



**Jardine Matheson**

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

## **Press Release**

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

To: Business Editor

8th November 2016

For immediate release

### **Jardine Lloyd Thompson Group plc Interim Management Statement**

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

For further information please contact:

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# Private & Confidential

**8<sup>th</sup> November 2016**

## **Jardine Lloyd Thompson Group plc**

### **Interim Management Statement**

Jardine Lloyd Thompson Group plc ("JLT" or "the Group"), one of the world's leading suppliers of insurance, reinsurance and employee benefits related advice, brokerage and associated services, releases its Interim Management Statement for the period from 1<sup>st</sup> July 2016 through 7<sup>th</sup> November 2016.

#### **Trading Environment and Performance**

##### **Risk and Insurance**

The Group's Risk and Insurance businesses delivered a resilient performance during the period, in spite of the insurance and reinsurance pricing pressures in multiple markets and headwinds caused by ongoing global economic uncertainty.

JLT Specialty's performance in the period was good. Divisional performance in certain sectors such as Energy and Marine continued to reflect the impact of depressed commodity prices and reduced activity in these sectors, while other divisions, such as Aviation and Construction, performed well. The new business pipeline across Specialty was strong, with several significant client wins recorded in the period.

JLT Re traded well in the period, with notable strength in the U.S. and Asia regions. The business remains on track to increase its operating margin to 20% in 2016.

Across the other Risk and Insurance businesses, including Latin America, Asia, and Australia & New Zealand, performance remained steady in the period.

The build-out of our U.S. Specialty business continued in line with our plans. Total investment spend for this year will be approximately £6 million above that of 2015, reflecting the combined effect of the additional investment announced at the interim statement in July and the negative impact of foreign exchange movements.

## **Employee Benefits**

Our international Employee Benefits businesses saw good growth in the period, with a particularly strong performance in Australia & New Zealand, reflecting our focus on, and investments in, the return-to-work sector.

Trading in UK Employee Benefits remained challenging in the period. Revenues in the second half of 2016 are expected to be ahead of those in the same period in 2015. As stated in the interim results in July, the business is on track to realise the remaining £7 million of targeted cost savings benefits from the restructuring programme we have implemented.

## **Financial Position and Foreign Exchange**

The Group remains well-funded and its financial position, including cash flow, continued to be strong. The Group's overall performance continued to be impacted by movements in foreign exchange rates, following the EU Referendum in June. As an update to the guidance at the interim statement in July of a full year £12 million benefit, if Sterling/U.S. Dollar rates were to remain at current rates of exchange, we now estimate a further £4 million benefit, for a total of £16 million on a full year basis. This additional £4 million benefit is anticipated to be more than offset by the incremental U.S. Specialty investment, the challenging rating environment, and our ongoing organic investments in growth markets around the world.

## **Outlook**

The trading environment is anticipated to remain challenging for the remainder of the year. Despite these conditions we continue to invest across the Group to drive future growth, improve margins and win market share. We are confident that our specialty-focussed strategy will continue to deliver good levels of organic revenue growth.

- ENDS -

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**Forward-Looking Statements**

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