

# Insurance Brokers

## Organic Revenue to Drive Earnings Growth

### Organic growth should be a major factor in rising earnings growth rates.

We expect earnings growth to rebound from an average of 4% in 2008-2012 to 12% in 2010-2012. The higher earnings growth rate should be a result of organic revenue growth rising from -1% in 2009 to an estimated 4% in 2012.

**Recent strength in economic data points to an increased chance for accelerating organic growth.** Organic growth is showing a definitive positive relationship with U.S. economic activity. The recent news that unemployment is under 9%, along with other positive news of the economy, should eventually translate into higher growth for the brokers. Our data shows that organic growth has 70%-80% correlation to changes in employment, capital expenditures, and durable goods shipments in the last several years.

**A rebound in exposure units tied to economy should result in higher organic.** Exposure units reflect the amounts of insurance purchased by existing customers. Growth or contraction in the economy typically affects insurance premiums and therefore commission levels. In a growing economy, insurance buyers typically buy more insurance if sales, inventories, physical plants, and employee counts are increasing. Our forecast suggests that exposure trend has the potential for a 4%-6% positive swing as the economy transitions from stable to moderate growth.

**Organic is not equal across the board.** Willis should continue to have the highest growth in the group. Willis has greater leverage to an improving economy in comparison with the other large brokers. We assume that the global and international segments will increase from 6% to 8%. Brown & Brown should continue to have the lowest organic growth in near term, but could ultimately have the most significant long-term swing. We expect the retail units to stabilize in 2011 and potentially rebound in 2012. The growth could be helped by rising workers' compensation rates in the key states of Florida and California.

**Willis is our top pick in the group.** The potential for accelerating organic revenue is one factor that could get the stock moving in the near term. In addition, announcements on the debt restructuring and/or expense management program could also be catalysts for the stock. The stock is trading at 13.8-times multiple to our 2011 estimate and remains at a 20% discount to the group.

## Financial: Insurance Brokers

March 08, 2011

### Aon Corporation

Stock Rating: **Outperform**  
 Company Profile: **Established Growth**  
 Symbol: AON (NYSE)  
 Price: \$51.17 (52-Wk.: \$35-\$53)

### Arthur J. Gallagher & Co.

Stock Rating: **Market Perform**  
 Company Profile: **Established Growth**  
 Symbol: AJG (NYSE)  
 Price: \$30.70 (52-Wk.: \$23-\$32)

### Brown & Brown, Inc.

Stock Rating: **Market Perform**  
 Company Profile: **Established Growth**  
 Symbol: BRO (NYSE)  
 Price: \$25.26 (52-Wk.: \$17-\$27)

### Marsh & McLennan Companies, Inc.

Stock Rating: **Market Perform**  
 Company Profile: **Established Growth**  
 Symbol: MMC (NYSE)  
 Price: \$29.94 (52-Wk.: \$20-\$31)

### Willis Group Holdings Public Limited Company

Stock Rating: **Outperform**  
 Company Profile: **Established Growth**  
 Symbol: WSH (NYSE)  
 Price: \$38.08 (52-Wk.: \$29-\$40)

