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For immediate release

28 March 2007

Recommended cash offer
by
JLT Corporate Risks Limited
a wholly owned subsidiary of
Jardine Lloyd Thompson Group plc
for
Pavilion Insurance Network plc

Summary

- The boards of JLT Corporate Risks Limited (“JLT Corporate Risks”), a wholly owned subsidiary of Jardine Lloyd Thompson Group plc (“JLT Group plc”), and Pavilion Insurance Network plc (“Pavilion”) announce that they have reached agreement on the terms of a recommended cash offer for the whole of the issued and to be issued share capital of Pavilion.
- Under the terms of the Offer, Pavilion Shareholders will be entitled to receive 12 pence per Pavilion Share in cash. On this basis, the terms of the Offer value the issued and to be issued share capital (fully diluted for the exercise of all outstanding options) of Pavilion at approximately £6.62 million. A Loan Note Alternative will be made available.
- The Offer Price represents a premium of approximately:
 - 28 per cent. to the Closing Price of 9.375 pence for each Pavilion Share on 8 March 2007, the last dealing day prior to Pavilion’s confirmation that it was in talks with a potential bidder; and
 - 25 per cent. to the Closing Price of 9.625 pence for each Pavilion Share on 27 March 2007, the last dealing day prior to the date of this announcement.
- The Pavilion Directors, who have been so advised by Insinger de Beaufort, consider the terms of the Offer to be fair and reasonable. In providing its advice to the Pavilion Directors, Insinger de Beaufort has taken into account the commercial assessments of the Pavilion Directors. Accordingly, the Pavilion Board has agreed unanimously to recommend Pavilion Shareholders to accept the Offer, as those of them that hold Pavilion Shares (including any immediate family member and related trusts) have irrevocably undertaken to do in respect of their entire beneficial holdings of Pavilion Shares amounting to, in aggregate, 11,569,860 Pavilion Shares, representing approximately 22.8 per cent. of the existing issued share capital of Pavilion.
- In addition, JLT Corporate Risks has received irrevocable undertakings to accept the Offer from certain other shareholders of Pavilion, in respect of a total of 16,183,000 Pavilion Shares, representing approximately 31.9 per cent. of the existing issued share capital of Pavilion.
- In aggregate, JLT Corporate Risks has therefore received irrevocable undertakings to accept the Offer in respect of a total of 27,752,860 Pavilion Shares, representing approximately 54.7 per cent. of the existing issued share capital of Pavilion.

The JLT Group is a leading risk management adviser and insurance and reinsurance broker. It is also a major provider of employee benefit administration services and related consultancy advice.

Pavilion is an innovative and specialist insurance intermediary which provides niche insurance solutions to market by the internet, powered by its own internally developed software.

Commenting on the Offer, Dominic Burke, Chief Executive Officer of JLT Group plc, said:

“The Pavilion Group provides us with the opportunity to add a new arm to our UK retail insurance business. Pavilion is a well run business with strong on-line distribution expertise. The acquisition will provide the JLT Group with access to on-line distribution and additional expertise in meeting the insurance needs of affinity groups.”

Andrew Selby, Executive Chairman of Pavilion, said:

“We believe that the Offer provides shareholders with certainty of value at an attractive level which reflects both the quality and prospects of the Pavilion business, and its strong reputation in the insurance market as an innovative provider of niche insurance solutions through its e-business platform. The JLT Group is committed to further developing the Pavilion business and building on its track record of success which should provide new and interesting challenges for our management and employees.”

PRESS ENQUIRIES

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This summary should be read in conjunction with the full text of the following announcement. Appendix I to the following announcement contains the conditions and certain further terms of the Offer, Appendix II contains the sources and bases of information, Appendix III contains details of the Loan Note Alternative and Appendix IV contains definitions of certain terms used in this summary and the following announcement.

JPMorgan Cazenove is acting exclusively for JLT Corporate Risks and JLT Group plc in connection with the Offer and will not be responsible to any person other than JLT Corporate Risks and JLT Group plc for providing the protections afforded to customers of JPMorgan Cazenove or for providing advice in relation to the Offer or any other matter referred to in this announcement.

Insinger de Beaufort is acting exclusively for Pavilion in connection with the Offer and will not be responsible to any person other than Pavilion for providing the protections afforded to clients of Insinger de Beaufort or for providing advice in relation to the Offer or any other matter referred to in this announcement.

This announcement does not constitute, or form part of, any offer for, or any solicitation of any offer for, securities. Any acceptance or other response to the Offer should be made only on the basis of information referred to in the Offer Document and Form of Acceptance which JLT Corporate Risks intends to despatch shortly to Pavilion Shareholders and, for information only, to employees and holders of options under the Pavilion Share Schemes.

The availability of the Offer to persons who are not resident in the United Kingdom may be affected by the laws of their relevant jurisdiction. Such persons should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdiction. Further details in relation to overseas shareholders will be contained in the Offer Document.

The Offer will not be made, directly or indirectly, in, into or by use of the mails of, or by any means or instrumentality (including, without limitation, telephonically or electronically) of interstate or foreign

commerce of, or any facilities of a national securities exchange of, the United States, Canada, Australia or Japan or any other jurisdiction if to do so would constitute a violation of the relevant laws of such jurisdiction. This document does not constitute an offer in the United States, Canada, Australia or Japan or any such other jurisdiction and the Offer will not be capable of acceptance by any such use, means, instrumentality or facilities or otherwise from or within the United States, Canada, Australia or Japan or any such other jurisdiction. Accordingly this document is not being, and should not be, mailed, transmitted or otherwise distributed, in whole or in part, in or into or from the United States, Canada, Australia or Japan or any such other jurisdiction.

Pavilion Shareholders (including, without limitation, nominees, trustee or custodians) must not forward this document to the United States, Canada, Australia, Japan or other such jurisdiction.

The Loan Notes have not been, and will not be, registered under the US Securities Act or under the securities laws of any jurisdiction of the United States; the relevant clearances have not been, nor will they be, obtained from the securities commission of any province or territory of Canada; no prospectus in relation to the Loan Notes has been, or will be, lodged with, or registered by, the Australian Securities and Investments Commission; and no steps have been, or will be, taken to enable the Loan Notes to be offered in compliance with the applicable securities laws of any state, province, territory or jurisdiction of the United States, Canada, Australia or Japan or any other country or jurisdiction outside the United Kingdom. Accordingly, the Loan Notes are not being, nor (unless an exemption under relevant securities laws is applicable) can they be, offered, sold, resold or delivered, directly or indirectly, in or into or from the United States, Canada, Australia or Japan or any other jurisdiction if to do so would constitute a violation of the relevant laws of, or require registration of them in, such jurisdiction or to, or for the account or benefit of, any US person or any resident, citizen or national of Canada, Australia or Japan.

The JLT Directors accept responsibility for the information contained in this announcement other than information for which the Pavilion Directors accept responsibility. To the best of the knowledge and belief of the JLT Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this announcement for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Pavilion Directors accept responsibility for the information contained in paragraph 2 – Recommendation, paragraph 8 – Information relating to Pavilion, paragraph 9 – Background to the recommendation, paragraph 12(b) – Pavilion current trading and the details of Pavilion’s issued share capital in the second paragraph of paragraph 18 – General. To the best of the knowledge and belief of the Pavilion Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this announcement for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

Cautionary Notice Regarding Forward Looking Statements

This document contains certain forward looking statements with respect to the financial condition, results of operations and business of Pavilion and certain plans and objectives of the boards of directors of Pavilion, JLT Corporate Risks and JLT Group plc. These forward looking statements can be identified by the fact that they do not relate to historical or current facts. Forward looking statements often use words such as “anticipate”, “target”, “expect”, “estimate”, “intend”, “plan”, “goal”, “believe”, “will”, “may”, “should”, “would”, “could” or other words of similar meaning. These statements are based on assumptions and assessments made by the boards of directors of Pavilion, JLT Corporate Risks and JLT Group plc in the light of their experience and their perception of historical trends, current conditions, expected future developments and other factors they believe appropriate. By their nature, forward looking statements involve risk and uncertainty and the factors described in the context of such forward looking statements in this document could cause actual results and developments to differ materially from those expressed in or implied by such forward looking statements.

