



29th July 2011

JARDINE LLOYD THOMPSON GROUP plc
UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS TO 30th JUNE 2011

Jardine Lloyd Thompson Group plc ("JLT" or "the Group"), the international group of risk specialists and employee benefits consultants, today announces interim results for the six months ended 30th June 2011.

Financial Summary

	6 months to 30th June		
	2011 £m	2010 £m	Change
• Total revenue*	411.3	377.8	9%
• Underlying trading profit **	76.1	70.7	8%
• Profit before tax	76.4	70.0	9%
• Underlying profit before tax **	79.8	73.6	8%
• Diluted Earnings Per Share	24.4p	27.0p	(10%)
• Underlying diluted Earnings Per Share **	25.5p	23.6p	8%
• Interim Dividend Per Share	9.2p	8.8p	

* Total revenue comprises fees, commissions and investment income

** Underlying results exclude exceptional items and non-recurring tax credits

Highlights

- Revenue and Profit before tax growth of 9%
- Continued strong organic growth of 7%
- Growing contribution from high-growth economies
- Underlying diluted EPS up 8%
- Interim dividend increased to 9.2p from 8.8p
- Actively investing across the business for growth

Dominic Burke, Chief Executive, commented:

"Our emphasis on being a client first organisation is clearly serving us well, as demonstrated by our strong organic growth record. We continue to invest in people, technology and business acquisitions across the Group to support our future growth.

All this gives us increasing confidence in our ability to continue to deliver year-on-year financial progress, building on the momentum developed in prior years."

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A presentation to investors and analysts will take place at 9.00am today at 6 Crutched Friars, London EC3N 2PH. A live webcast of the presentation can be viewed on the Group's website www.jltgroup.com.

FULL RELEASE FOLLOWS:

INTERIM STATEMENT

JLT delivered a strong trading performance in the first half of 2011, notwithstanding a continued weak insurance market rating environment and subdued GDP growth in the more mature economies in which we trade.

The financial performance is summarised in the table below:

6 months to 30th June 2011

£m	Total Revenue				Trading Profit			Trading Margin		
	2011	Growth	CRE	Organic	2011	CRE	2010	2011	CRE	2010
Retail	156.3	18%	13%	14%	37.7	36.1	32.5	24%	24%	25%
London Market	171.0	4%	3%	3%	39.0	37.5	42.7	23%	22%	26%
Risk & Insurance	327.3	10%	7%	8%	76.7	73.6	75.2	23%	23%	25%
Employee Benefits	66.8	5%	5%	4%	10.3	10.3	8.6	15%	15%	14%
Thistle Insurance Services	17.2	(3%)	(3%)	(2%)	-	-	(0.3)	-	-	(2%)
Central costs	-	-	-	-	(10.9)	(10.9)	(12.8)	-	-	-
	411.3	9%	6%	7%	76.1	73.0	70.7	18.5%	18.1%	18.7%
Underlying trading profit					76.1		70.7			
Associates after tax					5.7		3.5			
Underlying net finance costs					(2.0)		(0.6)			
Underlying profit before taxation					79.8		73.6			
Net exceptional costs					(3.4)		(3.6)			
Profit before taxation for the period					76.4		70.0			
Underlying tax expense					(21.0)		(20.4)			
Non-recurring tax credit					-		10.3			
Tax on exceptional items					0.9		0.7			
Non-controlling interests					(2.7)		(2.0)			
Profit after taxation and non-controlling interests					53.6		58.6			
Underlying profit after taxation and non-controlling interests					56.0		51.2			
Diluted earnings per share					24.4p		27.0p			
Underlying diluted earnings per share					25.5p		23.6p			

Organic growth is based on total revenue excluding the effect of currency, acquisitions, disposals and investment income.
Total revenue comprises fees, commissions and investment income.

CRE: Constant rates of exchange

Total revenue increased by 9% to £411.3 million compared to the same period last year, or 6% at CRE, with organic growth of 7%.

Underlying trading profit increased by 8% to £76.1 million or 3% at CRE. The underlying trading margin was 18.5% compared to 18.7% for the same period in 2010. This reflects continued investment in the business, particularly through the recruitment of leading industry professionals in a number of our business areas where we see opportunities for sustainable growth.

The contribution to profit after tax from our associates increased from £3.5 million to £5.7 million, relating mainly to the contribution of GrECo in Austria following our investment in July 2010.

Underlying profit before tax was £79.8 million, 8% ahead of the same period in 2010.

Profit before tax was £76.4 million compared to £70.0 million in the prior year. This includes exceptional costs of £3.4 million in respect of our business transformation programme.

The total tax expense was £20.1 million, compared to £9.4m in the prior year (which comprised an underlying tax expense of £20.4 million, less non-recurring and exceptional tax credits of £11.0 million). The underlying tax expense of £21.0 million for the first half of 2011 represents an effective tax rate of 26.4%.

Profit after tax and non-controlling interests was £53.6 million compared to £58.6 million in the prior year which reflected the non-recurring tax credit. Diluted earnings per share were 24.4 pence per share compared to 27.0 pence per share for the same period in 2010.

Underlying profit after tax and non-controlling interests was £56.0 million compared to £51.2 million in the prior year. Underlying diluted earnings per share increased by 8% to 25.5 pence per share compared to 23.6 pence per share in the same period in 2010. The Board has declared an increased interim dividend of 9.2 pence per share, up from 8.8 pence per share which will be paid on 3rd October 2011 to shareholders on the register at 9th September 2011.

OPERATIONAL REVIEW

JLT operates three business divisions: Risk & Insurance (80% of revenue); Employee Benefits (16% of revenue); and Thistle Insurance Services (4% of revenue).

Risk & Insurance

Combined revenue increased by 10% to £327.3 million or 7% at CRE, driven by organic growth of 8%. Underlying trading profit increased by 2% to £76.7 million in the period, representing an underlying trading margin of 23%, compared to 25% in the same period in 2010. This was underpinned by the strong performance of our combined retail operations around the world, which generated strong organic growth of 14%, illustrating the benefits of our continued investment in the faster growing economies.

Retail

Retail revenue grew by 18% to £156.3 million, or 13% at CRE with organic growth of 14% for the period. The trading margin was 24% compared to 25% for the same period in 2010.

6 months to 30th June 2011

£m	Total Revenue				Trading Profit			Trading Margin		
	2011	Growth	CRE	Organic	2011	CRE	2010	2011	CRE	2010
Australasia	66.8	19%	7%	7%	21.4	19.2	17.5	32%	32%	31%
Asia	39.1	32%	33%	33%	8.0	8.7	6.3	20%	22%	21%
Latin America	22.4	12%	11%	21%	6.4	6.4	5.7	28%	29%	28%
Canada	15.0	8%	7%	6%	1.4	1.4	1.8	9%	10%	13%
Continental Europe	10.7	3%	(1%)	(6%)	0.7	0.6	1.3	7%	6%	12%
Other	2.3	(1%)	3%	3%	(0.2)	(0.2)	(0.1)	(8%)	(8%)	(4%)
	156.3	18%	13%	14%	37.7	36.1	32.5	24%	24%	25%

Australasia performed well by increasing its focus on specialty business and service delivery, both of which are driving higher client retention rates.

