

# **NEWS RELEASE**

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#### MARSH & McLENNAN COMPANIES REPORTS FIRST QUARTER 2015 RESULTS

# Underlying Revenue Growth Across All Operating Companies GAAP EPS Grows 10% to \$.88 From \$.80 Adjusted EPS Rises 12% to \$.91

NEW YORK, April 30, 2015 - Marsh & ¸Û²Ê¿a½± Companies, Inc. (NYSE: MMC), a global professional services firm offering clients advice and solutions in risk, strategy, and people, today reported financial results for the first quarter ended March 31, 2015.

Dan Glaser, President and CEO said: "In the first quarter, Marsh &  $\hat{\,\,\,\,}\hat{U}^2\hat{E}_{\dot{c}}^{a1}$ " ± Companies produced underlying revenue growth across all operating companies with increased profitability in both our Risk & Insurance Services and Consulting segments. On a consolidated basis, underlying revenue rose 4% and adjusted EPS grew 12% to \$.91. Underlying revenue increased 3% in Risk & Insurance Services and 5% in Consulting.

"We are off to a good start and are on track to deliver underlying revenue growth, margin expansion, and solid growth in earnings per share this year," concluded Mr. Glaser.

### **Consolidated Results**

In the first quarter of 2015, consolidated revenue was \$3.2 billion, a decline of 1% compared with the first quarter of 2014, reflecting a 6% negative currency impact. On an underlying basis revenue increased 4%. Operating income rose 9% to \$735 million, compared with \$673 million in the prior year. Adjusted operating income, which excludes noteworthy items as presented in the attached supplemental schedules, rose 10% to \$749 million. Net income attributable to the Company was \$482 million in the first quarter, compared with \$443 million in the prior period. On a per share basis, net income attributable to the Company rose 10% to \$.88 from \$.80 last year. Adjusted earnings per share grew 12% to \$.91, compared with \$.81 last year.

In the first quarter, the stronger U.S. dollar and the effects of lower interest rates adversely affected EPS by approximately \$.12. These headwinds were more than offset by actions taken by the Company, primarily impacting the first quarter, which resulted in a net benefit of \$.03 on EPS.

### Risk and Insurance Services

Risk & Insurance Services revenue was \$1.8 billion in the first quarter of 2015, an increase of 3% on an underlying basis. Operating income rose 8% to \$533 million from \$493 million, and adjusted operating income was up 9% to \$546 million.

Marsh's revenue in the first quarter was \$1.4 billion, an increase of 3% on an underlying basis. International operations produced underlying revenue growth of 3%, reflecting growth of 2% in EMEA, 5% in Asia Pacific and 6% in Latin America. In US/Canada, underlying revenue rose 3%. Guy Carpenter's revenue in the first quarter was \$368 million, an increase of 2% on an underlying basis.

#### Consulting

Consulting revenue in the first quarter was \$1.4 billion, an increase of 5% on an underlying basis. Operating income rose 10% to \$248 million from \$225 million, and adjusted operating income increased 9% to \$247 million.

Mercer's revenue was \$1 billion in the first quarter, an increase of 4% on an underlying basis. Investments, with revenue of \$205 million, increased 13% on an underlying basis; Talent, with revenue of \$117 million, rose 4%; Health, with revenue of \$384 million, grew 3%; and Retirement, with revenue of \$331 million, was flat. Oliver Wyman Group's revenue was \$384 million in the first quarter, an increase of 8% on an underlying basis.

#### Other Items

In March, the Company issued \$500 million of 2.35% senior notes due in 2020, the net proceeds of which it intends to use for general corporate purposes. The Company repurchased 5.3 million shares of its common stock for \$300 million in the first guarter.

### Conference Call

A conference call to discuss first quarter 2015 results will be held today at 8:30 a.m. Eastern time. To participate in the teleconference, please dial +1 877 852 6573. Callers from outside the United States should dial +1 719 325 4806. The access code for both numbers is 6309663. The live audio webcast may be accessed at <a href="www.mmc.com">www.mmc.com</a>. A replay of the webcast will be available approximately two hours after the event.

About Marsh & Lû2Ê¿a1/2± Companies

MARSH & McLENNAN COMPANIES (NYSE: MMC) is a global professional services firm offering clients advice and solutions in the areas of risk, strategy, and people. Marsh is a global leader in insurance broking and risk management; Guy Carpenter is a global leader in providing risk and reinsurance intermediary services; Mercer is a global leader in talent, health, retirement, and investment consulting; and Oliver Wyman is a global leader in management consulting. With annual revenue of \$13 billion and 57,000 colleagues worldwide, Marsh & Û2Ê¿ª½± Companies provides analysis, advice, and transactional capabilities to clients in more than 130 countries. The Company is committed to being a responsible corporate citizen and making a positive impact in the communities in which it operates. Visit www.mmc.com for more information.

