



JARDINE LLOYD THOMPSON
Group plc

UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS TO 30th JUNE 2008

Jardine Lloyd Thompson Group plc ("JLT" or "the Group") today announces interim results for the six months ended 30th June 2008.

Financial Summary

	<u>6 months to 30th June</u>		
	2008	2007	Change
	£m	£m	
• Fees and commissions	266.2	244.7	9%
• Underlying trading profit *	44.0	40.4	9%
• Profit before tax	53.4	76.6	(30%)
• Underlying profit before tax *	53.4	51.1	4%
• Diluted earnings per share	17.3p	28.4p	(39%)
• Underlying diluted earnings per share *	17.3p	16.0p	8%
• Interim dividend per share	8.5p	8.5p	-

* *Underlying results are before any exceptional items*

Highlights

- Turnover up 9%
- Underlying trading profit up 9%
- Underlying diluted earnings per share up 8%
- Invested over £40m in bolt-on acquisitions since the beginning of 2007
- Strong balance sheet with low net debt

Dominic Burke, Chief Executive, commented:

"These results demonstrate that we have made good progress across the Group, whilst making investments in bolt-on acquisitions and start-up operations. We continue to be firmly on track to deliver sustainable profitable growth despite a challenging global economic and insurance rating environment."

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A presentation to investors and analysts will take place at 9.30am 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 has once again achieved a good trading performance in the first six months period ended 30th June 2008.

Turnover increased by 9% to £266.2 million compared to the same period last year, or 6% at constant rates of exchange (CRE), comprising 4% organic growth and 2% due to acquisitions.

Underlying trading profit also increased by 9% to £44.0 million or 10% at CRE. The underlying trading margin was maintained at 17%. The improved trading performance reflects creditable organic growth, tight cost control and improvements to our operating model.

£m	1st Half 2008							1st Half 2007	
	Turnover			Trading Profit		Trading Margin		Trading	
	Actual	Growth	at CRE	Actual	at CRE	Actual	at CRE	Profit	Margin
Risk & Insurance:									
Retail	110.6	17%	8%	19.2	17.8	17%	17%	17.8	19%
London Market	112.7	2%	4%	24.9	26.7	22%	23%	24.6	22%
	223.3	9%	6%	44.1	44.5	20%	21%	42.4	21%
Employee Benefits	42.9	8%	8%	7.3	7.3	17%	17%	6.6	17%
Central costs	-	-	-	(7.4)	(7.4)	-	-	(8.6)	-
	266.2	9%	6%	44.0	44.4	17%	17%	40.4	17%

Investment income on fiduciary funds was £7.1 million, compared to £8.1 million in 2007 due primarily to lower interest rates on US dollar fiduciary deposits.

The contribution to profit from our 20% owned French associate, Siaci Saint Honore was £2.5 million, compared to £1.7 million for the same period last year.

Underlying profit before tax was £53.4 million, 4% ahead of the same period in 2007 and 5% ahead at CRE. There were no exceptional items in the first six months of 2008. Profit before tax was higher in the first half of 2007 at £76.6 million due to a net exceptional gain which arose from the merger of our associate Siaci with Saint Honore in France, partly offset by exceptional restructuring costs.

Underlying diluted earnings per share increased by 8% to 17.3 pence per share in the period compared to 16.0 pence per share in the same period in 2007. Diluted earnings per share were higher in the first half of 2007 at 28.4 pence due to the net exceptional gain.

The Board has declared an unchanged interim dividend of 8.5p per share to be paid on 6th October 2008 to shareholders on the register at 5th September 2008.

OPERATIONAL REVIEW

Risk & Insurance

Risk & Insurance comprises our retail and London market broking businesses. Combined turnover increased by 9% to £223.3 million or 6% at CRE, comprising 4% organic growth and 2% by acquisition. Underlying trading profit increased by 4% to £44.1 million in the period representing an underlying trading margin of 20% compared to 21% in the same period in 2007.

Retail

Turnover in our retail businesses showed strong growth of 17% to £110.6 million, or 8% at CRE, comprising 4% organic growth and 4% due to acquisitions. The trading margin was 17% compared to 19% for the same period in 2007.

£m	1st Half 2008					1st Half 2007	
	Turnover			Trading		Trading	
	Actual	Growth	at CRE	Profit	Margin	Profit	Margin
Australasia	40.8	22%	7%	11.5	28%	10.1	30%
Asia	19.5	14%	10%	4.4	23%	4.2	25%
Europe	28.8	13%	10%	0.9	3%	2.1	8%
Canada	10.4	21%	9%	1.3	13%	0.8	9%
Latin America	9.3	15%	4%	1.3	13%	1.0	12%
Insurance Management	1.8	6%	6%	(0.2)	(11%)	(0.4)	(21%)
	110.6	17%	8%	19.2	17%	17.8	19%

All territories achieved good revenue growth in very competitive market conditions. Europe, which includes our UK retail business, achieved revenue growth of 13% or 10% at CRE. The trading margin for Europe decreased from 8% to 3% but this is in line with our expectations and is due to a proportional shift in profits into the second half of the year due principally to acquisitions.

London Market

Turnover in our London Market businesses increased by 2% to £112.7 million, or 4% at CRE, comprising 3% organic growth and 1% by acquisition. The trading margin was unchanged at 22% or 23% at CRE.

£m	1st Half 2008								1st Half 2007	
	Turnover			Trading Profit		Trading Margin			Trading	
	Actual	Growth	at CRE	Actual	at CRE	Actual	At CRE	Profit	Margin	
Jardine Lloyd Thompson Limited	61.7	1%	2%	14.2	14.9	23%	24%	13.7	22%	
Lloyd & Partners	25.7	13%	16%	5.4	6.0	21%	23%	4.9	22%	
JLT Re	25.3	(5%)	(3%)	5.3	5.8	21%	23%	6.0	22%	
	112.7	2%	4%	24.9	26.7	22%	23%	24.6	22%	

Jardine Lloyd Thompson Limited, our specialist broking business, achieved modest turnover growth in a challenging market but continued to improve its trading profit margin. Last year's full year trading margin was 14% and the business is targeting a full year trading margin of 20% by 2011 with steady year-on-year improvement.

