



MARSH & McLENNAN  
COMPANIES

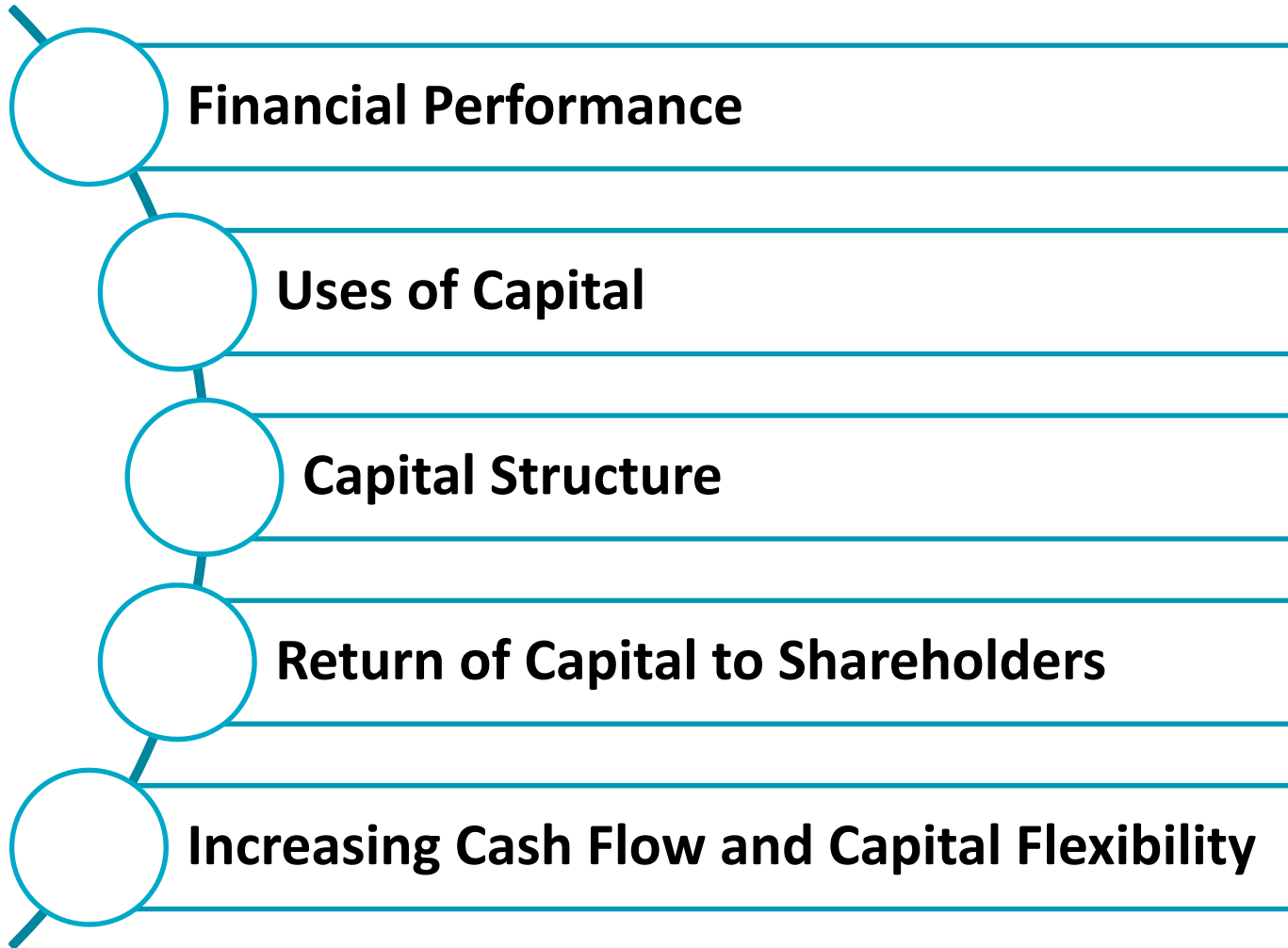
INVESTOR DAY **2014**

MARCH 11, 2014

**MIKE BISCHOFF**

CFO

# Agenda

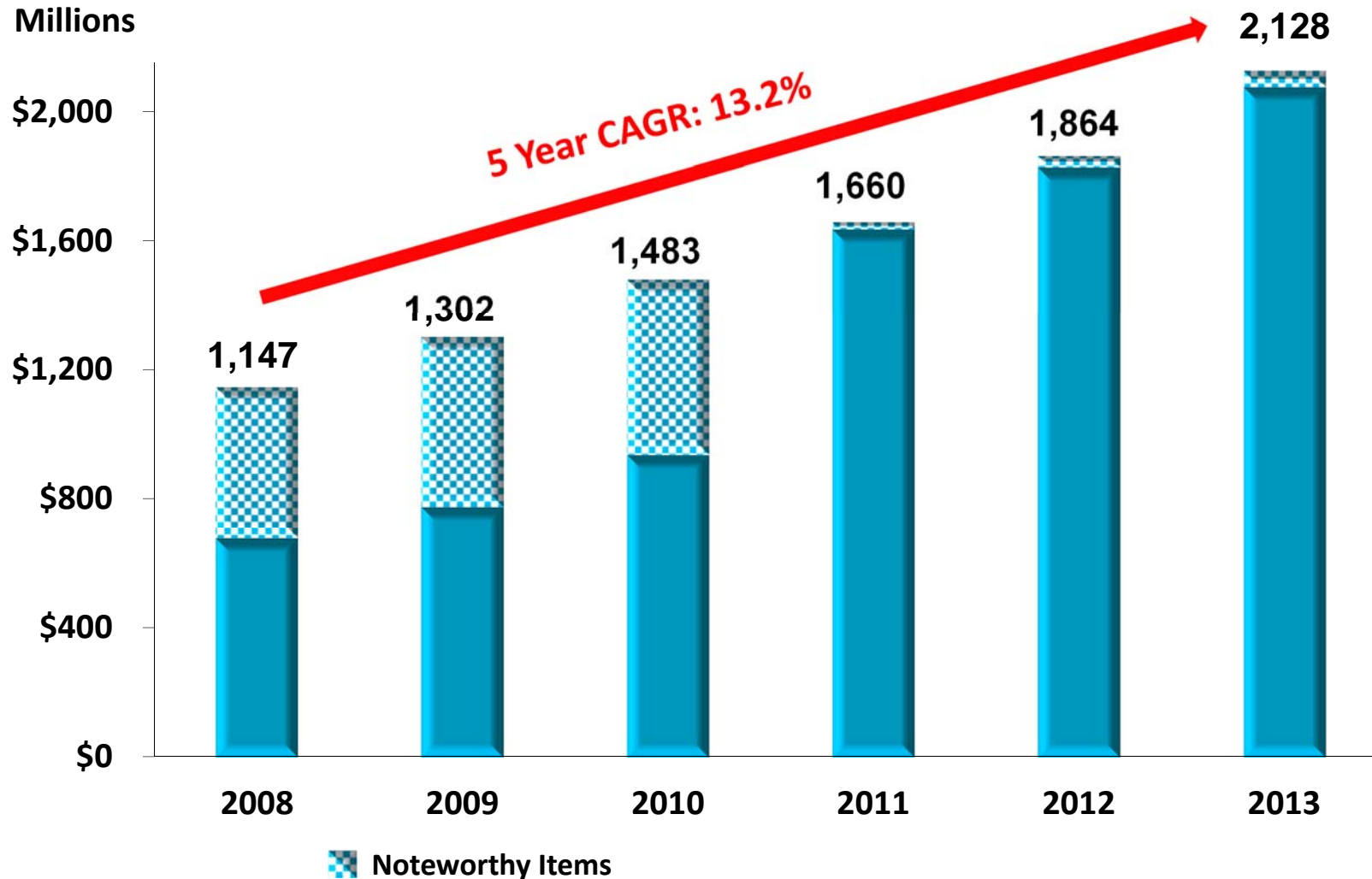


# FINANCIAL PERFORMANCE



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# Adjusted Operating Income Growth



