Nearly 200 new clients were secured during the period, and there is a healthy pipeline of activity, supporting previous guidance that revenues are anticipated to approach double those of 2015.

The progress to date has been significant. Based on the Group's experience so far, it is now anticipated that the net investment spend of the business through to 2018 will be $100 million, up from the $80 million previously advised, and with the business then moving into profit in 2019. This increased investment will enable the business to capture the significant sector and regional opportunities it now sees. The Group has increasing confidence in the revenue-generating capabilities of this business.

JLT RE

JLT Re delivered a strong performance, with reported revenues increasing by 8% to £127.7 million and organic revenue growth of 3%.

The performance of the business in the first half is pleasing in the context of the continued decline in pricing across most lines of reinsurance business and in most geographies, as abundant capacity continued to dominate the market. The rate of decline has, however, slowed, particularly in the United States. This was evident during the 1 June property renewals, where risk-adjusted pricing typically fell within the range of flat to down 5%, compared with the double digit decreases witnessed in in recent years. In addition, the casualty business during 2016 has also been renewing at flat to 5% down. Outside the US, double digit declines in property catastrophe, marine & energy and aviation business were evident in both the EMEA and Asia regions.

JLT Re's trading profits increased by 20% to £48.0 million, reflected in an improved trading margin of 38%, generated in part by the expected savings flowing from the integration of the businesses. This improvement was achieved despite a proportion of the savings being used to recruit leading talent in order further to strengthen the business's general Property & Casualty, Specialty lines and analytics capabilities.

Asia Pacific delivered a good performance, achieving strong levels of organic growth, as it benefited from the increasing importance of Singapore as a reinsurance hub, coupled with increasing volumes of treaty business in China. This region continues to be a focus for investment for the Group.

In North America, two new divisions - JLT Re Structured Solutions and JLT Re Mortgage Solutions – were created to meet clients' evolving demands. During the first half, the Capital Markets division successfully continued to bring alternative capacity to clients through the issuance of a number of privately placed Catastrophe Bonds.

While traditionally the trading margin of this business falls back in the second half of the year, it remains the Group's expectation that a 20% trading profit margin will be achieved for the year, in line with the previous guidance given, and representing an improvement on the previous year.

EMPLOYEE BENEFITS

6 months to 30 June	Total Revenue					Trading Margin			Underlying Trading Profit		
£m	2016	Growth	CRE	Organic	2015	2016	CRE	2015	2016	CRE	2015
UK & Ireland	74.9	(12%)	(12%)	(15%)	85.0	-	-	8%	0.2	0.2	7.1
Asia	41.2	3%	(4%)	(3%)	40.1	36%	35%	35%	15.0	13.7	14.0
Australia & New Zealand	11.7	40%	39%	4%	8.4	12%	12%	5%	1.4	1.4	0.5
Latin America	8.3	(9%)	3%	3%	9.1	9%	10%	19%	0.7	0.9	1.7
Europe, Middle East & Africa	0.8	(11%)	5%	5%	0.9	1%	1%	(68%)	-	-	(0.6)
Canada	0.7	(6%)	(6%)	(5%)	0.7	11%	11%	(16%)	0.1	0.1	(0.1)
	137.6	**(5%)**	**(6%)**	**(10%)**	**144.2**	**13%**	**12%**	**16%**	**17.4**	**16.3**	**22.6**

UK & IRELAND EMPLOYEE BENEFITS

Reported revenues for the Group's UK and Ireland Employee Benefits business for the period were £74.9 million, compared to £85.0 million in the first half of 2015. This is in part due to the ending of commission-related revenues following the Retail Distribution Review (RDR), resulting in a total of £5 million earned in the previous year as expected not being repeated in 2016. The muted demand from pension scheme trustees and corporate sponsors for any more than obligatory services continued, driven in large part by government actions, further impacted first half revenues and profits.

Decisive action has now been completed to better align costs with revenues, mainly through a restructuring programme. The completed actions include the introduction of a flatter, more client-centric structure, which has resulted in headcount reducing by over 300 employees. In line with previous guidance, the Group is confident that the restructuring programme will deliver annualised savings of £14 million in 2017. For 2016, the programme will deliver the targeted in year benefit of £9 million. Approximately £2 million has been recognised already in the first half and therefore the remaining £7 million is expected to be realised in the second half of the year.

The focus of 2016 is very much about transitioning this business so that satisfactory margins are restored. Excellent progress has been made and it remains the expectation that the reshaped business will move to an approximate 15% trading profit margin by the end of 2017.

In April's Q1 IMS, the Group indicated that it expected that the business would substantially deliver this year's profits in the second half of the year and this expectation remains unchanged.

For the medium term, the emphasis of the business continues to be on strengthening its platforms and technology and its client propositions so as to be better positioned to respond to the continuing changes in the long term retirement and savings market.

Following the actions which have been taken, revenues in the UK and Ireland Employee Benefits business are now believed to have stabilised and it is expected that it will deliver positive revenue growth in future years. This is a solid business and a leader in pension scheme administration, consulting and technology which has strong prospects for the future.

INTERNATIONAL EMPLOYEE BENEFITS

JLT's international Employee Benefits businesses delivered combined revenues of £62.7 million, representing an increase of 6%, or 3% at constant rates of exchange.

The **Asia** business faced challenging conditions in the region, impacting the rate of growth during the period, where revenue reduced by 4% at constant rates of exchange. The Group remains strongly positive about the prospects for this business, which has high levels of new business opportunities.

In **Australia and New Zealand** there was good progress, with revenue growth of 40%, of which organic growth was 4%. Growth was supported by the successful execution of the strategy of focussing on the return-to-work sector, with the first full contributions from our 2015 acquisitions of Recovre and Alpha, both of which have more than met the business's expectations. During the first half, new capabilities in this sector were added with the acquisition of Workwise. Notable new business wins included two of Australia's largest Workers' Compensation accounts.

The business has a market-leading capability across Australia to help workers return to work and to mitigate the cost of workers' compensation claims. This adds to the value JLT creates for corporates and insurers and also generates opportunities to extend its capabilities into new geographies, such as Hong Kong and New Zealand.

In Latin America, organic revenue growth of 3% was delivered, with revenues on a reported basis reducing by 9% due to foreign exchange movements. The reduction in the trading profit during the period was largely driven by the significant investments being made in the business as it continues to build-out its employee benefits capabilities across the whole region.

ASSOCIATES

The Group's income from its Associates has reduced by £3.9 million to £1.9 million, following the disposal of its stake in Siaci Saint Honoré in May 2015. It remains the expectation that Associate earnings will be approximately £2 million for the full year in 2016.

OPERATING COSTS

During the first half of 2016, the Group's underlying operating expenses (excluding exceptional items) increased by £31.8 million, or 6%, to £521 million. The foreign exchange impact included therein was £5.2 million.

The continued investment in the US Specialty business added £11.1 million, and acquisitions made in the second half of 2015 and the first half of 2016 contributed £5.2 million to the growth in operating costs. These acquisitions included Eikos in South Africa, and Recovre and Workwise in Australia.

The Group continued to invest in the business, principally the Fine Arts and Specie team in JLT Specialty, across Latin America and in Northern Europe. Combined these added a further 1% to the cost base.

BALANCE SHEET

The net assets of the Group decreased to £313 million, from £331 million at the 2015 financial year end. The key movements were:

- An increase in goodwill of £33 million, following the acquisition of Workwise in Australia and the impact of £28 million on re-translation of foreign currency denominated goodwill;
- An increase in the pension liability of £60 million, net of deferred tax, following the reduction in bond yields;
- Net current assets increased by £110 million, principally due to the change in working capital of £68 million (excluding acquired working capital) and a net increase in own funds of £47 million; and
- Net debt, defined as own funds, less total borrowings net of transaction costs, increased to £544 million following a net cash outflow of £68 million and the retranslation of the $500 million of private placement loan notes. These loan notes are fully hedged on the balance sheet. Any movement in these notes and their corresponding hedges is included in the change in the mark-to-market valuation of derivatives.

As at 30 June 2016 the Group had long-term credit facilities totalling £980 million. This comprised the private placement loan note programme totalling $500 million and £75 million, with a maturity profile extending to 2029; and the committed revolving credit facilities (RCF) totalling £500 million, which are provided by the Group's relationship banks and mature in 2021. The RCF includes the April renewal, for a five-year term, of an earlier £50 million facility, which is now incorporated within the core RCF.

Utilisation of the RCF stood at £248 million, compared to £164 million at December 2015. This leaves unutilised headroom of £252 million, a level consistent with prior years.

The Net Debt to EBITDA covenant ratio was 2:1, comfortably within the Group's debt covenants.

CASH FLOW

The Group monitors operational rather than statutory cash flows. Operational cash flows monitor the movement in net debt and exclude movements in fiduciary funds.

The net cash outflow in the period of £68 million remained consistent with prior period averages, adjusting 2015 for the net inflow of £80 million from the Group's disposal of its interest in Siaci Saint Honore.

