

### **NEWS RELEASE**

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MARSH & McLENNAN COMPANIES REPORTS FOURTH QUARTER AND FULL-YEAR 2018 RESULTS

Strong Underlying Revenue Growth of 5% for the Quarter and 4% for the Y

### Consolidated Results

Consolidated revenue in the fourth quarter of 2018 was \$3.7 billion, an increase of 1% compared with the fourth quarter of 2017, or 4% excluding the impact of the new revenue standard, ASC 606, adopted on January 1, 2018. On an underlying basis, revenue increased 5%. Operating income declined 7% to \$621 million. Adjusted operating income, which excludes noteworthy items as presented in the attached supplemental schedules, increased 7% to \$731 million. Excluding the impact of ASC 606, adjusted operating income rose 15% to \$785 million.

On a per share basis, net income attributable to the Company in the fourth quarter increased to \$0.30 from \$0.06 in the prior year. Adjusted earnings per share of \$1.09 rose 4% from the prior year period. Adjusted earnings per share includes an \$0.08 reduction from the impact of ASC 606. Excluding the impact of ASC 606, adjusted EPS increased 11%.

For the year 2018, revenue was \$15 billion, an increase of 7% compared with 2017, or 4% on an underlying basis. Earnings per share increased 13% to \$3.23. Adjusted earnings per share increased 11% to \$4.35 compared with \$3.92 in 2017.

### Risk & Insurance Services

Risk & Insurance Services revenue was \$1.9 billion in the fourth quarter of 2018, down 2% compared with the fourth quarter of 2017, or an increase of 5% excluding the impact of ASC 606. On an underlying basis, revenue increased 6%. Operating income of \$383 million declined 7% from the prior year, and adjusted operating income declined 1% to \$418 million. Excluding the impact of ASC 606, adjusted operating income increased 16%. For the year 2018, revenue was \$8.2 billion, an increase of 8%, or 5% on an underlying basis. Operating income rose 8% to \$1.9 billion while adjusted operating income rose 11%.

Marsh's revenue in the fourth quarter of 2018 was \$1.8 billion, up 6% on an underlying basis. In U.S./Canada, underlying revenue rose 7%. International operations produced underlying revenue growth of 5%, reflecting underlying growth of 8% in Asia Pacific, 8% in Latin America and 3% in EMEA. For the year 2018, Marsh's revenue increased to \$6.9 billion, up 4% on an underlying basis.

Guy Carpenter's fourth quarter revenue was \$102 million, up 5% on an underlying basis. For the year 2018, Guy Carpenter's revenue increased to \$1.3 billion, up 7% on an underlying basis.

### Consulting

Consulting revenue was \$1.8 billion in the fourth quarter of 2018, an increase of 4%, or 3% excluding the impact of ASC 606. On an underlying basis, revenue increased 3%. Operating income of \$294 million declined 5%. Adjusted operating income increased 16% to \$359 million. Excluding the impact of ASC 606, adjusted operating income increased 9%. For the year 2018, revenue was \$6.8 billion, up 5%, or 3% on an underlying basis. Operating income was down 1% and adjusted operating income increased 3%.

Mercer's revenue was \$1.2 billion in the fourth quarter

About Marsh & McLennan Companies

### 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," "intend," "plan," "project" and similar terms, and future or conditional tense verbs like "could," "may," "might," "should," "will" and "would." Forward-looking statements are subject to inherent risks and uncertainties that could cause actual results to differ materially from those expressed or implied in our forward-looking statements. Factors that could materially affect our future results include, among other things:

- our ability to successfully consummate, integrate or achieve the intended benefits of the acquisition of JLT;
- the impact of any investigations, reviews, market studies or other activity by regulatory or law enforcement authorities, including the ongoing investigations by the European and Brazilian competition authorities;
- the impact from lawsuits, other contingent liabilities and loss contingencies arising from errors and omissions, breach of fiduciary duty or other claims against us;
- our organization's ability to maintain adequate safeguards to protect the security of our information systems and confidential, personal or proprietary information, particularly given the large volume of our vendor network and the need to patch software vulnerabilities;
- our ability to compete effectively and adapt to changes in the competitive environment, including to respond to disintermediation, digital disruption and other types of innovation;
- the financial and operational impact of complying with laws and regulations where we operate, including
  cybersecurity and data privacy regulations such as the E.U.'s General Data Protection Regulation, anticorruption laws and trade sanctions regimes;
- the impact of macroeconomic, political, regulatory or market conditions on us, our clients and the
  industries in which we operate, including the impact and uncertainty around Brexit or the inability to
  collect on our receivables;
- the regulatory, contractual and reputational risks that arise based on insurance placement activities and various broker and consulting revenue streams;
- our ability to manage risks associated with our investment management and related services business, including potential conflicts of interest between investment consulting and fiduciary management services;
- our ability to successfully recover if we experience a business continuity problem due to cyberattack, natural disaster or otherwise;
- the impact of changes in tax laws, guidance and interpretations, including related to certain provisions of the U.S. Tax Cuts and Jobs Act, or disagreements with tax authorities;
- the impact of fluctuations in foreign exchange and interest rates on our results; and
- the impact of changes in accounting rules or in our accounting estimates or assumptions, including the impact of the adoption of the revenue recognition, pension and lease accounting standards.

The factors identified above are not exhaustive. Marsh & McLennan Companies and its subsidiaries operate in a dynamic business environment in which new risks 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 & 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 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 & McLennan Co Consolidated Stateme (In millions, except per (Unaudited	nts of Income share figures)		

### Marsh & McLennan Companies, Inc. Consolidated Statements of Income - Impact of Revenue Standard (In millions, except per share figures) (Unaudited)

The Company adopted the revenue standard ("ASC 606") using the modified retrospective method, applied to all contracts. The guidance requires entities that elected the modified retrospective method to disclose the impact to financial statement line items as a result of applying the new guidance (rather than previous U.S. GAAP). The table below shows the impacts on the consolidated statement of income.

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### Marsh & McLennan Companies, Inc. Supplemental Information - Revenue Analysis Three Months Ended December 31 (Millions) (Unaudited)

						Components of Revenue Change*				
	Three Months Ended December 31,		Ended % Change		% Change GAAP	Currency	Acquisitions/ Dispositions/	Revenue Standard	Underlying	
		2018		2017	Revenue	Impact	Other	Impact	Revenue	
Risk and Insurance Services										
Marsh	\$	1,804	\$	1,712	5 %	(3)%	2%	_	6%	
Guy Carpenter		102		239	(57)%	(1)%	_	(61)%	5%	
Subtotal		1,906		1,951	(2)%	(3)%	2%	(7)%	6%	
Fiduciary Interest Income		19		11						
Total Risk and Insurance Services		1,925		1,962	(2)%	(3)%	2%	(7)%	6%	
Consulting										
Mercer		1,228		1,193	3 %	(2)%	2%	1 %	2%	
Oliver Wyman Group		577		546	6 %	(2)%	_	_	7%	
Total Consulting		1,805		1,739	4 %	(2)%	2%	1 %	3%	
Corporate / Eliminations		(18)		(16)						
Total Revenue	\$	3,712	\$	3,685	1 %	(2)%	2%	(3)%	5%	

### Revenue Details

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

	Components of Revenue Change*								
Three Months Ended December 31,	% Change GAAP Revenue	Currency Impact	Acquisitions/ Dispositions/ Other	Revenue Standard Impact					

## Marsh & McLennan Companies, Inc. Supplemental Information - Revenue Analysis Twelve Months Ended December 31 (Millions) (Unaudited)

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Marsh & McLennan Companies, Inc. Reconciliation of Non-GAAP Measures Includes Revenue Standard Impact Three Months Ended December 31 (Millions) (Unaudited)

### Overview

The Company reports its financial results in accordance with accounting principles generally accepted in the United States (referred to in this release as "GAAP" or "reported" results). The Company also refers to and presents below certain additional non-GAAP financial measures, within the meaning of Regulation G under the Securities Exchange Act of 1934. These measures are: adjusted operating income (loss), adjusted operating margin, adjusted income, net of tax and adjusted earnings per share (EPS). The Company has included reconciliations of these non-GAAP financial measures to the most directly comparable financial measure calculated in accordance with GAAP in the following tables.