Lloyd & Partners, our wholesale business, achieved strong revenue growth of 13%, or 16% at CRE, notwithstanding further rate reductions across most classes of insurance. The impact has been particularly felt in Bermuda where soft US insurance markets have attracted business away from the island. The business has begun to benefit from investment in key recruitments in 2007.

JLT Re is comprised of our reinsurance and aviation insurance businesses and has experienced difficult market conditions resulting in a decrease in turnover of 5% or 3% at CRE. For our reinsurance business, in addition to the decline in premium levels achieved by primary carriers, we have also seen significantly increased retentions by insurers across all areas of the account. Against this however, we have continued to make good progress in developing our non-marine portfolio. Turnover in aviation insurance decreased due to a shift by some clients of their renewals into the second half of the year together with the ongoing challenging soft market conditions. In overall terms, it is anticipated that JLT Re will show year-on-year progress over 2007.

Employee Benefits

Turnover in Employee Benefits increased by 8% to £42.9 million comprising 4% organic growth and 4% by acquisition. Trading profit increased by 11% to £7.3 million with an unchanged trading margin of 17%.

£m	1st Half 2008				1st Half 2007	
	Turnover		Trading		Trading	
	Actual	Growth	Profit	Margin	Profit	Margin
UK & Ireland	42.9	8%	7.3	17%	6.6	17%

A number of new clients have been secured and the business continues to expand the range of services provided to clients.

SHARE BUY-BACK

JLT announced a share buy-back programme in November 2007 for the potential purchase of £40 million shares up to 30th June 2008. Since November 2007, the Company has purchased in the market a total of 1,143,131 shares under the share buy-back programme at an average price of 332 pence per share representing a total consideration of £3.8 million. These are held as treasury shares and no purchases have taken place since 17th April 2008. The Company has renewed its authority to make further share purchases up to April 2009, subject to appropriate conditions.

STRATEGY AND CORPORATE DEVELOPMENTS

JLT's strategy is to achieve sustainable growth by organic means and selected bolt-on acquisitions. Creditable organic growth is being achieved by focusing on the commitment to providing service to our clients; greater internal collaboration; specialisation; staff retention and selective recruitment coupled with performance based remuneration; improving productivity through tight cost control and better IT; and investing in low risk start-up operations.

Our start-up businesses are making good progress. The ICAP-JLT joint venture was launched in 2007 and has established itself as the most successful 'neutral' trading platform for insurance linked investments primarily at this juncture in catastrophe swaps. Thistle Underwriters is expected to receive full FSA approval in the second half of 2008 and it is anticipated trading will

commence in January 2009. Pavilion Insurance changed its name to JLTOline and launched Insurantz.com in June 2008. This business distributes online SME insurance products.

Good progress has also been made in the period with an additional five small acquisitions for a total estimated consideration of £15.4 million comprising £10.5 million net cash consideration and £4.9 million deferred consideration. The additional annualised revenue is estimated to be £8.7 million. The largest of these acquisitions was Harman Wicks & Swayne in London, acquired in June, which brings scale and leadership to JLT Re's non-marine reinsurance broking operations and complements its traditional strengths in marine, energy and aviation reinsurance. Due to the pattern of revenues, this acquisition is expected to be profit neutral in 2008 before integration costs which will be predominantly incurred in the second half of 2008.

BOARD AND SENIOR MANAGEMENT CHANGES

The Board is pleased to announce the appointment of John Paynter as a Non-Executive Director with effect from 1st October 2008. Formerly with JP Morgan Cazenove, he became a partner in the firm in 1986 and Head of Corporate Finance in 1995. He became Vice Chairman of the JP Morgan Cazenove investment banking joint venture on its creation in March 2005 and retired on 31st July 2008. We are delighted to welcome John who brings a wealth of senior City experience.

We also announce that William Nabarro, in addition to his role as Commercial Director, has been appointed as International Chairman of Employee Benefits to lead the drive to internationalise this important growth platform for the Group. Additionally, Duncan Howorth has been appointed to the Group Executive Committee as Chief Executive of our UK Employee Benefits business. These appointments reflect the importance of our Employee Benefits business to the Group and its potential.

OUTLOOK

JLT continues to be firmly on track to deliver sustainable profitable growth despite the challenging global economic outlook and the current insurance rating environment. We have a strong financial position and a balanced range of businesses that are well placed for long term growth.

Results follow:

Jardine Lloyd Thompson Group plc
Consolidated Income Statement
Unaudited results for the six months ended 30th June 2008

	Notes	6 months to 30th June 2008 £'000	6 months to 30th June 2007 £'000
Fees and commissions	3	266,187	244,734
Investment income		7,111	8,146
Salaries and associated expenses		(157,371)	(147,471)
Premises		(15,038)	(15,637)
Other operating costs		(44,628)	(11,649)
Depreciation, amortisation and impairment charges	4	(5,352)	(4,236)
Operating Profit	2,3,4	50,909	73,887
Analysed as:			
Operating profit before exceptional items & impairment charges		50,909	48,327
Gain on disposal of investment in associate		-	29,700
Group reorganisation and rationalisation costs		-	(4,140)
Operating Profit		50,909	73,887
Finance costs		(2,945)	(2,043)
Finance income		3,125	3,063
Net finance income		180	1,020
Share of results of associates after tax and minority interests		2,290	1,742
Profit before taxation	3	53,379	76,649
Income tax expense	5	(15,528)	(14,775)
Profit for the period from continuing operations		37,851	61,874
Attributable to:			
Shareholders of the Company	3	37,062	61,231
Minority interests		789	643
		37,851	61,874
Earnings per share			
Basic	7	17.3p	28.5p
Diluted	7	17.3p	28.4p
Dividends per share			
	6	8.5p	8.5p

Jardine Lloyd Thompson Group plc
Consolidated Balance Sheet
Unaudited as at 30th June 2008