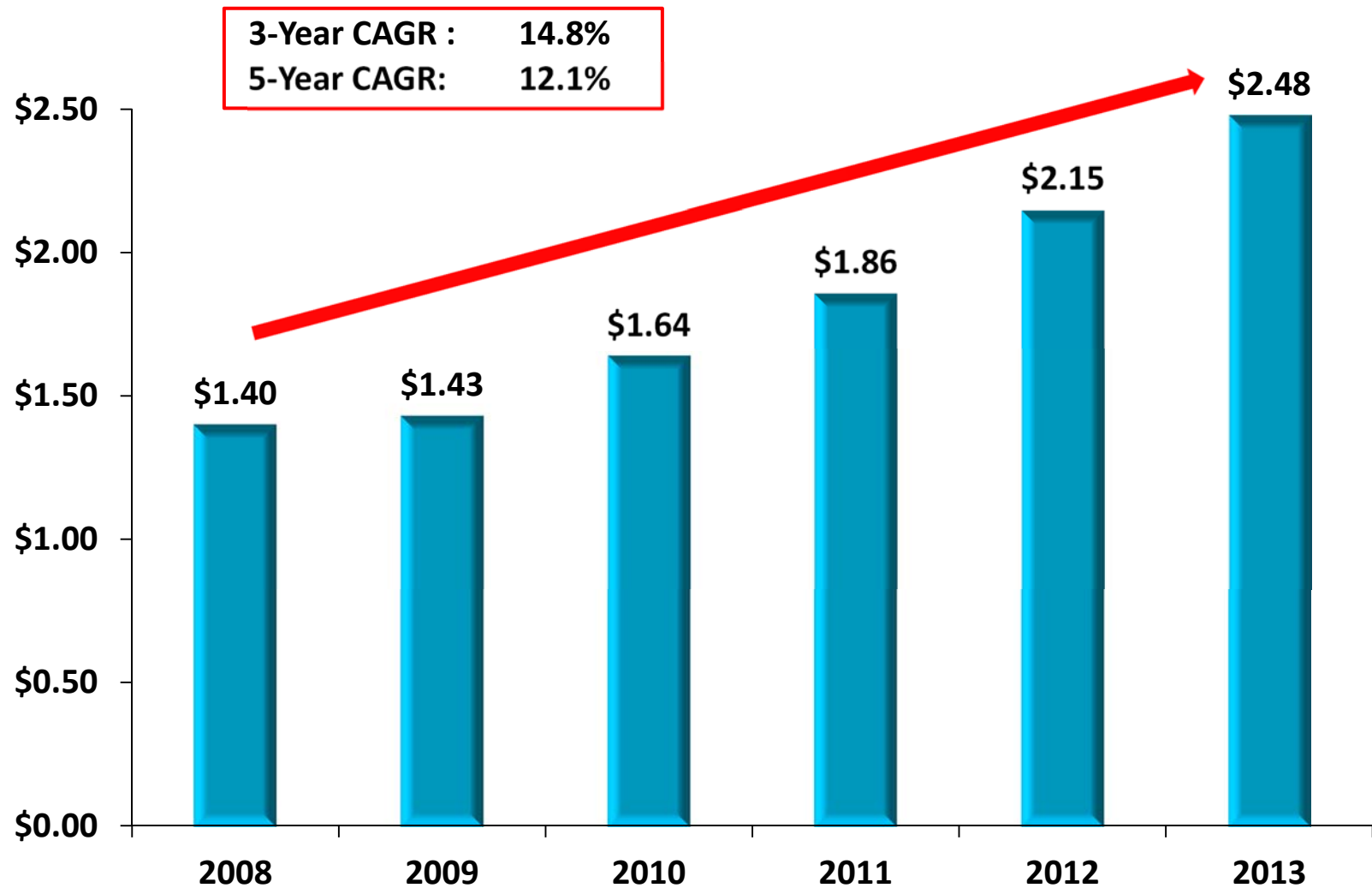
Reconciliation of Non-GAAP measures included in Appendix

# Growth Despite Additional Headwinds

	GAAP Pension Expense	Reduction in Fiduciary Income	Increased Intangible Amortization	Increased Share Count	Total
2009	(.01)	(.12)	.01	.00	(.11)
2010	(.17)	(.01)	(.04)	(.05)	(.27)
2011	(.07)	.00	(.02)	(.02)	(.11)
2012	(.05)	(.01)	(.01)	(.01)	(.07)
2013	<u>(.04)</u>	<u>(.02)</u>	<u>(.01)</u>	<u>(.02)</u>	(.09)
EPS Impact	(.34)	(.16)	(.06)	(.09)	<b>(.64)</b>

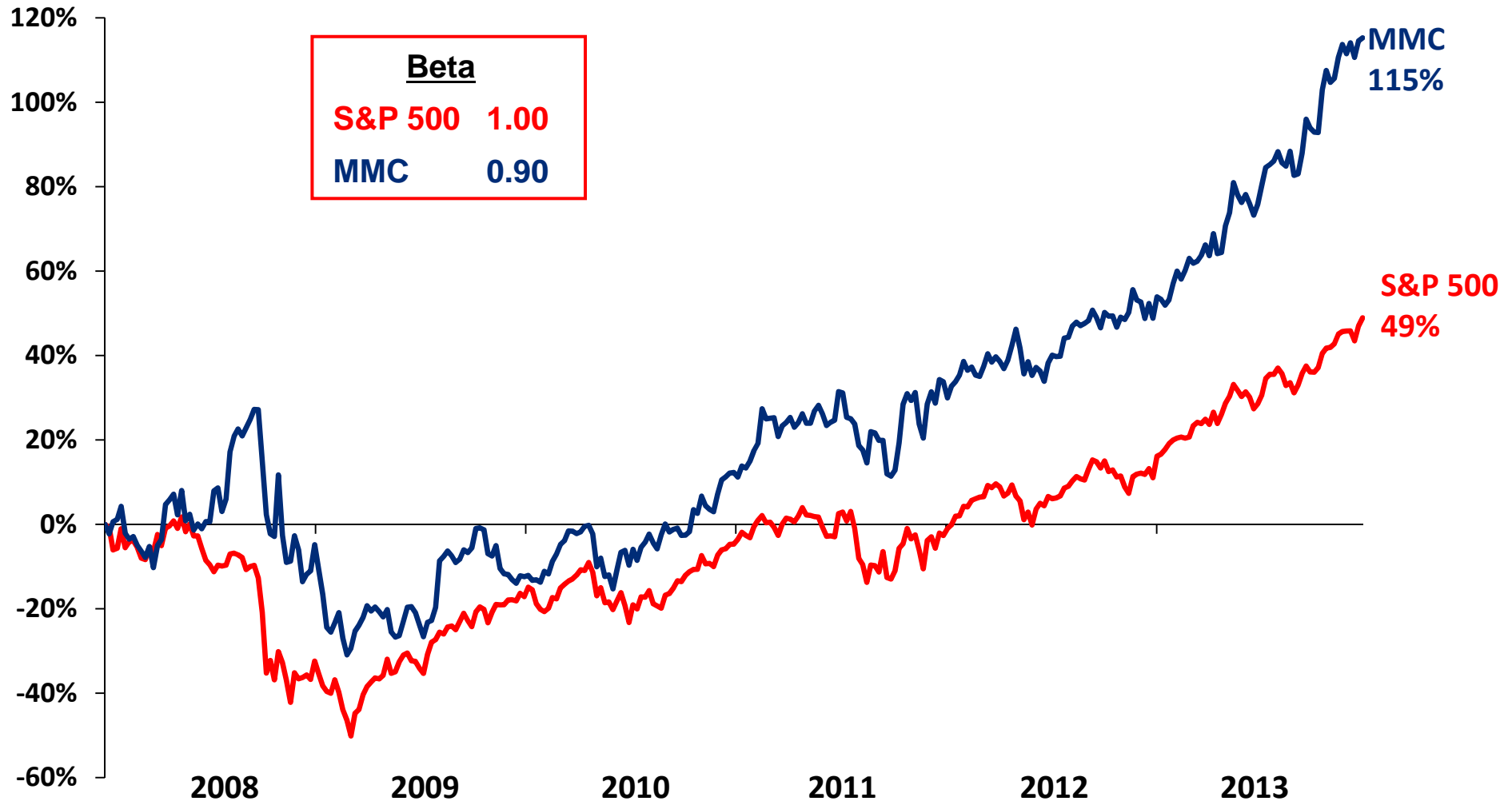
Share Count excludes shares used for acquisitions  
Excludes bonus impact and may not add due to rounding

