Interim Report

for the six months to 30 June 2010

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JARDINE LLOYD THOMPSON GROUP PLC

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30th July 2010

JARDINE LLOYD THOMPSON GROUP plc

UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS TO 30th JUNE 2010

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 2010.

Financial Summary

	6 months to 30th June		
	2010 £m	**2009 £m**	**Change**
• Total revenue*	377.8	313.0	21%
• Underlying trading profit **	70.7	57.8	22%
• Profit before tax	70.0	61.3	14%
• Underlying profit before tax **	73.6	59.7	23%
• Diluted Earnings Per Share	27.0p	19.9p	36%
• Underlying diluted Earnings Per Share **	23.6p	19.3p	22%
• Interim Dividend Per Share	8.8p	8.5p	

** Total revenue comprises fees, commissions and investment income*

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

Highlights

- Revenue increase of 21% with organic growth of 6%
- Trading performance for all businesses met or exceeded expectations
- Employee Benefits acquisitions being successfully integrated
- Business transformation programme on track
- Underlying diluted EPS up 22%
- Interim dividend increased to 8.8p from 8.5p

Dominic Burke, Chief Executive, commented:

"Trading activity in the first half of 2010 continued to be encouraging and this, coupled with the increasing benefits from the broad range of investments being made, comprising key hires, acquisitions and systems developments, gives us the confidence that we will continue to make financial progress for the full year."

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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

The Group achieved strong trading results in the six months period ended 30th June 2010. The financial performance including a comparison using constant rates of exchange (CRE) is summarised in the table below. Organic growth is based on fees and commission revenue excluding the impact of currency, acquisitions and disposals. Total revenue comprises fees, commission and investment income.

	1st Half 2010								1st Half 2009	
£m	Total Revenue				Trading Profit		Trading Margin		Trading	
	Actual	Growth	At CRE	Organic	Actual	At CRE	Actual	At CRE	Profit	Margin
Risk & Insurance:										
Retail	132.3	24%	11%	9%	32.5	28.9	25%	24%	21.3	20%
London Market	164.1	11%	4%	5%	42.7	35.0	26%	23%	36.5	25%
	296.4	16%	7%	7%	75.2	63.9	25%	23%	57.8	23%
Employee Benefits	64.8	50%	50%	4%	9.1	9.1	14%	14%	6.2	15%
Thistle Insurance Services	16.6	11%	11%	-	(0.8)	(0.8)	(5%)	(5%)	(0.1)	(1%)
Central costs	-	-	-	-	(12.8)	(12.8)	-	-	(6.1)	-
	377.8	**21%**	**13%**	**6%**	**70.7**	**59.4**	**19%**	**17%**	57.8	18%

	1st Half 2010	1st Half 2009
Underlying trading profit	**70.7**	57.8
Associates after tax	3.5	2.9
Underlying net finance costs	(0.6)	(1.0)
Underlying profit before taxation	**73.6**	59.7
Net exceptional and non-recurring (costs)/gains	(3.6)	1.6
Profit before taxation for the period	**70.0**	61.3
Underlying tax expense	(20.4)	(17.7)
Non-recurring tax credit	11.0	(0.1)
Non-controlling interests	(2.0)	(1.0)
Profit after taxation and non-controlling interests	**58.6**	42.5
Underlying profit after taxation and non-controlling interests	**51.2**	41.1
Diluted earnings per share	**27.0p**	19.9p
Underlying diluted earnings per share	**23.6p**	19.3p

Total revenue increased by 21% to £377.8 million compared to the same period last year, or 13% at CRE, with organic growth of 6%. Total revenue and underlying trading profit now includes investment income on fiduciary funds and prior year comparatives have been amended accordingly. Investment income on fiduciary funds was £2.2 million, compared to £3.3 million for the same period in 2009 reflecting the low interest rate environment.

Underlying trading profit increased by 22% from £57.8 million to £70.7 million or 3% at CRE. The underlying trading margin increased from 18.5% to 18.7%. This incorporates the effect of investments made in the first half of 2010, comprising key hires, acquisitions and systems developments, the benefits of which are expected in the second half of 2010 and more fully in 2011.

The contribution to profit after tax from our associates was higher at £3.5 million, relating mainly to our 20% owned French associate, Siaci Saint Honore.

Underlying profit before tax was £73.6 million, 23% ahead of the same period in 2009.

Profit before tax was £70.0 million compared to £61.3 million in the prior period. This includes net exceptional and non-recurring costs of £3.6 million, comprising our business transformation programme costs of £2.9 million and acquisition integration costs of £2.7 million, offset by other net exceptional and non-recurring gains of £2.0 million.

The total tax expense was £9.4 million, comprising an underlying tax expense of £20.4 million, less a non-recurring tax credit of £11.0 million primarily relating to a re-assessment of the Group's tax position following a successful resolution with tax authorities of several long outstanding tax matters. The underlying tax expense of £20.4 million represents an underlying effective tax rate of 27.8%.

Profit after tax and non-controlling interests increased by £16.1 million to £58.6 million, resulting in diluted earnings per share increasing to 27.0 pence per share compared to 19.9 pence per share for the same period in 2009. This incorporates the impact of exceptional and non-recurring items including the benefit of the non-recurring tax credit.

Underlying profit after tax and non-controlling interests increased by 25% to £51.2 million. Underlying diluted earnings per share increased by 22% to 23.6 pence per share compared to 19.3 pence per share in the same period in 2009.

The Board has declared an increased interim dividend of 8.8 pence per share, up from 8.5 pence per share, which will be paid on 4th October 2010 to shareholders on the register at 3rd September 2010.

The Board will review the final dividend for 2010 in February 2011 after reviewing the 2010 full year performance and outlook.

OPERATIONAL REVIEW

JLT operates three business divisions: Risk & Insurance, representing 78% of revenue; Employee Benefits, representing 17%; and Thistle Insurance Services, our new division, representing 5%. Risk & Insurance comprises the Retail and London Market businesses. The trading performance for all our businesses met or exceeded expectations.

As reported in March, JLT changed the structure of its UK Retail operations from the beginning of the first quarter of 2010 to maximise the benefits of its new Thistle Insurance Services division. The advisory operations of UK Retail, previously reported within Europe Retail, were merged with Jardine Lloyd Thompson Limited. The non-advisory operations of UK Retail were transferred into the Thistle Insurance Services division. The 2009 comparatives have been amended to reflect these changes.

Risk & Insurance

Combined revenue in Risk & Insurance increased by 16% to £296.4 million or 7% at CRE, including organic growth of 7%. Underlying trading profit increased by 30% to £75.2 million in the period, representing an underlying trading margin of 25%, compared to 23% in the same period in 2009.

Retail

Retail revenue grew by 24% to £132.3 million, or 11% at CRE. Organic growth was strong at 9%. The trading margin increased from 20% to 25%.