Asia and Latin America have both delivered strong growth, benefiting from our specialty focus which is aligned to the world's faster growing economies. Following the restructuring of our Mexican business last year, its results are now reported within associates.

Canada's performance reflects some timing differences on specific accounts but the underlying business is performing to plan.

The performance in Continental Europe was mixed and reflects different dynamics in each of the markets in which we operate. Our approach in Europe is to focus the businesses around the

same industry specialisms that we successfully operate internationally and we continue to build on our exclusive European Network.

London Market

Revenue in our London Market businesses increased by 4% to £171.0 million or 3% at CRE. The organic revenue growth was 3% in what has been a very competitive trading environment. The trading margin was 23% compared to 26% in the prior period. This was expected as significant new investments have been made in leading industry professionals during the period, the full benefits of which will be seen over time.

The comparatives have been adjusted to reflect the re-organisation implemented at the start of the year which is already delivering benefits.

6 months to 30th June 2011

£m	Total Revenue				Trading Profit			Trading Margin		
	2011	Growth	CRE	Organic	2011	CRE	2010	2011	CRE	2010
JLT Specialty	96.4	7%	6%	6%	17.9	16.9	19.3	19%	18%	21%
Lloyd & Partners	40.6	1%	-	-	10.7	10.4	11.5	26%	26%	29%
JLT Re	34.0	-	(2%)	(3%)	10.4	10.2	11.9	31%	30%	35%
	171.0	4%	3%	3%	39.0	37.5	42.7	23%	22%	26%

JLT Specialty achieved good organic growth of 6%. The results include the Group's aerospace insurance broking business which transferred from JLT Re with effect from 1st January 2011.

JLT Specialty continues to deliver strong organic growth in areas such as Energy & Marine, Credit & Political Risks, Construction and Aviation, building on the people investments made over the past few years. This continued investment has impacted the first half trading profit but it is expected this business will make further year-on-year financial progress.

Lloyd & Partners, our wholesale broking specialist, produced a good result in extremely competitive market conditions with a particularly weak rating environment being seen in the USA.

JLT Re had a mixed performance in the first half of the year. Its emerging treaty business delivered organic growth of 5%. However, the overall results for JLT Re reflect the departure of a small non-core facultative reinsurance team in late 2010. The underlying business remains strong and we are continuing to build on our market position.

Employee Benefits

Employee Benefits delivered revenue growth and margin improvement for the period, as the benefit of the HACL acquisition and JLT's market-leading BenPal proposition continues to drive customer acquisition and retention strategies.

Revenue increased by 5% in the period comprising organic growth of 4% and acquisition growth of 1%. The trading profit increased by 19% to £10.3 million with a trading margin of 15% compared to 14% for the first half of 2010.

6 months to 30th June 2011

£m	Total Revenue			Trading Profit		Trading Margin	
	2011	Growth	Organic	2011	2010	2011	2010
Employee Benefits	66.8	5%	4%	10.3	8.6	15%	14%

Work continues on the 'internationalisation' of the Employee Benefits business, focused around the implementation of the Group's international healthcare strategy in a number of targeted markets in Latin America and Asia. We are seeing growing demand for our services in these markets given their large population, growing middle class and per capita wealth.

Thistle Insurance Services

6 months to 30th June 2011

£m	Total Revenue			Trading Profit		Trading Margin	
	2011	Growth	Organic	2011	2010	2011	2010
Thistle Insurance Services	17.2	(3%)	(2%)	-	(0.3)	-	(2%)

Thistle operates as an underwriting and distribution company and markets products on a non-advisory basis focusing on smaller value high volume business. It distributes directly, through affinity groups, third party brokers and online.

Thistle showed a small decline in revenue in the period, reflecting its exit from an unprofitable book of business. We expect the performance of this business to improve substantially in the second half of the year, similar to the prior year and in line with the income phasing of the business.

CASH FLOW AND BALANCE SHEET

Net debt at 30th June 2011 was £118 million. The Group has committed unsecured long term debt facilities equivalent to £348 million with maturities between 2015 and 2022. Gross borrowings as at 30th June were £192 million, leaving unutilised committed headroom of approximately £156 million.

Net pension liabilities at 30th June 2011 remain unchanged from 31st December 2010 at £73 million.

BUSINESS TRANSFORMATION PROGRAMME

Our three year Business Transformation Programme, which commenced in July 2009, is scheduled to complete by 30th June 2012. As previously noted, the objective is to reduce the cost of doing business by streamlining back office processes allowing us to enhance delivery of the services we provide to clients. The achievements and benefits realised to date have considerably exceeded our original expectations. Plans have therefore been reassessed for the remaining 12 months of the programme and estimates have been updated accordingly. In overall terms, it is now estimated that cumulative one-off costs of £24 million will generate ongoing benefits of £20 million per annum, up from the previously advised total costs of £19 million and annual savings of £16 million.

The additional one-off costs in 2011 are forecast to be £7 million, comprising some £3 million in the first half and £4 million in the second half of the year, with corresponding estimated cost savings of £7 million. Due to the material size of this non-recurring expenditure, the programme costs are being treated as exceptional.

FOREIGN EXCHANGE

The Group's major currency transaction exposure arises in our London Market businesses which currently earn annual US dollar-denominated revenue of approximately US\$260 million. Consequently, the Group's results are sensitive to changes in the Sterling/US dollar exchange rate. The Group continues to operate a rolling US dollar hedging programme to smooth the volatility caused by exchange rate movements. As a guide, each one cent movement in our achieved rate currently translates into a change of approximately £1.0 million in revenue and a corresponding impact on trading profit equal to approximately 65% of the revenue change.

At the end of July 2011, some 90% of anticipated dollar revenues for 2011 are hedged at an average rate of US\$1.52. For 2012 some 80% of dollar revenues are hedged at an average rate of US\$1.53, 75% hedged for 2013 at an average rate of US\$1.53 and 40% hedged for 2014 at an average rate of US\$1.57.

OUTLOOK

Our emphasis on being a client first organisation is clearly serving us well, as demonstrated by our strong organic growth record. We continue to invest in people, technology and business acquisitions across the Group to support our future growth.

All this gives us increasing confidence in our ability to continue to deliver year-on-year financial progress, building on the momentum developed in prior years.