		As at 30th June 2008 £'000	As at 30th June 2007 £'000	As at 31st December 2007 £'000
NET OPERATING ASSETS				
Non-current assets				
Goodwill		174,577	152,510	160,010
Intangible assets		12,027	11,867	11,101
Property, plant and equipment		24,999	23,905	24,473
Investment in associates		31,956	26,880	30,250
Available-for-sale financial assets	8	10,270	6,304	1,034
Derivative financial instruments	9	-	948	403
Employee benefit trusts		971	1,848	1,287
Deferred tax assets		25,085	31,471	26,349
Retirement benefit surpluses	13	3,554	-	4,464
		283,439	255,733	259,371
Current assets				
Trade and other receivables	10	214,471	184,284	160,852
Current tax assets		-	2,212	2,881
Derivative financial instruments	9	1,624	6,644	3,890
Available-for-sale financial assets	8	16,192	8,661	11,103
Cash and cash equivalents	11	437,114	361,988	348,659
		669,401	563,789	527,385
Current liabilities				
Borrowings		(1,191)	(2,784)	(2,078)
Trade and other payables	12	(553,001)	(444,366)	(444,508)
Derivative financial instruments	9	(106)	(939)	(730)
Current tax liabilities		(4,788)	-	-
Provisions for liabilities and charges	14	(25,032)	(29,979)	(20,473)
		(584,118)	(478,068)	(467,789)
Net current assets		85,283	85,721	59,596
Non-current liabilities				
Borrowings		(92,943)	(66,842)	(49,509)
Derivative financial instruments	9	(135)	(188)	(97)
Deferred tax liabilities		(8,563)	(9,562)	(6,751)
Retirement benefit obligations	13	(16,509)	(36,911)	(31,856)
Provisions for liabilities and charges	14	(7,072)	(7,364)	(8,291)
		(125,222)	(120,867)	(96,504)
TOTAL EQUITY		243,500	220,587	222,463
Capital and reserves attributable to the Company's equity holders				
Ordinary shares		10,669	10,661	10,667
Share premium		76,847	76,538	76,764
Fair value & hedging reserves		944	5,301	2,681
Exchange reserves		7,486	(3,330)	1,494
Retained earnings		143,542	127,726	127,694
Shareholders' equity	15	239,488	216,896	219,300
Minority interest		4,012	3,691	3,163
		243,500	220,587	222,463

Jardine Lloyd Thompson Group plc
Consolidated Statement of Recognised Income and Expense
Unaudited results for the six months ended 30th June 2008

	6 months to 30th June 2008 £'000	6 months to 30th June 2007 £'000
Actuarial gains recognised in post retirement benefit schemes	2,626	29,619
Taxation thereon	(669)	(9,040)
	1,957	20,579
Fair value losses net of tax		
- available-for-sale	(82)	(496)
- cashflow hedges	(1,655)	(1,201)
Currency translation differences	5,992	740
Net losses recognised directly in equity	6,212	19,622
Profit for the period	37,851	61,874
Total recognised income and expense for the period	44,063	81,496
Attributable to:		
Shareholders of the Company	43,274	80,853
Minority interests	789	643
	44,063	81,496

Jardine Lloyd Thompson Group plc
Consolidated Cash Flow Statement
Unaudited results for the six months ended 30th June 2008

		6 months to 30th June 2008 £'000	6 months to 30th June 2007 £'000
	Notes		
Cash flows from operating activities			
Cash generated from operations	17	4,578	(32,298)
Interest paid		(3,020)	(1,509)
Fair value gains on financial instruments		80	76
Interest received		7,994	9,670
Taxation paid		(4,989)	(8,424)
Increase in net insurance broking creditors		95,949	30,322
		<hr/>	<hr/>
Net cash from/(used in) operating activities		100,592	(2,163)
Cash flows from investing activities			
Purchase of property, plant and equipment		(4,200)	(3,595)
Purchase of intangible fixed assets		(3,574)	(4,321)
Disposal of property, plant and equipment		370	295
Disposal of intangible fixed assets		373	565
Acquisition of businesses, (net of cash acquired)	18	(8,410)	(7,707)
Disposal of business, (net of cash disposed of)	18	732	15,953
Purchase of other investments		-	(226)
Disposal of other investments		11	55
		<hr/>	<hr/>
Net cash (used in)/from investing activities		(14,698)	1,019
Cash flows from financing activities			
Equity dividend paid		(25,396)	(25,493)
Net cash flows from investments and deposits		(13,373)	601
Purchase of investments by Employee Benefit Trust		-	(4,827)
Share buy back programme		(1,070)	-
Issue of ordinary shares		85	1,997
Net increase in borrowings		39,738	41,680
Dividend paid to minority shareholding		(95)	(1,549)
		<hr/>	<hr/>
Net cash (used in)/from financing activities		(111)	12,409
Effects of exchange rate changes		2,672	384
		<hr/>	<hr/>
Net increase in cash and cash equivalents		88,455	11,649
Cash and cash equivalents at beginning of year		348,659	350,339
		<hr/>	<hr/>
Cash and cash equivalents at end of the period		437,114	361,988

Jardine Lloyd Thompson Group plc
Notes to the Interim Report
For the six months ended 30th June 2008

Accounting Policies

1. Basis of accounting

The financial statements for the six months ended 30th June 2008 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 31 December 2007.

The unaudited results for the six months ended 30th June 2008 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 2007 which are in accordance with International Reporting Standards as adopted by the European Union (IFRS).

Taxes on income in the interim period have been accrued using the tax rates that are anticipated to be applicable for the full year result.

The financial information for the year ended 31st December 2007 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 240 of the Companies Act 1985.

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 237 of the Act, have been delivered to the Registrar of Companies.

Full details of the audited accounts and accounting policies for the year ended 31st December 2007 are available at www.jltgroup.com.

Change in accounting policy

IFRS 8, 'Operating segments', effective for annual periods beginning on or after 1 January 2009 has been early adopted in the year beginning 1 January 2008. IFRS 8 replaces IAS 14, 'Segment reporting', and requires a 'management approach' under which segment information is presented on the same basis as that used for internal reporting purposes. This has resulted in an increase in the number of reportable segments presented, as the previously reported Risk & Insurance segment has been split into London Market and Retail segments.

Operating segments are reported in a manner consistent with the internal management reporting.

Comparatives for 2007 have been restated to reflect the revised segmental reporting.

Jardine Lloyd Thompson Group plc
Notes to the Interim Report
For the six months ended 30th June 2008

2. Alternative Income Statement

The format of the consolidated income statement on page 7 conforms to the requirements of IFRS. The alternative income statement set out below, which is provided by way of additional information, has been prepared on a basis that conforms more closely to the approach adopted by the Group in assessing its performance.