	1st Half 2010								1st Half 2009	
£m	Total Revenue				Trading Profit		Trading Margin		Trading	
	Actual	Growth	At CRE	Organic	Actual	At CRE	Actual	At CRE	Profit	Margin
Australasia	56.1	24%	2%	2%	17.5	14.4	31%	31%	12.8	28%
Asia	29.7	14%	12%	11%	6.3	6.1	21%	21%	6.2	24%
Latin America	19.9	57%	42%	22%	5.7	5.4	28%	30%	2.1	16%
Canada	13.9	17%	7%	7%	1.8	1.8	13%	14%	0.7	6%
Continental Europe	10.4	20%	22%	24%	1.3	1.3	12%	12%	(0.4)	(5%)
Insurance Management	2.3	(4%)	(2%)	(2%)	(0.1)	(0.1)	(4%)	(4%)	(0.1)	(4%)
	132.3	**24%**	**11%**	**9%**	**32.5**	**28.9**	**25%**	**24%**	21.3	20%

Australasia produced over half the trading profit and performed well. Latin America performed strongly. Canada saw an improved performance in the first half of the year and Asia and Continental Europe also performed well. Following the restructure noted above, the Retail segment now excludes the UK Retail operations.

London Market

Revenue in our London Market businesses increased by 11% to £164.1 million or 4% at CRE. The organic revenue growth was 5%. The trading margin improved to 26% compared to 25% in the prior period.

	1st Half 2010								1st Half 2009	
£m	Total Revenue				Trading Profit		Trading Margin		Trading	
	Actual	Growth	At CRE	Organic	Actual	At CRE	Actual	At CRE	Profit	Margin
JLT Limited	89.6	10%	4%	6%	24.2	20.5	27%	24%	20.6	25%
Lloyd & Partners	34.8	12%	3%	4%	9.4	7.9	27%	24%	7.5	24%
JLT Re	39.7	12%	4%	5%	9.1	6.6	23%	18%	8.4	24%
	164.1	**11%**	**4%**	**5%**	**42.7**	**35.0**	**26%**	**23%**	36.5	25%

Jardine Lloyd Thompson Limited, our London based specialty broker, achieved revenue growth of 10% including creditable organic growth of 6%. The results include the contribution from the advisory UK Retail operations from the beginning of the year and prior year comparatives have been amended accordingly. The trading margin of the whole business improved to 27%. In prior years, the pattern of this business has been that the trading margin has fallen back in the second half but it is still expected to achieve a full year trading profit margin of 20% in 2010, a year earlier than previously forecasted.

Lloyd & Partners, our leading wholesale broking business, achieved 3% growth at CRE, supported in particular by strong performances from the Energy and Cargo business areas. The trading margin improved to 27%.

JLT Re, which comprises our Reinsurance and Aerospace businesses, achieved revenue growth of 12% or 4% at CRE. JLT Re delivered a strong performance from its non-marine businesses in both the UK and USA, partly offset by a decline on the energy side due to less reinsurance being bought by cedents. Nonetheless JLT Re achieved organic growth of 5%. These results reflect significant investments made in the recruitment of additional insurance professionals primarily in Aerospace over the past fifteen months, the full benefit of which has yet to be reflected in the results.

Employee Benefits

Revenue in Employee Benefits increased by 50% in the period comprising organic growth of 4% and acquisition growth of 46%. The trading profit increased by 45% to £9.1 million with a trading margin of 14% compared to 15% for the first half of 2009 reflecting the acquisitions. This is in line with our expectations.

	1st Half 2010					1st Half 2009	
£m	Total Revenue			Trading		Trading	
	Actual	Growth	Organic	Profit	Margin	Profit	Margin
Employee Benefits	**64.8**	**50%**	**4%**	**9.1**	**14%**	6.2	15%

The acquisition growth relates to HSBC Actuaries and Consultants, acquired in December 2009 and iimia Wealth Management, acquired in January 2010. The integration is going to plan and will be substantially completed by the end of the year. The benefits will start to materialise in the second half of 2010 and more fully in 2011.

Thistle Insurance Services

The results of this new division include the non-advisory business transferred from UK Retail. The prior year comparatives have been amended accordingly.

	1st Half 2010					1st Half 2009	
£m	Total Revenue			Trading		Trading	
	Actual	Growth	Organic	Profit	Margin	Profit	Margin
Thistle Insurance Services	**16.6**	**11%**	**-**	**(0.8)**	**(5%)**	(0.1)	(1%)

Thistle operates as an underwriting and distribution company and markets products on a non-advisory basis focusing on small ticket high volume business. It distributes directly, through affinity groups, third party brokers and online. The work to complete the restructure of the non-advisory business in the UK is expected to be completed by the end of the year.

Thistle operated at a trading loss of £0.8 million in the period. This was in line with our expectations and reflects the early stages of its development. This business is gaining momentum and we are starting to develop the business internationally including Australia and Canada.

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 prudent US hedging programme to smooth out the volatility caused by a changing exchange rate on US dollar revenue earned by our London Market businesses. This means our achieved rate is significantly less volatile than the market rate. 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 2010, some 85% of anticipated dollar revenues for 2010 are hedged at an average rate of US$1.55. For 2011 some 80% of dollar revenues are hedged at an average rate of US$1.51, 70% hedged for 2012 at an average rate of US$1.53 and 40% hedged for 2013 at an average rate of US$1.51.

CASH FLOW AND BALANCE SHEET

The balance sheet is funded predominantly by equity of £259.8 million.

Net debt at 30th June 2010 was £102.3 million, reflecting the acquisitions made in the Employee Benefits business. The Group has committed bank facilities equivalent to £258 million to December 2011. The Group benefits from strong banking relationships and is continually reviewing its committed long term debt facilities which we are confident will be successfully refinanced, well ahead of expiry, with new maturities going out at least five years. Gross bank borrowings as at 30th June 2010 were £157 million leaving unutilised committed headroom of approximately £101 million.

Net pension liabilities before deferred taxation increased by £21 million to £109 million, reflecting changes in assumptions used to determine the liabilities, principally a decrease in the discount rate.

BUSINESS TRANSFORMATION PROGRAMME

Our Business Transformation Programme which commenced in 2009 is on track to complete in 2011. The objective is to reduce the cost of doing business by streamlining back office processes whilst also seeking to enhance delivery of the services we provide to clients. We continue to anticipate that the programme will deliver approximately £14 million of recurring annualised cost savings across the Group by 2011, resulting from cumulative one-off costs of £18 million. Due to the material size of this non-recurring expenditure, we are treating the programme costs as exceptional. In 2009, we achieved recurring underlying cost savings of £3 million. In 2010, the additional benefit from the cost savings is forecast to be £8 million. The additional one-off costs in 2010 are forecast to be £8 million comprising some £3 million in the first half and £5 million in the second half of the year.

OUTLOOK

At the time of our Interim Management Statement in April, we stated that we were seeing an increasingly soft insurance rating environment across most sectors. We highlighted that the US domestic insurance market for general property and casualty risks was the softest we have seen since the events of 11th September 2001. At the end of July the situation remains largely unchanged, with the exception of specialty areas of the aviation and offshore energy markets which are not representative of the market as a whole.