Adam Klauber, CFA  
 312.364.8232  
 aklauber@williamblair.com

John Thomas  
 312.364.8430  
 jthomas@williamblair.com

**Insurance Brokers  
Valuation Comparison**

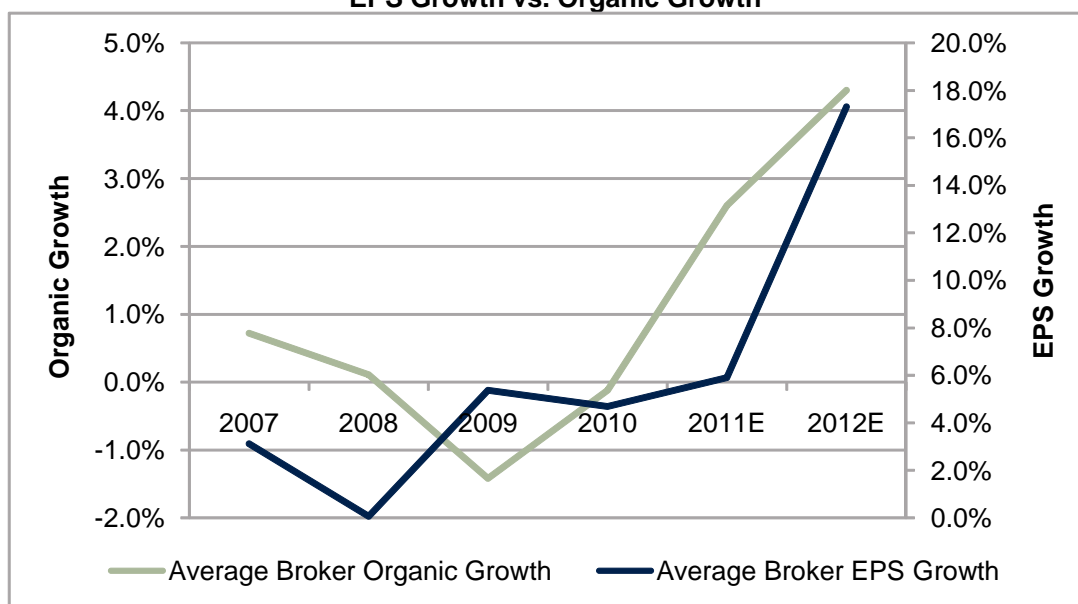
Ticker	Rating	Price	GAAP EPS			GAAP P/E			Cash P/E			EV / EBITDA		
			2010	2011E	2012E	2010	2011E	2012E	2010	2011E	2012E	2010	2011E	2012E
AON	O	51.46	\$3.07	\$3.25	\$3.84	16.8x	15.8x	13.4x	15.6x	14.2x	9.9x	10.2x	7.4x	6.8x
AJG	M	30.92	\$1.41	\$1.50	\$1.75	21.9x	20.6x	17.7x	16.1x	16.4x	14.3x	11.6x	10.1x	8.9x
BRO	M	25.34	\$1.13	\$1.17	\$1.32	22.4x	21.6x	19.2x	17.0x	16.4x	14.8x	11.2x	10.7x	9.7x
MMC	M	30.24	\$1.66	\$1.82	\$2.04	18.3x	16.6x	14.8x	17.5x	15.9x	14.3x	10.4x	10.1x	9.5x
WSH	O	38.50	\$2.69	\$2.80	\$3.55	14.3x	13.8x	10.9x	12.6x	12.5x	10.1x	9.8x	9.5x	8.1x
Average						18.7x	17.7x	15.2x	15.8x	15.1x	12.7x	10.6x	9.6x	8.6x
Median						18.3x	16.6x	14.8x	16.1x	15.9x	14.3x	10.4x	10.1x	8.9x

Source: Company reports, Thomson One, and William Blair & Company L.L.C.

**Improvement in Organic Revenue Should Translate Into Higher Earnings Growth**

Accelerating organic revenue growth should drive higher earnings growth rates and ultimately continued momentum in the broker stocks. Organic growth is showing a definitive relationship with U.S. economic activity. Given this relationship, we have good degree of confidence that sequential organic revenue growth should improve over the next several quarters. In turn, higher organic revenue levels should support rising earnings growth rates. We expect earnings growth to rebound from an average of 4% from 2008-2012 to 12% from 2010-2012 as organic revenue growth rises from -1% in 2009 to an estimated 4% in 2012.

**Insurance Brokers  
EPS Growth vs. Organic Growth**

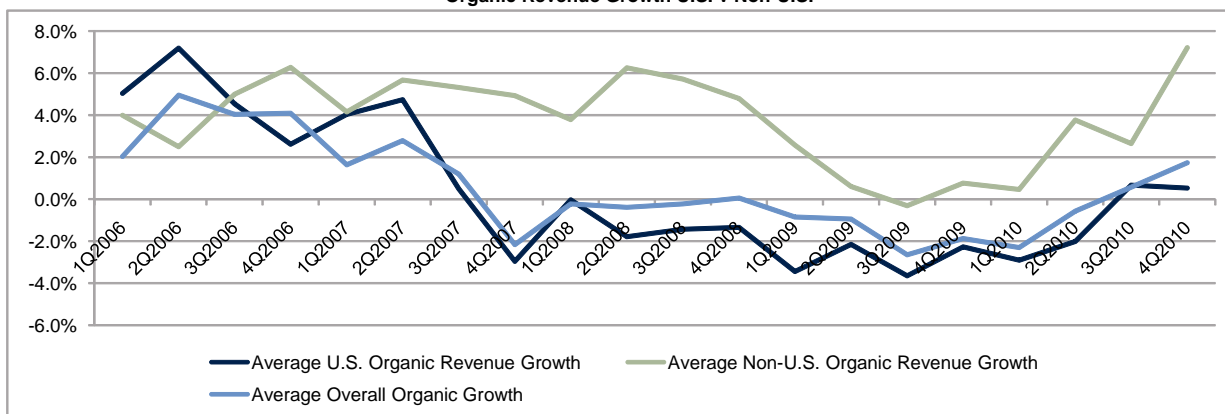


Source: Company reports and William Blair & Company, L.L.C.