FOREIGN EXCHANGE

Foreign exchange movements benefited profits by £8.7m. Of this, approximately £4 million related to transactional exchange, which, if rates were to remain at current levels, would not be expected to recur.

The translation of the Group's international businesses into the consolidated Group income statement is carried out at average exchange rates over the period. Therefore if rates were to remain at current levels, only a part year impact would be seen in 2016.

Following the EU Referendum exchange rate movements have been significant and remain unpredictable.

The Group actively manages transactional exposures through its hedging programme.

In addition, foreign currency denominated assets and liabilities on the balance sheets of the Group's subsidiaries are converted at the closing rate and are exposed to movements in spot exchange rates between reporting periods. External borrowings in foreign currency are fully hedged with currency swaps to manage volatility in both net assets and profitability.

EXCEPTIONAL ITEMS

Net exceptional items in the first half were broadly in line with expectations and totalled £34.0 million.

This included restructuring costs of £10.2 million which relate to the UK & Ireland Employee Benefits business. This programme remains on track and the expectation remains that this will deliver benefits in 2016 of £9 million, and £14 million on an annualised basis in 2017. For the full year 2016, a total charge of approximately £12 million is anticipated in relation to the restructuring.

As announced on 8 April 2016, the Group reached a settlement and concluded litigation and made a charge of £22 million as an exceptional item in the second quarter of the year.

During the period there was also a loss of £1.4 million on the disposal of a business in Indonesia.

PHASING OF PROFITS IN 2016

The underlying business continued to perform very well, even setting aside the favourable effects coming from foreign exchange. A shift in the phasing of profits to the second half is still anticipated, albeit at a more moderate rate than previously indicated at the time of the Group's preliminary results in March.

OUTLOOK

JLT is seeing significant financial benefit from collaboration between its Specialty operations around the world, which is helping sustain momentum and drive organic revenue growth across the business. Economic and industry conditions remain challenging; nevertheless the Group remains confident about its ability to deliver year-on-year financial progress.

CONSOLIDATED INCOME STATEMENT

Unaudited Interim Results for the six months ended 30 June 2016

	Notes	6 months ended 30 June 2016 £'000	6 months ended 30 June 2015 £'000
Fees and commissions	2	**617,590**	590,052
Investment income	2	**1,803**	1,558
Total revenue	2	**619,393**	591,610
Salaries and associated expenses		**(388,892)**	(363,386)
Premises		**(33,793)**	(30,828)
Other operating costs		**(115,007)**	(74,330)
Depreciation, amortisation and impairment charges	3	**(17,273)**	(15,452)
Operating profit	1,2,3	**64,428**	107,614
Analysed as:			
Operating profit before exceptional items	1,2	**98,405**	102,400
Acquisition and integration costs	3	**(414)**	(6,834)
Restructuring costs	3	**(10,151)**	(6,664)
Net loss on disposal of businesses	3	**(1,363)**	(607)
Litigation costs	3	**(22,000)**	-
Net gain on sale of associate	3	**-**	18,542
Other exceptional items	3	**(49)**	777
Operating profit	1,2,3	**64,428**	107,614
Finance costs		**(12,156)**	(12,568)
Finance income		**1,017**	703
Finance costs - net		**(11,139)**	(11,865)
Share of results of associates		**1,948**	5,720
Profit before taxation	1,2	**55,237**	101,469
Income tax expense	4	**(19,048)**	(23,730)
Profit for the period		**36,189**	77,739
Profit attributable to:			
Owners of the parent	2	**33,328**	73,890
Non-controlling interests		**2,861**	3,849
		36,189	77,739
Earnings per share attributable to the owners of the parent during the period (expressed in pence per share)			
Basic earnings per share		**15.1p**	33.7p
Diluted earnings per share		**15.1p**	33.6p

The notes on pages 13 to 38 form an integral part of these condensed consolidated interim financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Unaudited Interim Results for the six months ended 30 June 2016

	Notes	**6 months ended 30 June 2016 £'000**	6 months ended 30 June 2015 £'000
Profit for the period		**36,189**	77,739
Other comprehensive (expense)/income			
Items that will not be reclassified to profit or loss			
Remeasurement of post employment benefit obligations	20	**(66,372)**	23,389
Taxation thereon		**11,293**	(3,562)
Total items that will not be reclassified to profit or loss		**(55,079)**	19,827
Items that may be reclassified subsequently to profit or loss			
Fair value (losses)/gains net of tax:			
- available-for-sale		**(10)**	72
- available-for-sale reclassified to the income statement		**(146)**	-
- cash flow hedges		**(18,043)**	4,616
Currency translation differences		**62,767**	(22,165)
Total items that may be reclassified subsequently to profit or loss		**44,568**	(17,477)
Other comprehensive (expense)/income net of tax		**(10,511)**	2,350
Total comprehensive income for the period		**25,678**	80,089
Attributable to:			
Owners of the parent		**20,091**	77,285
Non-controlling interests		**5,587**	2,804
		25,678	80,089

The notes on pages 13 to 38 form an integral part of these condensed consolidated interim financial statements.

CONSOLIDATED BALANCE SHEET

Unaudited Interim Results as at 30 June 2016

	Notes	As at 30 June 2016 £'000	As at 30 June 2015 £'000	As at 31 Dec 2015 £'000
NET OPERATING ASSETS				
Non-current assets				
Goodwill	7	**529,124**	481,231	496,166
Other intangible assets		**101,937**	99,996	104,323
Property, plant and equipment		**64,441**	60,505	63,167
Investments in associates		**46,981**	39,820	41,180
Available-for-sale financial assets	8,13	**16,821**	13,384	15,466
Derivative financial instruments	9,13	**95,080**	16,324	33,684
Retirement benefit surpluses	20	**-**	559	366
Deferred tax assets		**82,368**	55,747	51,023
		936,752	767,566	805,375
Current assets				
Trade and other receivables	10	**568,051**	538,269	528,595
Derivative financial instruments	9,13	**6,632**	5,446	1,544
Available-for-sale financial assets	8,13	**99,598**	172	19
Cash and cash equivalents	11,13	**929,215**	938,248	901,087
		1,603,496	1,482,135	1,431,245
Current liabilities				
Borrowings	13,14	**(22,748)**	(24,639)	(22,338)
Trade and other payables	12	**(1,148,506)**	(1,093,938)	(1,086,278)
Derivative financial instruments	9,13	**(18,194)**	(1,384)	(6,115)
Current tax liabilities		**(4,142)**	(8,304)	(8,749)
Provisions for liabilities and charges	15	**(10,829)**	(5,501)	(18,594)
		(1,204,419)	(1,133,766)	(1,142,074)
Net current assets		**399,077**	348,369	289,171
Non-current liabilities				
Borrowings	13,14	**(731,367)**	(581,704)	(581,244)
Derivative financial instruments	9,13	**(55,026)**	(33,156)	(33,726)
Deferred tax liabilities		**(34,452)**	(18,908)	(16,978)
Retirement benefit obligations	20	**(201,474)**	(158,523)	(130,753)
Provisions for liabilities and charges	15	**(837)**	(1,348)	(1,043)
		(1,023,156)	(793,639)	(763,744)
		312,673	322,296	330,802
TOTAL EQUITY				
Capital and reserves attributable to the owners of the parent				
Ordinary shares		**11,008**	11,008	11,008
Share premium	16	**104,077**	104,063	104,074
Fair value and hedging reserves	16	**(31,026)**	4,454	(12,827)
Exchange reserves	16	**42,761**	(26,153)	(17,280)
Retained earnings		**166,464**	211,865	227,362
Shareholders' equity		**293,284**	305,237	312,337
Non-controlling interests		**19,389**	17,059	18,465
		312,673	322,296	330,802

The notes on pages 13 to 38 form an integral part of these condensed consolidated interim financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Unaudited Interim Results for the six months ended 30 June 2016

	Notes	Ordinary shares £'000	Other reserves £'000	Retained earnings £'000	Shareholders' equity £'000	Non-controlling interests £'000	Total equity £'000
Balance at 1 January 2016		**11,008**	**73,967**	**227,362**	**312,337**	**18,465**	**330,802**
Profit for the period		-	-	33,328	**33,328**	2,861	**36,189**
Other comprehensive income/(expense) for the period		-	41,842	(55,079)	**(13,237)**	2,726	**(10,511)**
Total comprehensive income/(expense) for the period		**-**	**41,842**	**(21,751)**	**20,091**	**5,587**	**25,678**
Dividends	6	-	-	(42,550)	**(42,550)**	(4,514)	**(47,064)**
Amounts in respect of share based payments:							
- reversal of amortisation net of tax		-	-	13,402	**13,402**	-	**13,402**
- shares acquired		-	-	(8,085)	**(8,085)**	-	**(8,085)**
Acquisitions		-	-	-	**-**	(149)	**(149)**
Disposals		-	-	-	**-**	-	**-**
Change in non-controlling interests		-	-	(1,914)	**(1,914)**	-	**(1,914)**
Issue of share capital		-	3	-	**3**	-	**3**
Balance at 30 June 2016		**11,008**	**115,812**	**166,464**	**293,284**	**19,389**	**312,673**