Should one or more of these risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this document. Pavilion, JLT Corporate Risks and JLT Group plc assume no obligation to update or correct the information contained in this document.

Dealing Disclosure Requirements

Under the provisions of Rule 8.3 of the Code, if any person is, or becomes, “interested” (directly or indirectly) in 1% or more of any class of “relevant securities” of Pavilion, all “dealings” in any “relevant securities” of that company (including by means of an option in respect of, or a derivative referenced to, any such “relevant securities”) must be publicly disclosed by no later than 3.30 pm (London time) on the London business day following the date of the relevant transaction. This requirement will continue until the date on which the offer becomes, or is declared, unconditional as to acceptances, lapses or is otherwise withdrawn or on which the “offer period” otherwise ends. If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire an “interest” in “relevant securities” of Pavilion, they will be deemed to be a single person for the purpose of Rule 8.3.

Under the provisions of Rule 8.1 of the Code, all “dealings” in “relevant securities” of Pavilion by Pavilion or JLT Corporate Risks, or by any of their respective “associates”, must be disclosed by not later than 12.00 noon (London time) on the London business day following the date of the relevant transaction.

A disclosure table, giving details of the companies in whose “relevant securities” “dealings” should be disclosed, and the number of such securities in issue, can be found on the Panel’s website at www.thetakeoverpanel.org.uk.

“Interests in securities” arise, in summary, when a person has long economic exposure, whether conditional or absolute, to changes in the price of securities. In particular, a person will be treated as having an “interest” by virtue of the ownership or control of securities, or by virtue of any option in respect of, or derivative referenced to, securities.

Terms in quotation marks are defined in the Code, which can also be found on the Panel’s website. If you are in any doubt as to whether or not you are required to disclose a “dealing” under Rule 8, you should consult the Panel on telephone number +44(0)20 7382 9062 or fax number +44(0)20 7638 1554.

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1. Introduction

The boards of JLT Corporate Risks Limited (“JLT Corporate Risks”), a wholly owned subsidiary of Jardine Lloyd Thompson Group plc (“JLT Group plc”), and Pavilion Insurance Network plc (“Pavilion”) announce that they have reached agreement on the terms of a recommended cash offer for the whole of the issued and to be issued share capital of Pavilion.

Under the terms of the Offer, Pavilion Shareholders will be entitled to receive 12 pence per Pavilion share in cash. On this basis, the terms of the Offer value the issued and to be issued share capital (fully diluted for the exercise of all outstanding options) of Pavilion at approximately £6.62 million. A Loan Note Alternative will be made available.

The Offer Price represents a premium of approximately:

- 28 per cent. to the Closing Price of 9.375 pence for each Pavilion Share on 8 March 2007, the last dealing day prior to Pavilion’s confirmation that it was in talks with a potential bidder; and
- 25 per cent. to the Closing Price of 9.625 pence for each Pavilion Share on 27 March 2007, the last dealing day prior to the date of this announcement.

2. Recommendation

The Pavilion Directors, who have been so advised by Insinger de Beaufort, consider the terms of the Offer to be fair and reasonable. In providing its advice to the Pavilion Directors, Insinger de Beaufort has taken into account the commercial assessments of the Pavilion Directors. Accordingly, the Pavilion Board has agreed unanimously to recommend Pavilion Shareholders to accept the Offer, as those of them that hold Pavilion Shares (including any immediate family member and related trust) have irrevocably undertaken to do in respect of their entire beneficial holdings of Pavilion Shares amounting to, in aggregate, 11,569,860 Pavilion Shares, representing approximately 22.8 per cent. of the existing issued share capital of Pavilion.

3. The Offer

The Offer, which will be subject to the conditions and further terms summarised below and set out in Appendix I, and to be set out in the formal Offer Document and Form of Acceptance, will be made on the following basis:

For each Pavilion Share **12 pence in cash**

Pavilion Shares will be acquired by JLT Corporate Risks pursuant to the Offer fully paid and free from all liens, equities, charges, equitable interests, encumbrances, rights of pre-emption and other third party rights and/or interests of any nature whatsoever and together with all rights attaching to them, now or in the future, including the right to receive and retain all dividends, interest and other distributions declared, paid or made in the future.

4. **Loan Note Alternative**

As an alternative to some or all of the cash consideration to which they would otherwise be entitled under the Offer, validly accepting Pavilion Shareholders (other than certain overseas shareholders) will be able to elect to receive Loan Notes to be issued by JLT Corporate Risks on the following basis:

For every £1 of cash consideration under the Offer £1 nominal of Loan Notes

Further detail on the terms of the Loan Notes is set out in Appendix III of this announcement and will be set out in full in the Offer Document.

5. **Irrevocable undertakings**

JLT Corporate Risks has received irrevocable undertakings to accept the Offer from those directors of Pavilion holding Pavilion Shares (including any immediate family member and related trusts), in respect of 11,569,860 Pavilion Shares, being all of the Pavilion Shares in which they are interested, representing approximately 22.8 per cent. of the existing issued share capital of Pavilion. This is made up as follows:

- Andrew Selby has irrevocably undertaken to accept the Offer in respect of his aggregate holding of 4,328,574 Pavilion Shares, representing approximately 8.5 per cent. of the issued share capital of Pavilion;
- Zoya Selby has irrevocably undertaken to accept the Offer in respect of her aggregate holding of 6,766,286 Pavilion Shares, representing approximately 13.3 per cent. of the issued share capital of Pavilion;
- The trustees of The Sally and Amy Selby Trust have irrevocably undertaken to accept the Offer in respect of their aggregate holding of 225,000 Pavilion Shares, representing approximately 0.4 per cent. of the issued share capital of Pavilion; and
- Michael Leyland has irrevocably undertaken to accept the Offer in respect of his aggregate holding of 250,000 Pavilion Shares, representing approximately 0.5 per cent. of the issued share capital of Pavilion.

Andrew Selby and Michael Leyland have also undertaken to accept a proposal to be made in respect of their share options.

In addition, JLT Corporate Risks has received irrevocable undertakings to accept the Offer from certain other shareholders of Pavilion, in respect of a total of 16,183,000 Pavilion Shares, representing approximately 31.9 per cent. of the existing issued share capital of Pavilion. This is made up as follows:

- Hiscox plc has irrevocably undertaken to accept the Offer in respect of its aggregate holding of 6,825,000 Pavilion Shares, representing approximately 13.5 per cent. of the issued share capital of Pavilion;
- Nick Martin has irrevocably undertaken to accept the Offer in respect of his aggregate holding of 500,000 Pavilion Shares, representing approximately 1.0 per cent. of the issued share capital of Pavilion;
- Michael Grimes has irrevocably undertaken to accept the Offer in respect of his aggregate holding of 6,000,858 Pavilion Shares, representing approximately 11.8 per cent. of the issued share capital of Pavilion; and
- Colin McIntosh has irrevocably undertaken to accept the Offer in respect of an aggregate of 2,857,142 Pavilion Shares in which he is interested, representing approximately 5.6 per cent. of the issued share capital of Pavilion.

Accordingly, JLT Corporate Risks has received irrevocable undertakings in respect of, in aggregate, 27,752,860 Pavilion Shares, representing approximately 54.7 per cent. of Pavilion's existing issued share capital.

These irrevocable undertakings will only cease to be binding if this announcement is not released by 28 March 2007 (or such later date as Offeror and Target may, with the consent of the Panel, agree) or the Offer lapses or is withdrawn.

6. Conditions

Appendix I lists all conditions to which the Offer will be subject.

7. Information on the JLT Group

The JLT Group is a leading risk management adviser and insurance and reinsurance broker. It is also a major provider of employee benefit administration services and related consultancy advice.

JLT Group plc is listed on the London Stock Exchange and is the largest European-based company (by 2005 brokerage revenues) providing these services and is one of the largest firms of its type in the world.