Results follow:

Jardine Lloyd Thompson Group plc
Consolidated Income Statement
Unaudited results for the six months ended 30th June 2011

	Notes	6 months to 30th June 2011 £'000	6 months to 30th June 2010 £'000
Fees and commissions	3	408,732	375,552
Investment income	3	2,525	2,200
Salaries and associated expenses		(244,689)	(222,372)
Premises		(21,307)	(20,046)
Other operating costs		(63,351)	(60,989)
Depreciation, amortisation and impairment charges	4	(9,179)	(8,167)
Operating profit	2,3,4	72,731	66,178
Analysed as:			
Operating profit before exceptional items		76,052	70,732
Business transformation programme	4	(3,321)	(2,879)
Acquisition integration costs	4	-	(2,724)
Other non-recurring items	4	-	1,049
Operating profit	2,3,4	72,731	66,178
Finance costs		(3,575)	(2,834)
Finance income		1,559	3,149
Finance costs/income - net		(2,016)	315
Share of results of associates after tax and non-controlling interests		5,716	3,521
Profit before taxation	2,3	76,431	70,014
Income tax expense	5	(20,142)	(9,434)
Profit for the period		56,289	60,580
Profit attributable to:			
Owners of the parent	3	53,588	58,608
Non-controlling interests		2,701	1,972
		56,289	60,580
Earnings per share attributable to the equity holders of the Company during the period (expressed in pence per share)			
Basic earnings per share	7	24.6p	27.1p
Diluted earnings per share	7	24.4p	27.0p
Dividend per share	6	9.2p	8.8p

Jardine Lloyd Thompson Group plc
Consolidated Statement of Comprehensive Income
Unaudited results for the six months ended 30th June 2011

	6 months to 30th June 2011 £'000	6 months to 30th June 2010 £'000
Profit for the period	56,289	60,580
Other comprehensive income:		
Actuarial losses recognised in post retirement benefit schemes	(3,074)	(20,986)
Taxation thereon	288	4,747
	(2,786)	(16,239)
Fair value (losses)/gains net of tax:		
- available-for-sale	(72)	(96)
- cash flow and fair value hedges	7,888	(9,887)
Currency translation differences	4,250	1,141
Other comprehensive income net of tax	9,280	(25,081)
Total comprehensive income for the period	65,569	35,499
Attributable to:		
Owners of the parent	62,868	33,527
Non-controlling interests	2,701	1,972
	65,569	35,499

Jardine Lloyd Thompson Group plc
Consolidated Balance Sheet
Unaudited as at 30th June 2011

		As at 30th June 2011 £'000	As at 30th June 2010 £'000	As at 31st December 2010 £'000
NET OPERATING ASSETS				
Non-current assets				
Goodwill		244,983	237,131	243,783
Intangible assets		41,228	30,137	38,281
Property, plant and equipment		27,644	29,021	28,860
Investment in associates		69,167	41,547	60,794
Available-for-sale financial assets	8	2,008	1,764	1,908
Derivative financial instruments	9	8,174	5,375	3,770
Employee benefit trusts		509	416	510
Deferred tax assets		44,775	56,658	41,130
		438,488	402,049	419,036
Current assets				
Trade and other receivables	10	312,933	286,773	271,435
Derivative financial instruments	9	5,878	3,043	4,510
Available-for-sale financial assets	8	3,126	56,320	38,260
Cash and cash equivalents	11	629,361	516,671	524,865
		951,298	862,807	839,070
Current liabilities				
Borrowings		(1,132)	(1,578)	(2,725)
Trade and other payables	12	(733,655)	(677,938)	(679,072)
Derivative financial instruments	9	(3,841)	(4,178)	(4,282)
Current tax liabilities		(3,928)	(7,833)	(10,538)
Provisions for liabilities and charges	14	(9,459)	(11,276)	(14,621)
		(752,015)	(702,803)	(771,238)
Net current assets		199,283	160,004	127,832
Non-current liabilities				
Borrowings		(191,345)	(158,098)	(142,660)
Derivative financial instruments	9	(7,211)	(7,341)	(8,244)
Deferred tax liabilities		(19,176)	(17,231)	(8,100)
Retirement benefit obligations	13	(73,487)	(109,117)	(72,835)
Provisions for liabilities and charges	14	(10,447)	(10,471)	(11,611)
		(301,666)	(302,258)	(243,450)
TOTAL EQUITY		336,105	259,795	303,418
Capital and reserves attributable to the Company's equity holders				
Ordinary shares		10,916	10,875	10,890
Share premium	15	96,120	92,301	93,577
Fair value and hedging reserves	15	4,931	(2,093)	(2,885)
Exchange reserves	15	42,277	30,977	38,027
Retained earnings		171,762	119,036	155,368
Shareholders' equity		326,006	251,096	294,977
Non-controlling interests		10,099	8,699	8,441
		336,105	259,795	303,418

Jardine Lloyd Thompson Group plc
Consolidated Statement of Changes in Equity
Unaudited results for the six months ended 30th June 2011

For the 6 months to 30th June 2011

	Ordinary shares £'000	Other reserves £'000	Retained earnings £'000	Shareholders' equity £'000	Non- controlling interests £'000	Total equity £'000
Balance as at 1st January 2011	10,890	128,719	155,368	294,977	8,441	303,418
Other comprehensive income						
Actuarial losses recognised in post retirement benefit schemes	-	-	(2,786)	(2,786)	-	(2,786)
Fair value (losses)/gains net of tax						
- available-for-sale	-	(72)	-	(72)	-	(72)
- cash flow and fair value hedges	-	7,888	-	7,888	-	7,888
Currency translation differences	-	4,250	-	4,250	104	4,354
Total other comprehensive income	-	12,066	(2,786)	9,280	104	9,384
Profit for the period	-	-	53,588	53,588	2,701	56,289
Total comprehensive income for the period	-	12,066	50,802	62,868	2,805	65,673
Dividends paid	-	-	(29,954)	(29,954)	(1,932)	(31,886)
Shares acquired by the Employee Benefit Trust	-	-	(13,799)	(13,799)	-	(13,799)
Reversal of amortisation in respect of share based payments	-	-	10,064	10,064	-	10,064
Acquisitions	-	-	-	-	(337)	(337)
Disposal	-	-	-	-	1,122	1,122
Change in non-controlling interests	-	-	(719)	(719)	-	(719)
Issue of share capital	26	2,543	-	2,569	-	2,569
Balance as at 30th June 2011	10,916	143,328	171,762	326,006	10,099	336,105

For the 6 months to 30th June 2010

	Ordinary shares £'000	Other reserves £'000	Retained earnings £'000	Shareholders' equity £'000	Non- controlling interests £'000	Total equity £'000
Balance as at 1st January 2010	10,776	122,366	99,532	232,674	6,760	239,434
Other comprehensive Income						
Actuarial losses recognised in post retirement benefit schemes	-	-	(16,239)	(16,239)	-	(16,239)
Fair value losses net of tax						
- available-for-sale	-	(96)	-	(96)	-	(96)
- cash flow hedges	-	(9,887)	-	(9,887)	-	(9,887)
Currency translation differences	-	1,141	-	1,141	528	1,669
Total other comprehensive income	-	(8,842)	(16,239)	(25,081)	528	(24,553)
Profit for the period	-	-	58,608	58,608	1,972	60,580
Total comprehensive income for the period	-	(8,842)	42,369	33,527	2,500	36,027
Dividends paid	-	-	(27,130)	(27,130)	(972)	(28,102)
Shares acquired by the Employee Benefit Trust	-	-	(8,627)	(8,627)	-	(8,627)
Reversal of amortisation in respect of share based payments	-	-	13,023	13,023	-	13,023
Acquisitions	-	-	-	-	(55)	(55)
Disposal	-	-	-	-	466	466
Change in non-controlling interests	-	-	(131)	(131)	-	(131)
Issue of share capital	99	7,661	-	7,760	-	7,760
Balance as at 30th June 2010	10,875	121,185	119,036	251,096	8,699	259,795