The Group's trading performance in the first half of 2010 has been encouraging and this, coupled with the increasing benefits being yielded from the broad range of investments being made in key hires, acquisitions and systems developments, gives the Board confidence that JLT will continue to make financial progress for the full year.

Results follow:

Jardine Lloyd Thompson Group plc
Consolidated Income Statement
Unaudited results for the six months ended 30th June 2010

	Notes	**6 months to 30th June 2010 £'000**	6 months to 30th June 2009 £'000
Fees and commissions	3	**375,552**	309,667
Investment income	3	**2,200**	3,320
Salaries and associated expenses		**(222,372)**	(179,184)
Premises		**(20,046)**	(17,882)
Other operating costs		**(60,989)**	(50,540)
Depreciation, amortisation and impairment charges	4	**(8,167)**	(6,008)
Operating profit	2,3,4	**66,178**	59,373
Analysed as:			
Operating profit before exceptional items		**70,732**	57,773
Group reorganisation and rationalisation costs	4	**(2,879)**	-
Acquisition integration costs	4	**(2,724)**	(369)
Curtailment gain on closure of defined benefit scheme	4	**-**	1,969
Other non-recurring items	4	**1,049**	-
Operating profit	2,3,4	**66,178**	59,373
Finance costs		**(2,834)**	(1,640)
Finance income	4	**3,149**	735
Net finance income/(costs)		**315**	(905)
Share of results of associates after tax and non-controlling interests		**3,521**	2,854
Profit before taxation	3	**70,014**	61,322
Income tax expense	5	**(9,434)**	(17,829)
Profit for the period		**60,580**	43,493
Profit attributable to:			
Shareholders of the Company	3	**58,608**	42,507
Non-controlling interests		**1,972**	986
		60,580	43,493
Earnings per share attributable to the equity holders of the Company during the period (expressed in pence per share)			
Basic earnings per share	7	**27.1p**	20.0p
Diluted earnings per share	7	**27.0p**	19.9p
Dividends per share	6	**8.8p**	8.5p

Jardine Lloyd Thompson Group plc
Consolidated Statement of Comprehensive Income
Unaudited results for the six months ended 30th June 2010

	6 months to 30th June 2010 £'000	6 months to 30th June 2009 £'000
Profit for the period	**60,580**	43,493
Other comprehensive income:		
Actuarial losses recognised in post retirement benefit schemes	**(20,986)**	(61,572)
Taxation thereon	**4,747**	17,382
	(16,239)	(44,190)
Fair value (losses)/gains net of tax:		
- available-for-sale	**(96)**	(37)
- cash flow hedges	**(9,887)**	38,198
Currency translation differences	**1,141**	(16,673)
Other comprehensive income net of tax	**(25,081)**	(22,702)
Total comprehensive income for the period	**35,499**	20,791
Attributable to:		
Shareholders of the Company	**33,527**	19,805
Non-controlling interests	**1,972**	986
	35,499	20,791

Jardine Lloyd Thompson Group plc
Consolidated Balance Sheet
Unaudited as at 30th June 2010

	Notes	**As at 30th June 2010 £'000**	As at 30th June 2009 £'000	As at 31st December 2009 £'000
NET OPERATING ASSETS				
Non-current assets				
Goodwill		**237,131**	203,676	227,627
Intangible assets		**30,137**	19,737	24,701
Property, plant and equipment		**29,021**	25,091	28,445
Investment in associates		**41,547**	39,914	42,050
Available-for-sale financial assets	8	**1,764**	6,716	7,441
Derivative financial instruments	9	**5,375**	16,297	7,605
Employee benefit trusts		**416**	410	462
Deferred tax assets		**56,658**	33,689	43,637
Retirement benefit surpluses	13	**-**	530	-
		402,049	346,060	381,968
Current assets				
Trade and other receivables	10	**286,773**	230,442	231,692
Derivative financial instruments	9	**3,043**	5,512	6,791
Available-for-sale financial assets	8	**56,320**	5,051	74,164
Cash and cash equivalents	11	**516,671**	571,146	437,218
		862,807	812,151	749,865
Current liabilities				
Borrowings		**(1,578)**	(2,170)	(1,043)
Trade and other payables	12	**(677,938)**	(672,083)	(633,909)
Derivative financial instruments	9	**(4,178)**	(1,950)	(2,977)
Current tax liabilities		**(7,833)**	(15,678)	(11,100)
Provisions for liabilities and charges	14	**(11,276)**	(19,337)	(21,828)
		(702,803)	(711,218)	(670,857)
Net current assets		**160,004**	100,933	79,008
Non-current liabilities				
Borrowings		**(158,098)**	(112,747)	(99,001)
Derivative financial instruments	9	**(7,341)**	(692)	(773)
Deferred tax liabilities		**(17,231)**	(4,896)	(17,140)
Retirement benefit obligations	13	**(109,117)**	(86,625)	(87,893)
Provisions for liabilities and charges	14	**(10,471)**	(18,188)	(16,735)
		(302,258)	(223,148)	(221,542)
		259,795	223,845	239,434
TOTAL EQUITY				
Capital and reserves attributable to the Company's equity holders				
Ordinary shares		**10,875**	10,691	10,776
Share premium	15	**92,301**	78,470	84,640
Fair value and hedging reserves	15	**(2,093)**	13,459	7,890
Exchange reserves	15	**30,977**	20,725	29,836
Retained earnings		**119,036**	95,229	99,532
Shareholders' equity		**251,096**	218,574	232,674
Non-controlling interests		**8,699**	5,271	6,760
		259,795	223,845	239,434

Jardine Lloyd Thompson Group plc
Consolidated Statement of Changes in Equity
Unaudited results for the six months ended 30th June 2010

For the 6 months to 30th June 2010	**Share capital £'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**
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**
Net (losses)/gains recognised directly in equity	**-**	**(8,842)**	**(16,239)**	**(25,081)**	**528**	**(24,553)**
Profit for the period	-	-	58,608	**58,608**	1,972	**60,580**
Total recognised income and expense 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**
Transactions in subsidiaries with non-controlling interests	-	-	(131)	**(131)**	411	**280**
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**