#### INFORMATION CONCERNING FORWARD-LOOKING STATEMENTS

This press release contains "forward-looking statements," as defined in the Private Securities Litigation Reform Act of 1995. These statements, which express management's current views concerning future events or results, use words like "anticipate," "assume," "believe," "continue," "estimate," "expect," "future," "intend," "plan," "project" and similar terms, and future or conditional tense verbs like "could," "may," "might," "should," "will" and "would." For example, we may use forward-looking statements when addressing topics such as: the outcome of contingencies; the expected impact of acquisitions and dispositions; the impact of competition; pension obligations; the impact of foreign currency exchange rates; our effective tax rates; changes in our business strategies and methods of generating revenue; the development and performance of our services and products; changes in the composition or level of our revenues; our cost structure, dividend policy, cash flow and liquidity; future actions by regulators; and the impact of changes in accounting rules.

Forward-looking statements are subject to inherent risks and uncertainties. Factors that could cause actual results to differ materially from those expressed or implied in our forward-looking statements include, among other things:

- our ability to maintain adequate safeguards to protect the security of confidential, personal or
  proprietary information, and the potential for the improper disclosure or use of such information,
  whether due to human error, improper action by employees, vendors or third parties, or as a result of a
  cyberattack;
- the impact of fluctuations in foreign currency exchange rates, particularly in light of the recent strengthening of the U.S. dollar against most other currencies worldwide:
- the impact of competition on our business, including the impact of our corporate tax rate as compared to our competitors;
- the impact on our global pension obligations of changes in discount rates and asset returns, as well as
  projected salary increases, mortality rates, demographics, and inflation, and the impact of cash
  contributions required to be made to our global defined benefit pension plans due to changes in the
  funded status of those plans;
- our exposure to potential liabilities arising from errors and omissions claims against us;
- our exposure to potential civil remedies or criminal penalties if we fail to comply with foreign and U.S. laws that are applicable in the domestic and international jurisdictions in which we operate, including trade sanctions laws relating to countries such as Cuba, Iran, Russia, Sudan and Syria, anti-corruption laws such as the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act 2010 and local laws prohibiting corrupt payments to government officials;
- the extent to which we are able to retain existing clients and attract new business, and our ability to
  effectively incentivize and retain key employees;
- our ability to make acquisitions and dispositions and to integrate, and realize expected synergies, savings or benefits from, the businesses we acquire;
- our ability to successfully recover should we experience a disaster or other business continuity problem;
- the impact of changes in interest rates and deterioration of counterparty credit quality on our cash balances and the performance of our investment portfolios;
- the impact of potential rating agency actions on our cost of financing and ability to borrow, as well as
  on our operating costs and competitive position;
- · changes in applicable tax or accounting requirements; and
- potential income statement effects from the application of FASB's ASC Topic No. 740 ("Income Taxes")
  regarding accounting treatment of uncertain tax benefits and valuation allowances, including the effect
  of any subsequent adjustments to the estimates we use in applying this accounting standard.

The factors identified above are not exhaustive. Marsh &  $^{\circ}_{3}\hat{U}^{2}\hat{E}_{\mathcal{L}}^{a}/_{2}\pm$  Companies and its subsidiaries operate in a dynamic business environment in which new risks may emerge frequently. Accordingly, we caution readers not to place undue reliance on any forward-looking statements, which are based only on information currently available to us and speak only as of the dates on which they are made. The Company undertakes no obligation to update or revise any forward-looking statement to reflect events or circumstances arising after the date on which it is made. Further information concerning Marsh &  $^{\circ}_{3}\hat{U}^{2}\hat{E}_{\mathcal{L}}^{a}/_{2}\pm$  Companies and its businesses, including information about factors that could materially affect our results of operations and financial condition, is contained in the Company's filings with the Securities and Exchange Commission, including the "Risk Factors" section and the "Management's Discussion and Analysis of Financial Condition and Results of Operations" section of our most recently filed Annual Report on Form 10-K.