Jardine Lloyd Thompson Group plc
Consolidated Statement of Cash Flows
Unaudited results for the six months ended 30th June 2011

		6 months to 30th June 2011 £'000	6 months to 30th June 2010 £'000
Cash flows from operating activities			
Cash generated/(used) from operations	17	30,106	(5,062)
Interest paid		(3,318)	(1,727)
Interest received		2,778	5,320
Taxation paid		(18,869)	(8,598)
Increase in net insurance broking creditors		63,775	56,206
		<hr/>	<hr/>
Net cash generated from operating activities		74,472	46,139
Cash flows from investing activities			
Purchase of property, plant and equipment		(4,054)	(5,012)
Purchase of intangible fixed assets		(11,001)	(9,614)
Proceeds from sale of property, plant and equipment		323	325
Proceeds from sale of intangible fixed assets		40	80
Acquisition of businesses, net of cash acquired	18	(2,822)	(7,353)
Acquisition of associated undertakings		-	(187)
Proceeds from disposal of business, net of cash disposed	19	388	-
Purchase of available-for-sale other investments		-	(71)
Proceeds from disposal of available-for-sale other investments		7	-
		<hr/>	<hr/>
Net cash used in investing activities		(17,119)	(21,832)
Cash flows from financing activities			
Dividends paid to company's shareholders		(30,139)	(27,091)
Net cash flows from investments and deposits		34,967	23,681
Purchase of investments by the Employee Benefit Trust		(13,799)	(8,627)
Proceeds from issuance of ordinary shares		2,569	7,760
Net increase in borrowings		53,985	59,471
Dividends paid to non-controlling interests		(1,932)	(972)
		<hr/>	<hr/>
Net cash generated from financing activities		45,651	54,222
Net increase in cash and cash equivalents		103,004	78,529
Cash and cash equivalents at beginning of period		524,865	437,218
Exchange gains on cash and cash equivalents		1,492	924
		<hr/>	<hr/>
Cash and cash equivalents at end of the period		629,361	516,671

Jardine Lloyd Thompson Group plc
Notes to the Interim Report
For the six months ended 30th June 2011

1. Accounting policies

Basis of accounting

The condensed consolidated interim financial statements for the six months ended 30th June 2011 have been prepared on a going concern basis and in accordance with the Disclosure and Transparency Rules of the Financial Services Authority and with IAS 34, 'Interim financial reporting' as adopted by the European Union. These financial statements should be read in conjunction with the consolidated statutory accounts of the Company for the year ended 31st December 2010, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

The unaudited results for the six months ended 30th June 2011 have been prepared under the historical cost convention as modified by the revaluation of available-for-sale investments and derivative financial instruments and using the accounting policies adopted in respect of the year ended 31st December 2010 which are in accordance with IFRS as adopted by the European Union.

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

This condensed consolidated interim financial information does not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. Statutory accounts for the year ended 31st December 2010 were approved by the board of directors on 22nd March 2011 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 498 of the Companies Act 2006.

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

The accounting policies are consistent with those of the annual financial statements for the year ended 31st December 2010.

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

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31st December 2010.

Full details of the audited accounts and accounting policies for the year ended 31st December 2010 are available at www.jltgroup.com.

Jardine Lloyd Thompson Group plc
Notes to the Interim Report
For the six months ended 30th June 2011

2. Alternative income statement

The format of the consolidated income statement on page 9 conforms to the requirements of IFRS. The alternative income statements set out below, which is provided by way of additional information, has been prepared on a basis that conforms more closely to the approach adopted by the Group in assessing its performance.

	6 months to 30th June 2011		
	Underlying profit £'000	Exceptional items £'000	Total £'000
Fees and commissions	408,732	-	408,732
Investment income	2,525	-	2,525
Salaries and associated expenses	(241,812)	(2,877)	(244,689)
Premises	(21,284)	(23)	(21,307)
Other operating costs	(62,930)	(421)	(63,351)
Depreciation, amortisation and impairment	(9,179)	-	(9,179)
Trading profit	76,052	(3,321)	72,731
Finance costs - net	(2,016)	-	(2,016)
Share of results of associates after tax and non-controlling interests	5,716	-	5,716
Profit before taxation	79,752	(3,321)	76,431
	6 months to 30th June 2010		
	Underlying profit £'000	Exceptional items £'000	Total £'000
Fees and commissions	375,552	-	375,552
Investment income	2,200	-	2,200
Salaries and associated expenses	(218,018)	(4,354)	(222,372)
Premises	(19,876)	(170)	(20,046)
Other operating costs	(60,959)	(30)	(60,989)
Depreciation, amortisation and impairment	(8,167)	-	(8,167)
Trading profit	70,732	(4,554)	66,178
Finance (costs)/income - net	(621)	936	315
Share of results of associates after tax and non-controlling interests	3,521	-	3,521
Profit before taxation	73,632	(3,618)	70,014

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3. Segment information

Management has determined the operating segments based on the analysis used in reports that are used to make strategic decisions.

Business segment analysis

The Group is organised on a worldwide basis into five main segments: London Market, Retail, Employee Benefits, Thistle Insurance Services and Head Office & Other operations. These segments are consistent with the internal reporting structure of the Group.

The London Market segment comprises JLT's specialist, wholesale and reinsurance broking activities. The Retail segment comprises the Group's international insurance broking and risk services activities. The Employee Benefits segment consists of pension administration, outsourcing and employee benefits consultancy. The Thistle Insurance Services segment provides solutions to Affinities, SME and retail markets via its own business units as well as third party brokers, mainly through open-market placements, delegated authorities and Managed General Underwriting (MGU) arrangements. The Head Office & Other segment consists mainly of holding companies, central administration functions, the Group's captive insurance companies and the Group's principal investments in associates.

Segment results

In accordance with IFRS 8, segment results include the net income or expense derived from the trading activities of the segment, together with the investment income earned on fiduciary funds. Interest income on the Group's own funds and finance costs are excluded since the trading activities of the Group's business segments are not of a financial nature. The standard also specifically excludes the income tax expense from segmental allocation with the consequence that the non-controlling interests charge is also excluded.

Segment assets include:

- non-current assets excluding investments in associates and deferred tax assets;
- trade and other receivables; and
- fiduciary funds.

Interest bearing and related assets (e.g. cash and cash equivalents and investments and deposits) relating to the Group's own funds are excluded from segmental assets.

Segment liabilities include:

- trade and other payables; and
- provisions for liabilities and charges.

It excludes any interest bearing and related liabilities (e.g. borrowings) as well as income and deferred tax liabilities.

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

Investments in associates

The Group owns 20% of the French company Newstone Courtage (the holding company of Siaci Saint Honoré) which operates principally in France. In 2010, the Group acquired 20% of the Austrian company GrECo which operates mainly in Austria and Eastern Europe. The investment in and the Group's share of Newstone's and GrECo's net profit are included in the Head Office & Other segment together with the investment and results of the Group's other associates, Sterling Re Intermediario de Reaseguro SA de CV, JLT Insurance Management Malta and ICAP-JLT. A small associate in Asia is included in the Retail segment.

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

Comparatives for 2010 have been restated to reflect the transfer of business between Employee Benefits and Thistle Insurance Services. There has been no change in the reported results.