For the 6 months to 30th June 2009	Share capital £'000	Other reserves £'000	Retained earnings £'000	Shareholders' equity £'000	Non-controlling interests £'000	Total equity £'000
Balance as at 1st January 2009	10,676	90,034	126,456	227,166	5,333	232,499
Actuarial gains recognised in post retirement benefit schemes	-	-	(44,190)	(44,190)	-	(44,190)
Fair value (losses)/gains net of tax						
- available-for-sale	-	(37)	-	(37)	-	(37)
- cash flow hedges	-	38,198	-	38,198	-	38,198
Currency translation differences	-	(16,673)	-	(16,673)	(718)	(17,391)
Net gains/(losses) recognised directly in equity	-	21,488	(44,190)	(22,702)	(718)	(23,420)
Profit for the period	-	-	42,507	42,507	986	43,493
Total recognised income and expense for the period	-	21,488	(1,683)	19,805	268	20,073
Dividends paid	-	-	(25,491)	(25,491)	(330)	(25,821)
Shares acquired by the Employee Benefit Trust	-	-	(9,345)	(9,345)	-	(9,345)
Reversal of amortisation in respect of share based payments	-	-	5,292	5,292	-	5,292
Issue of share capital	15	1,132	-	1,147	-	1,147
Balance as at 30th June 2009	10,691	112,654	95,229	218,574	5,271	223,845

Jardine Lloyd Thompson Group plc
Consolidated Statement of Cash Flows
Unaudited results for the six months ended 30th June 2010

	Notes	**6 months to 30th June 2010 £'000**	6 months to 30th June 2009 £'000
Cash flows from operating activities			
Cash (used)/generated from operations	17	**(5,062)**	19,207
Interest paid		**(1,727)**	(1,428)
Interest received		**5,320**	4,383
Taxation paid		**(8,598)**	(14,665)
Increase in net insurance broking creditors		**56,206**	65,680
Net cash from operating activities		**46,139**	73,177
Cash flows from investing activities			
Purchase of property, plant and equipment		**(5,012)**	(2,974)
Purchase of intangible fixed assets		**(9,614)**	(7,400)
Proceeds from sale of property, plant and equipment		**325**	233
Proceeds from sale of intangible fixed assets		**80**	33
Acquisition of businesses, net of cash acquired	18	**(7,353)**	(7,741)
Acquisition of associated undertakings		**(187)**	-
Purchase of available-for-sale other investments		**(71)**	(711)
Proceeds from disposal of available-for-sale other investments		**-**	27
Net cash used in investing activities		**(21,832)**	(18,533)
Cash flows from financing activities			
Dividends paid to company's shareholders		**(27,091)**	(25,068)
Net cash flows from investments and deposits		**23,681**	(162)
Purchase of investments by the Employee Benefit Trust		**(8,627)**	(9,345)
Proceeds from issuance of ordinary shares		**7,760**	1,147
Net increase in borrowings		**59,471**	44,405
Dividends paid to non-controlling interests		**(972)**	(330)
Net cash from financing activities		**54,222**	10,647
Net increase in cash and cash equivalents		**78,529**	65,291
Cash and cash equivalents at beginning of period		**437,218**	511,495
Exchange gains/(losses) on cash and cash equivalents		**924**	(5,640)
Cash and cash equivalents at end of the period		**516,671**	571,146

1. Accounting policies

Basis of accounting

The condensed consolidated interim financial statements for the six months ended 30th June 2010 have been prepared 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 2009, which have been prepared in accordance with International Financial Reporting Standards (IFRS).

The unaudited results for the six months ended 30th June 2010 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 2009 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.

The financial information for the year ended 31st December 2009 relating to the Group set out above has been extracted from the full audited accounts of the Company for that period. Such financial information does not constitute statutory accounts of the Company for that period within the meaning of section 434 of the Companies Act 2006.

Consolidated statutory accounts for the Company for that period, upon which the auditors have given an unqualified report and which did not contain any statement under section 498 of the Act, have been delivered to the Registrar of Companies.

The accounting policies are consistent with those of the annual financial statements for the year ended 31st December 2009, except as described below.

Full details of the audited accounts and accounting policies for the year ended 31st December 2009 are available at www.jltgroup.com.

New and amended standards adopted by the Group

The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1st January 2010.

IFRS 3 (revised), 'Business combinations', and consequential amendments to IAS 27, 'Consolidated and separate financial statements', IAS 28, 'Investments in associates', and IAS 31, 'Interests in joint ventures', are effective prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1st July 2009.

The revised standard continues to apply the acquisition method to business combinations but with some significant changes compared with IFRS 3. For example, all payments to purchase a business are recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the income statement. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs are expensed.

As the Group has adopted IFRS 3 (revised), it is required to adopt IAS 27 (revised), 'Consolidated and separate financial statements', at the same time. IAS 27 (revised) requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in the income statement.

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2. Alternative income statement

The format of the Consolidated Income Statement on page 10 conforms with 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.

	6 months to 30th June 2010		
	Underlying result £'000	**Exceptional and non-recurring 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 (Operating profit)	**70,732**	**(4,554)**	**66,178**
Net finance costs	**(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**

	6 months to 30th June 2009		
	Underlying result £'000	Exceptional and non-recurring items £'000	Total £'000
Fees and commissions	309,667	-	309,667
Investment income	3,320	-	3,320
Salaries and associated expenses	(180,926)	1,742	(179,184)
Premises	(17,817)	(65)	(17,882)
Other operating costs	(50,463)	(77)	(50,540)
Depreciation, amortisation and impairment	(6,008)	-	(6,008)
Trading profit (Operating profit)	57,773	1,600	59,373
Net finance costs	(905)	-	(905)
Share of results of associates after tax and non-controlling interests	2,854	-	2,854
Profit before taxation	59,722	1,600	61,322

3. Segment information

Management has determined the operating segments based on the reports reviewed by the strategic steering committee 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 business segment provides solutions to Affinities, SME and UK retail markets via its own business units as well as third party brokers, mainly through open-market placements, delegated authorities and Managed General Underwriting 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 minority 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 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 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 Honore) which operates principally in France. Although the investment and the company share of Newstone's net profit are excluded from the segmental analysis of assets and revenue, they are shown separately in conjunction with data from the Head Office & Other segment together with the investment and results from JLT RE Brasil, Administracao e Corretagem de Resseguros Ltda and Sterling Re, Intermediario de Reaseguro, SA de CV. Group companies also own a number of small associates in Asia, which are included in the Retail segment.

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

Comparatives for 2009 have been amended to reflect that Thistle Insurance Services is now shown as a separate segment. This is in order to better reflect management reporting. There is no change in the reported results.