# Marsh & Ĵ۲ʿª½± Companies, Inc. Consolidated Statements of Income (In millions, except per share figures) (Unaudited)

	Three Months Ended March 31,			
		2015		2014
Revenue	\$	3,215	\$	3,264
Expense:				
Compensation and Benefits		1,730		1,839
Other Operating Expenses		750		752
Operating Expenses		2,480		2,591
Operating Income		735		673
Interest Income		3		5
Interest Expense		(36)		(42)
Investment Income		2		13
Income Before Income Taxes		704		649
Income Tax Expense		206		192
Income from Continuing Operations		498		457
Discontinued Operations, Net of Tax		(3)		(1)
Net Income Before Non-Controlling Interests		495		456
Less: Net Income Attributable to Non- Controlling Interests		13		13
Net Income Attributable to the Company	\$	482	\$	443
Basic Net Income Per Share				
- Continuing Operations	\$	0.90	\$	0.81
- Net Income Attributable to the Company	\$	0.89	\$	0.81
Diluted Net Income Per Share				
- Continuing Operations	\$	0.89	\$	0.80
- Net Income Attributable to the Company	\$	0.88	\$	0.80
Average Number of Shares Outstanding				
- Basic		539		548
- Diluted		545		556
Shares Outstanding at 3/31		538		549

# Marsh & ¸Û²Ê¿ª½± Companies, Inc. Supplemental Information - Revenue Analysis Three Months Ended March 31, 2015 (Millions) (Unaudited)

Components of Revenue Change\* Three Months Ended % Change GAAP Acquisitions/ March 31, Currency Dispositions Underlying Revenue **Impact** Impact Revenue 2015 2014 Risk and Insurance Services Marsh 1,430 1,452 (7)% 3 % 3% (2)% 2% **Guy Carpenter** 368 381 (4)% (4)% (2)% Subtotal 1,798 1,833 (2)% (6)% 2 % 3% Fiduciary Interest Income 6 1,803 1,839 Total Risk and Insurance Services (2)% (6)% 2 % 3% Consulting Mercer 1,037 1,061 (2)% (6)% 4% Oliver Wyman Group 384 371 4 % (6)% 2 % 8% 1,432 1,421 **Total Consulting** 1 % 5% (1)% (6)%Corporate / Eliminations (9) (7) Total Revenue 3,215 3,264 (1)% (6)% 1 % 4%

#### Revenue Details

The following table provides more detailed revenue information for certain of the components presented above:

						Compon	ents of Revenue	Change*	
	TI					% Change GAAP	Currency	Acquisitions/ Dispositions	Underlying
		2015		2014	Revenue	Impact	Impact	Revenue	
Marsh:			'						
EMEA	\$	563	\$	617	(9)%	(12)%	1%	2%	
Asia Pacific		148		151	(2)%	(7)%	_	5%	
Latin America		81		84	(3)%	(13)%	4%	6%	
Total International		792		852	(7)%	(11)%	1%	3%	
U.S. / Canada		638		600	6 %	(1)%	5%	3%	
Total Marsh	\$	1,430	\$	1,452	(2)%	(7)%	3%	3%	
Mercer:									
Health	\$	384	\$	388	(1)%	(4)%	_	3%	
Retirement		331		357	(7)%	(7)%	_	_	
Investments		205		199	3 %	(10)%	1%	13%	
Talent		117		117	_	(6)%	3%	4%	
Total Mercer	\$	1,037	\$	1,061	(2)%	(6)%	_	4%	

#### Notes

Underlying revenue measures the change in revenue using consistent currency exchange rates, excluding the impact of certain items that affect comparability such as: acquisitions, dispositions and transfers among businesses.

<sup>\*</sup> Components of revenue change may not add due to rounding.

## Marsh & Jû²Ê¿a½± Companies, Inc. Non-GAAP Measures Three Months Ended March 31 (Millions) (Unaudited)

The Company presents below certain additional financial measures that are "non-GAAP measures," within the meaning of Regulation G under the Securities Exchange Act of 1934. These measures are: adjusted operating income (loss); adjusted operating margin; and adjusted income, net of tax.

The Company presents these non-GAAP measures to provide investors with additional information to analyze the Company's performance from period to period. Management also uses these measures to assess performance for incentive compensation purposes and to allocate resources in managing the Company's businesses. However, investors should not consider these non-GAAP measures in isolation from, or as a substitute for, the financial information that the Company reports in accordance with GAAP. The Company's non-GAAP measures reflect subjective determinations by management, and may differ from similarly titled non-GAAP measures presented by other companies.

#### Adjusted Operating Income (Loss) and Adjusted Operating Margin

Adjusted operating income (loss) is calculated by excluding the impact of certain noteworthy items from the Company's GAAP operating income or loss. The following tables identify these noteworthy items and reconcile adjusted operating income (loss) to GAAP operating income or loss, on a consolidated and segment basis, for the three months ended March 31, 2015 and 2014. The following tables also present adjusted operating margin, which is calculated by dividing adjusted operating income by consolidated or segment GAAP revenue.