	Notes	Ordinary shares £'000	Other reserves £'000	Retained earnings £'000	Shareholders' equity £'000	Non-controlling interests £'000	Total equity £'000
Balance at 1 January 2015		11,006	98,674	178,932	288,612	17,940	306,552
Profit for the period		-	-	73,890	73,890	3,849	77,739
Other comprehensive (expense)/income for the period		-	(16,432)	19,827	3,395	(1,045)	2,350
Total comprehensive (expense)/income for the period		-	(16,432)	93,717	77,285	2,804	80,089
Dividends	6	-	-	(40,262)	(40,262)	(3,922)	(44,184)
Amounts in respect of share based payments:							
- reversal of amortisation net of tax		-	-	12,779	12,779	-	12,779
- shares acquired		-	-	(17,004)	(17,004)	-	(17,004)
Acquisitions		-	-	-	-	42	42
Disposals		-	-	-	-	195	195
Change in non-controlling interests		-	-	(16,297)	(16,297)	-	(16,297)
Issue of share capital		2	122	-	124	-	124
Balance at 30 June 2015		11,008	82,364	211,865	305,237	17,059	322,296

The notes on pages 13 to 38 form an integral part of these condensed consolidated interim financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Unaudited Interim Results for the six months ended 30 June 2016

	Notes	**6 months ended 30 June 2016 £'000**	6 months ended 30 June 2015 £'000
Cash flows from operating activities			
Cash generated from operations	17	**29,305**	59,148
Interest paid		**(8,530)**	(8,461)
Interest received		**2,628**	2,019
Taxation paid		**(17,576)**	(15,823)
Increase in net insurance broking payables		**82,422**	62,653
		88,249	99,536
Dividend received from associates		**895**	806
Net cash generated from operating activities		**89,144**	100,342
Cash flows from investing activities			
Purchase of property, plant and equipment		**(4,153)**	(6,310)
Purchase of other intangible assets		**(13,166)**	(27,320)
Proceeds from disposal of property, plant and equipment		**367**	801
Acquisition of businesses, net of cash acquired	18	**(4,631)**	(13,048)
Acquisition of associates		**-**	(309)
Proceeds from disposal of businesses, net of cash disposed	19	**914**	(13)
Proceeds from disposal of associates		**-**	80,235
Proceeds from disposal of available-for-sale other investments		**259**	245
Net cash (used)/generated in investing activities		**(20,410)**	34,281
Cash flows from financing activities			
Dividends paid to owners of the parent		**(41,653)**	(39,382)
Purchase of available-for-sale financial assets	8	**(99,701)**	(5,423)
Proceeds from disposal of available-for-sale financial assets		**19**	5,199
Purchase of shares		**(8,085)**	(17,004)
Proceeds from issuance of ordinary shares		**3**	124
Proceeds from borrowings		**87,360**	49,936
Repayments of borrowings		**(63)**	(50,061)
Dividends paid to non-controlling interests		**(4,514)**	(3,922)
Net cash used from financing activities		**(66,634)**	(60,533)
Net increase in cash and cash equivalents		**2,100**	74,090
Cash and cash equivalents at beginning of period		**901,087**	871,246
Exchange gains/(losses) on cash and cash equivalents		**26,028**	(7,088)
Cash and cash equivalents at end of period		**929,215**	938,248

The notes on pages 13 to 38 form an integral part of these condensed consolidated interim financial statements.

BASIS OF ACCOUNTING

The Group's condensed consolidated interim financial statements for the six months ended 30 June 2016 have been prepared in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority and with IAS 34, 'Interim financial reporting' as adopted by the European Union.

The Group has considerable financial resources and a geographically diversified business and as a consequence, the Directors believe that the Group is well placed to manage its business risks in the context of the current economic outlook. Accordingly, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. They therefore continue to adopt the going concern basis in preparing these interim results.

These financial statements should be read in conjunction with the consolidated statutory accounts of the Group for the year ended 31 December 2015, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

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 31 December 2015 were approved by the Board of Directors on 1 March 2016 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.

These condensed consolidated interim financial statements have been reviewed, not audited.

The accounting policies are consistent with those of the annual financial statements for the year ended 31 December 2015.

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

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 31 December 2015.

Full details of the audited accounts and accounting policies for the year ended 31 December 2015 are available at www.jlt.com

NOTES TO THE UNAUDITED INTERIM RESULTS

For the six months ended 30 June 2016

1. ALTERNATIVE INCOME STATEMENT

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

6 months ended 30 June 2016	**Underlying profit £'000**	**Exceptional items £'000**	**Total £'000**
Fees and commissions	**617,590**	-	**617,590**
Investment income	**1,803**	-	**1,803**
Salaries and associated expenses	**(381,053)**	(7,839)	**(388,892)**
Premises	**(31,947)**	(1,846)	**(33,793)**
Other operating costs	**(90,715)**	(24,292)	**(115,007)**
Depreciation, amortisation and impairment charges	**(17,273)**	-	**(17,273)**
Trading profit	**98,405**	**(33,977)**	**64,428**
Finance costs - net	**(11,139)**	-	**(11,139)**
Share of results of associates	**1,948**	-	**1,948**
Profit before taxation	**89,214**	**(33,977)**	**55,237**

6 months ended 30 June 2015	Underlying profit £'000	Exceptional items £'000	Total £'000
Fees and commissions	590,052	-	590,052
Investment income	1,558	-	1,558
Salaries and associated expenses	(354,600)	(8,786)	(363,386)
Premises	(29,722)	(1,106)	(30,828)
Other operating costs	(89,436)	15,106	(74,330)
Depreciation, amortisation and impairment charges	(15,452)	-	(15,452)
Trading profit	102,400	5,214	107,614
Finance costs - net	(11,865)	-	(11,865)
Share of results of associates	5,720	-	5,720
Profit before taxation	96,255	5,214	101,469

2. 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 three main segments: Risk & Insurance, Employee Benefits and Head Office & Other operations. These segments are consistent with the internal reporting structure of the Group.

The Risk & Insurance segment comprises JLT's global specialist, wholesale, reinsurance broking, personal lines and SME activities. The Employee Benefits segment consists of pension administration, outsourcing and employee benefits consultancy, healthcare and wealth management activities. Certain Risk & Insurance and Employee Benefits operating segments have been disclosed within the reporting segments given their individual size. The Head Office & Other segment consists mainly of holding companies, central administration functions, the Group's captive insurance companies and the Group's investments in associates.

JLT USA now qualifies as a reportable operating segment, as a result the comparatives have been restated.

The JLT Asia Risk & Insurance and Employee Benefit segments are disclosed as reportable segments even though they do not qualify as reportable segments by IFRS 8.

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 charge in respect of non-controlling interests are excluded from the segmental allocation.

Segment assets and liabilities

Assets and liabilities are not allocated to individual segments and are therefore all reported within Head Office & Other.

Investments in associates

The Group owns the following stakes in its principal associates: 20% of GrECo, which operates mainly in Austria and Eastern Europe; 25% of MAG-JLT, which operates mainly in Italy and 25% of March-JLT, which operates in Spain. The investment and the Group's share of the net profit of these associates 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, JLT Energy (France) SAS and JLT Independent Insurance Brokers Private Ltd.

In the prior year, the Group disposed of its 26% stake in Milestone, the holding company of Siaci Saint Honoré.

Other segment items

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

Business cyclicality

From an overall perspective, given the inherent nature and geographic spread of the Group's operations, whilst there may be an element of period on period phasing of revenue and profits, the business is not considered to be significantly cyclical between each half year period.