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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	64,790	16,468	-	-	**375,552**
Investment income	739	1,379	1	80	1	-	**2,200**
Total revenue	**164,155**	**132,257**	**64,791**	**16,548**	**1**	**-**	**377,752**
Operating profit	41,267	31,249	5,822	(997)	(11,163)	-	**66,178**
Net finance costs	-	-	-	-	-	315	**315**
Share of results of associates after tax and non-controlling interests	-	-	-	-	3,521	-	**3,521**
Profit before taxation	**41,267**	**31,249**	**5,822**	**(997)**	**(7,642)**	**315**	**70,014**
Income tax expense	-	-	-	-	-	(9,434)	**(9,434)**
Non-controlling interests	-	-	-	-	-	(1,972)	**(1,972)**
Profit for the period	**41,267**	**31,249**	**5,822**	**(997)**	**(7,642)**	**(11,091)**	**58,608**
Segment assets	613,232	289,639	97,626	101,927	8,621	-	**1,111,045**
Investment in associates	-	-	-	-	41,547	-	**41,547**
Unallocated assets	-	-	-	-	-	112,264	**112,264**
Total assets	**613,232**	**289,639**	**97,626**	**101,927**	**50,168**	**112,264**	**1,264,856**
Segment liabilities	(433,464)	(167,655)	(34,754)	(40,902)	(141,925)	-	**(818,700)**
Unallocated liabilities	-	-	-	-	-	(186,361)	**(186,361)**
Total liabilities	**(433,464)**	**(167,655)**	**(34,754)**	**(40,902)**	**(141,925)**	**(186,361)**	**(1,005,061)**
Other segment items							
Capital expenditure	**5,633**	**2,569**	**299**	**1,422**	**4,703**	**-**	**14,626**
Depreciation, amortisation and impairment	**451**	**2,603**	**1,693**	**421**	**2,999**	**-**	**8,167**

3. Segment information cont'd

6 months to 30th June 2009	London Market £'000	Retail £'000	Employee Benefits £'000	Thistle Insurance Services £'000	Head Office & Other £'000	Unallocated £'000	Total £'000
Fees and commissions	146,323	105,541	43,113	14,697	(7)	-	309,667
Investment income	1,900	1,249	7	162	2	-	3,320
Total revenue	148,223	106,790	43,120	14,859	(5)	-	312,987
Operating profit	36,033	22,791	6,778	(85)	(6,144)	-	59,373
Net finance costs	-	-	-	-	-	(905)	(905)
Share of results of associates after tax and non-controlling interests	-	(16)	-	-	2,870	-	2,854
Profit before taxation	36,033	22,775	6,778	(85)	(3,274)	(905)	61,322
Income tax expense	-	-	-	-	-	(17,829)	(17,829)
Non-controlling interests	-	-	-	-	-	(986)	(986)
Profit for the period	36,033	22,775	6,778	(85)	(3,274)	(19,720)	42,507
Segment assets	586,536	237,694	55,606	101,317	54,089	-	1,035,242
Investment in associates	-	(54)	-	-	39,968	-	39,914
Unallocated assets	-	-	-	-	-	83,055	83,055
Total assets	586,536	237,640	55,606	101,317	94,057	83,055	1,158,211
Segment liabilities	(448,485)	(146,400)	(18,208)	(44,263)	(139,808)	-	(797,164)
Unallocated liabilities	-	-	-	-	-	(137,202)	(137,202)
Total liabilities	(448,485)	(146,400)	(18,208)	(44,263)	(139,808)	(137,202)	(934,366)
Other segment items							
Capital expenditure	1,294	1,580	2,708	249	4,543	-	10,374
Depreciation, amortisation and impairment	455	2,343	469	326	2,415	-	6,008

4. Operating profit

The following items have been (credited)/charged in arriving at operating profit:	6 months to 30th June 2010 £'000	6 months to 30th June 2009 £'000
Foreign exchange (gains)/losses:		
- fees and commissions	(28)	12,428
- other operating costs	493	90
	465	12,518
Amortisation of intangible assets:		
- software costs	3,058	1,271
- other intangible assets	259	300
Depreciation on property, plant and equipment	4,850	4,437
Total depreciation, amortisation and impairment charges	8,167	6,008
Amortisation of intangible assets:		
- employment contract payments (included in salaries and associated expenses)	1,819	1,281
Loss on disposal of property, plant and equipment	121	33
Available-for-sale financial assets:		
- fair value losses/(gains)	40	(27)
- gain on sale	(1)	(16)
	39	(43)
Exceptional items:		
Business transformation programme of which:		
- included in salaries and associated expenses	2,064	-
- included in premises costs	9	-
- included in other operating costs	806	-
	2,879	-
Acquisition integration costs of which:		
- included in salaries and associated expenses	2,290	227
- included in premises costs	161	65
- included in other operating costs	273	77
	2,724	369
Deferred consideration in respect of 2006 sale of US businesses	(1,631)	-
Loss on Mexico restructuring	582	-
Net curtailment gain on Irish pension scheme:		
- curtailment gain	-	(2,047)
- professional fees	-	78
	-	(1,969)
Total exceptional items included within operating profit	4,554	(1,600)
Interest receivable in respect of non-recurring tax credit - included within Finance income	(936)	-
Total exceptional and non-recurring items	3,618	(1,600)

5. Income tax expense

	6 months to 30th June 2010 £'000	6 months to 30th June 2009 £'000
Current tax expense		
Current year	**16,149**	16,543
(Over)/under provided in prior periods	**(6,109)**	418
	10,040	16,961
Deferred tax expense		
Origination and reversal of temporary differences	**4,307**	1,908
Reduction in tax rate	**3**	194
Benefit of tax losses recognised	**-**	(209)
Adjustments in respect of prior period losses	**(4,916)**	(1,025)
	(606)	868
Total income tax expense in income statement	**9,434**	17,829

The total income tax expense in the income statement of £9,434,000 includes non-recurring tax credits of £10,265,000 (2009: £nil) in addition to the underlying tax charge and tax on other exceptional and non-recurring items. The non-recurring tax credits relate to the release of tax provisions of £5,152,000 following the settlement of outstanding tax issues with the tax authorities and £5,113,000 relating to the release of a deferred tax liability in respect of overseas earnings which are no longer expected to be repatriated in the foreseeable future.

The UK Government has announced various measures in relation to UK corporation taxes, including a 1% deduction in the headline rate of corporation tax from April 2011 and in each of the three subsequent years, to reduce the UK tax rate from 28% to 24%. These measures are not substantively enacted as at 30th June 2010 and therefore the impact of the changes has not been incorporated into the income tax charge. Only the first rate reduction is expected to be enacted by the date of this results announcement. The impact of a 1% and cumulative 4% rate reduction in the deferred tax balances as at 30th June 2010 would result in the following charges:

	1% rate change £'000	**Cumulative 4% rate change £'000**
Impact on income statement	**201**	**804**
Impact on reserves	**946**	**3,784**

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 2010 £'000	6 months to 30th June 2009 £'000
Profit before tax	**70,014**	61,322
Tax calculated at UK Corporation Tax rate of 28% (2009: 28%)	**19,604**	17,170
Non-deductible expenses	**1,123**	2,074
Share based payments	**-**	(111)
Other adjustments to taxable profit	**807**	(95)
Adjustments to tax charge in respect of prior periods	**(11,025)**	(594)
Effect of UK and non-UK tax rate differences	**(79)**	240
Tax on associates	**(996)**	(855)
Total income tax expense	**9,434**	17,829

6. Dividends

	6 months to 30th June 2010 £'000	6 months to 30th June 2009 £'000
Final dividend in respect of 2009 of 12.5p per share (2008: 12.0p)	**27,130**	25,491

An interim dividend in respect of 2010 of 8.8p per share (2009: 8.5p) amounting to £19,138,000 (2009: £18,071,000) is payable on 4th October 2010 to shareholders who are registered at the close of business on 3rd September 2010. This dividend will not be accounted for until it is paid. The ex-dividend date will be 1st September 2010.