	Risk & Insurance Services		Consulting		Corporate/ Eliminations		Total	
Three Months Ended March 31, 2015								
Operating income (loss)	\$	533	\$	248	\$	(46)	\$	735
Add (Deduct) impact of Noteworthy Items:								
Restructuring charges (a)		_		_		2		2
Adjustments to acquisition related accounts (b)		13		(1)		_		12
Operating income adjustments		13		(1)		2		14
Adjusted operating income (loss)	\$	546	\$	247	\$	(44)	\$	749
Operating margin		29.6%		17.4%		N/A		22.9%
Adjusted operating margin		30.3%		17.4%		N/A		23.3%
Three Months Ended March 31, 2014								
Operating income (loss)	\$	493	\$	225	\$	(45)	\$	673
Add (Deduct) impact of Noteworthy Items:								
Restructuring charges (a)		_		_		2		2
Adjustments to acquisition related accounts (b)		7		_		_		7
Operating income adjustments		7				2		9
Adjusted operating income (loss)	\$	500	\$	225	\$	(43)	\$	682
Operating margin		26.8%		15.8%		N/A		20.6%
Adjusted operating margin		27.2%		15.8%		N/A		20.9%

<sup>(</sup>a) Primarily severance, future rent under non-cancellable leases, and integration costs related to recent acquisitions.

<sup>(</sup>b) Primarily includes the change in fair value as measured each quarter of contingent consideration related to acquisitions.

# Marsh & J۲ʿa½± Companies, Inc. Non-GAAP Measures Three Months Ended March 31 (Millions) (Unaudited)

#### Adjusted income, net of tax

Adjusted income, net of tax is calculated as: the Company's GAAP income from continuing operations, adjusted to reflect the after-tax impact of the operating income adjustments set forth in the preceding tables; divided by MMC's average number of shares outstanding-diluted for the period.

Reconciliation of the Impact of Non-GAAP Measures on diluted earnings per share -

	Three Months Ended March 31, 2015					Three Months Ended March 31, 201					2014	
		Amo	ount			iluted EPS		Amo	ount			luted PS
Income from continuing operations			\$	498					\$	457		
Less: Non-controlling interest, net of tax				13						13		
Subtotal			\$	485	\$	0.89			\$	444	\$	0.80
Operating income adjustments	\$	14					\$	9				
Impact of income taxes		(5)						(3)				
				9		0.02				6		0.01
Adjusted income, net of tax			\$	494	\$	0.91			\$	450	\$	0.81

# Marsh & J۲ʿa½ + Companies, Inc. Supplemental Information (Millions) (Unaudited)

	Three Months Ended March 31,						
		2015 20					
Depreciation and amortization expense	\$	77	\$	75			
Identified intangible amortization expense	\$	24	\$	22			
Stock option expense	\$	8	\$	7			
Capital expenditures	\$	91	\$	99			

# Marsh & ¸Û²Ê¿a¹½± Companies, Inc. Consolidated Balance Sheets (Millions)

	(Unaudited) March 31, 2015			December 31, 2014		
ASSETS						
Current assets:						
Cash and cash equivalents	\$	1,104	\$	1,958		
Net receivables		3,380		3,377		
Other current assets		693		720		
Total current assets		5,177		6,055		
Goodwill and intangible assets		7,832		7,933		
Fixed assets, net		794		809		
Pension related assets		1,010		967		
Deferred tax assets		812		876		
Other assets		1,209		1,200		
TOTAL ASSETS	\$	16,834	<u>\$</u>	17,840		
LIABILITIES AND EQUITY						
Current liabilities:						
Short-term debt	\$	61	\$	11		
Accounts payable and accrued liabilities		1,699		1,883		
Accrued compensation and employee benefits		706		1,633		
Accrued income taxes		136		178		
Dividends payable		151				
Total current liabilities		2,753		3,705		
Fiduciary liabilities		4,585		4,552		
Less - cash and investments held in a fiduciary capacity		(4,585)		(4,552)		
		_		_		
Long-term debt		3,828		3,376		
Pension, post-retirement and post-employment benefits		2,070		2,244		
Liabilities for errors and omissions		334		341		
Other liabilities		986		1,041		
Total equity		6,863		7,133		
TOTAL LIABILITIES AND EQUITY	\$	16,834	\$	17,840		