NOTES TO THE UNAUDITED INTERIM RESULTS

For the six months ended 30 June 2016

2. SEGMENT INFORMATION CONTINUED

	Risk & Insurance						Employee Benefits				
6 months ended 30 June 2016	**JLT Specialty £'000**	**JLT Re £'000**	**JLT Aus[1] & NZ £'000**	**JLT Asia £'000**	**JLT USA £'000**	**Other R & I[2] £'000**	**UK & Ireland £'000**	**Asia £'000**	**Other EB £'000**	**HO[3] & Other £'000**	**Total £'00**
Fees and commissions	144,513	127,434	61,450	44,539	16,278	85,851	74,851	41,165	21,509	-	**617,590**
Investment income	751	219	507	63	-	238	1	8	16	-	**1,803**
Total revenue	**145,264**	**127,653**	**61,957**	**44,602**	**16,278**	**86,089**	**74,852**	**41,173**	**21,525**	**-**	**619,393**
Underlying trading profit	**24,296**	**47,989**	**21,621**	**9,463**	**(17,215)**	**7,553**	**182**	**14,997**	**2,260**	**(12,741)**	**98,405**
Operating profit	24,296	47,989	21,621	9,463	(17,215)	7,552	(10,349)	13,732	2,080	(34,741)	**64,428**
Finance costs - net	-	-	-	-	-	-	-	-	-	(11,139)	**(11,139)**
Share of results of associates	-	-	-	-	-	-	-	-	-	1,948	**1,948**
Profit before taxation	**24,296**	**47,989**	**21,621**	**9,463**	**(17,215)**	**7,552**	**(10,349)**	**13,732**	**2,080**	**(43,932)**	**55,237**
Income tax expense	-	-	-	-	-	-	-	-	-	(19,048)	**(19,048)**
Non-controlling interests	-	-	-	-	-	-	-	-	-	(2,861)	**(2,861)**
Net profit attributable to the owners of the parent	**24,296**	**47,989**	**21,621**	**9,463**	**(17,215)**	**7,552**	**(10,349)**	**13,732**	**2,080**	**(65,841)**	**33,328**
Segment assets										2,493,267	**2,493,267**
Investments in associates										46,981	**46,981**
Total assets										**2,540,248**	**2,540,248**
Segment liabilities										(2,227,575)	**(2,227,575)**
Total liabilities										**(2,227,575)**	**(2,227,575)**
Other segment items:											
Capital expenditure	1,608	3,333	324	359	1,784	2,077	4,404	64	204	3,162	**17,319**
Depreciation, amortisation and impairment charges	(4,418)	(1,395)	(1,072)	(1,431)	(1,571)	(2,224)	(3,970)	(482)	(442)	(7,130)	**(24,135)**

	Risk & Insurance						Employee Benefits				
6 months ended 30 June 2015	JLT Specialty £'000	JLT Re £'000	JLT Aus[1] & NZ £'000	JLT Asia £'000	JLT USA £'000	Other R & I[2] £'000	UK & Ireland £'000	Asia £'000	Other EB £'000	HO[3] & Other £'000	Total £'000
Fees and commissions	138,378	117,743	60,493	39,979	7,464	81,781	85,058	40,055	19,101	-	590,052
Investment income	445	159	649	89	-	195	1	7	13	-	1,558
Total revenue	138,823	117,902	61,142	40,068	7,464	81,976	85,059	40,062	19,114	-	591,610
Underlying trading profit	24,087	40,061	20,622	8,020	(12,643)	10,971	7,095	14,048	1,480	(11,341)	102,400
Operating profit	17,387	36,849	20,622	8,217	(12,909)	10,114	4,929	14,046	858	7,501	107,614
Finance costs - net	-	-	-	-	-	-	-	-	-	(11,865)	(11,865)
Share of results of associates	-	-	-	-	-	-	-	-	-	5,720	5,720
Profit before taxation	17,387	36,849	20,622	8,217	(12,909)	10,114	4,929	14,046	858	1,356	101,469
Income tax expense	-	-	-	-	-	-	-	-	-	(23,730)	(23,730)
Non-controlling interests	-	-	-	-	-	-	-	-	-	(3,849)	(3,849)
Net profit attributable to the owners of the parent	17,387	36,849	20,622	8,217	(12,909)	10,114	4,929	14,046	858	(26,223)	73,890
Segment assets										2,209,881	2,209,881
Investments in associates										39,820	39,820
Total assets										2,249,701	2,249,701
Segment liabilities										(1,927,405)	(1,927,405)
Total liabilities										(1,927,405)	(1,927,405)
Other segment items:											
Capital expenditure	7,599	2,928	1,096	1,981	5,638	1,938	4,385	728	224	7,113	33,630
Depreciation, amortisation and impairment charges	(3,852)	(762)	(1,356)	(1,395)	(1,277)	(2,293)	(3,423)	(360)	(362)	(5,849)	(20,929)

[1]Aus = Australia
[2]R & I = Risk & Insurance
[3]HO = Head Office

3. OPERATING PROFIT

The following items have been charged/(credited) in arriving at operating profit:

	6 months ended 30 Jun 2016 £'000	6 months ended 30 Jun 2015 £'000
Foreign exchange (gains)/losses:		
- fees and commissions	**(101)**	948
- other operating costs	**(3,717)**	(85)
	(3,818)	863
Amortisation of other intangible assets:		
- software costs	**10,199**	8,653
- other intangible assets	**972**	904
Depreciation on property, plant and equipment	**6,102**	5,895
Total depreciation and amortisation charges	**17,273**	15,452
Amortisation of other intangible assets:		
- employment contract payments (included in salaries and associated expenses)	**6,862**	5,477
Gains on disposal of property, plant and equipment	**(56)**	(64)
Fair value losses - derivatives financial instruments	**90**	44
(Gains)/losses on sale - available-for-sale financial assets	**(129)**	64
	(39)	108
Exceptional items:		
Acquisition and integration costs of which:		
- included in salaries and associated exenses	**165**	2,707
- included in premises costs	**69**	1,015
- included in other operating costs	**180**	3,112
	414	6,834
Restructuring costs of which:		
- included in salaries and associated exenses	**7,674**	6,570
- included in premises costs	**1,777**	91
- included in other operating costs	**700**	3
	10,151	6,664
Litigation costs	**22,000**	-
Cost associated with a regulatory review	**147**	-
Net loss on disposal of businesses	**1,363**	607
Release of contingent consideration	**(98)**	(286)
Pension curtailment gain	**-**	(491)
Net gain on sale of associate	**-**	(18,542)
Total exceptional items	**33,977**	(5,214)

NOTES TO THE UNAUDITED INTERIM RESULTS

For the six months ended 30 June 2016

4. INCOME TAX EXPENSE

	6 months ended 30 June 2016 £'000	6 months ended 30 June 2015 £'000
Current tax expense		
Current period	**17,774**	15,196
Adjustments in respect of prior years	**(5,297)**	1,032
	12,477	16,228
Deferred tax expense		
Origination and reversal of temporary differences	**2,289**	5,586
Adjustments in respect of prior years	**4,282**	1,916
	6,571	7,502
Total income tax expense	**19,048**	23,730

The total income tax expense in the income statement of £19,048,000 (2015: £23,730,000) includes a tax credit on exceptional items of £6,560,000 (2015: £2,270,000). There were no non-recurring tax credits in the period.

The UK Government introduced a 1% reduction in the headline rate of corporation tax from April 2015. This reduction reduced the UK tax rate from 21% to 20%.

In July 2015 the UK Government announced further measures in relation to the UK corporation tax rate, reducing the headline rate of corporation tax to 19% from April 2017 and then to 18% from April 2020. A further 1% reduction in the main rate of corporation tax rate to 17% from 1 April 2020 was announced in Budget 2016. As at 30 June 2016, the additional 1% rate reduction to 17% from April 2020 has not been enacted. The impact of the rate reduction to 18% has been incorporated into the income tax charge for the 6 months ended 30 June 2016, taking into consideration when timing differences are expected to reverse.

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 ended 30 June 2016 £'000	6 months ended 30 June 2015 £'000
Profit before taxation	**55,237**	101,469
Tax calculated at UK Corporation Tax rate of 20% (2015: 20.25%)	**11,047**	20,547
Non-deductible expenses*	**1,861**	(2,451)
Non recognition of tax losses/(Utilisation of tax losses not recognised)	**2,384**	(347)
Adjustments in respect of prior years	**(1,015)**	2,948
Effect of difference between UK and non-UK tax rates	**5,161**	4,191
Tax on associates	**(390)**	(1,158)
Total income tax expense	**19,048**	23,730

* The non-deductible expenses relate principally to non-deductible entertainment expenses (2015: non-deductible entertainment expenses and the non-taxable gain on disposal of Siaci).

5. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to the owners of the parent by the weighted average number of ordinary shares in issue during the period.

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

Additionally 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.

	As at 30 June 2016 Number of shares	As at 30 June 2015 Number of shares
Weighted average number of ordinary shares in issue	**220,013,812**	219,435,453
Effect of outstanding share options	**31,702**	349,815
Adjusted weighted average number of ordinary shares for diluted earnings per share	**220,045,514**	219,785,268

	6 months ended 30 June 2016			6 months ended 30 June 2015		
	£'000	**Basic pence per share**	**Diluted pence per share**	£'000	Basic pence per share	Diluted pence per share
Earnings reconciliation						
Underlying profit after taxation and non-controlling interests*	**60,745**	**27.6**	**27.6**	66,406	30.3	30.2
Exceptional items before tax	**(33,977)**			5,214		
Taxation thereon	**6,560**			2,270		
	(27,417)	**(12.5)**	**(12.5)**	7,484	3.4	3.4
Profit attributable to the owners of the parent	**33,328**	**15.1**	**15.1**	73,890	33.7	33.6

* Underlying excludes exceptional items.

6. DIVIDENDS

	6 months ended 30 June 2016 £'000	6 months ended 30 June 2015 £'000
Final dividend in respect of 2015 of 19.5p per share (2014: 18.3p)	**42,550**	40,262

An interim dividend in respect of 2016 of 11.6p per share (2015: 11.1p) amounting to a total of £25,637,000 (2015: £24,420,000) is payable on 3 October 2016 to shareholders who are registered at the close of business on 2 September 2016. The dividend proposed will not be accounted for until it is paid. The ex-dividend date will be 1 September 2016.