The JLT Group focuses its activities in specialist areas where it is or can become a market leader. Through the success of this business philosophy, it has grown to become one of the world's leading international insurance and reinsurance brokers. The JLT Group also has a substantial employee benefits business which provides pension administration, outsourcing and employee reward and benefits consultancy.

Through subsidiaries and associated companies, the JLT Group operates in more than 30 countries and employs over 5,000 staff.

In its audited accounts for the year ended 31 December 2006, JLT Group plc reported Fees and Commissions of £459.5m for continuing operations, Profit before Tax of £90.8m and Underlying Profit before Tax £76.5m. As of the close business on 27 March 2007 the market capitalisation of JLT Group plc was approximately £963 million.

8. Information on Pavilion

Founded in January 1997, Pavilion is an innovative and specialist insurance intermediary which provides niche insurance solutions to market by the internet, powered by its own internally developed software – ISIS (Integrated Specialist Insurance Software).

Pavilion was admitted to AIM in June 2004 and since then has continued to develop successfully its business model, delivering continuous improvement in its results for its shareholders. Pavilion reported gross written premium of £3 million in the year ended 31 December 2006 and generated profit of £423,851 (before share option charges, interest, development costs and taxation).

Pavilion's business strategy has been to develop marketing opportunities for niche insurance products such as musical instrument and equipment insurance, insurance for cyclists, anglers and photographic equipment, delivering each product as a branded stand-alone business within Pavilion i.e.: Musicguard, Cycleguard, Photoguard etc. The Pavilion Board's success in delivering this strategy is reflected in the strong financial performance of the Pavilion Group in respect of margins and retained profits.

The Pavilion Group has its headquarters in Coventry and it currently employs 28 people.

9. Background to the recommendation

Pavilion's business strategy has been to engage in small niche markets using a wholly in house developed software platform providing a web based front ended solution to deliver a fully electronic purchasing and management facility on line. The launch of Pin Finance in May 2005 has also led to the provision of in-house finance on-line to over 35% of its customers.

As a result of the successful delivery of this strategy, the Pavilion Group has increased its revenues by over 46% during 2006 and transacts over 82% of its customers' policies on-line.

The Pavilion Directors expect further progress to be made in the current year, with a further range of new products being launched, together with more innovative developments in e-marketing and the continued development of the ISIS software platform. They view the Pavilion Group's future prospects with continued optimism, in conjunction with the synergies and opportunities that becoming part of the JLT Group should bring.

Notwithstanding the Pavilion Directors' confidence in the prospects for the Pavilion Group, the approach by JLT Corporate Risks and level of the Offer is such that the Pavilion Directors believe it provides Pavilion Shareholders with certainty of value at an attractive level, which reflects the quality of the Pavilion business, its standing in the market areas in which it operates and some recognition of future value. They consider it beneficial to Pavilion Shareholders to have the

opportunity to realise their investment in Pavilion at this stage through a cash offer which follows the rapid rise in the market capitalisation over the last two months. In addition, the Pavilion Directors also recognise the future benefits and enhanced opportunities that should be available to the company and its management and employees as part of the enlarged group in having a broader platform, increased resources and synergistic opportunities to compete more fully on a worldwide basis.

The Offer represents a premium of approximately 28 per cent. to the Closing Price of 9.375 pence for each Pavilion Share on 8 March 2007, the last dealing day prior to Pavilion's confirmation that it was in talks with a potential bidder and 25 per cent. to the Closing Price of 9.625 pence for each Pavilion Share on 27 March 2007, the last dealing day prior to the date of this announcement.

Against this background, the Pavilion Directors and their financial advisers consider the terms of the Offer to be fair and reasonable and that it provides Pavilion Shareholders with the opportunity to realise, in cash, their investment in Pavilion.

10. Background to and reasons for the Offer

The JLT Directors believe that the combined business will substantially enhance the JLT Group's ability to expand its affinity insurance business via web delivery as well as opening further channels for Pavilion's product range. In addition, the combination will provide Pavilion with access to greater financial resources to invest for the future growth of Pavilion's business. The JLT Directors believe that the acquisition will:

- combine the JLT Group's established strengths with Pavilion's specialist expertise in on-line distribution to develop the product portfolios, geographic reach, and customer base of two businesses which currently do not have any significant degree of overlap;
- develop the JLT Group's on-line distribution offering;
- extend Pavilion's reach through access to the JLT Group's global sales channels; and
- bring together two management teams with similar management cultures and compatible objectives.

11. The Enlarged Group

Pavilion will add on-line capability and thus a new e-commerce distribution dimension to the affinity segment of JLT Corporate Risks' business. It will provide specialist web marketing experience and capability and a dedicated IT platform with its own team.

Pavilion will continue to be run as an independent company within JLT Corporate Risks. Pavilion's existing business will be developed and the Pavilion platform and know-how used to develop the sale of existing and new targeted products through affinity channels, thereby creating additional value through both income and cost synergies.

Pavilion will provide a considerable strategic upside for JLT Group's UK affinity business and a launch pad for similar activity across the world.

12. Current Trading and Prospects

(a) JLT Group current trading

Insurance market conditions continue to be challenging and the JLT Group does not anticipate any change to the highly competitive trading environment for brokers in the foreseeable future.

The US dollar weakened significantly during the second half of 2006 but the JLT Group has taken decisive action largely to mitigate the potential impact in 2007.

Set against the background of these external factors, across the JLT Group as a whole modest growth in revenue in 2007 is expected. Operating costs will continue to be closely monitored to ensure that they are aligned with revenues. A proportion of cost savings achieved is being reinvested both in systems enhancements and in identified areas with growth potential.

Whilst it is still early in the year, it is anticipated that the JLT Group will show further progress in its financial performance in 2007 compared with 2006.

(b) Pavilion current trading

The preliminary statement of Pavilion's results for the year ended 31 December 2006 was released on 26 March 2007, and reflected an operating profit of £423,851 (before share option charges, interest, development costs and taxation) and gross written premiums of £3 million. The Pavilion Directors are targeting further growth in 2007 and are continuing to invest in the company's platform and technology assets as well as continuing to look for new innovations both in products and marketing initiatives. Gross written premiums for the first two months of the current financial year reflect an increase of 38% over the same period last year and are in line with the budget.

(c) Prospects for the Enlarged Group

The JLT Corporate Risks Board and the Pavilion Board believe that the combined entity will develop to become a leading participant in the distribution of insurance in the affinity segment in the UK and internationally. As outlined in section 10, the combination of the various strengths of Pavilion with the JLT Group's financial resources, international representation and insurance expertise should provide a number of benefits to the Enlarged Group.

13. Management, employees and location

JLT Corporate Risks has given assurances to the Pavilion Board that, on the Offer becoming or being declared wholly unconditional, the existing employment rights, including pension rights, of all employees and management of Pavilion will be fully safeguarded.

JLT Corporate Risks intends to continue to operate Pavilion as a separate entity with its existing employees and from its existing premises.

Following the Offer becoming or being declared wholly unconditional, JLT Corporate Risks intends to appoint new directors to the Pavilion Board and procure that Pavilion conforms to the JLT Group corporate governance guidelines. It is expected that the existing non-executive directors will resign from the Pavilion Board to accommodate the new appointments.

Conditional on the Offer becoming wholly unconditional, pursuant to a new service agreement with Pavilion, the current Chairman and Chief Executive of Pavilion, Andrew Selby, will retain his current position until 31 December 2010 as well as becoming the chairman of the non-advisory division of JLT Corporate Risks until 31 December 2009, with responsibility for the strategic development of the business of that division via the internet. His role within the non-advisory division of JLT Corporate Risks will then revert to non-executive chairman for the final year of his agreement. During the course of his employment, Andrew's salary will be £250,000 per annum. The service agreement can be terminated by either party on not less than 52 weeks' written notice not to expire before 31 December 2010.

Andrew will also be eligible to earn bonuses in respect of the three years ending 31 December 2009 but which will not exceed £500,000 in aggregate in any one year. These consist of a discretionary bonus related to his performance and the performance of Pavilion (up to a maximum of £150,000 per annum, one-third of which will be paid by the issue of JLT Group plc executive share options that will vest three years after the date of issue and are exercisable at nil cost) and a 'Super Bonus' in an amount of one-third of growth in profit before tax of the existing Pavilion business in excess of a cumulative target level of 30 per cent.