# Adjusted EPS Growth



Reconciliation of Non-GAAP measures included in Appendix

# Indexed Total Return



Source: FactSet

# USES OF CAPITAL

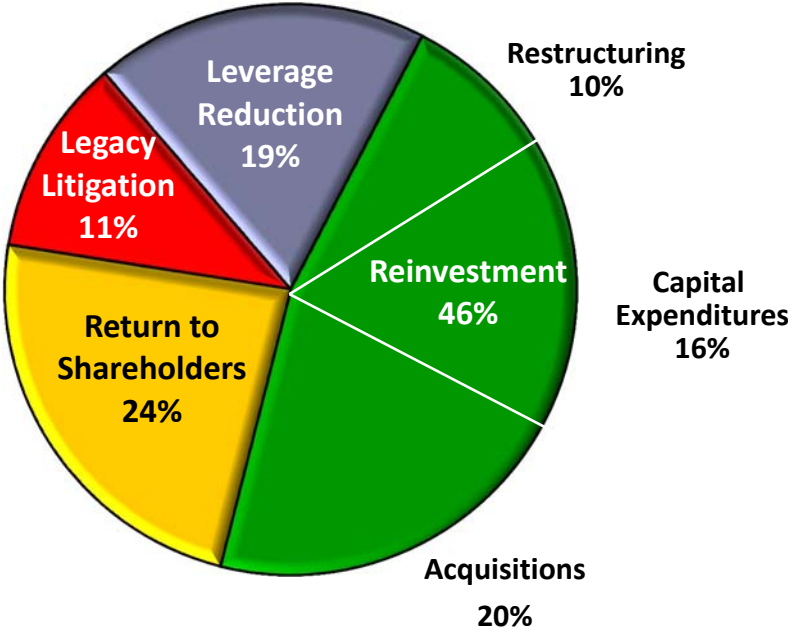


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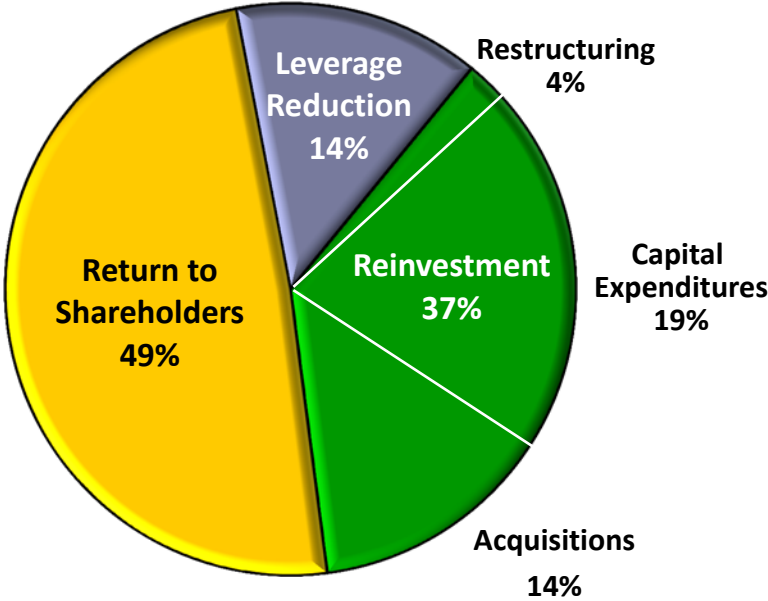
# Uses of Capital

2008 – 2010



Capital Spend \$5.9B

2011 – 2013

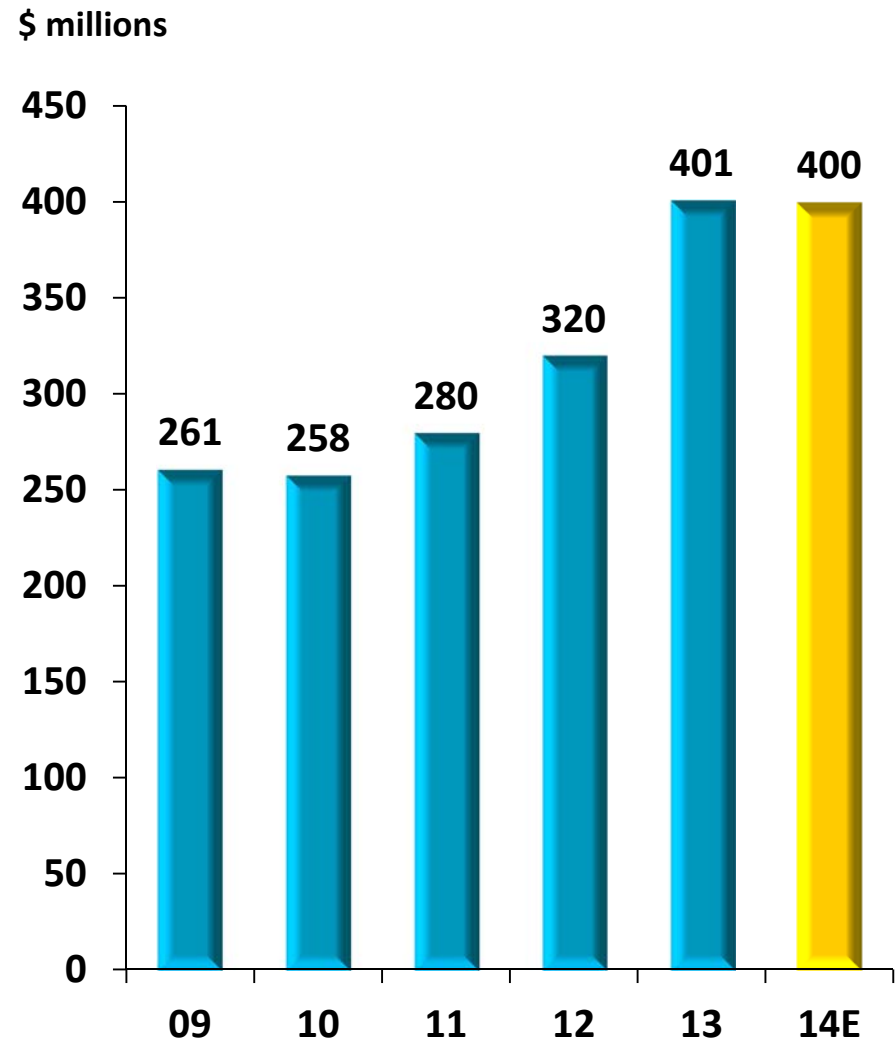


Capital Spend \$5.4B

Leverage Reduction: Discretionary Pension Contributions and Debt Repayments

# Capital Expenditures

- **MMC CapEx is 3% of revenue versus S&P 500 at 6% of revenue**
- **Projects involve growth, efficiency and risk reduction initiatives**
- **Technology -- 67% of 2013**  
IT upgrades, Finance Transformation, New Fiduciary Revenue and Billing Systems, Data Centers, and Client Analytics
- **Real Estate -- 30% of 2013**  
Reducing global real estate footprint – co-locating offices and smart office concepts