NOTES TO THE UNAUDITED INTERIM RESULTS

For the six months ended 30 June 2016

7. GOODWILL

	Gross amount £'000	Impairment losses £'000	Net carrying amount £'000
At 30 June 2016			
Opening net book amount	**500,434**	**(4,268)**	**496,166**
Exchange differences	28,339	(57)	**28,282**
Impairment	-	(370)	**(370)**
Acquisitions	6,762	-	**6,762**
Disposals	(1,716)	-	**(1,716)**
Closing net book amount	**533,819**	**(4,695)**	**529,124**

	Gross amount £'000	Impairment losses £'000	Net carrying amount £'000
At 30 June 2015			
Opening net book amount	480,176	(4,479)	475,697
Exchange differences	(8,440)	221	(8,219)
Acquisitions	14,472	-	14,472
Disposals	(719)	-	(719)
Closing net book amount	485,489	(4,258)	481,231

The impairment charge of £370,000 is included in net loss on disposal of businesses of £1,363,000.

8. AVAILABLE-FOR-SALE FINANCIAL ASSETS

Available-for-sale financial assets are categorised into one of two categories:

1) Investments and deposits consist mainly of fixed term deposits, bonds and certificates of deposits. These investments are held at fair value and are classified between current and non-current assets according to the maturity date.
2) Other investments include securities and other investments held for strategic purposes. These investments are held at fair value unless a fair value cannot be accurately determined in which case they are held at cost less any provision for impairment.

	Other investments £'000	Investments & deposits £'000	Total £'000
At 1 January 2016	**6,436**	**9,049**	**15,485**
Exchange differences	513	1,130	**1,643**
Additions	-	99,701	**99,701**
Disposals/maturities	(311)	(19)	**(330)**
Revaluation gain (included within equity)	-	(10)	**(10)**
Amounts to be written off	(70)	-	**(70)**
At 30 June 2016	**6,568**	**109,851**	**116,419**
Analysis of available-for-sale financial assets			
Current	-	99,598	**99,598**
Non-current	6,568	10,253	**16,821**
At 30 June 2016	**6,568**	**109,851**	**116,419**
Analysis of available-for-sale investments and deposits			
Fiduciary funds		109,572	
Own funds		279	
At 30 June 2016		**109,851**	

	Other investments £'000	Investments & deposits £'000	Total £'000
At 1 January 2015	4,746	9,642	14,388
Exchange differences	(48)	(671)	(719)
Additions	-	5,423	5,423
Disposals/maturities	(245)	(5,263)	(5,508)
Revaluation gain (included within equity)	-	37	37
Amounts to be written off	(65)	-	(65)
At 30 June 2015	4,388	9,168	13,556
Analysis of available-for-sale financial assets			
Current	-	172	172
Non-current	4,388	8,996	13,384
At 30 June 2015	4,388	9,168	13,556
Analysis of available-for-sale investments and deposits			
Fiduciary funds		8,845	
Own funds		323	
At 30 June 2015		9,168	

NOTES TO THE UNAUDITED INTERIM RESULTS

For the six months ended 30 June 2016

9. DERIVATIVE FINANCIAL INSTRUMENTS

	As at 30 June 2016		As at 30 June 2015	
	Assets £'000	**Liabilities £'000**	Assets £'000	Liabilities £'000
Interest rate swaps – fair value hedges	**36,578**	**(203)**	9,214	(10,746)
Forward foreign exchange contracts – cash flow hedges	**65,134**	**(47,076)**	12,556	(5,568)
Redemption liabilities – option contracts	**-**	**(25,941)**	-	(18,226)
Total	**101,712**	**(73,220)**	21,770	(34,540)
Current	**6,632**	(18,194)	5,446	(1,384)
Non-current	**95,080**	**(55,026)**	16,324	(33,156)
Total	**101,712**	(73,220)	21,770	(34,540)

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 establish specific guidelines to manage currency risk, liquidity risk and interest rate risk and the use of counterparties and financial instruments to manage these risks. The treasury department is subject to periodic review by internal audit.

The Group uses various derivative instruments including forward foreign exchange contracts and interest rate swaps 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 cash flows.

Where forward foreign exchange contracts have been entered into to manage currency risk, they are designated as hedges of currency risk on specific future cash flows, and qualify as highly probable transactions for which hedge accounting is applied. The Group anticipates that hedge accounting requirements will continue to be met on its foreign currency and interest rate hedging activities and that no material ineffectiveness will arise which will result in gains or losses being recognised through the income statement.

The movement in fair value of financial derivatives based upon market values as at 30 June 2016 and designated as effective cash flow hedges was a net gain of £18.1 million and has been deferred in equity (2015: net asset of £7.0 million). Gains and losses arising on derivative instruments outstanding as at 30 June 2016 will be released to the income statement at various dates up to:

a) 44 months in respect of cash flow hedges on currency denominated UK earnings.

b) 13 years in respect of specific hedges on USD denominated long-term debt drawn under the Group's USD private placement programme.

c) 10 years in respect of interest rate hedges on sterling denominated long-term debt drawn under the Group's 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 30 June 2016 the Group had outstanding foreign exchange contracts, principally in USD, amounting to a principal value of £1,051,545,000 (2015: £831,615,000).

b) Interest rate swaps

The Group uses interest rate swaps to mitigate the impact of changes in interest rates. The notional principal amount of outstanding cross currency interest rate swaps as at 30 June 2016 was USD500,000,000 and £75,000,000 (2015: USD500,000,000 and £75,000,000). A net gain of £36.4 million (2015: net loss £1.5 million) on these instruments was offset by a fair value movement of £36.4 million (2015: £1.5 million) on the private placement loans, both of which were recognised in the income statement in the period.

c) Redemption liabilities

The redemption liabilities represent the valuation of the put options on the future purchase of stakes from non-controlling interests.

d) Price risk

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

The maximum exposure to credit risk at the reporting date is the fair value of the derivatives in the balance sheet.

10. TRADE AND OTHER RECEIVABLES

	As at 30 June 2016 £'000	As at 30 June 2015 £'000
Trade receivables	**414,994**	361,541
Less: provision for impairment of trade receivables	**(19,699)**	(10,938)
Trade receivables – net	**395,295**	350,603
Other receivables	**140,174**	159,300
Prepayments	**32,582**	28,366
	568,051	538,269

As at 30 June 2016, the Group had exposures to individual trade counterparties within trade receivables. In accordance with Group policy, Group operating companies continually monitor exposures against credit limits and concentration of risk. No individual trade counterparty credit exposure is considered significant in the ordinary course of trading activity. Management does not expect any significant losses from non-performance by trade counterparties that have not been provided for.

11. CASH AND CASH EQUIVALENTS

	As at 30 June 2016 £'000	As at 30 June 2015 £'000
Cash at bank and in hand	**550,648**	482,529
Short-term bank deposits	**378,567**	455,719
	929,215	938,248
Fiduciary funds	**719,420**	796,400
Own funds	**209,795**	141,848
	929,215	938,248

Fiduciary funds represent client money held in the form of premiums due to underwriters, claims paid by insurers and due to policyholders, and funds held to defray commissions and other income. Fiduciary funds are not available for general corporate purposes.

The effective interest rate in respect of short-term deposits was 0.43% (2015: 0.40%). These deposits have an average maturity of 15 days (2015: 17 days).

12. TRADE AND OTHER PAYABLES

	As at 30 June 2016 £'000	As at 30 June 2015 £'000
Insurance payables	**828,992**	805,245
Social security and other taxes	**20,663**	20,327
Other payables	**148,870**	132,169
Accruals and deferred income	**128,442**	116,685
Deferred and contingent consideration	**21,539**	19,512
	1,148,506	1,093,938

All payables are considered current as the non-current portion is not material.

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For the six months ended 30 June 2016

13. FINANCIAL INSTRUMENTS BY CATEGORY

The accounting policies for financial instruments have been applied to the line items below:

At 30 June 2016 **Assets per balance sheet**	**Loans and receivables £'000**	**Derivatives used for hedging £'000**	**Available-for-sale £'000**	**Total £'000**
Available-for-sale financial assets	-	-	116,419	**116,419**
Derivative financial instruments	-	101,712	-	**101,712**
Trade and other receivables (a)	535,469	-	-	**535,469**
Cash and cash equivalents	929,215	-	-	**929,215**
Total	**1,464,684**	**101,712**	**116,419**	**1,682,815**

Liabilities per balance sheet	**Derivatives used for hedging £'000**	**Other financial liabilities £'000**	**Total £'000**
Borrowings	-	(754,115)	**(754,115)**
Trade and other payables (b)	-	(1,020,064)	**(1,020,064)**
Redemption liabilities - option contracts	(25,941)	-	**(25,941)**
Derivative financial instruments	(47,279)	-	**(47,279)**
Total	**(73,220)**	**(1,774,179)**	**(1,847,399)**

At 30 June 2015 Assets per balance sheet	Loans and receivables £'000	Derivatives used for hedging £'000	Available-for-sale £'000	Total £'000
Available-for-sale financial assets	-	-	13,556	13,556
Derivative financial instruments	-	21,770	-	21,770
Trade and other receivables (a)	509,903	-	-	509,903
Cash and cash equivalents	938,248	-	-	938,248
Total	1,448,151	21,770	13,556	1,483,477

Liabilities per balance sheet	Derivatives used for hedging £'000	Other financial liabilities £'000	Total £'000
Borrowings	-	(606,343)	(606,343)
Trade and other payables (b)	-	(977,253)	(977,253)
Redemption liabilities - option contracts	(18,226)	-	(18,226)
Derivative financial instruments	(16,314)	-	(16,314)
Total	(34,540)	(1,583,596)	(1,618,136)

(a) Prepayments are excluded from the trade and other receivables balance, as this analysis is required only for financial instruments.