Insinger de Beaufort has reviewed these proposed arrangements with Andrew Selby and in accordance with Note 4 to Rule 16 of the Code confirms that in its opinion these arrangements are fair and reasonable.

14. Pavilion Share Schemes

JLT Corporate Risks will write to participants in the Pavilion Share Schemes in due course to inform them of the effect of the acquisition on their rights under the Pavilion Share Schemes and to set out appropriate proposals to be made to the holders of options.

15. Disclosure of interests in Pavilion

Neither JLT Corporate Risks, nor any of JLT Corporate Risks Directors, their immediate families or related trusts, nor, so far as JLT Corporate Risks is aware, any party acting in concert with JLT Corporate Risks, has any interest in or right to subscribe in respect of any relevant securities of

Pavilion or has any short positions in respect of relevant securities of Pavilion, or has borrowed or lent any relevant security of Pavilion.

16. Financing of the Offer

The Offer will be financed out of the JLT Group's existing cash resources and credit facilities. Details of these arrangements will be contained in the Offer Document.

JPMorgan Cazenove is satisfied that the necessary sources are available to JLT Corporate Risks to implement the Offer in full.

17. Compulsory acquisition and cancellation of trading

Following the Offer becoming or being declared unconditional in all respects, JLT Corporate Risks intends, as soon as practicable and in accordance with the AIM Rules, to procure the making of an application by Pavilion to the London Stock Exchange for the cancellation of the admission to trading of Pavilion Shares on AIM. It is anticipated that such cancellation of admission to trading will take effect no earlier than twenty Business Days after the date on which the Offer becomes or is declared unconditional in all respects. The cancellation of the admission of Pavilion Shares to trading on AIM will significantly reduce the liquidity and marketability of any Pavilion Shares not assented to the Offer and their value may be affected in consequence.

JLT Corporate Risks also intends, assuming that it receives sufficient acceptances under the Offer to entitle it to do so, to use the procedures set out in sections 974 to 991 (inclusive) of the Companies Act 2006 to acquire compulsorily, on the same terms as the Offer, any outstanding Pavilion Shares in respect of which the Offer has not been accepted.

18. General

The Offer Document will be posted to Pavilion Shareholders (save with the consent of the Panel), within 28 days of the date of this announcement.

In accordance with Rule 2.10 of the City Code, the current issued share capital of Pavilion comprises 50,728,630 ordinary shares of 1 pence each (ISIN number GB00B01FS767).

The availability of the Offer to persons who are not resident in the United Kingdom may be affected by the laws of their relevant jurisdiction. Such persons should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdiction. Further details in relation to overseas shareholders will be contained in the Offer Document.

The Offer will not be made, directly or indirectly, in, into or by use of the mails of, or by any means or instrumentality (including, without limitation, telephonically or electronically) of interstate or foreign commerce of, or any facilities of a national securities exchange of, the United States, Canada, Australia or Japan or any other jurisdiction if to do so would constitute a violation of the relevant laws of such jurisdiction. This document does not constitute an offer in the United States, Canada, Australia or Japan or any such other jurisdiction and the Offer will not be capable of acceptance by any such use, means, instrumentality or facilities or otherwise from or within the United States, Canada, Australia or Japan or any such other jurisdiction. Accordingly this document is not being, and should not be, mailed, transmitted or otherwise distributed, in whole or in part, in or into or from the United States, Canada, Australia or Japan or any such other jurisdiction.

Pavilion Shareholders (including, without limitation, nominees, trustee or custodians) must not forward this document to the United States, Canada, Australia, Japan or any other such jurisdiction.

This announcement does not constitute an offer or an invitation to purchase any securities.

The Offer will be made solely by the Offer Document and the Form of Acceptance, which will contain the full terms and conditions of the Offer, including details of how the Offer may be accepted.

Appendix I to this announcement contains the conditions and certain further terms of the offer, Appendix II contains the sources and bases of information, Appendix III contains details of the Loan Note Alternative and Appendix IV contains definitions of certain terms used in this announcement.

The JLT Directors accept responsibility for the information contained in this announcement other than information for which the Pavilion Directors accept responsibility. To the best of the knowledge and belief of the JLT Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this announcement for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

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PRESS ENQUIRIES

For further information contact:

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Insinger de Beaufort

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JPMorgan Cazenove is acting exclusively for JLT Corporate Risks and JLT Group plc in connection with the Offer and will not be responsible to any person other than JLT Corporate Risks and JLT Group plc for providing the protections afforded to customers of JPMorgan Cazenove or for providing advice in relation to the Offer or any other matter referred to in this announcement.

Insinger de Beaufort is acting exclusively for Pavilion in connection with the Offer and will not be responsible to any person other than Pavilion for providing the protections afforded to clients of Insinger de Beaufort or for providing advice in relation to the Offer or any other matter referred to in this announcement.

This announcement does not constitute, or form part of, any offer for, or any solicitation of any offer for, securities. Any acceptance or other response to the Offer should be made only on the basis of information referred to in the Offer Document and Form of Acceptance which JLT Corporate Risks intends to despatch shortly to Pavilion Shareholders and, for information only, to employees and holders of options under the Pavilion Share Schemes.

The Loan Notes have not been, and will not be, registered under the US Securities Act or under the securities laws of any jurisdiction of the United States; the relevant clearances have not been, nor will they be, obtained from the securities commission of any province or territory of Canada; no prospectus in relation to the Loan Notes has been, or will be, lodged with, or registered by, the Australian Securities and Investments Commission; and no steps have been, or will be, taken to enable the Loan Notes to be offered in compliance with the applicable securities laws of any state, province, territory or jurisdiction of the United States, Canada, Australia or Japan or any other country or jurisdiction outside the United Kingdom. Accordingly, the Loan Notes are not being, nor (unless an exemption under relevant securities laws is applicable) can they be, offered, sold, resold or delivered, directly or indirectly, in or into or from the United States, Canada, Australia or Japan or any other jurisdiction if to do so would constitute a violation of the relevant laws of, or require registration of them in, such jurisdiction or to, or for the account or benefit of, any US person or any resident, citizen or national of Canada, Australia or Japan.

Cautionary Notice Regarding Forward Looking Statements

This document contains certain forward looking statements with respect to the financial condition, results of operations and business of Pavilion and certain plans and objectives of the boards of directors of Pavilion, JLT Corporate Risks and JLT Group plc. These forward looking statements can be identified by the fact that they do not relate to historical or current facts. Forward looking statements often use words such as “anticipate”, “target”, “expect”, “estimate”, “intend”, “plan”, “goal”, “believe”, “will”, “may”, “should”, “would”, “could” or other words of similar meaning. These statements are based on assumptions and assessments made by the boards of directors of Pavilion, JLT Corporate Risks and JLT Group plc in the light of their experience and their perception of historical trends, current conditions, expected future developments and other factors they believe appropriate. By their nature, forward looking statements involve risk and uncertainty and the factors described in the context of such forward looking statements in this document could cause actual results and developments to differ materially from those expressed in or implied by such forward looking statements.

Should one or more of these risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this document. Pavilion, JLT Corporate Risks and JLT Group plc assume no obligation to update or correct the information contained in this document.

Dealing Disclosure Requirements

Under the provisions of Rule 8.3 of the Code, if any person is, or becomes, “interested” (directly or indirectly) in 1% or more of any class of “relevant securities” of Pavilion, all “dealings” in any “relevant securities” of that company (including by means of an option in respect of, or a derivative referenced to, any such “relevant securities”) must be publicly disclosed by no later than 3.30 pm (London time) on the London business day following the date of the relevant transaction. This requirement will continue until the date on which the offer becomes, or is declared, unconditional as to acceptances, lapses or is otherwise withdrawn or on which the “offer period” otherwise ends. If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire an “interest” in “relevant securities” of Pavilion, they will be deemed to be a single person for the purpose of Rule 8.3.