	6 months to 30th June 2008			
	Underlying profit £'000	Reclassification £'000	Exceptional items £'000	Total £'000
Continuing operations				
Fees and commissions	266,187	-	-	266,187
Salaries and associated expenses	(157,371)	-	-	(157,371)
Premises	(15,038)	-	-	(15,038)
Other operating costs	(44,636)	8	-	(44,628)
Depreciation, amortisation and impairment charges	(5,142)	(210)	-	(5,352)
Trading profit	44,000	(202)	-	43,798
Investment income	7,111	-	-	7,111
Profit on disposal of fixed asset investments	8	(8)	-	-
Amortisation of other intangibles	(210)	210	-	-
Operating profit	50,909	-	-	50,909
Net finance income	180	-	-	180
Shares of results of associates after tax and minority interests	2,290	-	-	2,290
Profit before taxation	53,379	-	-	53,379
	6 months to 30th June 2007			
	Underlying profit £'000	Reclassification £'000	Exceptional items £'000	Total £'000
Fees and commissions	244,734	-	-	244,734
Salaries and associated expenses	(143,796)	-	(3,675)	(147,471)
Premises	(15,403)	-	(234)	(15,637)
Other operating costs	(41,120)	2	29,469	(11,649)
Depreciation, amortisation and impairment charges	(4,018)	(218)	-	(4,236)
Trading profit	40,397	(216)	25,560	65,741
Investment income	8,146	-	-	8,146
Profit on disposal of fixed asset investments	2	(2)	-	-
Amortisation of other intangibles	(218)	218	-	-
Operating profit	48,327	-	25,560	73,887
Net finance income	1,020	-	-	1,020
Shares of results of associates after tax and minority interests	1,742	-	-	1,742
Profit before taxation	51,089	-	25,560	76,649

Jardine Lloyd Thompson Group plc
Notes to the Interim Report
For the six months ended 30th June 2008

3. Segment Information

Primary reporting format - business segments

Business segments: the Group is organised on a worldwide basis into four main segments: London Market, Retail, Employee Benefits and Head Office & Other operations. The segments are the basis on which the Company reports its primary segment information.

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, employee benefits consultancy and US Group marketing activities. The Head Office & Other segment consists mainly of holding companies, central administration functions, the Group's captive insurance companies and the Group's investment in Newstone Courtage, the holding company of Siaci Saint Honore.

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 Groups own funds and finance costs are excluded since the trading activities of the Group's primary 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 interest charge is also excluded.

Segment assets include:

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

Interest bearing assets (e.g. cash & cash equivalents and investments & deposits) relating to the Groups own funds are excluded from segmental assets.

Segment liabilities include:

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

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

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

Investments in associates: the Group owns 20 per cent 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 Newstones' 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. 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.

Jardine Lloyd Thompson Group plc
Notes to the Interim Report
For the six months ended 30th June 2008

3. Segment Information cont'd

Segment information - primary reporting format reconciliation

6 months to 30th June 2008	London Market £'000	Retail £'000	Employee Benefits £'000	Head Office & Other £'000	Total £'000
Underlying trading profit	24,856	19,232	7,312	(7,400)	44,000
Profit on disposal of fixed asset investments	-	-	-	8	8
Amortisation of other intangibles	(23)	(61)	(126)	-	(210)
Segment result	24,833	19,171	7,186	(7,392)	43,798
Investment income	4,175	2,899	25	12	7,111
Operating profit	29,008	22,070	7,211	(7,380)	50,909
Continuing operations 6 months to 30th June 2007	London Market £'000	Retail £'000	Employee Benefits £'000	Head Office & Other £'000	Total £'000
Underlying trading profit	24,717	17,784	6,584	(8,688)	40,397
Profit on disposal of fixed asset investment	-	2	-	-	2
Amortisation of other intangibles	(33)	(58)	(127)	-	(218)
Exceptional items	(3,908)	(2,676)	(232)	32,376	25,560
Segment result	20,776	15,052	6,225	23,688	65,741
Investment income	5,084	2,871	53	138	8,146
Operating profit	25,860	17,923	6,278	23,826	73,887

Jardine Lloyd Thompson Group plc
Notes to the Interim Report
For the six months ended 30th June 2008

3. Segment Information cont'd

6 months to 30th June 2008	London Market £'000	Retail £'000	Employee Benefits £'000	Head Office & Other £'000	Unallocated £'000	Total £'000
Fees and commissions	112,662	110,626	42,892	7	-	266,187
Segment result	24,833	19,171	7,186	(7,392)	-	43,798
Investment income	4,175	2,899	25	12	-	7,111
Operating profit	29,008	22,070	7,211	(7,380)	-	50,909
Net finance income	-	-	-	-	180	180
Share of results of associates after tax & MI	-	9	-	-	2,281	2,290
Profit before taxation	29,008	22,079	7,211	(7,380)	2,461	53,379
Income tax expense	-	-	-	-	(15,528)	(15,528)
Minority interests	-	-	-	-	(789)	(789)
Profit for the period	29,008	22,079	7,211	(7,380)	(13,856)	37,062
Segment assets	450,812	279,263	58,718	53,320	-	842,113
Associates	-	(24)	-	31,980	-	31,956
Unallocated assets	-	-	-	-	78,771	78,771
Total assets	450,812	279,239	58,718	85,300	78,771	952,840
Segment liabilities	(345,422)	(167,933)	(19,609)	(68,994)	-	(601,958)
Unallocated liabilities	-	-	-	-	(107,382)	(107,382)
Total liabilities	(345,422)	(167,933)	(19,609)	(68,994)	(107,382)	(709,340)
Other segment items						
Capital expenditure	804	3,186	590	2,860	-	7,440
Depreciation, amortisation and impairment	(275)	(2,593)	(507)	(1,977)	-	(5,352)

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3. Segment Information cont'd