**U.S. Organic Revenue Is Particularly Important**

We expect change in U.S. organic to favorably affect overall organic. We project overall organic revenues to increase throughout 2011, to 3%. Growth should improve on a sequential basis, with an average of 1% to 2% in the first half and 3% to 4% in the second half. Organic growth has been particularly depressed by lower-than-average growth in the United States. In 2009 and 2010, U.S. organic revenue declined by an average of 2%. In contrast, international segments (mainly at the large brokers, i.e., Aon, Marsh, and Willis) actually grew by 2% in that same time period. The difference was even more pronounced in 2010 as international organic revenues grew by 4% compared with -1% for the United States. Our forecasts expect the United States to grow by at least 2% to 3% in 2011 and likely accelerate into 2012.

**Insurance Brokers  
Organic Revenue Growth U.S. v Non-U.S.**



Source: Company reports and William Blair & Company L.L.C.

**Exposure units are rebounding**

Organic revenues variations are driven by 1) exposure change, 2) effect of property, and 3) casualty pricing and net new business (new units). We expect pricing and net new business to be relatively stable over the next two years. Exposure growth, therefore, should be the most important change factor.

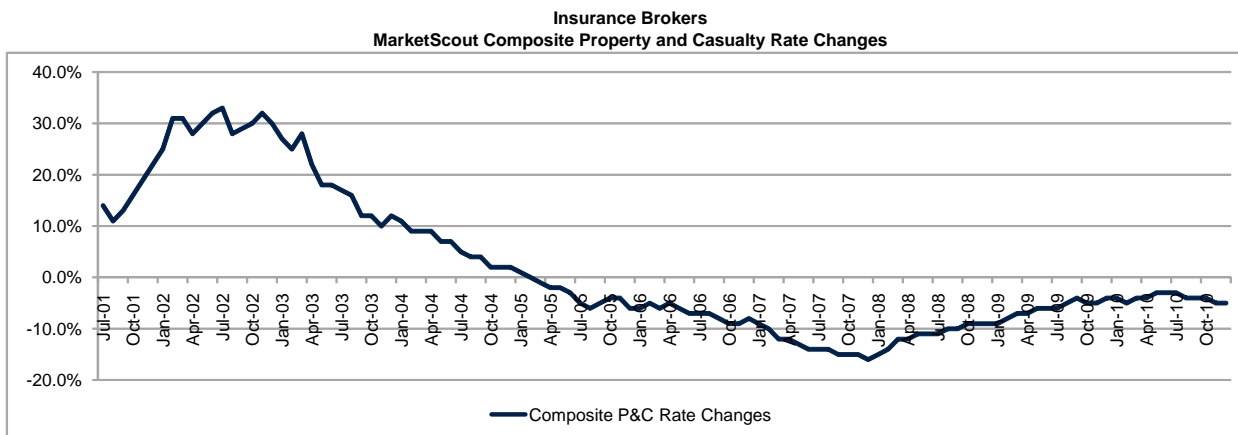
Exposure trend, which is the key factor to watch over the next 12-18 months, is driven by economic factors. Exposure units reflect the amounts of insurance purchased by existing customers. Growth or contraction in the economy typically affects insurance premiums and therefore commission levels. In a growing economy, insurance buyers typically buy more insurance if sales, inventories, physical plants, and employee counts are increasing. Our forecast suggests that exposure trend has the potential for 4%-6% positive swing as the economy transitions from stability to moderate growth.