7. Earnings per share

Basic earnings per share are calculated by dividing the profit attributable to shareholders by the weighted average number of ordinary shares in issue during the period, excluding unallocated shares held by the Trustees of the Employees' Share Ownership Plan Trust.

Diluted earnings per share are calculated by adjusting the weighted average number of ordinary shares in issue to take account of the potential dilutive effect of outstanding share options.

Additional basic and diluted earnings per share are also calculated based on underlying earnings attributable to shareholders. A reconciliation of earnings is set out below:

	6 months to 30th June 2010 No. of shares	6 months to 30th June 2009 No. of shares
Weighted average number of ordinary shares in issue	**216,204,291**	212,290,379
Effect of outstanding share options	**978,696**	909,163
Weighted average number of shares for diluted earnings per share	**217,182,987**	213,199,542

	2010			2009		
Earnings reconciliation	**£'000**	**Basic pence per share**	**Diluted pence per share**	£'000	Basic pence per share	Diluted pence per share
Underlying profit after taxation and non-controlling interest	**51,201**	**23.7**	**23.6**	41,050	19.3	19.3
Exceptional and non-recurring items before tax	**(3,618)**			1,600		
Taxation charge on exceptional and non-recurring items	**760**			(143)		
Non-recurring tax credit	**10,265**			-		
	7,407	**3.4**	**3.4**	1,457	0.7	0.6
Profit attributable to shareholders	**58,608**	**27.1**	**27.0**	42,507	20.0	19.9

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, which consist mainly of Bonds, Commercial Paper and Fixed 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 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**
Analysis of available-for-sale financial assets			
Non-current	1,764	-	**1,764**
Current	-	56,320	**56,320**
At 30th June 2010	**1,764**	**56,320**	**58,084**
Analysis of available-for-sale investments and deposits			
Fiduciary		56,320	
Own funds		-	
At 30th June 2010		**56,320**	

For the 6 months ended 30th June 2009	Other investments £'000	Investments & deposits £'000	Total £'000
At 1st January 2009	798	10,158	10,956
Exchange differences	(11)	107	96
Additions	711	-	711
Disposals/maturities	(11)	-	(11)
Revaluation deficit (included within equity)	29	(14)	15
At 30th June 2009	1,516	10,251	11,767
Analysis of available-for-sale financial assets			
Non-current	1,516	5,200	6,716
Current	-	5,051	5,051
At 30th June 2009	1,516	10,251	11,767
Analysis of available-for-sale investments and deposits			
Fiduciary		10,231	
Own funds		20	
At 30th June 2009		10,251	

9. Derivative financial instruments

	As at 30th June 2010		As at 30th June 2009	
	Assets £'000	**Liabilities £'000**	Assets £'000	Liabilities £'000
Forward foreign exchange contracts - cash flow hedges	**8,418**	**(11,519)**	21,809	(2,642)
Current	**3,043**	**(4,178)**	5,512	(1,950)
Non-current	**5,375**	**(7,341)**	16,297	(692)
Total	**8,418**	**(11,519)**	21,809	(2,642)

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 forward rate agreements to manage the risks arising from variations in currency and interest earnings that arise from movements in exchange and interest rates. Derivative instruments purchased are primarily denominated in the currencies of the Group's main markets.

Where forward foreign exchange contracts have been entered into in order to manage currency risk, they are designated as hedges of currency risk on specific future cash flows, which qualify as highly probable transactions for which hedge accounting has been used. The Group anticipates that hedge accounting criteria will continue to be met on its foreign currency and interest rate hedging activities and that no material ineffectiveness will arise which will give rise to timing issues on gains and losses being recognised through the profit and loss account.

The fair value after tax of financial derivatives based upon market values as at 30th June 2010 and designated as effective cash flow hedges was a liability of £2,310,000 and has been deferred in equity (2009: asset of £13,106,000). Gains and losses arising on derivative financial instruments outstanding as at 30th June 2010 will be released to the income statement at various dates up to 42 months from the balance sheet date. 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 2010 the Group had outstanding forward foreign exchange contracts, including foreign currency collars, principally in USD, amounting to a principal value of £569,226,518 (2009: £447,793,839).

b) Interest rate swaps and forward rate agreements

The Group uses interest rate hedges, principally interest rate swaps, to mitigate the impact upon interest earnings and expense of changes in interest rates. The notional principal amounts of outstanding interest rate swaps and FRAs as at 30th June 2010 was nil (2009: USD nil).

c) Price risk

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

10. Trade and other receivables

	As at 30th June 2010 £'000	As at 30th June 2009 £'000
Trade receivables	**212,883**	170,196
Provision for impairment of trade receivables	**(10,811)**	(12,260)
Trade receivables - net	**202,072**	157,936
Other debtors	**60,460**	55,344
Prepayments	**24,241**	17,162
	286,773	230,442

11. Cash and cash equivalents

	As at 30th June 2010 £'000	As at 30th June 2009 £'000
Cash at bank and on hand	**157,387**	134,943
Short-term bank deposits	**359,284**	436,203
	516,671	571,146
Fiduciary	**459,321**	517,318
Own funds	**57,350**	53,828
	516,671	571,146

The effective interest rate and average maturity in respect of short term deposits was 0.84% (2009: 0.88%). These deposits have an average maturity of 24 days (2009: 25 days).

12. Trade and other payables

	As at 30th June 2010 £'000	As at 30th June 2009 £'000
Insurance creditors	**515,641**	527,569
Social security and other taxes	**11,505**	10,858
Other creditors	**87,827**	82,038
Accruals and deferred income	**62,965**	51,618
	677,938	672,083

13. 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 that operate on a funded basis. The principal 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. With effect from 31st December 2009 the participation in the Jardine Matheson Executive Staff Retirement Plan, the Jardine Matheson Resident Staff Retirement Plan and the Menu Plan sections of the Jardine Matheson Group Retirement Plan in Hong Kong ceased and the schemes were closed.

The charge for retirement benefit costs is as follows:

	6 months ended 30th June 2010			6 months ended 30th June 2009		
	UK £'000	**Overseas £'000**	**Total £'000**	UK £'000	Overseas £'000	Total £'000
Defined benefit schemes	(522)	(123)	**(645)**	(28)	1,760	1,732
Defined contribution schemes	(6,825)	(4,996)	**(11,821)**	(5,409)	(4,496)	(9,905)
Loss before taxation	**(7,347)**	**(5,119)**	**(12,466)**	(5,437)	(2,736)	(8,173)

	UK Scheme		**Overseas Schemes**		**Total**	
	6 months ended 30th June 2010 £'000	6 months ended 30th June 2009 £'000	**6 months ended 30th June 2010 £'000**	6 months ended 30th June 2009 £'000	**6 months ended 30th June 2010 £'000**	6 months ended 30th June 2009 £'000
Service cost	**-**	-	**-**	(204)	**-**	(204)
Settlement/curtailment	**-**	-	**-**	2,047	**-**	2,047
Total (included within salaries and associated expenses)	**-**	-	**-**	1,843	**-**	1,843
Interest cost	**(13,365)**	(11,937)	**(1,495)**	(1,667)	**(14,860)**	(13,604)
Expected return on assets	**12,843**	11,909	**1,372**	1,584	**14,215**	13,493
Total (included within finance costs)	**(522)**	(28)	**(123)**	(83)	**(645)**	(111)
(Loss)/profit before taxation	**(522)**	(28)	**(123)**	1,760	**(645)**	1,732

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.