6 months to 30th June 2007	London Market £'000	Retail £'000	Employee Benefits £'000	Head Office & Other £'000	Unallocated £'000	Total £'000
Fees and commissions	109,829	94,572	39,579	754	-	244,734
Segment result	20,776	15,052	6,225	23,688	-	65,741
Investment income	5,084	2,871	53	138	-	8,146
Operating profit	25,860	17,923	6,278	23,826	-	73,887
Net finance income	-	-	-	-	1,020	1,020
Share of results of associates after tax & MI	-	2	-	1,740	-	1,742
Profit before taxation	25,860	17,925	6,278	25,566	1,020	76,649
Income tax expense	-	-	-	-	(14,775)	(14,775)
Minority interests	-	-	-	-	(643)	(643)
Profit for the period	25,860	17,925	6,278	25,566	(14,398)	61,231
Segment assets	357,779	236,014	76,427	38,022	-	708,242
Associates	-	2,538	-	24,342	-	26,880
Unallocated assets	-	-	-	-	84,400	84,400
Total assets	357,779	238,552	76,427	62,364	84,400	819,522
Segment liabilities	(259,218)	(155,052)	(14,826)	(89,433)	-	(518,529)
Unallocated liabilities	-	-	-	-	(80,406)	(80,406)
Total liabilities	(259,218)	(155,052)	(14,826)	(89,433)	(80,406)	(598,935)
Other segment items						
Capital expenditure	3,774	2,609	255	1,278	-	7,916
Depreciation, amortisation and impairment	(264)	(2,018)	(483)	(1,471)	-	(4,236)

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4. Operating Profit

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

	6 months to 30th June 2008 £'000	6 months to 30th June 2007 £'000
Foreign exchange (gains)/losses:		
Fees and commissions	(1,821)	(4)
Other operating costs	331	(60)
	<u>(1,490)</u>	<u>(64)</u>
Amortisation of intangible assets:		
- Software costs	926	642
- Other intangible assets	210	218
Depreciation on property, plant and equipment	4,216	3,376
	<u>5,352</u>	<u>4,236</u>
Total depreciation, amortisation and impairment charges		
Amortisation of intangible assets:		
- Employment contract payments (included in salaries and associated expenses)	1,267	1,144
	<u>(32)</u>	<u>(28)</u>
Profit on disposal of property, plant and equipment:		
Available-for-sale financial assets		
- Fair value gains	(215)	(19)
- Gain on sale	(11)	(2)
	<u>(226)</u>	<u>(21)</u>
Exceptional items:		
Reorganisation and redundancy costs of which:		
- included in salaries and associated expenses	-	3,675
- included in premises costs	-	234
- included in other operating costs	-	231
	-	4,140
Sale of associate - Courcelles Participations (included in other operating costs)	-	(29,700)
Total exceptional items	-	(25,560)

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5. Income tax expense

	6 months to 30th June 2008 £'000	6 months to 30th June 2007 £'000
Current tax expense		
Current year	12,412	6,031
Over provided in prior years	155	5
	<hr/> 12,567	<hr/> 6,036
Deferred tax expense		
Origination and reversal of temporary differences	1,594	5,425
Reduction in tax rate	85	682
Benefit of tax losses recognised	1,288	2,618
Prior year losses now recognised	(6)	14
	<hr/> 2,961	<hr/> 8,739
Total income tax expense in income statement	<hr/> 15,528	<hr/> 14,775

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 2008 £'000	6 months to 30th June 2007 £'000
Profit before tax	<hr/> 53,379	<hr/> 76,649
Tax calculated at UK Corporation Tax rate of 28.5% (2007: 30%)	15,213	22,968
Non-deductible expenses	1,245	1,152
Share based payments	(48)	565
Other adjustments to taxable profit *	-	(8,549)
Adjustments to tax charge in respect of prior periods	636	19
Effect of UK and non-UK tax rate differences	(868)	(1,533)
Effect of reduction in UK tax rate	-	675
Tax on associates	(650)	(522)
	<hr/> 15,528	<hr/> 14,775

* The other adjustment to taxable profits for 2007 related to the gain realised on the disposal of the Group's investment in Courcelles Participations that is not subject to tax.

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6. Dividends

	6 months to 30th June 2008 £'000	6 months to 30th June 2007 £'000
Final dividend in respect of 2008 of 12.0p per share (2007: 12.0p)	25,610	25,493
	25,610	25,493

An interim dividend in respect of 2008 of 8.5p per share (2007: 8.5p) amounting to £18,367,000 (2007: £18,283,000) is payable on 6th October 2008 to shareholders who are registered at the close of business on 5th September 2008. This dividend will not be accounted for until it is paid. The ex-dividend date will be 3rd September 2008.

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 year, 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 2008 No. of shares	6 months to 30th June 2007 No. of shares
Weighted average number of ordinary shares in issue	214,276,337	214,745,107
Effect of outstanding share options	137,875	477,450
Adjusted weighted average number of shares	214,414,212	215,222,557

	2008			2007		
	£'000	Basic pence per share	Diluted pence per share	£'000	Basic pence per share	Diluted pence per
<i>Earnings reconciliation</i>						
Underlying profit after taxation and minority interest	37,062	17.3	17.3	34,499	16.1	16.0
Exceptional items	-			25,560		
Taxation credit/(charge) on exceptional items	-			1,172		
	-	-	-	26,732	12.4	12.4
Profit attributable to shareholders	37,062	17.3	17.3	61,231	28.5	28.4

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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, 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 2008

	Other investments £'000	Investments & deposits £'000	Total £'000
At 1st January 2008	846	11,291	12,137
Exchange differences	39	1,137	1,176
Additions	-	22,624	22,624
Disposals	-	(9,251)	(9,251)
Revaluation deficit (included within equity)	(154)	(70)	(224)
At 30th June 2008	731	25,731	26,462

Analysis of available-for-sale financial assets

Non-current	731	9,539	10,270
Current	-	16,192	16,192

At 30th June 2008

731	25,731	26,462
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Analysis of available-for-sale investments & deposits

Fiduciary	25,530
Own funds	201

At 30th June 2008

25,731

For the 6 months ended 30th June 2007

	Other investments £'000	Investments & deposits £'000	Total £'000
At 1st January 2007	2,481	13,231	15,712
Exchange differences	68	323	391
Additions	226	8,527	8,753
Disposals	(53)	(9,128)	(9,181)
Revaluation deficit (included within equity)	(650)	(60)	(710)
At 30th June 2007	2,072	12,893	14,965

Analysis of available-for-sale financial assets

Non-current	2,072	4,232	6,304
Current	-	8,661	8,661

At 30th June 2007

2,072	12,893	14,965
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Analysis of available-for-sale investments & deposits