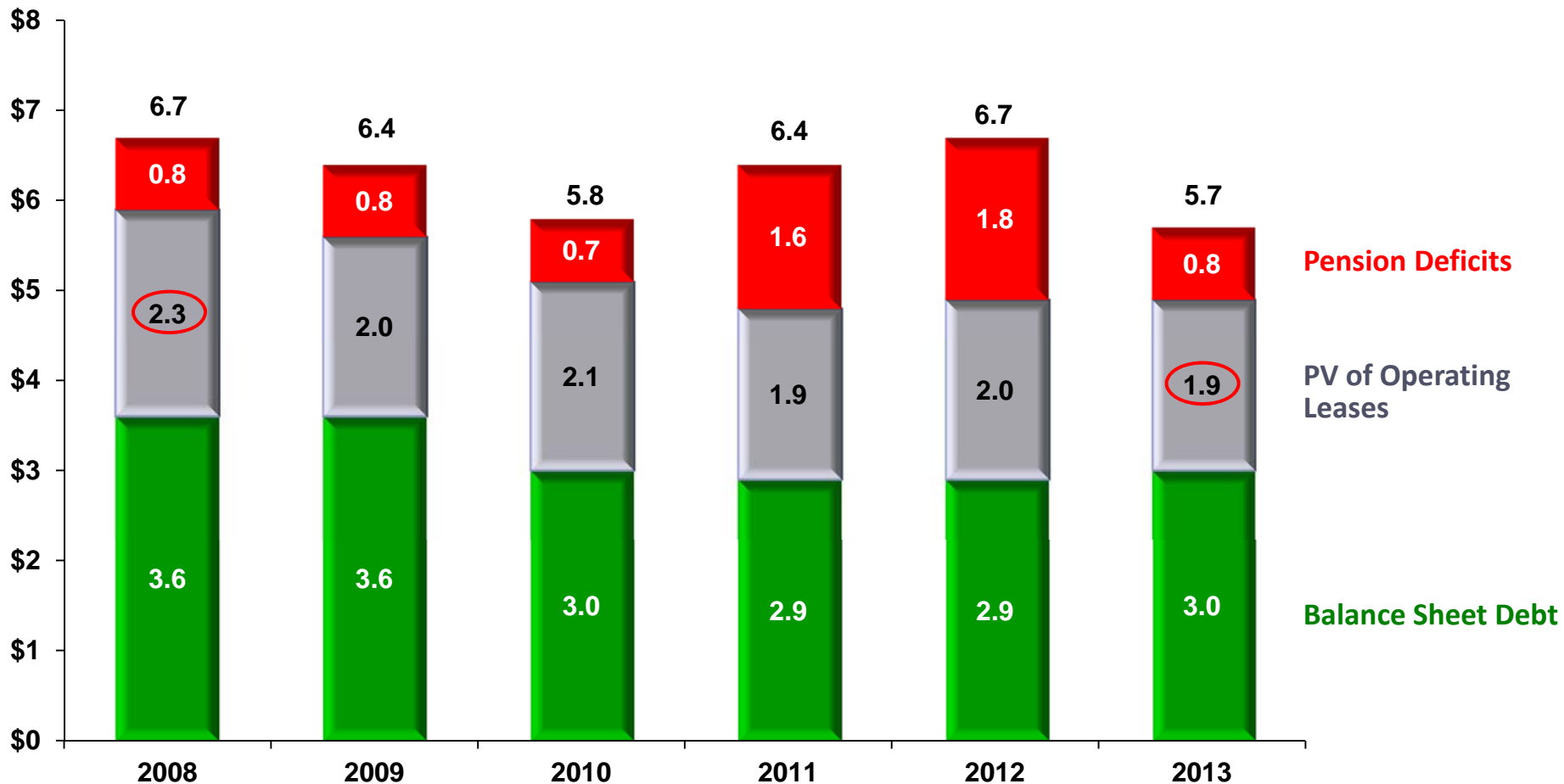
# CAPITAL STRUCTURE



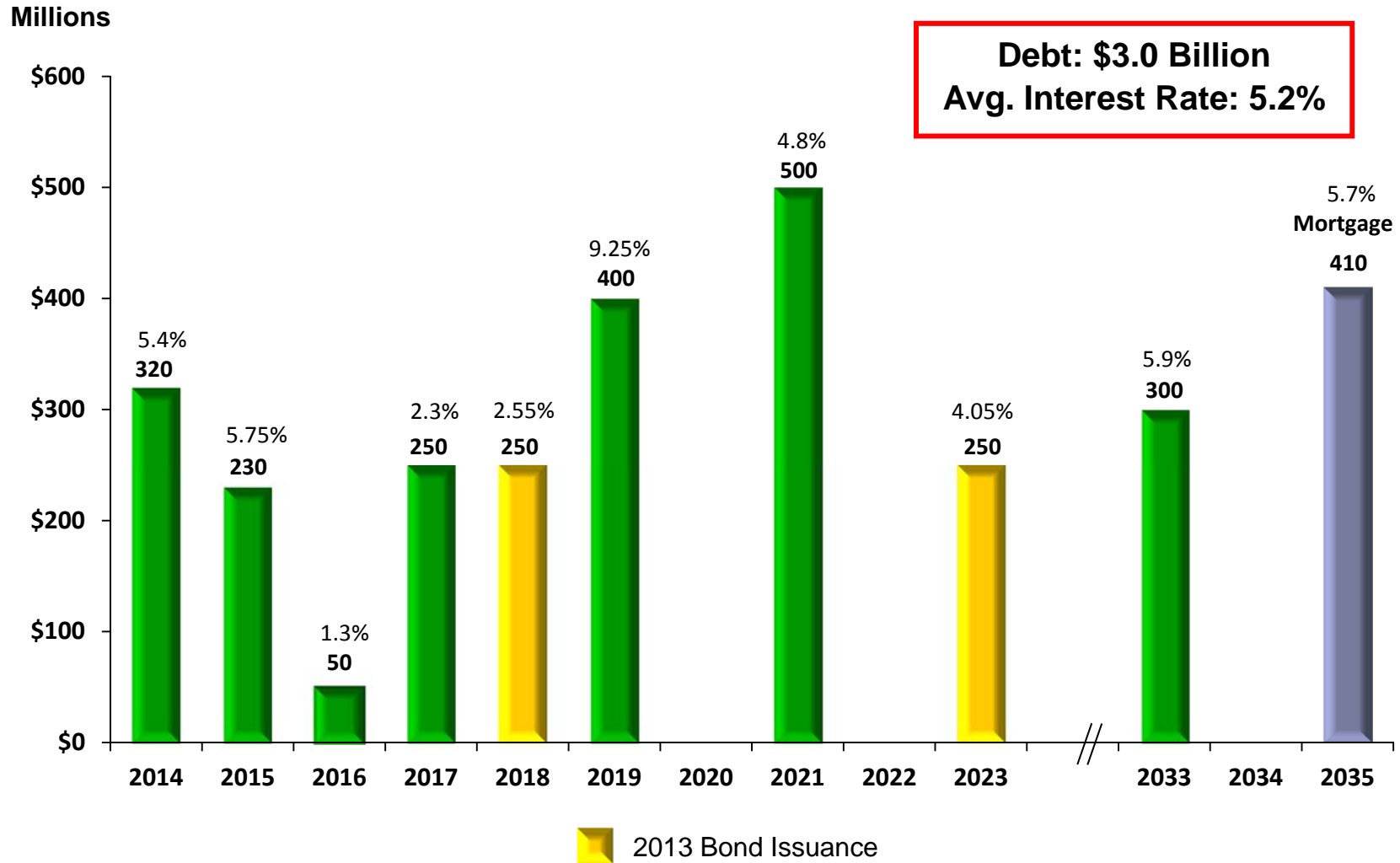
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# Debt Balances