The Company believes these non-GAAP financial measures provide useful supplemental information that enables investors to better compare the Company's performance across periods. Management also uses these measures internally to assess the operating performance of its businesses, to assess performance for employee compensation purposes and to decide how to allocate resources. 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 include adjustments that reflect how management views our businesses, 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

# Marsh & McLennan Companies, Inc. Reconciliation of Non-GAAP Measures - Comparable Accounting Basis Excludes the Revenue Standard Impact Three Months Ended December 31 (Millions) (Unaudited)

As discussed earlier, the Company has adopted the new revenue standard using the modified retrospective method, which requires the disclosure of the impacts of the standard on each financial statement line item. The non-GAAP measures below present an analysis of results reflecting 2018 financial information excluding the impact of the application of ASC 606, to facilitate a comparison to the 2017 results. Except for the adjustment for the effects of ASC 606 in 2018, these non-GAAP

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<b>Co</b> nsulting	Risk & Insurance Services	 Corporate/ Eliminations	otal

### Marsh & McLennan Companies, Inc. Reconciliation of Non-GAAP Measures Includes the Revenue Standard Impact Three and Twelve Months Ended December 31 (Millions) (Unaudited)

Adjusted Income, Net of Tax and Adjusted Earnings per Share

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 and investments gains or losses related to the impact of mark-to-market adjustments on certain equity securities previously recorded to equity, change in fair value of the acquisition related derivative contracts, amortization of bridge financing fees, pension settlement charges and adjustments to provisional 2017 tax estimates. Adjusted EPS is calculated by dividing the Company's adjusted income, net of tax, by MMC's average number of shares outstanding-diluted for the relevant period. The following tables reconcile adjusted income, net of tax to GAAP income from continuing operations and adjusted EPS to GAAP EPS for the three and twelve months ended December 31, 2018.

## Marsh & McLennan Companies, Inc. Supplemental Information Three and Twelve Months Ended December 31 (Millions) (Unaudited)


### Marsh & McLennan Companies, Inc. Consolidated Balance Sheets (Millions) (Unaudited)

	ember 31, 2018	December 31, 2017		
ASSETS	 			
Current assets:				
Cash and cash equivalents	\$ 1,066	\$	1,205	
Net receivables	4,317		4,133	
Other current assets	551		224	
Total current assets	 5,934		5,562	
Goodwill and intangible assets	11,036		10,363	
Fixed assets, net	701		712	
Pension related assets	1,688		1,693	
Deferred tax assets	680		669	
Other assets	1,539		1,430	
TOTAL ASSETS	\$ 21,578	\$	20,429	
LIABILITIES AND EQUITY				
Current liabilities:				
Short-term debt	\$ 314	\$	262	
Accounts payable and accrued liabilities	2,675		2,083	
Accrued compensation and employee benefits	1,778		1,718	
Accrued income taxes	 157		199	
Total current liabilities	4,924		4,262	
Fiduciary liabilities	5,001		4,847	
Less - cash and investments held in a fiduciary capacity	 (5,001)		(4,847)	
Long-term debt	— 5,510		5,225	
Pension, post-retirement and post-employment benefits	1,911		1,888	
Liabilities for errors and omissions	287		301	
Other liabilities	1,362		1,311	
Total equity	7,584		7,442	
TOTAL LIABILITIES AND EQUITY	\$ 21,578	\$	20,429	

### Note:

Effective January 1, 2018, the Company, upon the adoption of the new revenue recognition standard, recorded a cumulative effect adjustment, net of tax resulting in an increase to the opening balance of retained earnings of \$364 million, with offsetting increases/decreases to other balance sheet accounts, e.g. accounts receivable, other current assets, other assets and deferred income taxes.

### Marsh & McLennan Companies, Inc. Consolidated Balance Sheets - Impact of Revenue Standard (Millions) (Unaudited)

As discussed earlier, the Company adopted the new revenue standard (ASC 606) using the modified retrospective method, applied to all contracts. The guidance requires entities that elected the modified retrospective method to disclose the impact to financial statement line items as a result of applying the new guidance (rather than previous U.S. GAAP). The table below shows the impacts on the consolidated balance sheet.

