

For immediate release
28 January 2009
Charles Taylor Consulting plc

TRADING STATEMENT

Charles Taylor Consulting plc (“CTC” or the “Company”) announces a trading update for the year ended 31 December 2008.

Trading update

Trading for the year ended 31 December 2008 was broadly in line with management's expectations.

Management Division

The Standard Clubs

Standard Bermuda, the largest club, had its “A” rating with stable outlook reaffirmed by Standard & Poor’s despite the turbulence in world investment markets which impacted upon its reserves. To date in 2009, we have seen a significant increase in applicants for these mutuals. We believe that this is indicative of their resilience and that this augurs well for the future.

Signal Mutual

The reported payrolls of stevedore members (45% of Signal’s payrolls) fell sharply over the important last quarter compared with 2007, as the hiatus in world trade and significantly diminished consumer demand reduced cargo volumes passing through the key US ports on the West and East coasts. By contrast the shipyard members, who constitute around 37% of the mutual’s payrolls and whose business is largely defence related, performed as expected with little noticeable impact on reported payrolls. So far there has been similarly little impact on the offshore and general maritime members who make up the remainder of Signal’s payrolls. New business growth in the last quarter was maintained at a similar level to earlier in the year. These trends have continued into 2009, with reduced stevedore payrolls likely to continue for some time yet.

Local Authority Mutuals

Recent encouraging remarks from the minister responsible for local government reinforce our view that this sector holds considerable promise for the CTC group, irrespective of the outcome of the Court of Appeal hearing in RMP v Brent (which was discussed in the Company’s interim results announcement of 29 August 2008).

Adjusting Division

Our energy, marine and non marine businesses continued to perform strongly during the final quarter. Our aviation business performed less well, partly as a result of the very weak performance of our US general aviation business, which was reorganised during the second part of the year, and partly as a result of lower income from the London based business. Charles Taylor adjusting overall continues to benefit from instructions on major losses around the globe.

Run-off Division

Non Life Insurance

The acquisition of Westminster Motor Insurance Association Limited was completed at the end of the year, and followed the earlier acquisition of Santam Europe Limited in September 2008. These two transactions are expected to generate certain one-off gains in 2008, arising from the recognition of negative goodwill. The board believes that there will be further opportunities to make financially attractive acquisitions in this area. Bestpark, the CTC group's principal property and casualty company, performed satisfactorily during the period.

Life Insurance

LCL International Life Assurance Company Limited had a challenging 2008 as a result of the precipitous falls in equity markets and the consequential decrease in its embedded value. As previously highlighted in the Company's November 2008 Interim Management Statement, the intangible asset representing the value of future profits (the "Value of Business Acquired" or "VOBA") has been impaired (a non-cash effect) in the second half of the year. Whilst a number of opportunities to acquire further companies in run-off were examined, none were believed to offer value to the group's shareholders.

Run-off Services

Following a difficult 2008, a new managing director, Mike Peachey, has recently been appointed with a brief to grow the level of instructions in this area. Mike Peachey returns to the Company in a non CTC board role having previously served on the board as an executive director between 2002 and 2004.

The Isle of Man third party life administration business performed satisfactorily and is well positioned to take advantage of opportunities should they arise in 2009.

Foreign exchange – Positive effect of dollar/sterling exchange rate

The CTC group generates substantial US dollar income and will, therefore, be a beneficiary of the significant fall in the pound against the dollar, the effect of which will become more marked as existing hedges unwind during 2009. The year end US dollar rate of 1.45 compares to the average rate of 1.88 at which the group's hedges of \$4.5m at 31 December 2008 were contracted. This will result in a mark-to-market loss in 2008.

Outlook

The 2009 financial year has commenced satisfactorily for the Company and the board believes that continued strong demand for the services it provides to the insurance industry will insulate it from the worst of the current global economic downturn. The Company will continue to expand its range of services through both organic and acquisitive means where it sees the opportunity of achieving profitable growth in earnings for its shareholders.

CTC will announce its preliminary results for the year ended 31 December 2008 on 30 March 2009.

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NOTES TO EDITORS

1. CTC provides management and insurance-related services to both buyers of insurance and insurance companies. The group's activities are subject to the insurance cycle, albeit in different ways. Further information on the group can be found at www.charlestaylorconsulting.com.
2. This statement is based on information sourced from management accounts.
3. Statements made in this announcement that look forward in time or that express management's beliefs, expectations or estimates regarding future occurrences are "forward-looking statements" within the meaning of the United States federal securities laws. These forward-looking statements reflect the Group's current expectations concerning future events and actual results may differ materially from current expectations or historical results.