**Insurance Brokers  
Estimated Components of Organic Growth**

Organic growth components	2009			2010			2011E		
	Low	High	Midpoint	Low	High	Midpoint	Low	High	Midpoint
Effect of pricing	-3.0%	-2.0%	-2.5%	-3.0%	-2.0%	-2.5%	-3.0%	-2.0%	-2.5%
Exposure unit change	-5.0%	-2.0%	-3.5%	-4.5%	-1.0%	-2.8%	1.0%	2.0%	1.5%
Net new business	3.0%	6.0%	4.5%	3.0%	6.5%	4.8%	3.0%	5.0%	4.0%
Total organic growth	-5.0%	2.0%	-1.5%	-4.5%	3.5%	-0.5%	1.0%	5.0%	3.0%

Source: Company reports and William Blair & Company L.L.C.

Property and casualty pricing varies with the pricing cycle. Pricing is expected to be down midsingle digits. Despite discussions early this year of stabilization, we believe capacity remains overabundant. Midsingle-digit pricing tends to translate into -2% to -3% as buyer elasticity smoothes overall premium levels (i.e. coverage increases as rates go down). A stabilization in pricing would be a net positive for organic revenue and could help growth surpass our forecast, but again, we believe this possibility is lower than average in the near term. Overall, we expect the effect of pricing to be relatively stable for 2011 and 2012. Our cash flow index, which we believe is a good indicator of cycle changes, suggests that an upward turn is possible for 2013.



Source: MarketScout

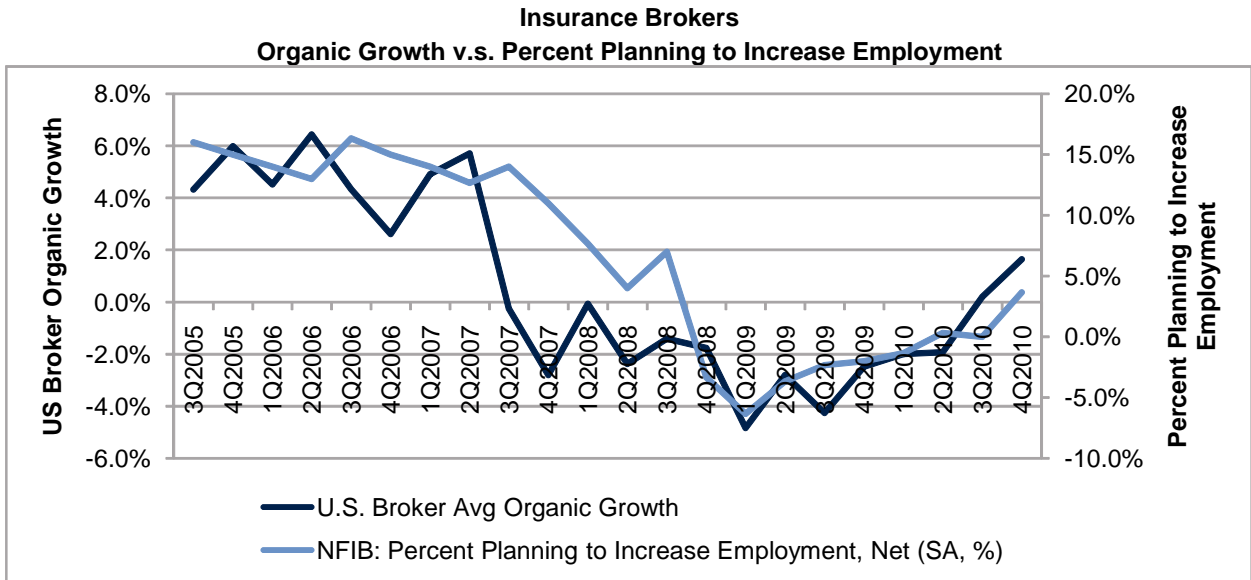
Net new business is the other factor. New versus lost business (i.e., market share gains/losses), growth of the production force, and new sales by existing producers drive unit growth. The public brokers provide strong incentives to generate new sales and the pool of potential market share gains remains high. The public brokers only have a 6% market share of total brokerage revenue, although the share of commercial business is closer to 20%. A typical producer compensation plan is 35%-40% commission on new sales and 20% commission on existing sales. This provides significant incentive to win business from small and midsize brokers. In addition, the public brokers typically add to their producers over time. Increases in the production force and commission incentives typically result in net new business of 2% to 4%. There is little reason for this dynamic to change in the next two years.