	December 31, 2018					
	As Reported		R	Impact of Revenue Standard		Prior to Adoption
ASSETS						
Current assets:						
Cash and cash equivalents	\$	1,066	\$	_	\$	1,066
Net receivables		4,317		(68)		4,249
Other current assets		551		(326)		225
Total current assets		5,934		(394)		5,540
Goodwill and intangible assets		11,036		_		11,036
Fixed assets, net		701		_		701
Pension related assets		1,688		_		1,688
Deferred tax assets		680		107		787
Other assets		1,539		(242)		1,297
TOTAL ASSETS	\$	21,578	\$	(529)	\$	21,049
LIABILITIES AND EQUITY						
Current liabilities:						
Short-term debt	\$	314	\$	_	\$	314
Accounts payable and accrued liabilities		2,675		(129)		2,546
Accrued compensation and employee benefits		1,778		_		1,778
Accrued income taxes		157				157
Total current liabilities		4,924		(129)		4,795
Fiduciary liabilities		5,001		_		5,001
Less - cash and investments held in a fiduciary capacity		(5,001)				(5,001)
		_		_		_
Long-term debt		5,510		_		5,510
Pension, post-retirement and post-employment benefits		1,911		_		1,911
Liabilities for errors and omissions		287		_		287
Other liabilities		1,362		(25)		1,337
Total equity		7,584		(375)		7,209
TOTAL LIABILITIES AND EQUITY	\$	21,578	\$	(529)	\$	21,049

### Marsh & McLennan Companies, Inc. Consolidated Statements of Cash Flows (Millions) (Unaudited)

	For the Years En	ided Decembe	er 31,
	2018		2017
Operating cash flows:			
Net income before non-controlling interests	\$ 1,670	\$ 1	1,512
Adjustments to reconcile net income to cash provided by operations:			
Depreciation and amortization of fixed assets and capitalized software	311		312
Amortization of intangible assets	183		169
Adjustments and payments related to contingent consideration liability	(4)		(24)
Loss on deconsolidation of a business	11		_
(Benefit) Provision for deferred income taxes	(39)		396
Loss (Gain) on investments	12		(15)
Loss (Gain) on disposition of assets	(48)		10
Share-based compensation expense	193		149
Change in fair value of acquisition related derivative contracts	441		_
Changes in assets and liabilities:			
Net receivables	(78)		(454)
Other current assets	26		(3)
Other assets	(37)		(199)
Accounts payable and accrued liabilities	23		87
Accrued compensation and employee benefits	68		63
Accrued income taxes	(40)		37
Contributions to pension and other benefit plans in excess of current year	(10)		O.
expense/credit	(291)		(457)
Other liabilities	9		406
Effect of exchange rate changes	18		(96)
Net cash provided by operations	2,428	1	1,893
Financing cash flows:			<u> </u>
Purchase of treasury shares	(675)		(900)
Net increase in commercial paper	(070)		(500)
Proceeds from issuance of debt	591		987
Repayments of debt	(263)		(315)
Payment of bridge loan fees	1. 1		(313)
,	(35)		(40)
Shares withheld for taxes on vested units – treasury shares	(67)		(49)
Issuance of common stock from treasury shares	93		166
Payments of deferred and contingent consideration for acquisitions	(117)		(136)
Distributions of non-controlling interests	(30)		(22)
Dividends paid	(807)		(740)
Net cash used for financing activities	(1,310)	(1	1,009)
Investing cash flows:			
Capital expenditures	(314)		(302)
Net (purchases) sales of long-term investments	4		(13)
Proceeds from sales of fixed assets	3		8
Dispositions	110		_
Acquisitions	(884)		(655)
Other, net	(8)		6
Net cash used for investing activities	(1,089)		(956)
Effect of exchange rate changes on cash and cash equivalents	(168)		251
Increase (decrease) in cash and cash equivalents	(139)		179
Cash and cash equivalents at beginning of year	1,205		1,026
		· -	
Cash and cash equivalents at end of year	\$ 1,066	\$ 1 -	1,205

In 2017, U.S. tax reform had significant impacts on certain line items in the reconciliation of Net income before non-controlling interests to net cash provided from operating cash flows. The impact of income taxes is reflected in the following line items: Deferred tax provision- \$396 million, Net receivables- \$(73) million, Other assets- \$(164) million and Other liabilities- \$340 million, or a net impact of \$499 million. In 2018, the impact of income taxes on those line items netted to \$(18) million.