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3. Segment information cont'd

6 months to 30th June 2011

	London Market £'000	Retail £'000	Employee Benefits £'000	Thistle Insurance Services £'000	Head Office & Other £'000	Unallocated £'000	Total £'000
Fees and commissions	170,164	154,589	66,833	17,146	-	-	408,732
Investment income	812	1,666	-	47	-	-	2,525
Total revenue	170,976	156,255	66,833	17,193	-	-	411,257
Operating profit	37,417	36,686	9,810	(246)	(10,936)	-	72,731
Finance costs - net	-	-	-	-	-	(2,016)	(2,016)
Share of results of associates after tax and non-controlling interests	-	-	-	-	5,716	-	5,716
Profit before taxation	37,417	36,686	9,810	(246)	(5,220)	(2,016)	76,431
Income tax expense	-	-	-	-	-	(20,142)	(20,142)
Non-controlling interests	-	-	-	-	-	(2,701)	(2,701)
Net profit	37,417	36,686	9,810	(246)	(5,220)	(24,859)	53,588
Segment assets	640,531	345,234	94,712	90,378	30,095	-	1,200,950
Investment in associates	-	-	-	-	69,167	-	69,167
Unallocated assets	-	-	-	-	-	119,669	119,669
Total assets	640,531	345,234	94,712	90,378	99,262	119,669	1,389,786
Segment liabilities	(458,084)	(195,068)	(30,648)	(30,304)	(121,405)	-	(835,509)
Unallocated liabilities	-	-	-	-	-	(218,172)	(218,172)
Total liabilities	(458,084)	(195,068)	(30,648)	(30,304)	(121,405)	(218,172)	(1,053,681)
Other segment items							
Capital expenditure	6,844	3,879	981	153	3,198	-	15,055
Depreciation, amortisation and impairment	(376)	(2,934)	(1,544)	(548)	(3,777)	-	(9,179)

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3. Segment information cont'd

6 months to 30th June 2010

	London Market £'000	Retail £'000	Employee Benefits £'000	Thistle Insurance Services £'000	Head Office & Other £'000	Unallocated £'000	Total £'000
Fees and commissions	163,416	130,878	63,706	17,552	-	-	375,552
Investment income	739	1,379	-	82	-	-	2,200
Total revenue	164,155	132,257	63,706	17,634	-	-	377,752
Operating profit	41,267	31,249	5,365	(540)	(11,163)	-	66,178
Finance costs - net	-	-	-	-	-	315	315
Share of results of associates after tax and non-controlling interests	-	-	-	-	3,521	-	3,521
Profit before taxation	41,267	31,249	5,365	(540)	(7,642)	315	70,014
Income tax expense	-	-	-	-	-	(9,434)	(9,434)
Non-controlling interests	-	-	-	-	-	(1,972)	(1,972)
Net profit	41,267	31,249	5,365	(540)	(7,642)	(11,091)	58,608
Segment assets	609,088	289,648	97,626	106,062	8,621	-	1,111,045
Investment in associates	-	-	-	-	41,547	-	41,547
Unallocated assets	-	-	-	-	-	112,264	112,264
Total assets	609,088	289,648	97,626	106,062	50,168	112,264	1,264,856
Segment liabilities	(433,450)	(167,628)	(34,754)	(40,902)	(141,966)	-	(818,700)
Unallocated liabilities	-	-	-	-	-	(186,361)	(186,361)
Total liabilities	(433,450)	(167,628)	(34,754)	(40,902)	(141,966)	(186,361)	(1,005,061)
Other segment items							
Capital expenditure	5,630	2,572	299	1,422	4,703	-	14,626
Depreciation, amortisation and impairment	(451)	(2,603)	(1,693)	(421)	(2,999)	-	(8,167)

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4. Operating profit

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

	6 months to 30th June 2011 £'000	6 months to 30th June 2010 £'000
Foreign exchange (gains)/losses:		
- fees and commissions	(4,412)	(28)
- other operating costs	1,118	493
	(3,294)	465
Amortisation of intangible assets:		
- software costs	3,907	3,058
- other intangible assets	305	259
Depreciation on property, plant and equipment	4,967	4,850
Total depreciation, amortisation and impairment charges	9,179	8,167
Amortisation of intangible assets:		
- employment contract payments (included in salaries and associated expenses)	3,751	1,819
Losses on disposal of property, plant and equipment	11	121
Available-for-sale financial assets:		
- fair value losses	97	40
- gain on sale	(3)	(1)
	94	39
Exceptional items:		
Business transformation project of which:		
- included in salaries and associated expenses	2,877	2,064
- included in premises costs	23	9
- included in other operating costs	421	806
	3,321	2,879
Acquisition integration costs of which:		
- included in salaries and associated expenses	-	2,290
- included in premises costs	-	161
- included in other operating costs	-	273
	-	2,724
Loss on sale of Mexico business	-	582
Gain on deferred consideration in respect of 2006 sale of US businesses	-	(1,631)
Total exceptional items included within operating profit	3,321	4,554
Interest receivable from HMRC included within Finance income	-	(936)
Total exceptional items	3,321	3,618

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5. Income tax expense

	6 months to 30th June 2011 £'000	6 months to 30th June 2010 £'000
Current tax expense		
Current year	14,831	16,149
Under/(over) provided in prior periods	85	(6,109)
	14,916	10,040
Deferred tax expense		
Origination and reversal of temporary differences	6,266	4,307
Reduction in tax rate	538	3
Benefit of tax losses recognised	(1,017)	-
Adjustments in respect of prior periods	(561)	(4,916)
	5,226	(606)
Total income tax expense	20,142	9,434

The UK Government has announced various measures in relation to UK corporation tax including a 1% reduction in the headline rate of corporation tax from April 2012 (substantively enacted in July 2011) and the two subsequent years to reduce the UK tax rate from 26% to 23%. None of these rate reductions have been substantively enacted as at 30th June 2011 and therefore the impact of the remaining 3% reduction has not been incorporated into the income tax charge for the six months ended 30th June 2011.

The impact of a 1% and cumulative 3% rate reduction in the deferred tax balances as at 30th June 2011 would result in the following changes:

	1% rate change £'000	Cumulative 3% rate change £'000
Impact on income statement	163	489
Impact on reserves	538	1,614

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5. Income tax expense cont'd

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

	6 months to 30th June 2011 £'000	6 months to 30th June 2010 £'000
Profit before tax	76,431	70,014
Tax calculated at UK Corporation Tax rate of 26.5% (2010: 28%)	20,254	19,604
Non-deductible expenses *	2,084	1,123
Other adjustments to taxable profit	-	807
Adjustments to tax charge in respect of prior periods	(476)	(11,025)
Benefit of tax losses recognised	(1,017)	-
Effect of UK and non-UK tax rate differences	811	(79)
Tax on associates	(1,514)	(996)
Total income tax expense	20,142	9,434

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

6. Dividends

	6 months to 30th June 2011 £'000	6 months to 30th June 2010 £'000
Final dividend in respect of 2010 of 13.7p per share (2009: 12.5p)	29,954	27,130

An interim dividend in respect of 2011 of 9.2p per share (2010: 8.8p) amounting to a total of £20,053,000 (2010: £19,138,000) is payable on 3rd October 2011 to shareholders who are registered at the close of business on 9th September 2011. The dividend proposed will not be accounted for until it is paid. The ex-dividend date will be 7th September 2011.