Under the provisions of Rule 8.1 of the Code, all “dealings” in “relevant securities” of Pavilion by Pavilion or JLT Corporate Risks, or by any of their respective “associates”, must be disclosed by not later than 12.00 noon (London time) on the London business day following the date of the relevant transaction.

A disclosure table, giving details of the companies in whose “relevant securities” “dealings” should be disclosed, and the number of such securities in issue, can be found on the Panel’s website at www.thetakeoverpanel.org.uk.

“Interests in securities” arise, in summary, when a person has long economic exposure, whether conditional or absolute, to changes in the price of securities. In particular, a person will be treated as having an “interest” by virtue of the ownership or control of securities, or by virtue of any option in respect of, or derivative referenced to, securities.

Terms in quotation marks are defined in the Code, which can also be found on the Panel’s website. If you are in any doubt as to whether or not you are required to disclose a “dealing” under Rule 8, you should consult the Panel on telephone number +44(0)20 7382 9062 or fax number +44(0)20 7638 1554.

APPENDIX I

Conditions and Certain Further Terms of the Offer

A. Conditions Of The Offer

The Offer will be subject to the following conditions:

1. Valid acceptances being received (and not, where permitted, withdrawn) by no later than 3.00 pm on the first closing date of the Offer (or, subject to the Code, such later time(s) and/or dates(s) as JLT Corporate Risks may decide) in respect of not less than 90 per cent (or such lesser percentage as JLT Corporate Risks may decide) in nominal value of the Pavilion Shares to which the Offer relates. However, this condition will not be satisfied unless JLT Corporate Risks and/or its wholly-owned subsidiaries have acquired or agreed to acquire (whether pursuant to the Offer or otherwise) Pavilion Shares carrying, in aggregate, over 50 per cent of the voting rights then normally exercisable at general meetings of Pavilion including, for this purpose, to the extent (if any) required by the Code unless otherwise agreed by the Panel, the voting rights attaching to any Pavilion Shares which may be unconditionally allotted or issued before the Offer becomes or is declared unconditional as to acceptances. In this condition:
 - (a) the expression “Pavilion Shares to which the Offer relates” shall be construed in accordance with sections 974 to 991 (inclusive) of the Companies Act 2006; and
 - (b) Pavilion Shares which have been unconditionally allotted but not issued shall be deemed to carry the voting rights which they will carry when they are issued; and
 - (c) valid acceptances shall be treated as having been received in respect of any Pavilion Shares that JLT Corporate Risks shall, pursuant to section 979(8) and, if applicable, section 979(9) of the Companies Act 2006, be treated as having acquired or contracted to acquire by virtue of acceptances of the Offer.
2. Without limitation to condition 3 below, the Financial Services Authority having provided its approval to the acquisition and control of Pavilion by JLT Corporate Risks, and by the other relevant companies in the Wider JLT Group regarded as proposed controllers of Pavilion, for the purposes of section 178 of the Financial Services and Markets Act 2000, such approval to be obtained in accordance with section 184 of such Act and if such approval is granted subject to any conditions, the fulfilment of those conditions.
3. All authorisations in any jurisdiction which JLT Corporate Risks reasonably considers necessary or appropriate for, or in respect of, the Offer, its implementation or any acquisition of any shares in, or control of, Pavilion or any other member of the Wider Pavilion Group by any member of the Wider JLT Group having been obtained in terms and in a form satisfactory to JLT Corporate Risks acting reasonably from any relevant person or from any person or body with whom any member of the Wider Pavilion Group has entered into contractual arrangements and all such authorisations remaining in full force and effect and there being no intimation of any intention to revoke or not renew the same; and
 - (a) all authorisations which JLT Corporate Risks reasonably considers necessary to carry on the business of any member of the Wider Pavilion Group remaining in full force and effect and there being no intimation of any intention to revoke or not to renew the same; and
 - (b) all filings which JLT Corporate Risks reasonably considers necessary having been made and all applicable waiting and other periods having expired, lapsed or been terminated and all applicable statutory or regulatory obligations in any jurisdiction having been complied with, in each case which are material in the context of the Offer.
4. No relevant person having taken, instituted, implemented or threatened any legal proceedings, or having required any action to be taken or otherwise having done anything or having enacted, made or proposed any statute, regulation, order or decision or taken any other step and there not continuing to be outstanding any statute, regulation, order or decision that would or might reasonably be expected to:
 - (a) make the Offer, its implementation or the acquisition or proposed acquisition of any shares in, or control or management of, Pavilion by JLT Corporate Risks illegal, void or unenforceable; or

- (b) otherwise directly or indirectly prevent, prohibit or otherwise restrict, restrain, delay or interfere in the implementation of or impose additional conditions or obligations with respect to or otherwise challenge or require amendment of the Offer or the proposed acquisition of Pavilion by JLT Corporate Risks or any acquisition of shares in Pavilion by JLT Corporate Risks; or
- (c) require, prevent or delay the divestiture by JLT Corporate Risks of any shares or other securities in Pavilion; or
- (d) impose any limitation on the ability of any member of the Wider JLT Group or any member of the Wider Pavilion Group to acquire or hold or exercise effectively, directly or indirectly, any rights of ownership of shares or other securities or the equivalent in any member of the Wider Pavilion Group or management control over any member of the Wider Pavilion Group; or
- (e) require, prevent or delay the disposal by Pavilion or any member of the Wider JLT Group, or require the disposal or alter the terms of any proposed disposal by any member of the Wider Pavilion Group, of all or any part of their respective businesses, material assets or properties or impose any limitation which is material or would be material in the context of the Pavilion Group or the JLT Group, as the case may be, taken as a whole on the ability of any of them to conduct their respective businesses or own their respective assets or properties; or
- (f) require any member of the Wider JLT Group or of the Wider Pavilion Group to offer to acquire any shares or other securities (or the equivalent) in any member of the Wider Pavilion Group or any member of the Wider JLT Group owned by any third party (in each case, other than in implementation of the Offer); or
- (g) impose any limitation on the ability of any member of the Wider JLT Group or the Wider Pavilion Group to integrate or co-ordinate its business, or any part of it, with the businesses or any part of the businesses of any other member of the Wider JLT Group and/or the Wider Pavilion Group (in any case to an extent which is or would be material in the context of the Pavilion Group or the JLT Group as the case may be, taken as a whole); or
- (h) result in any member of the Wider JLT Group or the Wider Pavilion Group ceasing to be able to carry on business under any name under which it presently does so (in any case to an extent which is or would be material in the context of the Pavilion Group or the JLT Group as the case may be, taken as a whole); or
- (i) otherwise adversely affect any or all of the businesses, assets, prospects or profits of any member of the Wider JLT Group or the Wider Pavilion Group (in any case to an extent which is or would be material in the context of the Pavilion Group or the JLT Group as the case may be, taken as a whole);

and all applicable waiting and other time periods during which any such relevant person could institute, or implement or threaten any legal proceedings, having expired, lapsed or been terminated.

5. Save as Disclosed, there being no provision of any agreement to which any member of the Wider Pavilion Group is a party, or by or to which any such member, or any part of its assets, may be bound, entitled or subject, which would or might, as a consequence of the Offer or of the acquisition or proposed acquisition of all or any part of the issued share capital of, or change of control or management of, Pavilion or any other member of the Pavilion Group reasonably be expected to result in (to an extent which would be material in the context of the Pavilion Group taken as a whole):
 - (a) any assets or interests of any member of the Wider Pavilion Group being or falling to be disposed of or charged in any way or ceasing to be available to any member of the Wider Pavilion Group or any rights arising under which any such asset or interest could be required to be disposed of or charged in any way or could cease to be available to any member of the Wider Pavilion Group otherwise than in the ordinary course of business; or
 - (b) any moneys borrowed by or other indebtedness (actual or contingent) of, or any grant available to, any member of the Wider Pavilion Group being or becoming repayable or capable of being declared repayable immediately or earlier than the repayment date stated in such agreement or the ability of such member of the Wider Pavilion Group to incur any such

borrowing or indebtedness becoming or being capable of becoming withdrawn, inhibited or prohibited; or

- (c) any such agreement or the rights, liabilities, obligations or interests of any such member under it being terminated or adversely modified or affected or any onerous obligation arising or any adverse action being taken under it; or
 - (d) the interests or business of any such member in or with any third party (or any arrangements relating to any such interests or business) being terminated or adversely modified or affected; or
 - (e) the creation of any mortgage, charge or other security interest over the whole or any part of the business, property or assets of any member of the Wider Pavilion Group or any such security (whenever arising or having arisen) becoming enforceable or being enforced; or
 - (f) any member of the Wider Pavilion Group ceasing to be able to carry on business under any name under which or on the terms on which it currently does so or any person presently not able to carry on business under any name under which any member of the Wider Pavilion Group currently does becoming able to do so; or
 - (g) the creation of actual or contingent liabilities by any member of the Wider Pavilion Group; or
- and no event having occurred which, under any provision of any such agreement to which any member of the Wider Pavilion Group is a party, or by or to which any such member, or any of its assets, may be bound, entitled or subject, could result in any of the events or circumstances as are referred to in subparagraphs (a) to (g) inclusive (to an extent which would be material in the context of the Pavilion Group taken as a whole).