(b) Non-financial liabilities are excluded from the trade and other payables balance, as this analysis is required only for financial instruments.

13. FINANCIAL INSTRUMENTS BY CATEGORY CONTINUED

The following table presents the Group's financial assets and liabilities that are measured at fair value at 30 June 2016.

At 30 June 2016	**Level 1 £'000**	**Level 2 £'000**	**Level 3 £'000**	**Total £'000**
Assets				
Derivatives used for hedging	-	101,712	-	**101,712**
Available-for-sale financial assets				
- equity securities	1	-	1,279	**1,280**
- debt investments	-	-	5,288	**5,288**
- fixed deposits	109,851	-	-	**109,851**
Total	**109,852**	**101,712**	**6,567**	**218,131**
Liabilities				
Deferred and contingent consideration	-	-	(21,539)	**(21,539)**
Redemption liabilities - option contracts	-	-	(25,941)	**(25,941)**
Derivatives used for hedging	-	(47,279)	-	**(47,279)**
Total	**-**	**(47,279)**	**(47,480)**	**(94,759)**

At 30 June 2015	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Assets				
Derivatives used for hedging	-	21,770	-	21,770
Available-for-sale financial assets				
- equity securities	402	-	1,252	1,654
- debt investments	-	-	2,734	2,734
- mutual funds	172	-	-	172
- fixed deposits	8,996	-	-	8,996
Total	9,570	21,770	3,986	35,326
Liabilities				
Deferred and contingent consideration	-	-	(19,512)	(19,512)
Redemption liabilities - option contracts	-	-	(18,226)	(18,226)
Derivatives used for hedging	-	(16,314)	-	(16,314)
Total	-	(16,314)	(37,738)	(54,052)

Apart from where disclosed, there are no differences between the fair value and the carrying value of financial assets and liabilities.

Instruments included in level 1 are financial instruments traded in active markets for which the fair value is based upon quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Instruments included in level 2 are financial instruments that are not traded in an active market (for example, over-the-counter derivatives) and for which the fair value is determined by using internal and external models. These models maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. Level 2 includes derivatives used for hedging. The valuations of which are performed using a discounted cash flow methodology incorporating observable market forward foreign exchange and interest rates.

During the year there were no transfers between level 1 and level 2. There were no changes in valuation techniques during the year.

Instruments included in level 3 are financial instruments for which one or more of the significant inputs is not based on observable market data. In respect of deferred and contingent consideration and redemption liabilities – option contracts, unobservable inputs include management's assessment of the expected future performance of relevant acquired businesses and are valued using a discounted cash flow methodology.

NOTES TO THE UNAUDITED INTERIM RESULTS

For the six months ended 30 June 2016

13. FINANCIAL INSTRUMENTS BY CATEGORY CONTINUED

A reconciliation of the movements in level 3 is provided below:

	Assets Level 3 £'000	Liabilites Level 3 £'000
At 1 January 2016	**6,125**	**(40,388)**
Exchange differences	513	(4,468)
Companies acquired	-	(4,917)
Utilised in the year	-	3,048
Charged to income statement	(71)	(755)
At 30 June 2016	**6,567**	**(47,480)**

For the assets, £71,000 is charged to the income statement in net finance costs.

For the liabilities, of the £755,000 charged to the income statement, £853,000 is included in net finance costs and £98,000 is credited in other operating costs.

14. BORROWINGS

	As at 30 June 2016 £'000	As at 30 June 2015 £'000
Current		
Bank overdraft	**22,055**	24,027
Bank borrowings	**449**	410
Finance lease liabilities	**244**	202
	22,748	24,639
Non-current		
Unsecured loan notes	**482,875**	390,276
Bank borrowings	**248,051**	190,923
Finance lease liabilities	**441**	505
	731,367	581,704
Total borrowings	**754,115**	606,343

The borrowings include secured liabilities (leases) of £685,000 (2015: £707,000).

15. PROVISIONS FOR LIABILITIES AND CHARGES

	Property related provisions £'000	Litigation provisions £'000	Other £'000	Total £'000
At 1 January 2016	**1,300**	**18,223**	**114**	**19,637**
Exchange differences	47	143	-	**190**
Utilised in the period	(267)	(10,573)	-	**(10,840)**
Charged to the income statement	33	1,851	795	**2,679**
Interest charge	-	-	-	**-**
At 30 June 2016	**1,113**	**9,644**	**909**	**11,666**

	Property related provisions £'000	Litigation provisions £'000	Other £'000	Total £'000
At 1 January 2015	4,881	5,570	362	10,813
Exchange differences	-	(24)	-	(24)
Utilised in the period	(3,198)	(548)	(8)	(3,754)
(Credited)/charged to the income statement	(75)	127	(240)	(188)
Interest charge	2	-	-	2
At 30 June 2015	1,610	5,125	114	6,849

	As at 30 June 2016 £'000	As at 30 June 2015 £'000
Analysis of total provisions:		
Current - to be utilised within one year	**10,829**	5,501
Non-current - to be utilised in more than one year	**837**	1,348
	11,666	6,849

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 and expected dilapidation expenses. 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 US and UK and relate to a variety of lease commitments. The longest lease term expires in 2025.

Litigation provisions

At any point in time the Group can be involved in a variety of litigation and dispute 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. However, the final outcome could differ materially from the amount provided.

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 30 June 2016, in connection with certain litigation matters, the Group’s litigation provisions include an amount of £0.1 million (2015: £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 six months ended 30 June 2016 (2015: nil).

Other

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

NOTES TO THE UNAUDITED INTERIM RESULTS

For the six months ended 30 June 2016

16. OTHER RESERVES

	Share premium £'000	Fair value and hedging reserves £'000	Exchange reserves £'000	Total £'000
At 1 January 2016	**104,074**	**(12,827)**	**(17,280)**	**73,967**
Fair value gains net of tax				
- available-for-sale	-	(10)	-	**(10)**
- available-for-sale reclassified to the income statement	-	(146)	-	**(146)**
- cash flow hedges	-	(18,043)	-	**(18,043)**
Currency translation differences	-	-	60,041	**60,041**
Net (losses)/gains recognised directly in equity	**-**	**(18,199)**	**60,041**	**41,842**
Issue of share capital	3	-	-	**3**
At 30 June 2016	**104,077**	**(31,026)**	**42,761**	**115,812**

	Share premium £'000	Fair value and hedging reserves £'000	Exchange reserves £'000	Total £'000
At 1 January 2015	103,941	(234)	(5,033)	98,674
Fair value gains net of tax				
- available-for-sale	-	72	-	72
- cash flow hedges	-	4,616	-	4,616
Currency translation differences	-	-	(21,120)	(21,120)
Net gains/(losses) recognised directly in equity	-	4,688	(21,120)	(16,432)
Issue of share capital	122	-	-	122
At 30 June 2015	104,063	4,454	(26,153)	82,364

17. CASH GENERATED FROM OPERATIONS

	6 months ended 30 June 2016 £'000	6 months ended 30 June 2015 £'000
Profit before taxation	**55,237**	101,469
Investment and finance income	**(2,820)**	(2,261)
Interest payable on bank loans and finance leases	**8,804**	8,635
Fair value losses on derivatives financial instruments	**90**	44
Net pension financing expenses	**2,499**	3,185
Unwinding of liability discounting	**853**	748
Depreciation	**6,102**	5,895
Amortisation of other intangible assets	**18,033**	15,034
Amortisation of share based payments	**13,490**	11,880
Share of results of associates' undertakings	**(1,948)**	(5,720)
Non-cash exceptional items	**9,134**	429
Losses on disposal of businesses	**1,363**	607
Gain on sale of associates	**-**	(19,142)
Gains on disposal of property, plant and equipment	**(56)**	(64)
(Gains)/losses on disposal of available-for-sale financial assets	**(129)**	64
Pension curtailment gain	**-**	(491)
Increase in trade and other receivables	**(39,209)**	(41,886)
Decrease in trade and other payables – excluding insurance broking balances	**(29,159)**	(15,272)
Decrease in provisions for liabilities and charges	**(13,597)**	(3,942)
Decrease in retirement benefit obligation	**618**	(64)
Net cash inflow from operations	**29,305**	59,148

NOTES TO THE UNAUDITED INTERIM RESULTS

For the six months ended 30 June 2016

18. BUSINESS COMBINATIONS

Adjustments in respect of prior period acquisitions

2015 acquisitions

During the period, the process of finalising the provisional fair values in respect of acquisitions carried out during 2016 has resulted in following changes.