Fiduciary	12,557
Own funds	336

At 30th June 2007

12,893

Jardine Lloyd Thompson Group plc
Notes to the Interim Report
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9. Derivative financial instruments

	30th June 2008		30th June 2007	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Interest-rate swaps - cash flow hedges	-	(37)	-	(979)
Forward foreign exchange contracts - cash flow hedges	1,624	(204)	7,592	(148)
Total	1,624	(241)	7,592	(1,127)
Current	1,624	(106)	6,644	(939)
Non current	-	(135)	948	(188)
Total	1,624	(241)	7,592	(1,127)

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 to manage currency risk, they are designated as hedges of currency risk on specific future cash flows, which qualify as high 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 2008 and designated as effective cash flow hedges was £1.4m and has been deferred in equity. Gains and losses arising on derivative financial instruments outstanding as at 30th June 2008 will be released to the income statement at various dates up to twenty four 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.

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 2008 the Group had outstanding forward foreign exchange contracts, principally in USD, amounting to a principal value of £142,869,381 (2007: £158,853,853).

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 2008 was GBP 10,000,000 (2007: USD 100,000,000 and GBP 50,000,000).

Interest rate hedges outstanding at 30th June 2008 have GBP fixed interest rates, which hedge GBP LIBOR at 4.5% (2007: USD 4.6% and GBP 4.5%). The weighted average period to maturity is less than 1 month (2007: 9 months). These interest rate swaps are designated and effective as cash flow hedges and the fair value thereof has been deferred in equity.

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 2008 £'000	As at 30th June 2007 £'000
Current receivables and prepayments		
Trade receivables	148,266	130,860
Less: Provision for bad debt	(11,318)	(13,056)
	<hr/>	<hr/>
Trade receivables - net	136,948	117,804
Other debtors	61,228	52,357
Prepayments	16,295	14,123
	<hr/>	<hr/>
Trade and other receivables	214,471	184,284
	<hr/>	<hr/>

11. Cash & Cash equivalents

	As at 30th June 2008 £'000	As at 30th June 2007 £'000
Cash at bank and in hand	164,569	79,579
Short term bank deposits	272,545	282,409
	<hr/>	<hr/>
	437,114	361,988
	<hr/>	<hr/>
Fiduciary	382,375	306,323
Own funds	54,739	55,665
	<hr/>	<hr/>
At 31st December 2007	437,114	361,988
	<hr/>	<hr/>

The effective interest rate and average maturity in respect of short term deposits was 6.93% (2007: 6.34%). These deposits have an average maturity of 7 days (2007: 15 days).

12. Trade and other payables

	As at 30th June 2008 £'000	As at 30th June 2007 £'000
Insurance creditors	407,905	318,880
Social security and other taxes	11,107	9,514
Other creditors	77,693	55,129
Accruals and deferred income	56,296	60,843
	<hr/>	<hr/>
Trade and other payables	553,001	444,366
	<hr/>	<hr/>

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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 and 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, the Jardine Lloyd Thompson Ireland Limited Pension Fund and the Jardine Matheson Executive Staff Retirement Plan (JMESRO), the Jardine Matheson Resident Staff Retirement Plan (JMRSRP) and the Menu Plan sections of the Jardine Matheson Group Retirement Plan in Hong Kong.

During 2007 the schemes in Canada, Ireland and Hong Kong were recognised on the Group balance sheet for the first time.

The charge for retirement benefit costs is as follows

	6 months ended 30th June 2008			6 months ended 30th June 2007		
	UK £'000	Overseas £'000	Total £'000	UK £'000	Overseas £'000	Total £'000
Defined benefit schemes	903	(254)	649	1,699	84	1,783
Defined contribution schemes	(4,589)	(3,375)	(7,964)	(4,325)	(3,344)	(7,669)
Profit/(loss) before taxation	(3,686)	(3,629)	(7,315)	(2,626)	(3,260)	(5,886)
	UK Scheme		Overseas Schemes		Total	
	6 months ended 30th June 2008 £'000	6 months ended 30th June 2007 £'000	6 months ended 30th June 2008 £'000	6 months ended 30th June 2007 £'000	6 months ended 30th June 2008 £'000	6 months ended 30th June 2007 £'000
Service cost	-	-	(727)	-	(727)	-
Interest cost	(12,704)	(12,300)	(1,405)	(758)	(14,109)	(13,058)
Expected return on assets	13,607	13,999	1,878	842	15,485	14,841
Total (included within finance income)	903	1,699	473	84	1,376	1,783
Profit/(loss) before taxation	903	1,699	(254)	84	649	1,783

The amounts disclosed in respect of both the UK and Overseas defined benefit schemes ("the schemes") have been projected from previous valuations of the schemes. They do not represent the results of a full actuarial valuation.

In addition 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 recognised income and expense ("SORIE") in respect of the Schemes are set out below:

	6 months ended 30th June 2008				Total £'000
	UK Scheme		Overseas Schemes		
	£'000	%	£'000	%	
Actual return less expected return on Scheme assets	(37,115)		(5,892)		(43,007)
% of period end market value of Scheme assets		(9.5%)		(12.6%)	
Experience gains and losses arising on Scheme liabilities (1)	-		(440)		(440)
% of period end present value of Scheme liabilities (1)		-		(0.9%)	
Changes in assumptions underlying the present value of the Scheme liabilities	42,684		3,389		46,073
% of period end present value of Scheme liabilities		10.6%		3.6%	
Actuarial gain recognised in SORIE	5,569		(2,943)		2,626
% of period end present value of Scheme liabilities		1.4%		4.4%	

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

	UK Scheme		Overseas Scheme		Total	
	2008 £'000	2007 £'000	2008 £'000	2007 £'000	2008 £'000	2007 £'000
Defined benefit liability						
Present value of funded obligations	(401,004)	(448,282)	(48,751)	(25,503)	(449,755)	(473,785)
Fair value of plan assets	390,224	415,830	46,576	21,044	436,800	436,874
Net liability recognised in the balance sheet	(10,780)	(32,452)	(2,175)	(4,459)	(12,955)	(36,911)