**Exposure Changes Tied to the Economy**

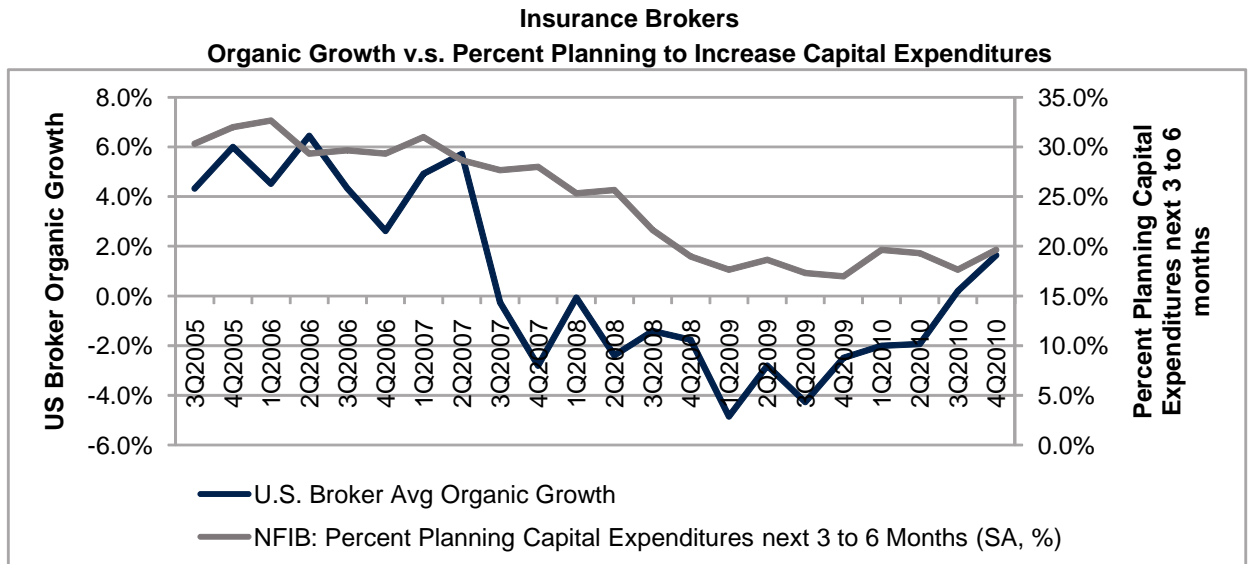
We are expecting an average swing in the effect of exposure units from -4% in 2009 to 1% to 2% in 2011. A 4%-5% organic growth rate is a possibility for 2012. The key is the relationship with economic factors. As mentioned, exposure units reflect the amount of insurance purchased by existing customers. The measure excludes the impact of premiums rates and is based on insurable coverages—this typically includes payroll levels (workers’ compensation coverage), physical property, plant and vehicles (commercial multiple peril, fire, and commercial auto coverages), and business/sales volumes (general liability and other liability coverages).

U.S. organic revenue is showing a definite relation with economic factors going in and coming out of the last recession. Declines in business activity have correlated with lower organic levels. As payrolls and manufacturing dropped, organic revenue declined by -1.4% in 2009. The relationship is also working its way up. Payrolls stabilized in the back of 2009, and manufacturing had an average increase of 7.3% in 2010 compared with 2009. On a corresponding basis, U.S. organic revenue went from -3% in the back half of 2009 to +1% in the second half of 2010.

The relationship between the economy and organic revenue gives us comfort that the latter will turn in near term. Assuming the correlation holds on the way up, this should translate into at least 2%-3% organic revenue growth for 2011. Upside is possible, particularly if payrolls rebound, as this has a significant direct impact on workers’ compensation premium. This could drive organic growth to greater than 3%.



Source: National Federation of Independent Businesses and William Blair & Company L.L.C.



Source: National Federation of Independent Businesses and William Blair & Company L.L.C.

### Insurance Brokers Average Quarterly Broker Organic Revenue Correlations 2006-2010

	NFIB: Percent Planning to Increase Employment, Net (SA, %)	NFIB: Percent Planning Capital Expenditures next 3 to 6 Months (SA, %)
Correlation	80.8%	80.3%

Source: Company reports, National Federation of Independent Businesses, and William Blair & Company L.L.C.