	Revised fair value acquired £'000	Provisional fair value reported at 31 Dec 2015 £'000	Change in fair value £'000
Close Brothers Asset Management	491	580	(89)
Pierre Leblanc & Associés SAS	1,027	990	37
	1,518	**1,570**	**(52)**

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

	Revised fair value acquired £'000	Provisional fair value reported at 31 Dec 2015 £'000	Change in fair value £'000
Property, plant and equipment	41	4	37
Other intangible assets	1,068	1,068	-
Trade and other receivables	713	713	-
Cash and cash equivalents			
- own cash	511	511	-
- fiduciary cash	2,218	2,218	-
Insurance payables	(2,218)	(2,218)	-
Trade and other payables	(793)	(704)	(89)
Current taxation	(22)	(22)	-
	1,518	**1,570**	**(52)**

Goodwill acquisition	As at 30 June 2016 £'000	As at 31 Dec 2015 £'000	Change £'000
Purchase consideration			
- cash paid	6,030	6,030	-
- contingent consideration	717	717	-
- deferred consideration	248	248	-
Total purchase consideration	**6,995**	**6,995**	**-**
Less fair value of net assets acquired	1,518	1,570	(52)
Goodwill	**5,477**	**5,425**	**52**

	As at 30 June 2016 £'000	As at 31 Dec 2015 £'000	Change £'000
Purchase consideration settled in cash	6,030	6,030	-
Cash and cash equivalents - own cash in subsidiaries acquired	(511)	(511)	-
	5,519	**5,519**	**-**
Cash and cash equivalents - fiduciary cash in subsidiaries acquired	(2,218)	(2,218)	-
Cash outflow on acquisition	**3,301**	**3,301**	**-**

18. BUSINESS COMBINATIONS CONTINUED

Current period acquisitions

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

	Notes	Acquisition date	Percentage voting rights acquired	Cost £'000
Broderick Piller Pty Ltd (Workwise)	i	May 2016	100%	7,146
Acquisition of other new businesses completed during the year	ii	Jan - June 2016	various	917
Additional investments in exisiting businesses	ii	Jan - June 2016	various	2,063
				10,126

i) Acquisition of Broderick Piller Pty Ltd (Workwise)

On 10 May 2016, the Group completed the acquisition of of Broderick Piller Pty Ltd, trading under the name 'Workwise Occupational Health', a leading provider of workplace, health & safety and rehabilitation services. The acquired business contributed revenue of £419,000 and net profit, including acquisition and integration costs incurred to date, of £92,000 to the Group for the period since acquisition. If the acquisition had taken place on 1 January 2016, we estimate the contribution to Group revenue would have been £1,217,000 and net gain, including acquisition and integration costs incurred to date, would have been £396,000.

Goodwill acquisition	£'000
Purchase consideration	
- cash paid	3,521
- contingent consideration	3,088
- deferred consideration	537
Total purchase consideration	**7,146**
Less fair value of net assets acquired	1,353
Goodwill	**5,793**

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

	Acquiree's carrying amount £'000	Fair value £'000
Property, plant and equipment	55	55
Other intangible assets	3	570
Trade and other receivables	260	260
Cash and cash equivalents		
- own cash	468	468
	786	**1,353**

	£'000
Purchase consideration settled in cash	3,521
Cash and cash equivalents – own cash in subsidiary acquired	(468)
Cash outflow on acquistions	**3,053**

As at 30 June 2016, the process of reviewing the fair values of assets acquired had not been completed, consequently the fair values stated above are provisional.

The contingent consideration of £3,088,000 is based upon the expected profit before tax of the business for future period till 2020.

The deferred consideration of £537,000 may be adjusted following determination of net current assets on completion balance sheet.

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

NOTES TO THE UNAUDITED INTERIM RESULTS

For the six months ended 30 June 2016

18. BUSINESS COMBINATIONS CONTINUED

ii) Other acquisitions and additional investments

Goodwill acquisition	**£'000**
Purchase consideration	
- cash paid	1,578
- deferred consideration	1,061
- contingent consideration	231
- cancellation of loans	110
Total purchase consideration	**2,980**
Less fair value of net assets acquired	149
Less equity movement on transactions with non-controlling interest	1,914
Goodwill	**917**

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

	Acquiree's carrying amount £'000	**Fair value £'000**
Non-controlling interests	149	149
	149	**149**

	£'000
Purchase consideration settled in cash	1,578
Cash outflow on acquistions	**1,578**

As at 30 June 2016, the process of reviewing the fair values of assets acquired had not been completed, consequently the fair values stated above are provisional.

The contingent consideration of £231,000 is based upon expected client revenue.

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

18. BUSINESS COMBINATIONS CONTINUED

Group summary of the net assets acquired and goodwill

	Workwise £'000	Others £'000	Total £'000
Purchase consideration:			
- cash paid	3,521	1,578	5,099
- contingent consideration	3,088	231	3,319
- deferred consideration	537	1,061	1,598
- cancellation of loans	-	110	110
Total purchase consideration	**7,146**	**2,980**	**10,126**
Less fair value of net assets acquired	1,353	149	1,502
Less equity movement on transactions with non-controlling interests	-	1,914	1,914
Goodwill on acquisitions occurring during the period	**5,793**	**917**	**6,710**
Impact of revision to fair value adjustment in relation to acquisitions completed in 2015			52
Net increase in goodwill			**6,762**
Impact of additional investments			1,914
Net decrease in equity			**1,914**

Group summary of cash flows

	Workwise £'000	Others £'000	Total £'000
Purchase consideration settled in cash	3,521	1,578	5,099
Cash and cash equivalents - own cash in subsidiary acquired	(468)	-	(468)
Cash outflow on acquisitions in the period	**3,053**	**1,578**	**4,631**

NOTES TO THE UNAUDITED INTERIM RESULTS

For the six months ended 30 June 2016

19. BUSINESS DISPOSALS

On 19 May 2016, the Group disposed of 100% of its shareholdings in PT JLT Gesa for a consideration of £1,685,000, resulting in an loss on disposal of £1,363,000 including additional costs on disposal.

Net assets and proceeds of disposal

	Total £'000
Goodwill	1,716
Property, plant and equipment	145
Other intangible assets	207
Trade and other receivables	333
Cash and cash equivalents	
- own cash	223
Trade and other payables	(829)
Current taxation	84
Net assets at disposal	1,879
Exchange gains recycled from exchange reserves	325
Loss on disposal	(519)
Proceeds on disposal	**1,685**
Deferred proceeds	548
Cash inflow on disposal during the period	1,137
Total consideration	**1,685**

Group summary of cash flows

	Total £'000
Disposal consideration settled in cash	1,137
Cash and cash equivalents - own cash in subsidiaries disposed	(223)
Cash inflow on disposal during the period	**914**

20. 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 UK Pension Scheme, the JLT (USA) Incentive Savings Plan, the JLT (USA) Employee Retirement Plan, the JLT (USA) Stable Value Plan, the Pension Plan for Employees of Jardine Lloyd Thompson Canada Inc and the Jardine Lloyd Thompson Ireland Limited Pension Fund.
The pension costs accrued for the period are comprised as follows:

	UK Scheme		Overseas Schemes		Total	
	6 months ended 30 June 2016 £'000	6 months ended 30 June 2015 £'000	**6 months ended 30 June 2016 £'000**	6 months ended 30 June 2015 £'000	**6 months ended 30 June 2016 £'000**	6 months ended 30 June 2015 £'000
Defined benefit schemes	**-**	-	**463**	1,311	**463**	1,311
Defined contribution schemes	**10,664**	11,020	**9,453**	7,985	**20,117**	19,005
	10,664	11,020	**9,916**	9,296	**20,580**	20,316

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

	UK Scheme		Overseas Schemes		Total	
	6 months ended 30 June 2016 £'000	6 months ended 30 June 2015 £'000	**6 months ended 30 June 2016 £'000**	6 months ended 30 June 2015 £'000	**6 months ended 30 June 2016 £'000**	6 months ended 30 June 2015 £'000
Service cost	**-**	-	**(463)**	(1,311)	**(463)**	(1,311)
Curtailment gain	**-**	-	**-**	491	**-**	491
Expenses	**(170)**	(79)	**(48)**	(39)	**(218)**	(118)
Total (included within salaries and associated expense)	**(170)**	(79)	**(511)**	(859)	**(681)**	(938)
Interest cost	**(10,783)**	(11,168)	**(1,209)**	(1,311)	**(11,992)**	(12,479)
Expected return on assets	**8,508**	8,304	**985**	990	**9,493**	9,294
Total (included within finance costs)	**(2,275)**	(2,864)	**(224)**	(321)	**(2,499)**	(3,185)
Expense before taxation	**(2,445)**	(2,943)	**(735)**	(1,180)	**(3,180)**	(4,123)

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. In respect of 30 June 2016 the Group has updated its assumption regarding the discount rate applicable to the Schemes' liabilities in line with current market information.