6. Save as Disclosed, since the Accounting Date, save as pursuant to transactions in favour of Pavilion or a wholly-owned subsidiary of Pavilion, no member of the Wider Pavilion Group having:
- (a) issued or agreed to issue or authorised or proposed the issue or grant of additional shares of any class or securities convertible into or exchangeable for, or rights, warrants or options to subscribe for or acquire, any such shares or convertible securities (save pursuant to the Pavilion Share Schemes); or
 - (b) redeemed, purchased, repaid or reduced or proposed the redemption, purchase, repayment or reduction of any part of its share capital or made or proposed the making of any other change to its share capital; or
 - (c) recommended, declared, paid or made or proposed to recommend, declare, pay or make any dividend, bonus issue or other distribution whether payable in cash or otherwise; or
 - (d) merged or demerged with or from, or acquired, any body corporate or authorised or proposed or announced any intention to propose any such merger or demerger; or
 - (e) other than in the ordinary course of business acquired or disposed of, transferred, mortgaged or charged, or created or granted any security interest over, any assets (including shares and trade investments) or authorised or proposed or announced any intention to propose any acquisition, disposal, transfer, mortgage, charge or creation or grant of any security interest (which in any case would be material in the context of the Pavilion Group taken as a whole); or
 - (f) other than in the ordinary course of business, issued or authorised or proposed the issue of any debentures or incurred or increased any borrowings, indebtedness or liability (actual or contingent); or
 - (g) entered into or varied, or authorised or proposed the entry into or variation of, or announced its intention to enter into or vary, any transaction, arrangement, contract or commitment (whether in respect of capital expenditure or otherwise) which is of a long term, onerous or unusual nature or magnitude or could involve an obligation of such nature or magnitude or which is or could be restrictive to the existing business of any member of the Wider Pavilion Group or which is other than in the ordinary course of business; or
 - (h) entered into, implemented, effected, authorised or proposed or announced its intention to enter into, implement, effect, authorise or propose any contract, reconstruction, amalgamation, scheme, commitment or other transaction or arrangement otherwise than in

the ordinary course of business (which in any case would be material in the context of the Pavilion Group taken as a whole); or

- (i) waived or compromised any claim (which would be material in the context of the Pavilion Group taken as a whole), or
- (j) entered into or varied or made any offer (which remains open for acceptance) to enter into or vary the terms of any contract with any of the directors or senior executives of Pavilion or any of the directors or senior executives of any other member of the Wider Pavilion Group; or
- (k) taken or proposed any corporate action or had any legal proceedings instituted or threatened against it or petition presented for its winding-up (voluntary or otherwise), dissolution or reorganisation or for the appointment of a receiver, administrator, administrative receiver, trustee or similar officer of all or any of its assets and revenues or for any analogous proceedings or steps in any jurisdiction or for the appointment of any analogous person in any jurisdiction (which in any case would be material in the context of the Pavilion Group taken as a whole); or
- (l) been unable, or admitted in writing that it is unable, to pay its debts or has stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business; or
- (m) made any alteration to its memorandum or articles of association, or other incorporation documents; or
- (n) in relation to the pension schemes established for its directors and/or other employees and/or their dependants, made or consented to any change to:
 - (i) the terms of the trust deeds constituting such pension schemes or to the benefits which accrue;
 - (ii) the pensions which are payable, under them;
 - (iii) the basis on which qualifications for or accrual of or entitlement to such benefits or pensions are calculated or determined;
 - (iv) the basis upon which the liabilities (including pensions) of such pension schemes are funded or made;
 - (v) or agreed or consented to any change to the trustees of such pension schemes; or
- (o) entered into any agreement or passed any resolution or made any offer (which remains open for acceptance) or proposed or announced any intention with respect to any of the transactions, matters or events referred to in this condition 6.

7. Save as Disclosed, in the period since the Accounting Date:

- (a) no litigation or arbitration proceedings, prosecution, investigation or other legal proceedings having been announced, instituted, threatened or remaining outstanding by, against or in respect of, any member of the Wider Pavilion Group or to which any member of the Wider Pavilion Group is or may become a party (whether as claimant, defendant or otherwise); or
- (b) no material adverse change or deterioration having occurred in the business or assets or financial or trading position or prospects, assets or profits of the Pavilion Group taken as a whole; or
- (c) save as a result of the Offer, no enquiry or investigation by, or complaint or reference to, any relevant person against or in respect of any member of the Wider Pavilion Group having been threatened, announced, implemented or instituted or remaining outstanding by, against or in respect of, any member of the Wider Pavilion Group; or
- (d) no contingent or other liability having arisen or become apparent or increased which would materially adversely effect the Pavilion Group taken as a whole.

8. Save as Disclosed, JLT Corporate Risks not having discovered that:

Environmental

- (a) any past or present member of the Wider Pavilion Group has not complied with all applicable legislation or regulations or authorisations of any jurisdiction with regard to the use, handling, storage, transport, production, supply, treatment, keeping, disposal, discharge, spillage, leak or emission of any waste or hazardous substance or any substance likely to damage or impair the environment or harm human health or otherwise relating to environmental matters or the health and safety of any person or that there has otherwise been any such use, handling, storage, transport, production, supply, treatment, keeping, disposal, discharge, spillage, leak or emission (whether or not the same constituted a non-compliance by any person with any such legislation or regulations or authorisations and wherever the same may have taken place), which, in any such case, would be likely to give rise to any liability (whether actual or contingent) or cost on the part of any member of the Wider Pavilion Group (which in any case would be material in the context of the Pavilion Group taken as a whole); or
- (b) there has been a disposal, discharge, release, spillage, leak or emission of any waste or hazardous substance or any substance likely to damage or impair the environment or harm human health which would be likely to give rise to any liability (whether actual or contingent) or cost on the part of any member of the Wider Pavilion Group (which in any case would be material in the context of the Pavilion Group taken as a whole); or
- (c) there is, or is likely to be any liability (whether actual or contingent) or cost on the part of any member of the Wider Pavilion Group to make good, repair, reinstate or clean up any relevant asset or any other property or any controlled waters under any environmental legislation, regulation, notice, circular, order or other lawful requirement of any relevant person or third party or otherwise (which in any case would be material in the context of the Pavilion Group taken as a whole); or
- (d) circumstances exist (whether as a result of the making of the Offer or otherwise):
 - (i) which would be likely to lead to any relevant person instituting; or
 - (ii) whereby any past or present member of the Wider Pavilion Group would be likely to be required to institute;

an environmental audit or take any steps which would in any such case be likely to result in any actual or contingent liability to improve or modify existing plant or install new plant, machinery or equipment or carry out any changes in the processes carried out or make good, repair, reinstate or clean up any relevant asset or any other property or any controlled waters (which in any case would be material in the context of the Pavilion Group taken as a whole); or