	UK Scheme		Overseas Scheme		Total	
	2008 £'000	2007 £'000	2008 £'000	2007 £'000	2008 £'000	2007 £'000
Reconciliation of defined benefit liability						
Opening defined benefit liability	(27,252)	(93,645)	(140)	(6,170)	(27,392)	(99,815)
Exchange differences	-	-	172	110	172	110
Pension expense	903	1,699	(254)	84	649	1,783
Employer contributions	10,000	31,000	990	392	10,990	31,392
Total (gain)/loss recognised in SORIE	5,569	28,494	(2,943)	1,125	2,626	29,619
Net liability recognised in the balance sheet	(10,780)	(32,452)	(2,175)	(4,459)	(12,955)	(36,911)

	Total	
	2008 £'000	2007 £'000
Defined obligation recognised in the balance sheet		
Retirement benefit surpluses	3,554	-
Retirement benefit obligations	(16,509)	(36,911)
	12,955	(36,911)

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14. Provisions

	Property related provisions £'000	Litigation provisions £'000	Deferred consideration £'000	Acquisition integration provisions £'000	Total £'000
At 1st January 2008	10,433	14,883	2,938	510	28,764
Exchange adjustment	-	84	61	-	145
Adjustment to gross basis	-	(18)	-	-	(18)
Utilised in the period	(2,009)	(1,550)	(333)	-	(3,892)
Charged to the Income Statement	-	2,070	-	-	2,070
Interest charge	98	-	27	11	136
Acquisitions	130	-	4,769	-	4,899
At 30th June 2008	8,652	15,469	7,462	521	32,104
	Property related provisions £'000	Litigation provisions £'000	Deferred consideration £'000	Acquisition integration provisions £'000	Total £'000
At 1st January 2007	9,308	28,390	4,759	736	43,193
Exchange adjustment	(6)	5	7	-	6
Reclassification from current assets/liabilities	23	(23)	-	(9)	(9)
Adjustment to gross basis	-	(634)	-	-	(634)
Utilised in the period	(715)	(1,720)	(1,926)	(207)	(4,568)
Charged to the Income Statement	-	(806)	-	-	(806)
Interest charge	94	-	65	11	170
Acquisitions	-	-	(9)	-	(9)
At 30th June 2007	8,704	25,212	2,896	531	37,343

	As at 30th June 2008 £'000	As at 30th June 2007 £'000
Analysis of total provisions:		
Non-current - to be utilised in more than one year	7,072	7,364
Current - to be utilised within one year	25,032	29,979
	32,104	37,343

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.

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.

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14. Provisions cont'd

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 2008, in connection with certain litigation matters, the Group's litigation provisions include an amount of £0.2m (2007: £9.6m) 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 2008 (2007: 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

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.

15. Changes in Shareholders' Funds

For the 6 months to 30th June 2008	Share capital £'000	Share premium £'000	Fair value & other reserves £'000	Exchange reserves £'000	Retained earnings £'000	Total shareholders' equity £'000
Balance at 1st January 2008	10,667	76,764	2,681	1,494	127,694	219,300
Actuarial gains recognised in post retirement benefit schemes	-	-	-	-	1,957	1,957
Fair value gains/(losses) net of tax						
- available-for-sale	-	-	(82)	-	-	(82)
- cashflow hedges	-	-	(1,655)	-	-	(1,655)
Currency translation differences	-	-	-	5,992	-	5,992
Net gains/(losses) recognised directly in equity	-	-	(1,737)	5,992	1,957	6,212
Profit for the period	-	-	-	-	37,062	37,062
Total recognised income and expense for the period	-	-	(1,737)	5,992	39,019	43,274
Dividends paid	-	-	-	-	(25,610)	(25,610)
Share buy-back scheme	-	-	-	-	(1,070)	(1,070)
Reversal of amortisation in respect of share based payments	-	-	-	-	3,509	3,509
Issue of share capital	2	83	-	-	-	85
Balance at 30th June 2008	10,669	76,847	944	7,486	143,542	239,488

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15. Changes in Shareholders' Funds cont'd

For the 6 months to 30th June 2007	Share capital £'000	Share premium £'000	Fair value & hedging reserves £'000	Exchange reserves £'000	Retained earnings £'000	Total shareholders' funds £'000
Balance at 1st January 2007	10,634	74,568	6,998	(4,070)	73,140	161,270
Actuarial gains recognised in post retirement benefit schemes	-	-	-	-	20,579	20,579
Fair value gains/(losses) net of tax	-	-	-	-	-	-
- available-for-sale	-	-	(496)	-	-	(496)
- cashflow hedges	-	-	(1,201)	-	-	(1,201)
Currency translation differences	-	-	-	740	-	740
Net gains/(losses) recognised directly in equity	-	-	(1,697)	740	20,579	19,622
Profit for the period	-	-	-	-	61,231	61,231
Total recognised income and expense for the period	-	-	(1,697)	740	81,810	80,853
Dividends paid	-	-	-	-	(25,493)	(25,493)
Shares acquired by the Employee Benefit Trust	-	-	-	-	(4,827)	(4,827)
Reversal of amortisation in respect of share based payments	-	-	-	-	3,096	3,096
Issue of share capital	27	1,970	-	-	-	1,997
Balance at 30th June 2007	10,661	76,538	5,301	(3,330)	127,726	216,896

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 (2007: Nil).

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17. Cash generated from operations

	6 months to	6 months to
	30 June	30 June
	2008	2007
	£'000	£'000
Reconciliation of profit before taxation to cash generated from operations		
Cash flows from Operating activities		
Profit before taxation	53,379	76,649
Investment Income receivable	(8,644)	(9,408)
Interest payable on bank loans and finance leases	2,809	1,871
Fair value gains on financial instruments	(215)	(19)
Pension finance income	(1,376)	(1,783)
Unwinding of provision discounting	136	171
Depreciation	4,216	3,376
Amortisation of intangible assets	2,403	2,004
Amortisation of share based payments	3,509	3,096
Amortisation of employee benefit trust	346	449
Profit on disposal of fixed asset investments	(11)	(2)
Profit on disposal of property, plant and equipment	(32)	(28)
Share of results of associates undertakings	(2,290)	(1,742)
Gain on disposal of associate investment	-	(29,700)
Non cash exceptional items	-	2,370
Increase in trade and other receivables	(45,787)	(40,769)
Increase/(decrease) in trade and other payables - excluding insurance broking balances	8,229	(2,068)
Decrease in provisions for liabilities and charges	(1,831)	(5,373)
Decrease in retirement benefit obligation	(10,263)	(31,392)
Net cash inflow/(outflow) from operations	4,578	(32,298)

18. Business combinations

During the period the following acquisitions in new and additional investments in existing businesses were completed.