Billions



# Balance Sheet Debt Maturity Profile



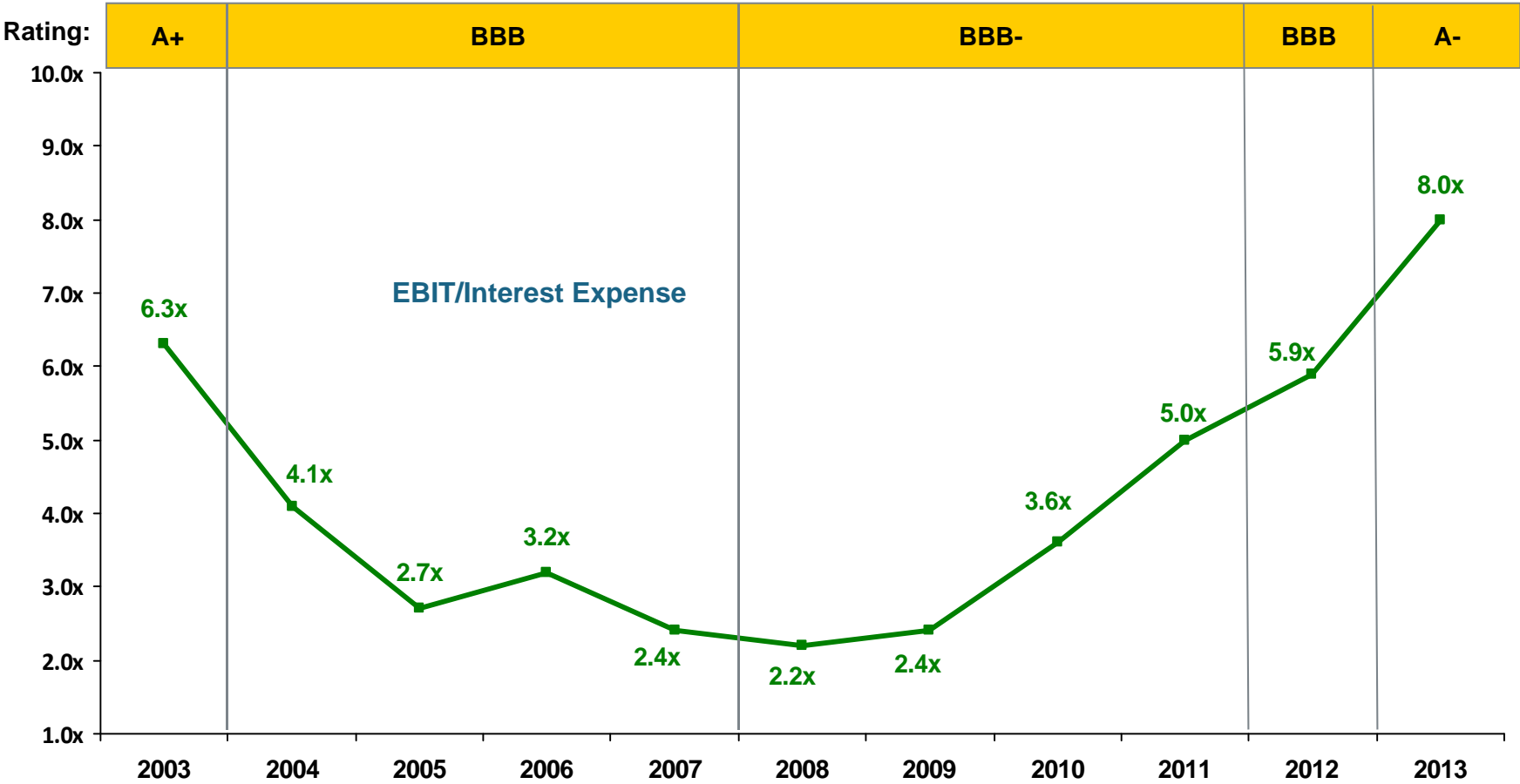
# Our Credit Ratings are Improving

- **Strong credit ratings:**

- Are consistent with MMC's long-term strategy
- Lead to lower borrowing costs
- Afford better access to the capital markets
- Increase financial flexibility
- Increase debt capacity



# S&P Coverage Ratio



MMC's estimate of S&P's methodology

# RETURN OF CAPITAL TO SHAREHOLDERS



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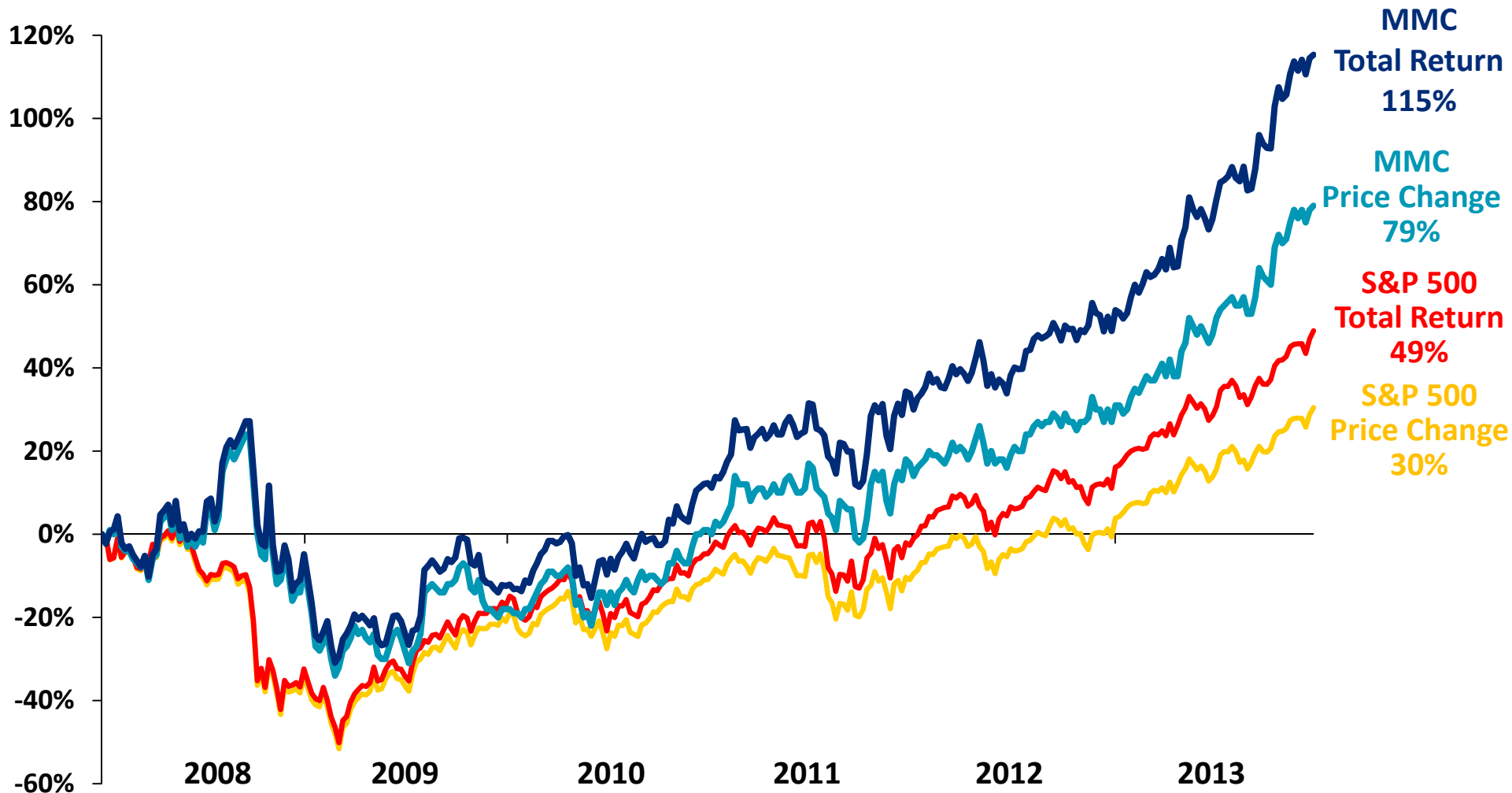


# Returning Capital Through Dividends

- S&P 500 dividends represent 35% of total shareholder returns since 2007 -- 45% long-term
- The average dividend payout ratio for the S&P 500 has averaged 32% -- where it is today
- In 2013, MMC's dividend payout ratio was 39%
- S&P 500 dividend growth is estimated to be 7%, above its long-term average of 6%
- MMC's dividend growth will align more closely with earnings growth



