



ANNOUNCEMENT

JARDINE LLOYD THOMPSON EXPANDS IN LATIN AMERICA

London, 28 July 2004: Jardine Lloyd Thompson Group plc (FTSE:JLT) announces that it has entered into agreements with Heath Lambert Holdings Limited ("HLH") to acquire its majority shareholdings and with certain minority shareholders to acquire further shares in HLH's insurance and reinsurance businesses in Colombia and Peru. In Mexico, JLT, in partnership with the 25% minority shareholder, will assume, through a newly formed company, HLH's reinsurance interest in Mexico. In addition JLT will enter into an exclusive representative agreement with HLH's former subsidiary in Venezuela, which will be acquired, from HLH by its management.

JLT has also entered into put and call option agreements with the active minority shareholders in Colombia, Peru and Mexico for the possible acquisition of their shareholdings over a period to 2011. The companies being acquired and the resulting shareholdings in each are set out in the appendix to this announcement.

Completion of each of the above acquisitions and agreements is conditional upon regulatory approval. The initial consideration payable to HLH and the local minority shareholders on completion is US\$47 million in cash.

Further performance related payments may also be made based on the levels of turnover and profit achieved over the three year period following completion.

As indicated above, the agreements also provide for the possible purchase of the interests of the active minority shareholders by way of put and call option arrangements pursuant to which JLT may acquire up to 80% of each such interest between 2007 and 2011. Each residual interest of 20% may also ultimately be acquired by JLT on a similar basis upon the retirement of the relevant shareholder and in certain other circumstances.

The aggregate additional consideration that may be payable in respect of the performance related payments and the possible acquisition consideration for the minority interests is capped at US\$96 million in total and will be satisfied by cash or, by mutual agreement, in JLT shares.

The net assets of the companies being acquired are approximately US\$6 million.

The aggregate pro forma brokerage for 2003 attributable to these businesses (including brokerage earned on insurance and reinsurance placements in London arising from Latin America) would have amounted to US\$32.6 million.

Aggregate pro forma profit before tax for 2003 (including profits on London placements) would have amounted to US\$15.2 million. Aggregate pro forma earnings after tax and ongoing minority interests for 2003 (including earnings on London placements) would have amounted to US\$7.7 million

This transaction adds to JLT's existing office in Brazil and is an excellent opportunity for JLT to gain a significant position in a large and important market. It fits with JLT's strategy of building its international specialist insurance and reinsurance operations around property, mining, telecommunications, construction, energy, power and aviation where we have particular strengths. There is excellent potential for development of these lines of business in the region and also for referral of business across the JLT Group.

Steve McGill, Chief Executive, Jardine Lloyd Thompson Group plc said:

“ JLT is now a major force in Latin America. This acquisition provides us with a significant presence in the region and creates excellent wholesale opportunities for JLT’s London and Bermudian operations. This development is a further important step in fulfilling the international ambitions of the Group”

John Hastings-Bass, the Group Director responsible for JLT’s international insurance operations outside the USA said:

“Our new colleagues are professional, focussed insurance and reinsurance brokers who already share the JLT values and culture. Together we will be able to provide clients in the region with access to JLT’s market-leading expertise. Our new operations in Latin America will have the full support of JLT as they build on their strong market position . “

For further information:

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Note to editors:

Jardine Lloyd Thompson Group plc is one of the world’s largest insurance and reinsurance brokers and the largest UK and European-based risk and employee benefits business quoted on the London Stock Exchange. JLT operates in 30 countries and employs over 4,500 staff. www.jltgroup.com

Note of companies:

Territory & company acquired	Majority shareholdings acquired by JLT	Retained minority shareholdings on completion
	%	%
Colombia		
Heath Lambert de Colombia Corredores de Reaseguros SA	75%	25%
Heath Lambert Corredores de Seguros Ltda & Heath Lambert Beneficios Integrales Oportunos SA	65%	35%
Peru		
Heath Lambert Peru SA	60%	40%
Mariategui Heath Lambert Corredores de Seguros SA	51%	49%

New company to be formed	JLT Shareholding	Minority Shareholding
	%	%
Mexico		
JLT Mexico, Intermediario de Reaseguro, S.A. de C.V.	75%	25%