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 2010	UK Scheme £'000	UK Scheme %	Overseas Schemes £'000	Overseas Schemes %	Total £'000
Actual return less expected return on Scheme assets	**791**		**(1,485)**		**(694)**
% of period end market value of Scheme assets		**0.2%**		**(3.9%)**	
Experience losses arising on Scheme liabilities (1)	**-**		**(185)**		**(185)**
% of period end present value of Scheme liabilities (1)		**-**		**(0.3%)**	
Changes in assumptions underlying the present value of the Scheme liabilities	**(16,173)**		**(3,934)**		**(20,107)**
% of period end present value of Scheme liabilities		**(3.2%)**		**(6.6%)**	
Actuarial loss recognised in reserves (2)	**(15,382)**		**(5,604)**		**(20,986)**
% of period end present value of Scheme liabilities		**(3.1%)**		**(9.4%)**	

	UK Scheme		Overseas Schemes		Total	
	2010 £'000	2009 £'000	**2010 £'000**	2009 £'000	**2010 £'000**	2009 £'000
Defined benefit liability						
Present value of funded obligations	**(499,837)**	(431,381)	**(59,728)**	(54,348)	**(559,565)**	(485,729)
Fair value of plan assets	**412,307**	360,150	**38,141**	39,484	**450,448**	399,634
Net liability recognised in the balance sheet	**(87,530)**	(71,231)	**(21,587)**	(14,864)	**(109,117)**	(86,095)

	UK Scheme		Overseas Schemes		Total	
	2010 £'000	2009 £'000	**2010 £'000**	2009 £'000	**2010 £'000**	2009 £'000
Reconciliation of defined benefit liability						
Opening defined benefit liability	**(71,626)**	(10,946)	**(16,267)**	(18,345)	**(87,893)**	(29,291)
Exchange differences	**-**	-	**(352)**	2,234	**(352)**	2,234
Pension expense	**(522)**	(28)	**(123)**	1,760	**(645)**	1,732
Employer contributions	**-**	101	**759**	701	**759**	802
Total loss recognised in reserves (2)	**(15,382)**	(60,358)	**(5,604)**	(1,214)	**(20,986)**	(61,572)
Net liability recognised in the balance sheet	**(87,530)**	(71,231)	**(21,587)**	(14,864)	**(109,117)**	(86,095)

	Total	
	2010 £'000	2009 £'000
Defined obligation recognised in the balance sheet		
Retirement benefit surpluses	**-**	530
Retirement benefit obligations	**(109,117)**	(86,625)
	(109,117)	(86,095)

(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

14. Provisions for liabilities and charges

	Property related provisions £'000	**Litigation provisions £'000**	**Deferred consideration £'000**	**Other £'000**	**Acquisition integration provisions £'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 period	(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**

	Property related provisions £'000	Litigation provisions £'000	Deferred consideration £'000	Other £'000	Acquisition integration provisions £'000	Total £'000
At 1st January 2009	8,556	17,364	7,870	-	428	34,218
Exchange adjustment	(13)	(153)	(204)	-	-	(370)
Adjustment to gross basis	-	(5)	-	-	-	(5)
Utilised in the period	(1,021)	(1,817)	(770)	-	10	(3,598)
Charged/(credited) to the Income Statement	365	2,625	(36)	-	(65)	2,889
Interest charge	71	-	21	-	9	101
Acquisitions	-	-	4,290	-	-	4,290
At 30th June 2009	7,958	18,014	11,171	-	382	37,525

	As at 30th June 2010 £'000	As at 30th June 2009 £'000
Analysis of total provisions:		
Non-current - to be utilised in more than one year	**10,471**	18,188
Current - to be utilised within one year	**11,276**	19,337
	21,747	37,525

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 2014 and 2016 respectively.

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 2010, in connection with certain litigation matters, the Group's litigation provisions include an amount of £0.1 million (2009: £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 2010 (2009: 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.

Acquisition integration provisions

Such provisions represent costs expected to be incurred as a result of combining and restructuring operations following an acquisition. These costs are not associated with the ongoing activities of the company.

In accordance with the requirements of IAS 37 the Group, has discounted certain provisions to their present value. The discount rate applied to each provision is appropriate to the nature of the provision and the location in which the liability occurs. The interest charge represents the unwinding of the provision discounting and has been included as part of Finance costs within the Consolidated Income Statement.

Other

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

15. Other reserves

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**

Jardine Lloyd Thompson Group plc
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For the six months ended 30th June 2010

15. Other reserves cont'd

For the 6 months to 30th June 2009	Share premium £'000	Fair value & hedging reserves £'000	Exchange reserves £'000	Total other reserves £'000
Balance at 1st January 2009	77,338	(24,702)	37,398	90,034
Fair value (losses)/gains net of tax				
- available-for-sale	-	(37)	-	(37)
- cash flow hedges	-	38,198	-	38,198
Currency translation differences	-	-	(16,673)	(16,673)
Net gains/(losses) recognised directly in equity	-	38,161	(16,673)	21,488
Issue of share capital	1,132	-	-	1,132
Balance at 30th June 2009	78,470	13,459	20,725	112,654

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 (2009: nil).

17. Cash generated from operations

Cash flows from operating activities	**6 months to 30th June 2010 £'000**	6 months to 30th June 2009 £'000
Profit before taxation	**70,014**	61,322
Investment income receivable	**(5,349)**	(4,028)
Interest payable on bank loans and finance leases	**1,725**	1,427
Fair value losses/(gains) on financial instruments	**40**	(27)
Pension financing net expense	**645**	111
Unwinding of provision discounting	**424**	102
Depreciation	**7,907**	5,708
Amortisation of intangible assets	**2,078**	1,581
Amortisation of share based payments	**5,725**	5,292
Amortisation of Employee Benefit Trust	**24**	175
Loss/(profit) on disposal of fixed asset investments	**121**	(16)
Profit on disposal of current asset investments	**(1)**	-
Loss on disposal of property, plant and equipment	**-**	33
Share of results of associates undertakings	**(3,521)**	(2,854)
Non-cash exceptional items	**598**	-
Pension curtailment gain	**-**	(2,047)
Increase in trade and other receivables	**(53,497)**	(21,391)
Decrease in trade and other payables - excluding insurance broking balances	**(13,478)**	(24,870)
Decrease in provisions for liabilities and charges	**(17,758)**	(714)
Decrease in retirement benefit obligation	**(759)**	(597)
Net cash (outflow)/inflow from operations	**(5,062)**	19,207

18. Business combinations

During the period, the process of finalising the provisional fair values in respect of acquisitions carried out during 2009 has been completed. In addition the deferred consideration booked in 2009 has been revised.