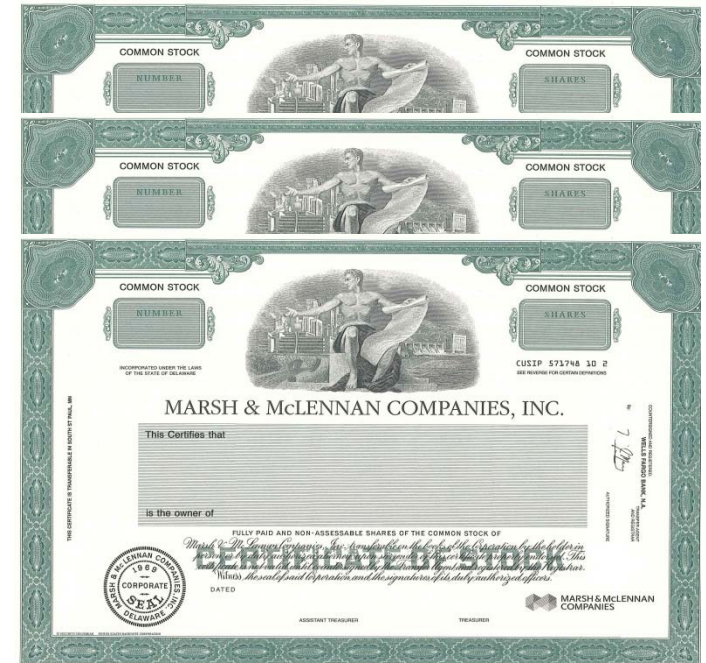
# Total Returns and Price Change



Source: FactSet

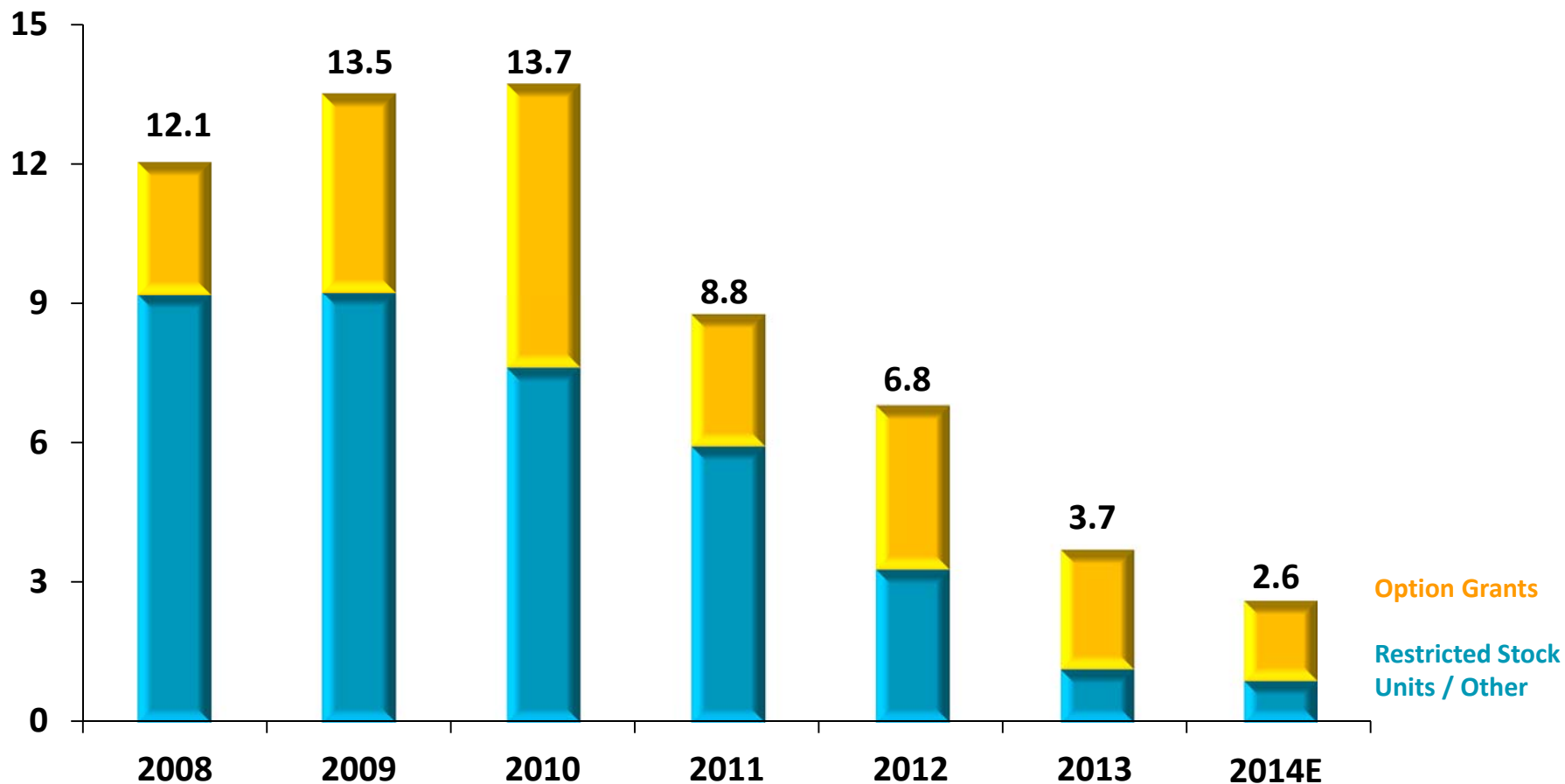
# We are Committed to Share Repurchases

- Efficient way to return capital to investors
- EPS accretive
- Reduces future cash requirements
- Greater flexibility compared with dividends
- Offsets dilution from equity grants