	Acquisition Date	Percentage voting rights acquired	Cost £'000
Acquisition of new businesses completed during the period			
HWS Holdings Limited	June 08	100%	12,173
Acquisition of new businesses completed during the year	Jan-June 08	100%	4,521
Additional investments in existing businesses	Jan-June 08	-	2,174
			18,868

On 16th June 2008 the Group announced the acquisition of HWS Holdings Limited (HWS), with its two Lloyd's Broker subsidiaries Harman Wicks & Swayne Limited, the London based Reinsurance Broker and Harman Wicks & Swayne International Limited, a wholesale provider of SME insurance produced to the UK broker marketplace. The acquired business contributed revenue of £84,000 and a net loss of £92,000 to the Group for the period since acquisition. If the acquisition had taken place on 1st January 2008 the contribution to Group revenue and profit for the period would have been £3,549,000 and a profit of £736,000 respectively.

Jardine Lloyd Thompson Group plc
Notes to the Interim Report
For the six months ended 30th June 2008

18. Business combinations cont'd

	£'000
Purchase consideration	
- cash paid	8,460
- deferred consideration	3,713
	<hr/>
Total purchase consideration	12,173
less: fair value of net assets acquired	4,402
	<hr/>
Goodwill	7,771
	<hr/>

	Fair value £'000	Acquiree's carrying amount £'000
The assets and liabilities arising from the acquisition were as follows:		
Property plant and equipment	10	10
Trade and other receivables	4,400	4,400
Cash and cash equivalents	4,283	4,283
Insurance creditors	(2,961)	(2,961)
Trade and other payables	(1,185)	(1,185)
Current taxations	(42)	(42)
Deferred taxation	27	27
Provisions for liabilities and charges	(130)	(130)
	<hr/>	<hr/>
	4,402	4,402
	<hr/>	<hr/>

	£'000
Purchase consideration settled in cash	8,460
Cash and cash equivalents - own cash in subsidiary acquired	(1,322)
	<hr/>
	7,138
Cash and cash equivalents - fiduciary cash in subsidiary acquired	(2,961)
Cash outflow on acquisition	4,177
	<hr/>

As at the 30th June 2008, the process of reviewing the fair values of assets acquired had not been completed, consequently the fair values stated above are provisional.

Other acquisitions and additional investment

	£'000
Purchase consideration	
- cash paid	5,085
- deferred consideration	1,610
	<hr/>
Total purchase consideration	6,695
less: fair value of net assets acquired	523
	<hr/>
Goodwill	6,172
	<hr/>

Jardine Lloyd Thompson Group plc
Notes to the Interim Report
For the six months ended 30th June 2008

18. Business combinations cont'd

	Fair value £'000	Acquiree's carrying amount £'000
The assets and liabilities arising from the acquisition were as follows:		
Property plant and equipment	259	259
Trade and other receivables	17	17
Cash and cash equivalents	852	852
Insurance creditors	(75)	(75)
Trade and other payables	(96)	(96)
Bank loans and overdrafts	(459)	(459)
Current taxations	33	33
Deferred taxation	(33)	(33)
Minority interests	25	25
	<hr/>	<hr/>
	523	523
		£'000
Purchase consideration settled in cash		5,085
Cash and cash equivalents - own cash in subsidiary acquired		<hr/> (77)
		4,308
Cash and cash equivalents - fiduciary cash in subsidiary acquired		<hr/> (75)
Cash outflow on acquisition		<hr/> <hr/> 4,233

As at the 30th June 2008, the process of reviewing the fair values of assets acquired had not been completed, consequently the fair values stated above are provisional.

Group summary of the net assets acquired and goodwill:

	HWS £'000	Other £'000	Total £'000
Purchase consideration - cash paid	12,173	6,695	18,868
less: fair value of net assets acquired	<hr/> 4,402	<hr/> 523	<hr/> 4,925
Goodwill	<hr/> 7,771	<hr/> 6,172	<hr/> <hr/> 13,943

Jardine Lloyd Thompson Group plc
Notes to the Interim Report
For the six months ended 30th June 2008

18. Business combinations cont'd

Business disposals

During the period the Group sold Risk Solutions Limited part of its Auckland based insurance broking business

	Total £'000
Net assets disposed of	
Goodwill	1,270
Property plant and equipment	11
Trade and other receivables	12
Cash and cash equivalents	691
Insurance creditors	(394)
Trade and other payables	(62)
Current taxation	(17)
Deferred taxation	6
Provisions for liabilities and charges	(553)
	<hr/>
Net assets at disposal	964
Gain on disposal	459
	<hr/>
Cash proceeds	1,423
	<hr/>
Disposal consideration settled in cash	1,423
Cash and cash equivalents - own cash in subsidiary sold	(297)
	<hr/>
	1,126
Cash and cash equivalents - fiduciary cash in subsidiary sold	(394)
Cash outflow on acquisition	732
	<hr/>

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.

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 31 and 32 of the Annual Report & Financial Statements for 2007.

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 4.2.7 and DTR 4.2.8, namely:

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

1st August 2008

Independent Review Report to Jardine Lloyd Thompson Group plc

Introduction

We been engaged by Jardine Lloyd Thompson Group plc to review the financial information in the interim report for the six months ended 30 June 2008, which comprises the consolidated income statement, consolidated statement of recognised income and expense, consolidated balance sheet, consolidated cash flow statement and related notes. We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the interim financial information.

Directors' responsibilities

The interim report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim 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 the group are prepared in accordance with IFRSs as adopted by the European Union. The financial information included in this interim 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 Jardine Lloyd Thompson Group plc a conclusion on the interim financial information based on our review. This report, including the conclusion, has been prepared for and only for Jardine Lloyd Thompson Group plc 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 interim report for the six months ended 30 June 2008 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
1 August 2008

Notes:

- 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.
- Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.