	Revised fair value acquired £'000	Provisional fair value reported at 31st Dec 2009 £'000	Change in fair value £'000
HSBC Actuaries and Consultants Limited	**17,908**	**17,653**	**255**

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

	Revised fair value acquired £'000	Provisional fair value reported at 31st Dec 2009 £'000	Change in fair value £'000
Property, plant and equipment	1,067	1,067	-
Intangible assets	1,580	1,580	-
Trade and other receivables	11,294	11,489	(195)
Cash and cash equivalents			
- own cash	14,804	14,804	-
Trade and other payables	(10,803)	(10,686)	(117)
Current taxation	495	-	495
Deferred taxation	639	542	97
Provisions for liabilities and charges	(1,168)	(1,143)	(25)
	17,908	17,653	255

	Consideration reported at 30th June 2010 £'000	Consideration reported at 31st Dec 2009 £'000	Change in consideration £'000
Purchase consideration	**30,952**	**31,333**	**(381)**

	Consideration reported at 30th June 2010 £'000	Consideration reported at 31st Dec 2009 £'000	Change in consideration £'000
Purchase consideration:			
- cash paid	**27,452**	**27,446**	**6**
- deferred consideration	**3,500**	**3,887**	**(387)**
Total purchase consideration	**30,952**	**31,333**	**(381)**
Less: fair value of net assets acquired	**17,908**	**17,653**	**255**
Goodwill	**13,044**	**13,680**	**(636)**

18. Business combinations cont'd

	Consideration reported at 30th June 2010 £'000	Consideration reported at 31st Dec 2009 £'000	Change in consideration £'000
Purchase consideration settled in cash	**27,452**	**27,446**	**6**
Cash and cash equivalents - own cash in subsidiary acquired	**(14,804)**	**(14,804)**	**-**
Cash outflow on acquisition	**12,648**	**12,642**	**6**

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

	Acquisition Date	Percentage voting rights acquired	Cost £'000
iimia Wealth Management	Jan 2010	100%	**9,510**
Additional investments in existing business	Jan - Jun 2010	-	**117**
			9,627

Acquisition of iimia Wealth Management

On 25th January 2010, the Group announced the acquisition of iimia Wealth Management, a leading private clients consultancy and Discretionary Portfolio Management business. The acquired business contributed revenue of £2,621,000 and a net profit of £399,000 to the Group for the period since acquisition. If the acquisition had taken place on 1st January 2010, the contribution to Group revenue and net profit would have been £3,089,000 and a net profit of £536,000 respectively.

	£'000
Purchase consideration:	
- cash paid	**8,724**
- deferred consideration	**786**
Total purchase consideration	**9,510**
Less: provisional fair value of net assets acquired	**4,108**
Goodwill	**5,402**

18. Business combinations cont'd

The assets and liabilities arising from the acquisition were as follows:	Provisional fair value £'000	Acquiree's carrying amount £'000
Goodwill	-	1,527
Property, plant and equipment	436	436
Intangible assets	809	11
Trade and other receivables	1,383	1,395
Cash and cash equivalents		
- own cash	1,494	1,494
Trade and other payables	(550)	(314)
Current taxation	536	536
	4,108	5,085

	£'000
Purchase consideration settled in cash	8,724
Cash and cash equivalents - own cash in subsidiary acquired	(1,494)
Cash outflow on acquisition	7,230

As at 30th June 2010, the process of reviewing the fair values of assets acquired had not been completed, consequently the fair values stated above are provisional.

Other additional investments

	£'000
Total purchase consideration:	
- cash paid	117
Less: fair value of net assets acquired	56
Recognised in equity	61

18. Business combinations cont'd

The assets and liabilities arising from the acquisition were as follows:	**Fair value £'000**	**Acquiree's carrying amount £'000**
Non-controlling interests	**56**	**56**

	£'000
Purchase consideration settled in cash	**117**
Cash outflow on acquisition	**117**

Group summary of the net assets acquired and goodwill:

	iimia £'000	**Other £'000**	**Total £'000**
Purchase consideration:			
- cash paid	8,724	117	**8,841**
- deferred consideration	786	-	**786**
Total purchase consideration	**9,510**	**117**	**9,627**
Less fair value on acquisition occurring during the period	4,108	56	**4,164**
Less equity movement on transactions with non-controlling interests	-	61	**61**
Goodwill on acquisition occurring during the period	**5,402**	**-**	**5,402**
Impact of revision to fair value adjustment and consideration in relation to acquisitions completed in 2009			**(636)**
Net increase in goodwill			**4,766**

19. 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.

20. 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. Some of these risks are an inherent part of the business, such as currency transaction exposures arising from our London market entities earning a large proportion of their revenues in US dollars. Alternatively there are strategic risks including the failure of business planning and inadequate integration of acquisitions.

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. Monitoring of these controls is carried out internally by the Risk and Compliance function and also forms part of the duties of the Group Audit and Risk Committee.

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 32 to 34 of the Annual Report and Financial Statements for 2009.

21. Post balance sheet event

On 23rd July 2010, JLT entered into an agreement to acquire a 20% shareholding in GrECo Group (GrECo), subject to regulatory approval, for a cash consideration of €17.6m payable on completion together with the transfer to GrECo of JLT's Polish operations (valued at €650,000). GrECo is an insurance broking and employee benefits consultancy based in Central and Eastern Europe.

Statement of Directors' Responsibilities

We confirm that to the best of our knowledge this Interim Report has been prepared in accordance with IAS 34 as adopted by the European Union, and that the interim management report herein includes a fair review of the information required by DTR 4.2.7R and DTR 4.2.8R, namely:

- An indication of important events that have occurred during the first six months and their impact on the Interim Report, 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.

On behalf of the Board

J W Rush
Finance Director

30th July 2010

Independent Review Report to Jardine Lloyd Thompson Group plc

Introduction

We have been engaged by the company to review the consolidated interim financial information in the interim financial report for the half year ended 30 June 2010, 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 statement of cash flows and related notes. We have read the other information contained in the interim financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the consolidated interim financial information.

Directors' responsibilities

The interim financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim 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 consolidated interim financial information included in this interim 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 consolidated interim financial information in the interim 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 consolidated interim financial information in the interim financial report for the six months ended 30 June 2010 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
Chartered Accountants
London

30th July 2010

Notes:

a) The maintenance and integrity of the Jardine Lloyd Thompson Group plc web site 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 interim financial report since it was initially presented on the web site.
b) Legislation in the United Kingdom governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.

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