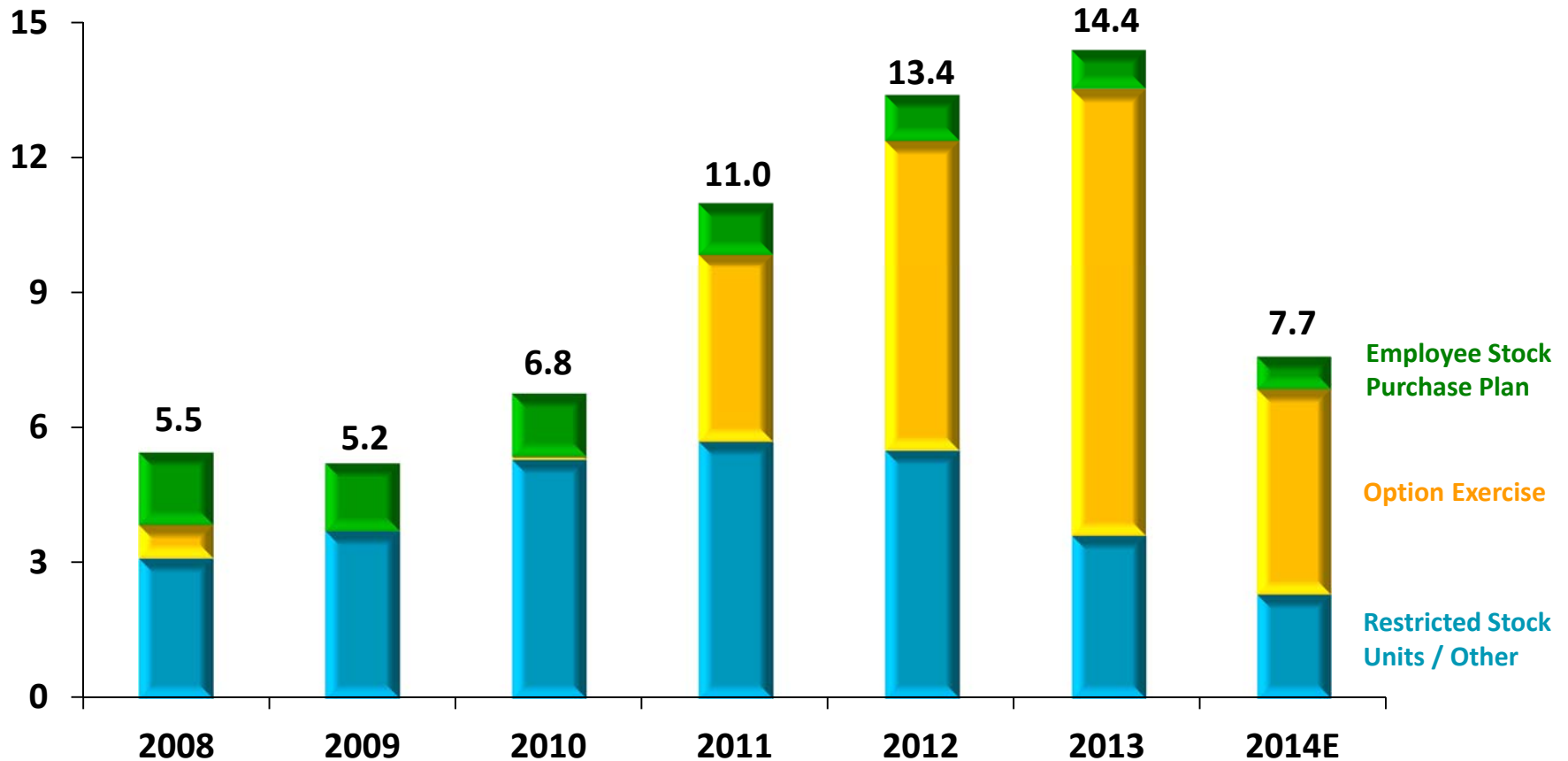
# Long-Term Equity Grants

Shares  
millions



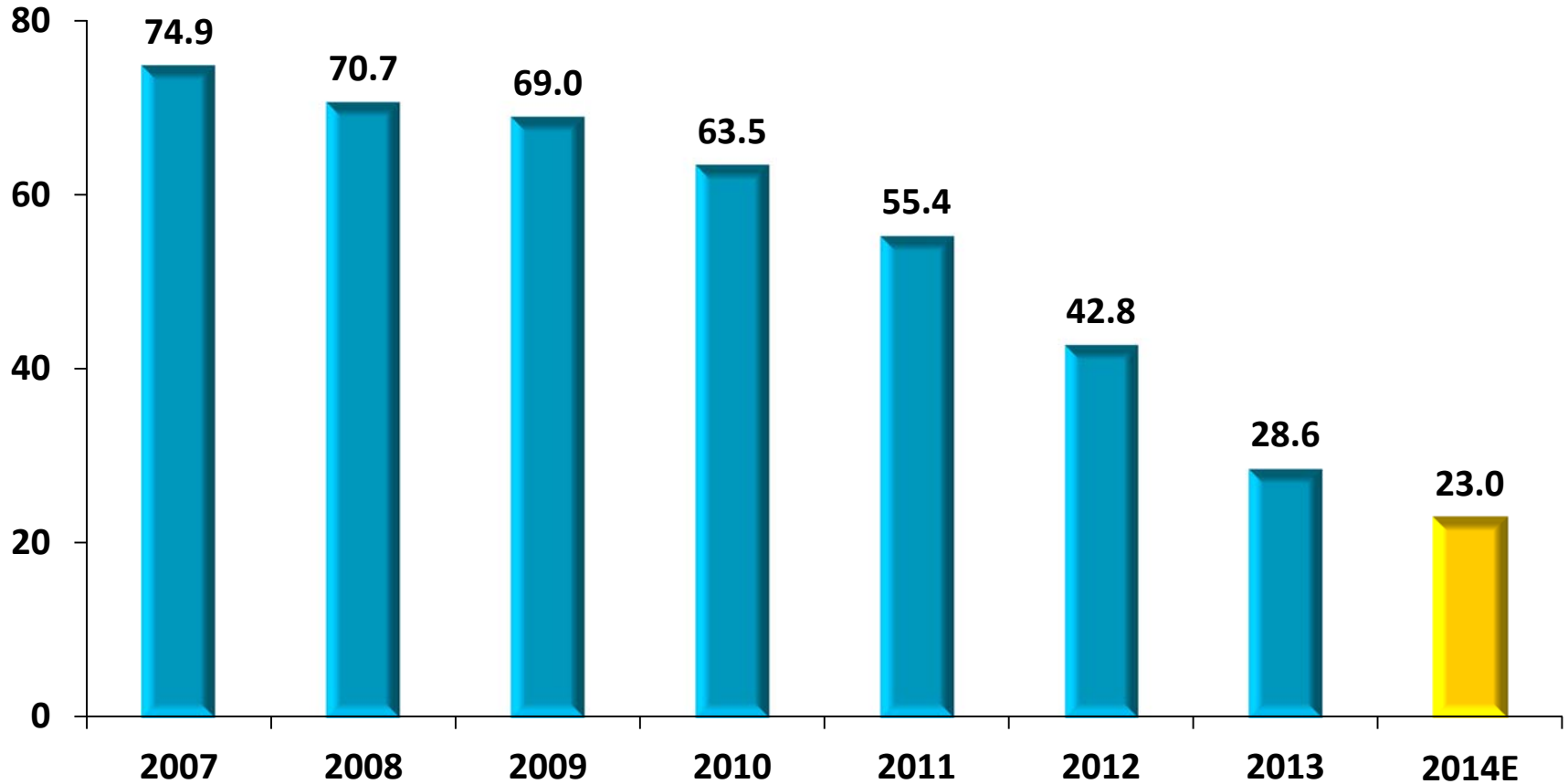
# Share Issuance for Prior Equity Grants & ESPP

Shares  
millions



# Outstanding Equity Awards

Shares  
millions



# INCREASING CASH FLOW AND CAPITAL FLEXIBILITY



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# Capital Management Considerations

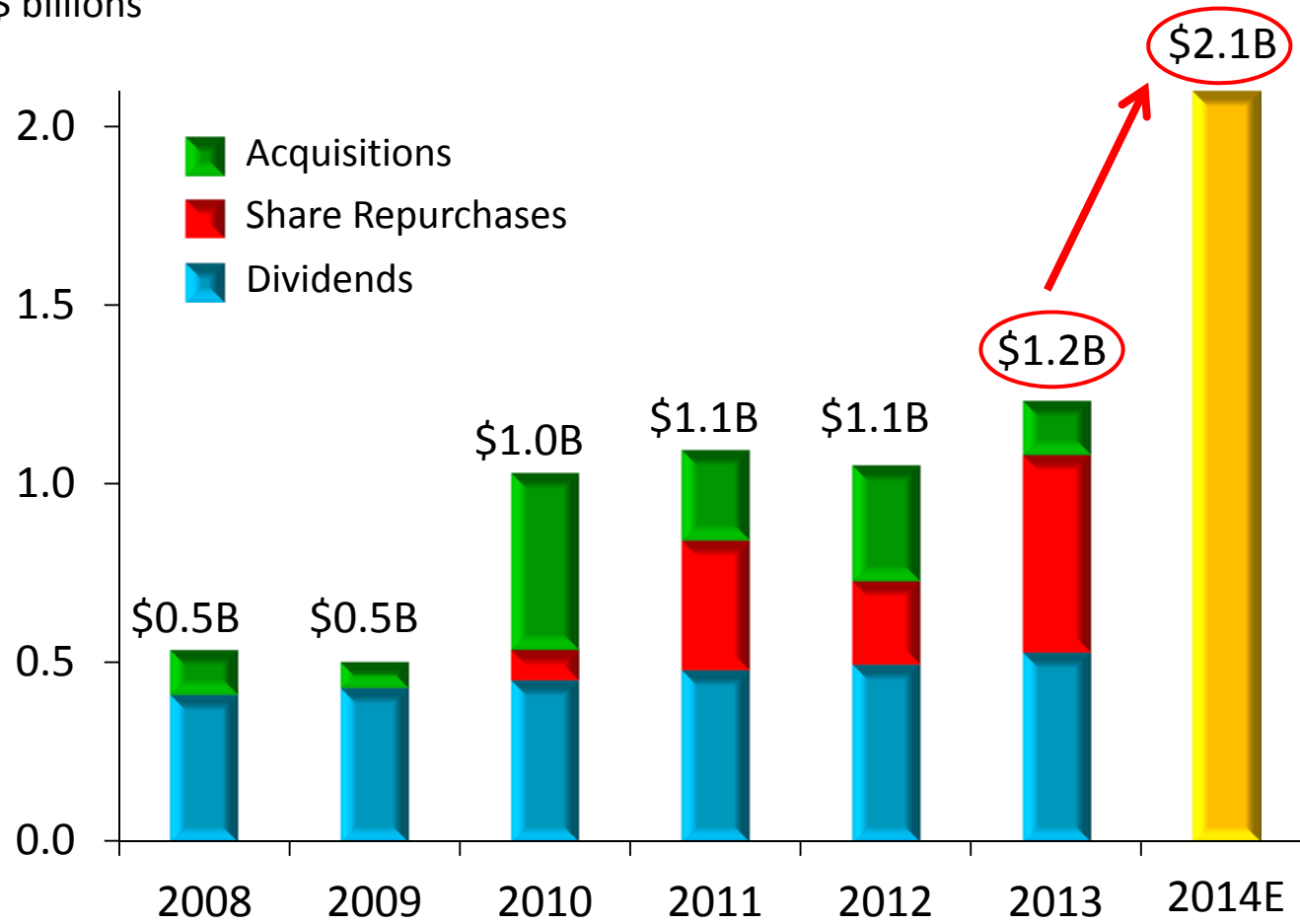
- **Preserve operational and financial flexibility**
- **Support EPS growth**
- **Fund business growth**
  - Reinvestments
  - Acquisitions
- **Return capital to shareholders**
  - Dividends
  - Share Repurchases