Information

- (e) the financial, business or other information disclosed at any time by any member of the Wider Pavilion Group, whether publicly or in the context of the Offer either contained a misrepresentation of fact or omitted to state a fact necessary to make the information disclosed not misleading in any case which has not been subsequently corrected by appropriate Disclosure prior to the date of the announcement; or
- (f) any contingent liability disclosed in such disclosed information would or might materially adversely affect, directly or indirectly, the business, profits or prospects of the Wider Pavilion Group taken as a whole; or
- (g) any information disclosed at any time by or on behalf of any member of the Wider Pavilion Group was at the time disclosed materially incorrect or has become materially incorrect and has not been corrected by further Disclosure prior to the Announcement Date; or

Accounts

- (h) any member of the Wider Pavilion Group is subject to any liability, contingent or otherwise (which in any case would be material in the context of the Pavilion Group taken as a whole); or

Intellectual Property

- (i) any member of the Wider Pavilion Group does not own or have licensed to it or otherwise possess legally enforceable rights to use all intellectual property that is:
 - (i) required or reasonably necessary for the conduct of business of the relevant member of the Wider Pavilion Group as currently conducted; or
 - (ii) under development for such business;(which in any case would be material in the context of the Pavilion Group taken as a whole); or
- (j) any member of the Wider Pavilion Group has infringed, any intellectual property rights of any third party (which in any case would be material in the context of the Pavilion Group taken as a whole); or
- (k) any claims have been asserted in writing or threatened in writing by any person:
 - (i) that the Wider Pavilion Group infringes any intellectual property of any third party; or
 - (ii) challenging the ownership of any member of the Wider Pavilion Group to, or the validity or effectiveness of, any of its intellectual property;(which in any case would be material in the context of the Pavilion Group taken as a whole); or
- (l) any intellectual property held by any member of the Wider Pavilion Group is not valid and subsisting (which in any case would be material in the context of the Pavilion Group taken as a whole); or
- (m) there is unauthorised use, infringement or misappropriation of any intellectual property of any member of the Wider Pavilion Group by any third party (which in any case would be material in the context of the Pavilion Group taken as a whole); or
- (n) any persons who are now, or within the last five years have been, employees, consultants or contractors of any member of the Wider Pavilion Group have failed to execute proprietary information and confidentiality agreements (which in any case would be material in the context of the Pavilion Group taken as a whole); or

Criminal Property

- (o) any asset of any member of the Wider Pavilion Group constitutes criminal property as defined by section 340(3) of the Proceeds of Crime Act 2002 (but disregarding paragraph (b) of that definition) (which in any case would be material in the context of the Pavilion Group taken as a whole).

B. Certain Further Terms of the Offer

The conditions are inserted for the benefit of JLT Corporate Risks and no Pavilion Shareholder shall be entitled to waive any of the conditions without the prior consent of JLT Corporate Risks.

Subject to the requirements of the Panel, JLT Corporate Risks reserves the right to waive all or any of conditions 3 to 8 (inclusive) in whole or in part.

Each of conditions 1 to 8 shall be regarded as a separate condition and shall not be limited by reference to any other condition.

If the Offer lapses, it will cease to be capable of further acceptance and persons accepting the Offer and JLT Corporate Risks shall thereupon cease to be bound by acceptances submitted before the time the Offer lapses.

The Offer will lapse unless all of the conditions relating to the Offer have been fulfilled or (if capable of waiver) waived by, or, where appropriate, have been determined by JLT Corporate Risks to be and remain satisfied by, midnight on the twenty first day after the later of:

- (a) the first closing date; or
- (b) the date on which the condition 1 is satisfied or becomes or is declared satisfied;

or such later date as JLT Corporate Risks may, with the consent of the Panel, decide. JLT Corporate Risks shall be under no obligation to waive or treat as satisfied any condition by a date earlier than the latest date specified above for its satisfaction even though the other conditions of the Offer may, at such earlier date, have been waived or fulfilled and there are, at such earlier date, no circumstances indicating that any such conditions may not be capable of fulfilment.

If JLT Corporate Risks is required by the Panel to make an offer for Pavilion Shares under Rule 9 of the Code, JLT Corporate Risks may make such alterations to the conditions of the Offer set out above, including condition 1, as are necessary to comply with that Rule.

Pavilion Shares will be acquired by JLT Corporate Risks fully paid and free from all liens, equities, charges, equitable interests, encumbrances, rights of pre-emption and any other third party right and/or interests of any nature whatsoever and together with all rights attaching to them, now or in the future, including the right to receive and retain all dividends, interest and other distributions declared, paid or made after the Announcement Date.

The Offer will not be made, directly or indirectly, in, into or by use of the mails of, or by any means or instrumentality (including, without limitation, telephonically, or electronically) of interstate or foreign commerce of, or any facilities of a national securities exchange of, the United States, Canada, Australia or Japan or any other jurisdiction if to do so would constitute a violation of the relevant laws of such jurisdiction. This document does not constitute an offer in the United States, Canada, Australia or Japan or any such other jurisdiction and the Offer should not be accepted by any such use, means, instrumentality or facilities or otherwise from or within the United States, Canada, Australia or Japan or any such other jurisdiction. Accordingly, copies of this document are not being and must not be mailed, transmitted or otherwise distributed in whole or in part, in, into or from the United States, Canada, Australia or Japan or any such other jurisdiction and persons receiving this announcement (including, without limitation, custodians, nominees and trustees) must not mail or otherwise forward, distribute or send it in, into or from the United States, Canada, Australia or Japan or any such other jurisdiction. Doing so may render invalid any purported acceptance of the Offer.

The Loan Notes have not been, and will not be, listed on any stock exchange or registered under the US Securities Act or under the securities laws of any jurisdiction of the United States; the relevant clearances have not been, and will not be, obtained from the securities commission of any province or territory of Canada; no prospectus has been, or will be, lodged with, or registered by, the Australian Securities and Investments Commission; and no steps have been, or will be, taken to enable the Loan Notes to be offered in compliance with the applicable securities laws of any state, province, territory or jurisdiction of the United States of America, Canada, Australia or Japan or any other country or jurisdiction outside the United Kingdom. Accordingly, the Loan Notes are not being, nor (unless an exemption under relevant securities laws is applicable) can they be, offered, sold, resold or delivered, directly or indirectly, in, into or from the United States, Canada, Australia or Japan, or any other jurisdiction if to do so would constitute a violation of the relevant laws of, or require registration thereof in, such jurisdiction, or to, or for the account or benefit of, any US person or any resident, citizen or national of Canada, Australia or Japan.

The Offer will comply with English law and the Code.

JLT Corporate Risks reserves the right, with the consent of the Pavilion Directors, to elect to implement the acquisition of the Pavilion Shares by way of a Scheme of Arrangement under section 425 of the Companies Act. In such event, the Scheme of Arrangement will be implemented on the same terms (subject to appropriate amendments), so far as applicable, as those which could apply to the Offer. In particular, condition 1 will not apply and the Scheme of Arrangement will become effective and binding following:

- (i) approval at the Court Meeting by a majority in number, representing 75 per cent or more in value present and voting, either in person or by proxy, of the holders of the Pavilion Shares (or the relevant class or classes thereof);
- (ii) the resolution(s) required to approve and implement the Scheme of Arrangement and to be set out in the notice of Extraordinary General Meeting to the holders of Pavilion Shares being passed by the requisite majority at such Extraordinary General Meeting; and
- (iii) sanction of the Scheme of Arrangement and confirmation of the reduction of capital involved therein by the Court (in both cases with or without modifications on terms reasonably

acceptable to JLT Corporate Risks) and an office copy of the orders of the Court sanctioning the Scheme of Arrangement and confirming the cancellation of share capital which forms part of it being delivered for registration to the Registrar of Companies in England and Wales and being registered by him.

APPENDIX II

Sources and Bases of Information

- (i) The value placed by the Offer on the issued and to be issued share capital of Pavilion, and other statements made in this announcement by reference to the issued share capital of Pavilion, are based on 50,728,630 Pavilion Shares in issue on 27 March 2007, the last dealing day prior to the date of this announcement, and the approximately 4,450,000 Pavilion Shares that may be issued on exercise of, or pursuant to, options under the Pavilion Share Schemes.
- (ii) The Closing Prices of Pavilion Shares referred to in this document are derived from the Daily Official List.
- (iii) Unless otherwise stated, the financial information relating to Pavilion is extracted from the audited consolidated financial statements of Pavilion for the year ended 31 December 2006.
- (iv) The financial information relating to the JLT Group is extracted from the audited consolidated financial statements of JLT Group plc for the year ended 31 December 2006.