## Brokers' Organic Revenue Should Move Up, but at Varying Rates

Insurance Brokers  
Organic Revenue Growth Trends

Company	Ticker	1Q09	2Q09	3Q09	4Q09	1Q10	2Q10	3Q10	4Q10	2006	2007	2008	2009	2010	2011E	2012E
Aon Corporation	AON	1.0%	0.0%	-3.0%	-1.0%	-3.0%	-0.8%	-0.5%	3.0%	2.0%	3.0%	2.0%	-1.0%	0.0%	2.1%	3.2%
Arthur J. Gallagher	AJG	-4.0%	-1.0%	-4.0%	0.0%	-3.0%	-3.0%	0.0%	0.0%	5.0%	2.0%	0.0%	-2.0%	-2.0%	2.5%	4.0%
Brown & Brown	BRO	-9.2%	-8.0%	-8.3%	-9.4%	-4.0%	-3.6%	-5.0%	2.2%	3.9%	-3.4%	-5.5%	-5.1%	-4.6%	0.9%	4.0%
Marsh & McLennan	MMC	-1.0%	0.0%	-3.0%	-2.0%	0.0%	1.0%	2.0%	5.0%	0.0%	-1.0%	0.0%	-1.0%	2.0%	2.5%	3.1%
Willis Group Holdings	WSH	2.0%	1.0%	2.0%	2.0%	3.0%	4.0%	4.0%	4.0%	8.0%	3.0%	4.0%	2.0%	4.0%	5.0%	7.0%
Median		-1.0%	0.0%	-3.0%	-1.0%	-3.0%	-0.8%	0.0%	3.0%	3.9%	2.0%	0.0%	-1.0%	0.0%	2.5%	4.0%
Average		-2.2%	-1.6%	-3.3%	-2.1%	-1.4%	-0.5%	0.1%	2.8%	3.8%	0.7%	0.1%	-1.4%	-0.1%	2.6%	4.3%

Source: Company reports and William Blair & Company L.L.C.

**AJ Gallagher.** We expect organic revenue growth to go from -1.5% to 4% in two years. The company has significant leverage to an improving U.S. economy. The revenue stream is mainly commission-based, and roughly 85% of the business is based in the United States. In addition, a growing international business should also augment organic growth.

**Aon.** Our forecast calls for Aon's brokerage organic to go from -1% to 3%. Aon should continue to benefit from an expanding international base. The U.S. business will also be helped by an improving economy, but a higher fee component will lessen the impact compared with the pure middle-market firms. Upside to our forecast is possible if underperforming U.K. and reinsurance brokerage units rebound.

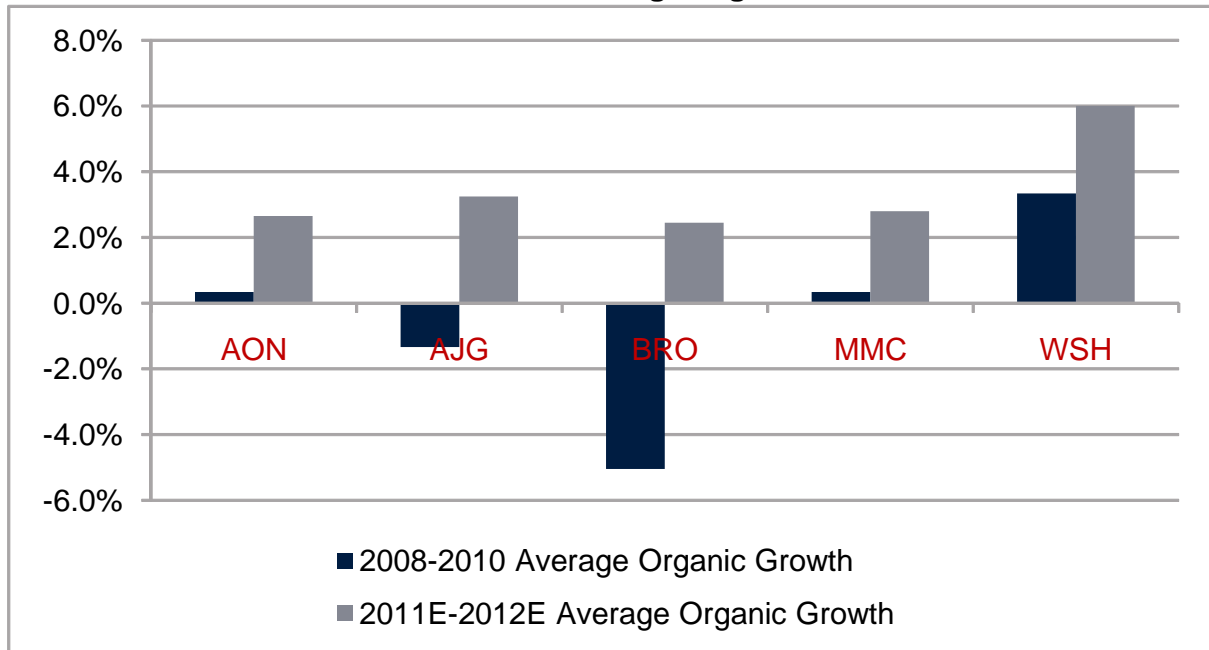
**Brown and Brown.** Organic growth has been hampered by depressed economies in Florida and the West Coast (California, Arizona, and Nevada). In addition, the loss of a large wholesale client (from the Proctor unit) lowered the organic growth by roughly 150 basis points. We expect the retail units to stabilize in 2011 and potentially rebound in 2012. The growth could be helped by rising workers' compensation rates in the key states of Florida and California. We expect organic revenue to rebound from a contraction of 5% in 2010 to growth of 1% in 2011 and 4% in 2012.