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7. Earnings per share

Basic earnings per share are calculated by dividing the profit attributable to the owners of the parent of the company by the weighted average number of ordinary shares in issue during the year, excluding unallocated shares held by the Trustees of the Employee Share Ownership Plan Trust.

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

Additional basic and diluted earnings per share are also calculated based on underlying earnings attributable to the owners of the parent.

A reconciliation of earnings is set out below:

	6 months to 30th June 2011	6 months to 30th June 2010
	No. of shares	No. of shares
Weighted average number of ordinary shares in issue	218,013,646	216,204,291
Effect of outstanding share options	1,373,790	978,696
Weighted average number of shares for diluted earnings per share	219,387,436	217,182,987

	6 months to 30th June 2011			6 months to 30th June 2010		
	£'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	56,021	25.7	25.5	51,201	23.7	23.6
Exceptional items before tax	(3,321)			(3,618)		
Taxation thereon	888			760		
Non-recurring tax credit	-			10,265		
	(2,433)	(1.1)	(1.1)	7,407	3.4	3.4
Profit attributable to the owners of the parent	53,588	24.6	24.4	58,608	27.1	27.0

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8. Available-for-sale financial assets

Available-for-sale financial assets are categorised according to their nature into one of two categories:

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

For the 6 months ended 30th June 2011

	Other investments £'000	Investments & deposits £'000	Total £'000
At 1st January 2011	1,908	38,260	40,168
Exchange differences	99	(112)	(13)
Additions	-	3,127	3,127
Disposals/maturities	-	(38,094)	(38,094)
Revaluation deficit (included within equity)	-	(54)	(54)
At 30th June 2011	2,007	3,127	5,134

Analysis of available-for-sale financial assets

Current	-	3,126	3,126
Non-current	2,007	1	2,008

At 30th June 2011

2,007	3,127	5,134
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Available-for-sale investments & deposits

Fiduciary	3,119
Own funds	8

At 30th June 2011

3,127

For the 6 months ended 30th June 2010

	Other investments £'000	Investments & deposits £'000	Total £'000
At 1st January 2010	1,590	80,015	81,605
Exchange differences	83	116	199
Additions	71	50,491	50,562
Disposals/maturities	-	(74,370)	(74,370)
Revaluation deficit (included within equity)	20	68	88

At 30th June 2010

1,764	56,320	58,084
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Analysis of available-for-sale financial assets

Current	-	56,320	56,320
Non-current	1,764	-	1,764

At 30th June 2010

1,764	56,320	58,084
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Available-for-sale investments & deposits

Fiduciary	56,320
Own funds	-

At 30th June 2010

56,320

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9. Derivative financial instruments

	As at 30th June 2011		As at 30th June 2010	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Interest-rate swaps - fair value hedges	245	(619)	-	-
Forward foreign exchange contracts - cash flow hedges	13,807	(10,433)	8,418	(11,519)
Total	14,052	(11,052)	8,418	(11,519)
Current	5,878	(3,841)	3,043	(4,178)
Non-current	8,174	(7,211)	5,375	(7,341)
Total	14,052	(11,052)	8,418	(11,519)

The Group's treasury policies are approved by the Board and are implemented by a centralised treasury department. The treasury department operates within a framework of policies and procedures that establishes specific guidelines to manage currency risk, liquidity risk and interest rate risk and the use of counter-parties and financial instruments to manage these. The treasury department is subject to regular internal audit.

The Group uses various derivative instruments including forward foreign exchange contracts, interest rate swaps and from time to time, foreign currency collars and options to manage the risks arising from variations in currency and interest rates. Derivative instruments entered into are primarily denominated in the currencies of the Group's main markets.

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

The fair value of financial derivatives based upon market values as at 30th June 2011 and designated as effective hedges was an asset of £3.0 million and has been deferred in equity (2010: liability of £3.1 million). Gains and losses arising on derivative instruments outstanding as at 30th June 2011 will be released to the income statement at various dates up to:

- (i) 48 months in respect of cash flow hedges on currency denominated UK earnings.
- (ii) 12 years in respect of specific hedges on USD denominated long-term debt drawn under the group's USD private placement programme.

No material amounts were transferred to the income statement during the period in respect of the fair value of financial derivatives.

Transactions maturing within 12 months of the balance sheet date are classified in current maturities. Transactions maturing in a period in excess of 12 months of the balance sheet date are classified as non-current maturities.

a) Forward foreign exchange contracts

The Group's major currency transaction exposure arises in USD and the Group continues to adopt a prudent approach in actively managing this exposure. As at 30th June 2011 the Group had outstanding forward foreign exchange contracts, principally in USD, amounting to a principal value of £556,409,856 (2010: £569,226,518).

b) Interest rate swaps

The Group uses interest rate hedges, principally interest rate swaps, to mitigate the impact of changes in interest rates. The notional principal amounts of outstanding cross currency interest rate swaps as at 30th June 2011 was USD125,000,000 (2010: nil).

c) Price risk

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

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10. Trade and other receivables

	As at 30th June 2011 £'000	As at 30th June 2010 £'000
Trade receivables	226,315	212,883
Provision for impairment of trade receivables	(14,090)	(10,811)
Trade receivables - net	212,225	202,072
Other debtors	72,666	60,460
Prepayments	28,042	24,241
	312,933	286,773

11. Cash and cash equivalents

	As at 30th June 2011 £'000	As at 30th June 2010 £'000
Cash at bank and on hand	171,608	157,387
Short-term bank deposits	457,753	359,284
	629,361	516,671
Fiduciary	554,475	459,321
Own funds	74,886	57,350
	629,361	516,671

The effective interest rate and average maturity in respect of short term deposits was 0.90% (2010: 0.84%).
These deposits have an average maturity of 18 days (2010: 24 days).

12. Trade and other payables

	As at 30th June 2011 £'000	As at 30th June 2010 £'000
Insurance creditors	557,594	515,641
Social security and other taxes	17,186	11,505
Other creditors	98,225	87,827
Accruals and deferred income	60,650	62,965
	733,655	677,938

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13. Retirement benefit obligations

The Group maintains a number of pension schemes throughout the world including defined benefit schemes that operate on a funded basis. The principal defined benefit pension schemes are the Jardine Lloyd Thompson Pension Scheme in the UK, the JLT (USA) Employee Retirement Plan, the Pension Plan for Employees of Jardine Lloyd Thompson Canada Inc and the Jardine Lloyd Thompson Ireland Limited Pension Fund. The Group's defined benefit pension schemes were all closed to future accrual between 2005 and 2009.