NOTES TO THE UNAUDITED INTERIM RESULTS

For the six months ended 30 June 2016

20. RETIREMENT BENEFIT OBLIGATIONS CONTINUED

The amounts included in the consolidated statement of comprehensive income are as follows:

	UK Scheme		Overseas Schemes		Total
6 months ended 30 June 2016	**£'000**	%	**£'000**	%	**£'000**
Actual return less expected return on Scheme assets	**23,926**		**18**		**23,944**
% of period end market value of Scheme assets		**5.1%**		**-**	
Experience gains arising on Scheme liabilities (1)	**-**		**249**		**249**
% of period end present value of Scheme liabilities (1)		**-**		**0.3%**	
Changes in assumptions underlying the present value of the Scheme liabilities	**(83,902)**		**(6,663)**		**(90,565)**
% of period end present value of Scheme liabilities		**(13.0%)**		**(88.0%)**	
Actuarial losses recognised in reserves (2)	**(59,976)**		**(6,396)**		**(66,372)**
% of period end present value of Scheme liabilities		**(9.3%)**		**(8.5%)**	

	UK Scheme		Overseas Schemes		Total	
	6 months ended 30 June 2016 £'000	6 months ended 30 June 2015 £'000	**6 months ended 30 June 2016 £'000**	6 months ended 30 June 2015 £'000	**6 months ended 30 June 2016 £'000**	6 months ended 30 June 2015 £'000
Defined benefit obligation						
Present value of funded obligations	**(646,314)**	(614,462)	**(75,373)**	(59,114)	**(721,687)**	(673,576)
Fair value of plan assets	**464,946**	467,146	**55,267**	48,466	**520,213**	515,612
Net liability recognised in the balance sheet	**(181,368)**	(147,316)	**(20,106)**	(10,648)	**(201,474)**	(157,964)

	Total	
	6 months ended 30 June 2016 £'000	6 months ended 30 June 2015 £'000
Defined benefit obligation		
Retirement benefit surpluses	**-**	559
Retirement benefit obligations	**(201,474)**	(158,523)
Net liability recognised in the balance sheet	**(201,474)**	(157,964)

	UK Scheme		Overseas Schemes		Total	
	6 months ended 30 June 2016 £'000	6 months ended 30 June 2015 £'000	**6 months ended 30 June 2016 £'000**	6 months ended 30 June 2015 £'000	**6 months ended 30 June 2016 £'000**	6 months ended 30 June 2015 £'000
Reconciliation of defined benefit liability						
Opening defined benefit liability	**(118,947)**	(162,620)	**(11,440)**	(16,415)	**(130,387)**	(179,035)
Exchange differences	**-**	-	**(1,598)**	312	**(1,598)**	312
Pension expense	**(2,445)**	(2,943)	**(735)**	(1,180)	**(3,180)**	(4,123)
Employer contributions	**-**	580	**63**	913	**63**	1,493
Total (loss)/gain recognised in reserves (2)	**(59,976)**	17,667	**(6,396)**	5,722	**(66,372)**	23,389
Net liability recognised in the balance sheet	**(181,368)**	(147,316)	**(20,106)**	(10,648)	**(201,474)**	(157,964)

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

21. 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. For the period, the Group’s related parties are the same as those disclosed on page 152 of the Group’s Annual Report for 2015. The basis of the remuneration of the Directors and key management remains consistent with that reported in the Group’s Annual Report for 2015.

22. PRINCIPAL RISKS

As a global company, JLT faces a range of risks, each of which has the potential to impact on the achievement of our strategic business objectives, as well as providing opportunity in the right circumstances.

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 outcome of the EU referendurm on 23 June 2016 will introduce uncertainity in future periods. Whilst there has been much speculation in the press about the scenarios the country now faces, the Group will continue to serve its clients best interests. The Group will continue to monitor events closely working with its insurance partners and clients, as the outcome starts to become more certain.

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 41 and 42 of the Group’s Annual Report for 2015. These are summarised below:

PRINCIPAL RISKS	NATURE OF RISK
STRATEGIC RISKS	
Economic Instability	JLT’s business is more tied to economic activity and growth rather than (re)insurance market rates, since greater levels of corporate activity generally drive greater demand for the Group’s services. There is a risk that economic instability reduces client demand.
Strategic Risks	There are risks to the company’s strategic plan arising from changes in external environment, markets and customer behaviour, as well as risks arising from acquisitions and strategic change initiatives.
OPERATIONAL RISKS	
Loss of Key Staff	The Group’s principal asset is its people; there is a risk that the organisation may not be able to attract and retain market leading talent.
Business Interruption	The Group operates from over 100 offices in 40 territories across the world, each with a unique local environment. There is a risk of a business interruption due to a large, unexpected incident.
Loss of IT Environment	The Group is reliant on the ability to process its transactions on behalf of its clients. Risks arise from non-performance of an IT supplier, malicious act and/or cyber crime.
Information Security	Intermediaries and pension administrators retain confidential data in the normal course of business. Risks relate to loss of customer records or breach of confidentiality due to inadequate security.
Errors and Omissions	Intermediaries run a risk of incurring a loss if the operating procedures in place across the Group in relation to market security, placement and claims are not complied with or alleged negligence/breach of contract in the provision of services/advice becomes apparent.
Litigation	Litigation risk can arise from a number of different sources such as: - M&A litigation (e.g. breach of Sale & Purchase Agreement). - Breach of Employment Law. - Tortious liability arising from the recruitment of individuals where appropriate recruitment controls are not adhered to.
Regulatory Breach / Financial Crime	Risks arise from non-compliance with or misinterpretation of local and international regulations and failure to meet regulatory standards both in the present, and retrospectively, in relation to past business activities.
FINANCIAL RISKS	
Capital Risk and Liquidity	Risks arising from an inability to maintain an effective and efficient capital structure and ensure an optimal cost of capital, or meet the short term financial demands of the business.
Foreign Currency	The Group has foreign exchange exposures to: - ‘Translational’ risk arising from the need to convert currencies into GBP for reporting purposes. - ‘Transactional’ risk arising from revenues and costs being denominated in different currencies.
Counterparty Risk	There is a risk associated with a failure of a key counterparty resulting in a loss of own cash, fiduciary funds, investments and deposits, derivative assets and/or trade receivables.
Defined Benefit Pension Scheme	Risk of adverse impact on the balance sheet and income statement as a consequence of an increase in the Defined Benefit Pension Scheme deficit.

NOTES TO THE UNAUDITED INTERIM RESULTS

For the six months ended 30 June 2016

23. 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 JLT Group plc are listed in the Annual Report of the Company for the year ended 31 December 2015, subject to the following changes which have taken place since the publication of that document: James Twining retired from the Board on 26 April 2016; Bruce Carnegie-Brown was appointed to the Board with effect from 1 May 2016; and Rodney Leach died on 12 June 2016.

On behalf of the Board

CHARLES ROZES
Finance Director
26 July 2016

INDEPENDENT REVIEW REPORT TO JARDINE LLOYD THOMPSON GROUP PLC

REPORT ON THE UNAUDITED CONSOLIDATED INTERIM RESULTS

Our conclusion

We have reviewed Jardine Lloyd Thompson Group plc's unaudited consolidated interim financial statements (the "interim financial statements") in the interim results of Jardine Lloyd Thompson Group plc for the 6 months ended 30 June 2016. Based on our review, nothing has come to our attention that causes us to believe that the consolidated interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim Financial Reporting' as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

What we have reviewed

The consolidated interim financial statements, which are prepared by Jardine Lloyd Thompson Group plc, comprise:

- the consolidated balance sheet as at the 30 June 2016;
- the consolidated income statement and statement of comprehensive income for the period then ended;
- the consolidated statement of cash flows for the period then ended;
- the consolidated statement of changes in equity for the period then ended; and
- the explanatory notes to the consolidated interim financial statements.

The consolidated interim financial statements included in the interim results have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in 'Basis of Accounting' on page 13 in the interim financial statements, the financial reporting framework that has been applied in the preparation of the full annual financial statements of the group is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

RESPONSIBILITIES FOR THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS AND THE REVIEW

Our responsibilities and those of the directors

The interim results, including the consolidated interim financial statements, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim results in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Our responsibility is to express a conclusion on the consolidated interim financial statements in the interim results based on our review. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure and Transparency Rules of the Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, 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.

What a review of consolidated financial statements involves

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.

We have read the other information contained in the interim results and considered whether it contains any apparent misstatements or material inconsistencies with the information in the consolidated interim financial statements.

PricewaterhouseCoopers LLP
Chartered Accountants
26 July 2016
London

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.