# Dividends, Share Repurchases and Acquisitions

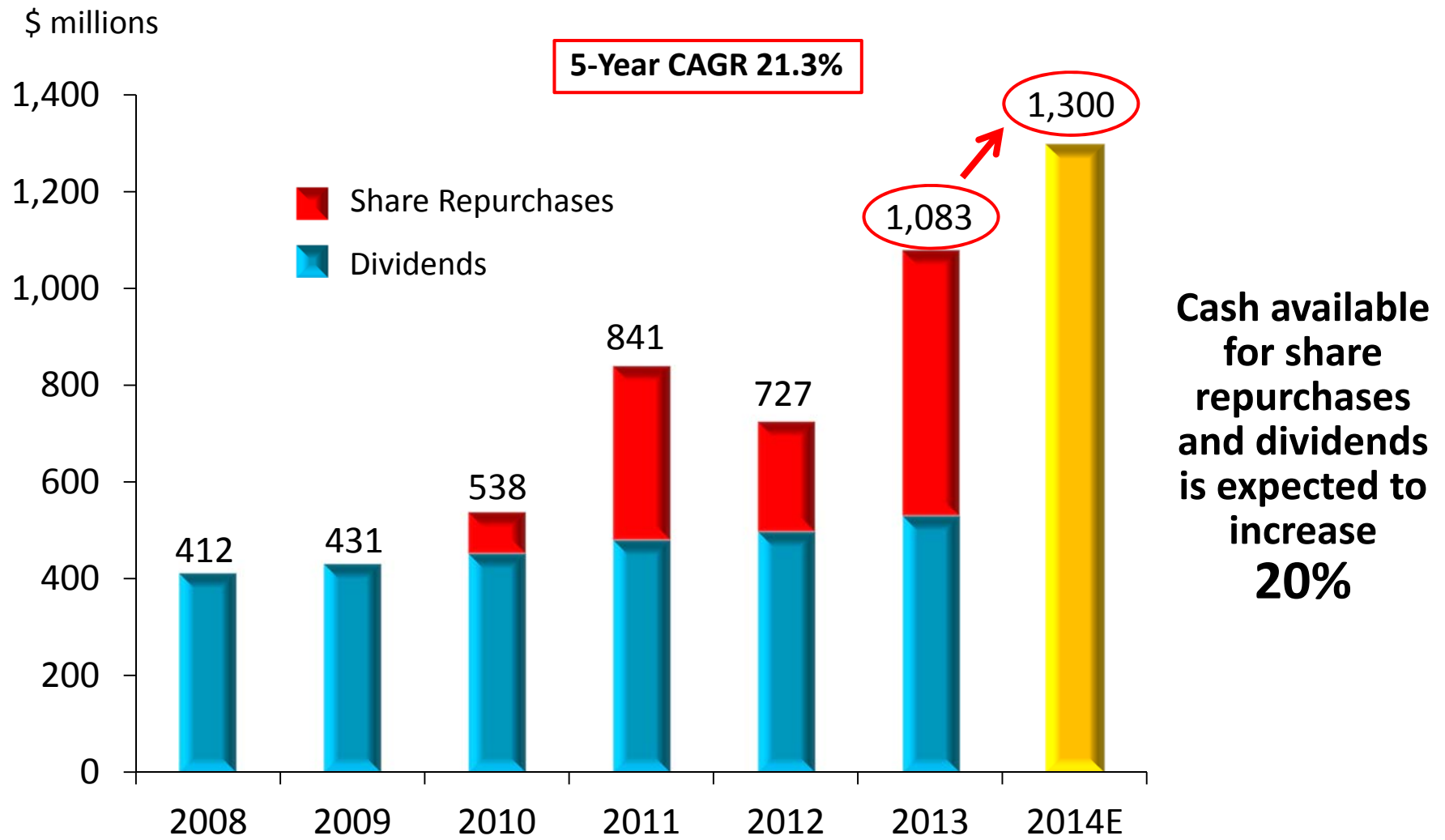
\$ billions



**We are committed to reducing shares outstanding each year**

**We are committed to double-digit increases in our annual dividends**

# We Will Return More Cash to Shareholders



# Why Own MARSH & MCLENNAN COMPANIES

**We are Committed  
to Growth**

**Long-term  
13% EPS  
Growth**

**Increasing  
Cash Flows**

**Reducing  
Share  
Count**

**Double  
Digit  
Dividend  
Growth**

**2014 & Beyond**

**Attractive Growth:**

- ✓ Revenue
- ✓ Earnings
- ✓ Margins
- ✓ Cash Flow
- ✓ Dividends
- ✓ Share Repurchase

# INVESTOR DAY 2014

MARCH 11, 2014

# Forward-Looking Statements

This presentation 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 use forward-looking statements when addressing topics such as: growth in our businesses and earnings per share; increased cash flows; the volume of share repurchases and our total share count; growth in our dividend; the expected impact of acquisitions; and pension obligations.

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 exposure to potential liabilities arising from errors and omissions claims against us;
- the impact of competition, including with respect to our geographic reach, the sophistication and quality of our services, our pricing relative to competitors, our customers’ option to self-insure or utilize internal resources instead of consultants, and our corporate tax rates relative to a number of our competitors;
- the extent to which we retain existing clients and attract new business, and our ability to incentivize and retain key employees;
- our ability to maintain adequate physical, technical and administrative safeguards to protect the security of confidential information or data, and the potential of a system or network disruption that results in regulatory penalties, remedial costs and/or the improper disclosure of confidential information or data;
- our exposure to potential criminal sanctions or civil remedies if we fail to comply with foreign and U.S. laws and regulations that are applicable in the domestic and international jurisdictions in which we operate, including trade sanctions laws relating to countries such as Cuba, Iran, Sudan and Syria, anti-corruption laws such as the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act 2010, local laws prohibiting corrupt payments to government officials, as well as import and export restrictions;
- our ability to make acquisitions and dispositions and to integrate, and realize expected synergies, savings or benefits from, the businesses we acquire;
- changes in the funded status of our global defined benefit pension plans and the impact of any increased pension funding resulting from those changes;
- the impact on our net income caused by fluctuations in foreign currency exchange rates;
- our ability to successfully recover should we experience a disaster or other business continuity problem, such as an earthquake, hurricane, flood, terrorist attack, pandemic, security breach, cyber attack, power loss, telecommunications failure or other natural or man-made disaster;
- the impact of changes in interest rates and deterioration of counterparty credit quality on our results related to our cash balances and investment portfolios, including corporate and fiduciary funds;
- the potential impact of 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 & McLennan 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 the above forward-looking statements, which 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 & McLennan 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 of our most recently filed Annual Report on Form 10-K.