The charge for pension contribution costs is as follows:

	6 months ended 30th June 2011			6 months ended 30th June 2010		
	UK £'000	Overseas £'000	Total £'000	UK £'000	Overseas £'000	Total £'000
Defined contribution schemes	(7,419)	(5,673)	(13,092)	(6,825)	(4,996)	(11,821)

	UK Scheme		Overseas Schemes		Total	
	6 months ended 30th June 2011 £'000	6 months ended 30th June 2010 £'000	6 months ended 30th June 2011 £'000	6 months ended 30th June 2010 £'000	6 months ended 30th June 2011 £'000	6 months ended 30th June 2010 £'000
Interest cost	(13,136)	(13,365)	(1,460)	(1,495)	(14,596)	(14,860)
Expected return on assets	14,162	12,843	1,455	1,372	15,617	14,215
Total (included within finance income/(costs))	1,026	(522)	(5)	(123)	1,021	(645)
Profit/(loss)before taxation	1,026	(522)	(5)	(123)	1,021	(645)

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

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13. Retirement benefit obligations cont'd

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

6 months ended 30th June 2011	UK Scheme		Overseas Schemes		Total
	£'000	%	£'000	%	£'000
Actual return less expected return on Scheme assets	(7,675)		(250)		(7,925)
% of period end market value of Scheme assets		(1.8%)		(0.6%)	
Experience (losses)/gains arising on Scheme liabilities (1)	(362)		348		(14)
% of period end present value of Scheme liabilities (1)		(0.1%)		0.6%	
Changes in assumptions underlying the present value of the Scheme liabilities	3,826		1,039		4,865
% of period end present value of Scheme liabilities		0.8%		1.8%	
Actuarial (loss)/gain recognised in reserves (2)	(4,211)		1,137		(3,074)
% of period end present value of Scheme liabilities		(0.9%)		2.0%	

	UK Scheme		Overseas Schemes		Total	
	2011 £'000	2010 £'000	2011 £'000	2010 £'000	2011 £'000	2010 £'000
Defined benefit liability						
Present value of funded obligations	(493,805)	(499,837)	(56,894)	(59,728)	(550,699)	(559,565)
Fair value of plan assets	433,207	412,307	44,005	38,141	477,212	450,448
Net liability recognised in the balance sheet	(60,598)	(87,530)	(12,889)	(21,587)	(73,487)	(109,117)

	UK Scheme		Overseas Schemes		Total	
	2011 £'000	2010 £'000	2011 £'000	2010 £'000	2011 £'000	2010 £'000
Reconciliation of defined benefit liability						
Opening defined benefit liability	(57,413)	(71,626)	(15,422)	(16,267)	(72,835)	(87,893)
Exchange differences	-	-	416	(352)	416	(352)
Pension income/(expense)	1,026	(522)	(5)	(123)	1,021	(645)
Employer contributions	-	-	985	759	985	759
Total (loss)/gain recognised in reserves (2)	(4,211)	(15,382)	1,137	(5,604)	(3,074)	(20,986)
Net liability recognised in the balance sheet	(60,598)	(87,530)	(12,889)	(21,587)	(73,487)	(109,117)

	Total	
	2011 £'000	2010 £'000
Defined obligation recognised in the balance sheet		
Retirement benefit obligations	(73,487)	(109,117)

(1) calculation is only done as part of the year-end valuation of the scheme

(2) amounts recognised in reserves have been taken through the statement of comprehensive income

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14. Provisions for liabilities and charges

	Property related provisions £'000	Litigation provisions £'000	Deferred consideration £'000	Other £'000	Total £'000
At 1st January 2011	6,802	10,316	8,198	916	26,232
Exchange adjustment	(1)	(22)	(19)	5	(37)
Adjustment to gross basis	-	(1,891)	-	-	(1,891)
Reclassification	(11)	-	-	11	-
Utilised in the year	(881)	(3,760)	(287)	(516)	(5,444)
Charged/(credited) to the Income Statement	170	(322)	44	100	(8)
Interest charge	42	-	144	-	186
Acquisitions	-	-	868	-	868
At 30th June 2011	6,121	4,321	8,948	516	19,906

	Property related provisions £'000	Litigation provisions £'000	Deferred consideration £'000	Other £'000	Total £'000
At 1st January 2010	7,474	20,418	10,291	380	38,563
Exchange adjustment	3	44	46	-	93
Utilised in the year	(756)	(17,912)	(3,700)	(61)	(22,429)
(Credited)/charged to the Income Statement	(288)	4,959	-	-	4,671
Interest charge	67	-	358	-	425
Acquisitions	-	25	399	-	424
At 30th June 2010	6,500	7,534	7,394	319	21,747

	As at 30th June 2011 £'000	As at 30th June 2010 £'000
Analysis of total provisions:		
Non-current - to be utilised in more than one year	10,447	10,471
Current - to be utilised within one year	9,459	11,276
	19,906	21,747

Property related provisions

The Group recognises a provision for onerous contracts when the expected benefits to be derived from a contract are less than the unavoidable costs of meeting the obligations under the contract. Provision is made for the future rental cost of vacant property. In calculating the provision required, account is taken of the duration of the lease and any recovery of cost achievable from subletting. Property provisions occur principally in the USA and UK and relate to a variety of lease commitments. The longest lease terms for each country are to 2017 and 2016 respectively.

Jardine Lloyd Thompson Group plc
Notes to the Interim Report
For the six months ended 30th June 2011

14. Provisions for liabilities and charges cont'd

Litigation provisions

At any point in time the Group can be involved in a variety of litigation issues. A balance sheet provision is established in respect of such issues when it is probable that the liability has been incurred and the amount of the liability can be reasonably estimated. The Group analyses its litigation exposures based on available information, including external legal consultation where appropriate, to assess its potential liability. Where appropriate the Group also provides for the cost of defending or initiating such matters.

Where a litigation provision has been made it is stated gross of any third party recovery. All such recoveries are included as "other debtors" within trade and other receivables. At 30th June 2011, in connection with certain litigation matters, the Group's litigation provisions included an amount of £0.1 million (2010: £0.1 million) to reflect this gross basis and the corresponding insurance recovery has been included within trade and other receivables. This presentation has had no effect on the Consolidated income statement for the period ended 30th June 2011 (2010: nil).

Deferred consideration

Provision is made in respect of additional consideration payable following the initial completion of an acquisition. The value of the deferred consideration may be revised from time to time prior to final settlement.

Other

Other provisions include provision for claw-back of commissions which arises on certain types of employee benefit contracts.

Jardine Lloyd Thompson Group plc
Notes to the Interim Report
For the six months ended 30th June 2011

15. Other reserves

For the 6 months to 30th June 2011	Share premium £'000	Fair value & hedging reserves £'000	Exchange reserves £'000	Total other reserves £'000
Balance at 1st January 2011	93,577	(2,885)	38,027	128,719
Fair value losses net of tax				
- available-for-sale	-	(72)	-	(72)
- cash flow and fair value hedges	-	7,888	-	7,888
Currency translation differences	-	-	4,250	4,250
Net gains recognised directly in equity	-	7,816	4,250	12,066
Issue of share capital	2,543	-	-	2,543
Balance at 30th June 2011	96,120	4,931	42,277	143,328
For the 6 months to 30th June 2010	Share premium £'000	Fair value & hedging reserves £'000	Exchange reserves £'000	Total other reserves £'000
Balance at 1st January 2010	84,640	7,890	29,836	122,366
Fair value losses net of tax				
- available-for-sale	-	(96)	-	(96)
- cash flow hedges	-	(9,887)	-	(9,887)
Currency translation differences	-	-	1,141	1,141
Net (losses)/gains recognised directly in equity	-	(9,983)	1,141	(8,842)
Issue of share capital	7,661	-	-	7,661
Balance at 30th June 2010	92,301	(2,093)	30,977	121,185

16. Qualifying share ownership trust

During the period, the QUEST has allocated no ordinary shares to employees in satisfaction of options that have been exercised under the Jardine Lloyd Thompson Sharesave Schemes (2010: nil).