**Marsh & McLennan.** Marsh's organic revenue should improve, but the increase will likely be muted by a relatively heavy fee component. In the United States, Marsh's brokerage segment gets over 50% fees due to its large market position in the *Fortune* 500. Fee revenues tend to be less elastic than commission. Organic growth, however, will continue to be helped by strong positions in higher-growth international markets.

We expect Marsh's organic growth rate to go from 2% in 2010 to 3% in 2012.

**Willis.** The company should exhibit the highest organic growth in the group. The North American segment should reverse from averaging negative 1% in the last three years to an expected 3% in 2011 and 5% in 2012. Willis has the best leverage to an improving economy compared with the other large brokers. The client base is mainly middle market, and revenues are 90% commission-based. In addition, the North American segment should also be helped by producers hired in 2009 and 2010 ramping up production. We assume that the global and international segments increase from 6% to 8%, mainly from continued growth in the producer force. Overall, we expect organic to grow from 3.8% in 2010 to 7% in 2012.

### Insurance Brokers Historical and Forecasted Average Organic Revenue Growth



Source: Company reports and William Blair & Company L.L.C.

**Aon Corporation**  
**Earnings Model**  
(dollars in millions)

	2009	2010	Q1'11E	Q2'11E	Q3'11E	Q4'11E	2011E	Q1'12E	Q2'12E	Q3'12E	Q4'12E	2012E
<b>INCOME STATEMENT</b>												
Brokerage Commissions and Fees	\$7,503.0	\$8,493.2	\$2,764.4	\$2,754.2	\$2,678.4	\$3,011.3	\$11,208.3	\$2,858.2	\$2,855.6	\$2,782.8	\$3,133.0	\$11,629.6
% Change	0.8%	13.2%	43.8%	46.3%	50.1%	3.7%	32.0%	3.4%	3.7%	3.9%	4.0%	3.8%
Net Investment Income	\$142.0	\$58.0	\$13.0	\$14.0	\$15.0	\$15.0	\$57.0	\$16.0	\$17.0	\$19.0	\$19.0	\$71.0
% Change	(46.2%)	(59.2%)	11.0%	11.0%	11.0%	11.0%	(1.7%)	11.0%	11.0%	11.0%	11.0%	24.6%
Total Revenue	\$7,645.0	\$8,551.2	\$2,777.4	\$2,768.2	\$2,693.4	\$3,026.3	\$11,265.3	\$2,874.2	\$2,872.6	\$2,801.8	\$3,152.0	\$11,700.6
% Change	(0.9%)	11.9%	43.5%	45.6%	49.7%	3.8%	31.7%	3.5%	3.8%	4.0%	4.2%	3.9%
Compensation Benefits and G&A	\$5,975.0	\$6,733.0	\$2,232.9	\$2,261.6	\$2,239.6	\$2,399.7	\$9,133.9	\$2,189.4	\$2,240.2	\$2,218.6	\$2,408.6	\$9,056.8
% Change	(5.5%)	12.7%	45.1%	51.3%	58.1%	5.2%	35.7%	(2.0%)	(0.9%)	(0.9%)	0.4%	(0.8%)
Benefits to Policyholders												
Interest Expense	\$124.0	\$182.0	\$60.5	\$60.5	\$60.5	\$60.5	\$242.0	\$59.0	\$59.0	\$59.0	\$59.0	\$236.0