APPENDIX III

Terms of the Loan Note Alternative

The Loan Notes will be unsecured obligations of JLT Corporate Risks and will be issued, credited as fully paid, in integral multiples of £1 nominal value. All fractional entitlements will be disregarded and not paid.

The Loan Note Alternative will be conditional on the Offer becoming or being declared wholly unconditional and valid elections having been received by such time for at least £500,000 in aggregate nominal value of Loan Notes (or such lesser amount as JLT Corporate Risks may decide) and will remain open for so long as the Offer remains open for acceptance. If insufficient valid elections are received, Pavilion Shareholders who validly accept the Offer and elect to receive Loan Notes will instead receive cash in accordance with the terms of the Offer.

Interest on the Loan Notes will be payable (less tax if required to be deducted) semi-annually in arrear on 30 June and 31 December in each year. The first payment of interest on the Loan Notes will be made on 30 June 2007 in respect of the period from (but excluding) the date of issue to the relevant holder up to (and including) 30 June 2007.

The rate of interest on the Loan Notes will be 0.5 per cent below LIBOR (as defined in the instrument constituting the Loan Notes).

A Noteholder shall be entitled to require JLT Corporate Risks, by not less than 30 days' written notice, to repay the whole (whatever the amount) or part of the principal amount of his holding of Loan Notes at par on any Interest Payment Date.

Any Loan Notes not previously so repaid, redeemed or purchased will be repaid in full, at par, on 30 June 2009.

APPENDIX IV

Definitions

The following definitions apply throughout this announcement, the Summary and the Appendices unless the context requires otherwise.

“Accounting Date”	31 December 2006
“AIM”	the market of that name operated by the London Stock Exchange
“AIM Rules”	the rules applicable to companies whose shares are traded on AIM published by the London Stock Exchange as amended from time to time
“Announcement Date”	28 March 2007
“agreements”	arrangements, agreements, commitments, licences, permits, franchises, partnerships, joint ventures, authorisations or other instruments
“authorisations”	authorisations, orders, recognitions, grants, consents, licences, confirmations, clearances, permissions and approvals
“Business Day”	a day, not being a public holiday, Saturday or Sunday, on which clearing banks in London are open for normal business
“Closing Price”	the closing middle market quotation of a Pavilion Share as derived from the AIM appendix to the Daily Official List
“Code” or “City Code”	the City Code on Takeovers and Mergers as from time to time interpreted by the Panel
“the Companies Act”	the Companies Act 1985, as amended
“Daily Official List”	the daily official list of the London Stock Exchange
“Disclosed”	disclosed in the 2006 Annual Report and Accounts of Pavilion or otherwise publicly announced by Pavilion prior to the date of this announcement (by the delivery of an announcement to a Regulatory Information Service), or as otherwise fairly disclosed in writing prior to the date of this announcement to JLT Corporate Risks or JLT Group plc by or on behalf of the Pavilion Group
“first closing date”	the date falling 21 days after the date on which the Offer Document is posted
“Form of Acceptance”	the form of acceptance, election and authority relating to the Offer which will accompany the Offer Document
“FSA”	the Financial Services Authority
“intellectual property”	all patents, trademarks, trade names, service marks, copyrights, designs, databases and any applications therefore, schematics, technology, know-how, computer software, programs or applications (in both source code and object code form), and tangible or intangible proprietary information or material
“JLT Corporate Risks”	JLT Corporate Risks Limited
“JLT Corporate Risks Board” or “JLT Corporate Risks Directors”	the board of directors of JLT Corporate Risks Limited
“JLT Directors”	the JLT Corporate Risks Board together with Dominic Burke, Jim Rush and Vyvienne Wade, directors of JLT Group plc
“JLT Group”	JLT Group plc, its subsidiaries and subsidiary undertakings
“JLT Group plc”	Jardine Lloyd Thompson Group plc

“JPMorgan Cazenove”	JPMorgan Cazenove Limited, financial adviser to JLT Corporate Risks and JLT Group plc
“legal proceedings”	actions, suits, proceedings, investigations, references or enquiries
“Listing Rules”	the listing rules made by the FSA under Part VI of the Financial Services and Markets Act 2000
“Loan Notes”	the floating rate unsecured loan notes of £1 each to be issued by JLT Corporate Risks pursuant to the Loan Note Alternative
“Loan Note Alternative”	the arrangements pursuant to which Pavilion Shareholders who validly accept the Offer may elect to receive Loan Notes instead of some or all of the cash consideration to which they would otherwise be entitled under the Offer
“London Stock Exchange”	London Stock Exchange plc
“Offer”	the recommended offer, including the Loan Note Alternative to acquire all of the issued and to be issued Pavilion Shares on the terms and subject to the conditions to be set out in the Offer Document and the Form of Acceptance and, where the context so requires, any subsequent revision, variation, extension or renewal thereof
“Offer Document”	the document to be sent to Pavilion Shareholders which will contain the Offer
“Offer Price”	the price per Pavilion Share offered by JLT Corporate Risks to Pavilion Shareholders under the Offer
“Panel”	the Panel on Takeovers and Mergers
“Pavilion”	Pavilion Insurance Network plc
“Pavilion Board” or “Pavilion Directors”	the board of directors of Pavilion
“Pavilion Group”	Pavilion, its subsidiaries and subsidiary undertakings
“Pavilion Shareholder”	the holder of any Pavilion Shares
“Pavilion Shares”	the existing unconditionally allotted or issued and fully paid (or credited as fully paid) ordinary shares of one pence each of Pavilion and any further ordinary shares in the capital of Pavilion which are unconditionally allotted or issued and fully paid, (or credited as fully paid), before the date on which the Offer closes (or before such earlier date as JLT Corporate Risks may, subject to the Code, decide, not being earlier than (a) the date on which the Offer becomes or is declared unconditional as to acceptances or (b), if later, the first closing date of the Offer)
“Pavilion Share Scheme”	The Pavilion EMI Share Option Plan and the Pavilion Unapproved Share Option Plan
“Publicly Announced”	specifically disclosed in the annual report and accounts of Pavilion for the year ended on the Accounting Date or in this announcement or in any other announcement made to a Regulatory Information Service since the date of publication of such report and accounts and prior to the Announcement Date
“Regulatory Information Service”	as defined in the Listing Rules
“relevant asset”	land, property or other asset now or previously owned, occupied or made use of by any past or present member of the Wider Pavilion Group

“relevant persons”	governments, governmental, quasi-governmental, supranational, statutory, investigative, regulatory or administrative bodies or trade agencies, associations, institutions or courts, or professional or environmental bodies, or any other persons or bodies whatsoever in any jurisdiction
“substantial interest”	a direct or indirect interest in 20 per cent or more of the voting equity capital of an undertaking
“third party”	person, firm, company or body
“United States” or “US”	the United States of America, its territories and possessions, any state of the United States and the District of Columbia and all other areas subject to its jurisdiction
“US person”	as defined in Regulation 5 under the US Securities Act
“US Securities Act”	the US Securities Act 1933, as amended, and the rules and regulations promulgated under it
“Wider JLT Group”	JLT Group plc and its subsidiaries, subsidiary undertakings, associated undertakings and any other undertakings in which JLT Group plc and/or such subsidiaries or undertakings (aggregating their interests) have a substantial interest
“Wider Pavilion Group”	Pavilion and its subsidiaries, subsidiary undertakings, associated undertakings and any other undertakings in which Pavilion and/or such subsidiaries or undertakings (aggregating their interests) have a substantial interest

In this document:

the expressions **“associated undertaking”**, **“subsidiary”**, **“subsidiary undertaking”** and **“undertaking”** have the meanings given by the Companies Act (but for this purpose ignoring paragraph 20(1)(b) of Schedule 4A to the Companies Act); and

references to time are to London time.