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For the six months ended 30th June 2011

17. Cash generated from operations

	6 months to 30th June 2011 £'000	6 months to 30th June 2010 £'000
Cash flows from operating activities		
Profit before taxation	76,431	70,014
Investment income receivable	(2,986)	(5,349)
Interest payable on bank loans and finance leases	3,390	1,725
Fair value gains on financial instruments	(97)	40
Net pension financing (income)/expense	(1,021)	645
Unwinding of provision discounting	186	424
Depreciation	4,967	4,850
Amortisation of intangible assets	7,963	5,135
Amortisation of share based payments	7,061	5,725
Amortisation of Employee Benefit Trust	-	24
Losses on disposal of property, plant and equipment	11	-
(Gains)/losses on disposal of fixed asset investments	(5)	121
Gains on disposal of current asset investments	(3)	(1)
Share of results of associates undertakings	(5,716)	(3,521)
Non-cash exceptional items	229	598
Increase in trade and other receivables	(44,470)	(53,497)
Decrease in trade and other payables - excluding insurance broking balances	(9,397)	(13,478)
Decrease in provisions for liabilities and charges	(5,452)	(17,758)
Decrease in retirement benefit obligation	(985)	(759)
Net cash inflow/(outflow) from operations	30,106	(5,062)

Jardine Lloyd Thompson Group plc
Notes to the Interim Report
For the six months ended 30th June 2011

18. Business combinations

During the period, the deferred consideration booked in respect of acquisitions completed in previous years has been revised following the final settlement of amounts due or the revision of estimates based on performance conditions.

	Revised deferred consideration £'000	Deferred consideration at 31st Dec 2010 £'000	Change in estimated deferred consideration £'000
Others	283	(434)	(151)

During the period, the process of finalising the provisional fair values in respect of the Tripol AS acquisition carried out during 2010 has been completed. Where appropriate the consideration booked in 2010 has been revised.

	Revised fair value acquired £'000	Provisional fair value reported at 31st Dec 2010 £'000	Change in fair value £'000
Tripol AS	1,021	1,175	(154)

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

	Revised fair value acquired £'000	Provisional fair value reported at 31st Dec 2010 £'000	Change in fair value £'000
Property, plant and equipment	1	-	1
Intangible assets	665	640	25
Trade and other receivables	1,091	1,054	37
Cash and cash equivalents			
- own cash	292	269	23
Trade and other payables	(903)	(672)	(231)
Current taxation	(134)	(123)	(11)
Deferred taxation	9	7	2
	1,021	1,175	(154)

Goodwill calculation:

	At 30th June 2011 £'000	At 31st Dec 2010 £'000	Change £'000
Purchase consideration:			
- cash paid	2,616	2,616	-
- deferred consideration	1,141	1,141	-
Total purchase consideration	3,757	3,757	-
Less fair value of net assets acquired	1,021	1,175	(154)
Goodwill	2,736	2,582	154

Jardine Lloyd Thompson Group plc
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For the six months ended 30th June 2011

18. Business combinations cont'd

	At 30th June 2011 £'000	At 31st Dec 2010 £'000	Change in consideration £'000
Purchase consideration settled in cash	2,616	2,616	-
Cash and cash equivalents - own cash in subsidiary acquired	(292)	(269)	(23)
Cash inflow on acquisition	2,324	2,347	(23)

Current year acquisitions

During the period new business acquisitions and additional investments were completed, none of which were individually significant.

	Acquisition Date	Percentage voting rights acquired	Cost £'000
Acquisition of new businesses completed during the period	Jan - Jun 2011	100%	1,464
Additional investments in existing business	Jan - Jun 2011	-	2,420
			3,884

Goodwill calculation:

	£'000
Purchase consideration:	
- cash paid	2,845
- deferred consideration	1,019
- cancellation of loans	20
Total purchase consideration	3,884
Less fair value of net assets acquired	337
Less equity movement on transactions with non-controlling interest	2,083
Goodwill	1,464

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

	Acquiree's carrying amount £'000	Fair value £'000
Non-controlling interests	337	337
		£'000
Purchase consideration settled in cash		2,845
Cash outflow on acquisition		2,845

As at 30th June 2011, the process of reviewing the fair values of assets acquired had not been completed, consequently the fair values stated above are provisional.

Jardine Lloyd Thompson Group plc
Notes to the Interim Report
For the six months ended 30th June 2011

18. Business combinations cont'd

Group summary:	£'000
Goodwill on acquisition occurring during the period	1,464
Impact of revisions to deferred consideration	(151)
Impact of revision to fair value adjustment in relation to acquisitions completed in 2010	154
Net increase in goodwill	1,467
	£'000
Cash outflow on acquisition during the period	2,845
Impact on cash of revision to fair value adjustment in relation to acquisitions completed in 2010	(23)
Cash outflow in the period	2,822

19. Business disposals

During the period the Group completed partial disposals of businesses, none of which were individually significant.

Net assets and proceeds of disposal	£'000
Non-controlling interests	1,122
Equity movement on transactions with non-controlling interests	1,365
	2,487
Deferred proceeds	2,099
Cash inflow on disposal during the period	388
Total consideration	2,487

20. Related party transactions

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

Jardine Lloyd Thompson Group plc
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For the six months ended 30th June 2011

21. Principal risks

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

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

The principal risks to which the Group will be exposed in the second half of the financial year are substantially the same as those discussed on pages 26 to 29 of the Annual Report and Financial Statements for 2010. These are summarised below:

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

Jardine Lloyd Thompson Group plc
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22. Post balance sheet event

On 4th July 2011, Newstone Courtage (the holding company of SIACI Saint Honoré) undertook refinancing to release capital to shareholders through share repurchases. JLT elected not to participate in the repurchase. As a result JLT's ownership in the Group increased from 20.0% to 26.5%. The increase in JLT's shareholding was for nil consideration.

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 Jardine Lloyd Thompson Group plc are listed in the Annual Report of the Company for the year ended 31st December 2010.

On behalf of the Board

S J Mawson
Finance Director

29th July 2011

Independent Review Report to Jardine Lloyd Thompson Group plc

Introduction

We have been engaged by the Company to review the financial information in the half-yearly financial report for the six months ended 30th June 2011, which comprises the consolidated income statement, the consolidated statement of comprehensive income, the consolidated balance sheet, the consolidated statement of changes in equity, the consolidated cash flow statement and related notes. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the financial statements.

Directors' responsibilities

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

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

Our responsibility

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

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial information in the half-yearly financial report for the six months ended 30th June 2011 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

PricewaterhouseCoopers LLP

29 July 2011

7 More London Riverside,
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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.