

Press Release

Jardine Lloyd Thompson Group plc to drive a new phase of growth through the significant expansion of its US specialty capabilities and merger of JLT Specialty and Lloyd & Partners

- Expansion of US specialty capabilities establishes JLT's specialty offering on a global platform, supporting ambition to be one of the world's leading specialty brokers
- Expansion plan represents significant long term growth opportunity for JLT in world's largest insurance market
- Enhanced US presence meets international client demand for global servicing
- US specialty operation to be run by Michael Rice, a dynamic leader with a proven track record
- Merger of JLT Specialty and Lloyd & Partners creates leading London Market specialty business

29th August 2014, London: Jardine Lloyd Thompson Group plc ("JLT") one of the world's leading providers of insurance, reinsurance and employee benefits related advice, brokerage and associated services, is today announcing the significant expansion of its US specialty capabilities and the merger of JLT Specialty Ltd. and Lloyd & Partners Ltd. to drive a new phase of growth, following its successful acquisition of Towers Watson Re last year.

Expansion of US specialty capabilities

Over recent years, JLT has firmly established a successful specialty-led strategy and distinctive client proposition that has driven our growth and positioned us as one of the world's pre-eminent brokers in those specialty areas where we have chosen to compete.

This announcement signals a significant expansion of our US activities into the Group's specialty areas including Energy, Construction, Financial Lines, Credit, Political & Security and Aerospace (where we already have a successful US presence).

This decision is driven by the following:

- The success and growth that we have enjoyed over recent years by following our specialty-led strategy, resulting in us now having the brand, size, geographic reach, leadership and people to fulfil our ambition to create a truly global specialty business
- The significant demand from clients and leading industry talent for JLT to challenge the position of the other global brokers in the US, as evidenced by the quality of the management team we have put together
- The unique opportunity to create a dynamic platform for long term growth in the world's largest insurance market by deploying our client-first culture and specialty capabilities
- The growing requirement to deliver our unique proposition on a global scale, given our clients' increasing requirements for seamless global coverage
- The emphasis we are placing on further building our US operations, as evidenced by our acquisition of Towers Watson Re late last year to create the world's fourth largest reinsurance broker.
- The support this expansion plan will provide to our US reinsurance ambitions

The opportunity JLT has to drive growth and win market share has allowed us to recruit a very strong leadership team to drive the success of our US expansion plan.

We have appointed Michael Rice CEO and Pat Donnelly President and Deputy CEO of JLT Specialty Insurance Services Inc., subject to them fulfilling their existing contractual obligations. Together they form a strong leadership team with a proven track record of success in growing a specialty business in the US market and provide a strong fit to JLT's client-first culture and entrepreneurial drive.

Mark Drummond Brady, Deputy Group CEO of JLT, and Jonathan Palmer-Brown, a member of the JLT Group Executive Committee, will become members of the US Executive team to support the business' growth plans and ensure that it is aligned and complementary to the rest of the JLT Group. We also intend to appoint a new Non-Executive Director with specific knowledge and experience of the US insurance market to the JLT Group plc Board.

We have established an enquiry form at www.jltgroup.com/usa that provides further details on how leading market practitioners can enquire about the opportunities that exist to become part of our new US specialty team.

The expansion plan is expected to result in a net investment of approximately £50m during the period 2015 to 2017. This figure takes account of the costs of building out the business offset by revenues which are expected to build more slowly.

We anticipate that the majority of this investment will be made in the first two years of the period and that the business will start to contribute to profits in 2018 and then generate an accelerated return thereafter.

We are committed to remaining disciplined in managing the pace of investment set against the growth of revenue. This includes making optimal use of the infrastructure we have been putting in place to support JLT Towers Re.

The investment will be funded from existing cash reserves and debt facilities and will be fully expensed through the income statement.

Merger of JLT Specialty and Lloyd & Partners

The bringing together of JLT Specialty and Lloyd & Partners will create a single specialty business of scale and distinctive capability, in line with our strategy of focusing on our areas of specialisation.

The merger is anticipated to create a number of benefits that will position the enlarged business for enhanced growth:

- Brings together each business' leading specialty teams into a single, dynamic operation staffed by many of the best people in the industry
- Creates a business of scale and international reach, an increasingly important factor for both clients and markets
- Provides a strong cultural, operational and business fit

Subject to the appropriate regulatory approvals, John Lloyd, the current CEO of Lloyd & Partners, is appointed CEO of JLT Specialty with Adrian Girling, the current Chairman of JLT Specialty, being appointed Chairman of Lloyd & Partners. The merger will take effect for reporting purposes from 1st January 2015, at which point John Lloyd and Adrian Girling will become CEO and Chairman respectively of the combined business which will trade as JLT Specialty.

The Lloyd & Partners brand will be retained to service and develop the Group's independent wholesale client base. JLT is firmly committed to serving the needs of its independent wholesale clients.

There is limited overlap between the two businesses. More details will be provided on the anticipated one-off integration costs and associated savings at the time of our preliminary results in March 2015.

Commenting on these announcements, Dominic Burke, JLT Group CEO said:

“The expansion of JLT’s US specialty capability builds on the success we have had over recent years and is the next natural step in our evolution. Under Michael Rice’s dynamic leadership, we are committed to building the pre-eminent specialty team in the US and anticipate a very positive response from experienced professionals interested in joining us. The US is a market in which we see a significant opportunity and demand for JLT’s distinctive offering and to which we are firmly committed following our successful acquisition of Towers Watson Re last year.

The merger of JLT Specialty and Lloyd & Partners creates a real powerhouse in the market in our chosen specialty areas under John Lloyd’s proven leadership. Harnessing their market leading capabilities into a single business promises to enhance their ability to meet their clients’ international demands, pursue our Group strategy and deliver market leading organic growth.

Together these plans will drive significant long term benefit for our clients, our people, our trading partners and our shareholders.”

ENDS

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Notes to Editors

About Jardine Lloyd Thompson Group plc

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

JLT is quoted on the London Stock Exchange and owns offices in 40 territories with more than 9,500 employees. Supported by the JLT International Network, it offers risk management and employee benefit solutions in 135 countries.

www.JLTGroup.com

About JLT Specialty

JLT Specialty is the largest business within the JLT Group and is focused on meeting the insurance broking and advisory needs of UK and international retail clients within its areas of specialty, including Construction, Aviation and Financial Lines.

About Lloyd & Partners

Lloyd & Partners is the JLT Group's wholesale broker, serving independent brokers around the world looking for access to the London, European and Bermuda markets on behalf of their corporate clients. Like JLT Specialty, the business is organised around specialty lines such as Energy, Cargo and Healthcare.

About Michael Rice and Pat Donnelly

Michael Rice has over 25 years' experience in the insurance industry, specialising in Executive Liability (D&O) Insurance for Fortune 500, Tech & Telecom and Initial Public Offerings. Most recently Michael has held the roles of Chairman of Aon's Financial Services Group and Chief Sales Officer of Aon Risk Services of the Americas global large account practice group.

Pat Donnelly has over 14 years' experience in the insurance industry, specialising in Financial and Professional Services. Pat was most recently the Chief Broking Officer for Aon Risk Solutions in the US.

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.