Aon Amortization and Depreciation	\$242.0	\$238.0	\$62.0	\$62.0	\$62.0	\$62.0	\$248.0	\$62.0	\$62.0	\$62.0	\$62.0	\$248.0
Deal Amortization		65	\$60.0	\$60.0	\$60.0	\$61.0	\$241.0	\$78.0	\$78.0	\$78.0	\$78.0	\$312.0
Hewitt Amortization and Depreciation		40	\$39.5	\$39.0	\$38.5	\$38.0	\$155.0	\$37.5	\$37.0	\$36.5	\$36.0	\$147.0
Total Amortization and Depreciation		\$343.0	\$161.5	\$161.0	\$160.5	\$161.0	\$644.0	\$177.5	\$177.0	\$176.5	\$176.0	\$707.0
Total Operating Expenses	\$6,341.0	\$7,233.0	\$2,353.4	\$2,382.1	\$2,360.1	\$2,521.2	\$9,616.9	\$2,388.4	\$2,439.2	\$2,417.6	\$2,607.6	\$9,852.8
% Change	(2.3%)	14.1%	44.3%	50.0%	53.1%	2.0%	33.0%	1.5%	2.4%	2.4%	3.4%	2.5%
<b>Operating Income</b>	<b>\$1,304.0</b>	<b>\$1,318.2</b>	<b>\$423.9</b>	<b>\$386.1</b>	<b>\$333.3</b>	<b>\$505.1</b>	<b>\$1,648.4</b>	<b>\$485.8</b>	<b>\$433.4</b>	<b>\$384.2</b>	<b>\$544.4</b>	<b>\$1,847.8</b>
% Change	7.1%	1.1%	39.4%	23.3%	29.7%	13.8%	25.1%	14.6%	12.3%	15.3%	7.8%	12.1%
<b>Pretax Operating Margin</b>	<b>17.1%</b>	<b>15.4%</b>	<b>15.3%</b>	<b>13.9%</b>	<b>12.4%</b>	<b>16.7%</b>	<b>14.6%</b>	<b>16.9%</b>	<b>15.1%</b>	<b>13.7%</b>	<b>17.3%</b>	<b>15.8%</b>
Special Charges	\$0.0	\$187.0	\$150.0	\$30.0	\$0.0	\$75.0	\$255.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Adjusted Pretax Income	\$1,304.0	\$1,131.2	\$273.9	\$356.1	\$333.3	\$430.1	\$1,393.4	\$485.8	\$433.4	\$384.2	\$544.4	\$1,847.8
Income Taxes	\$354.0	\$326.3	\$127.2	\$115.8	\$100.0	\$151.5	\$494.5	\$143.3	\$127.8	\$113.3	\$160.6	\$545.1
Tax Rate	27%	25%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%
Adj. A-T Income From Cont. Ops.	\$950.0	\$804.9	\$146.8	\$240.2	\$233.3	\$278.6	\$898.9	\$342.5	\$305.5	\$270.9	\$383.8	\$1,302.7
A-T Income From Disc. Ops./Charges												
A-T Net Income	\$950.0	\$804.9	\$146.8	\$240.2	\$233.3	\$278.6	\$898.9	\$342.5	\$305.5	\$270.9	\$383.8	\$1,302.7
% Change												
Minority Interest	(\$45.0)	(\$26.0)	(\$10.0)	(\$10.0)	(\$10.0)	(\$10.0)	(\$40.0)	(\$10.0)	(\$10.0)	(\$10.0)	(\$10.0)	(\$80.0)
Preferred dividends	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Adjusted Income	\$905.0	\$778.9	\$136.8	\$230.2	\$223.3	\$268.6	\$858.9	\$332.5	\$295.5	\$260.9	\$373.8	\$1,262.7
Net Income Per Share	\$3.12	\$2.61	\$0.40	\$0.67	\$0.65	\$0.79	\$2.50	\$0.99	\$0.89	\$0.80	\$1.16	\$3.84
Extraordinary Items Per Share, Net	\$0.00	\$0.46	\$0.43	\$0.09	\$0.00	\$0.22	\$0.74	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Capital Gains (Losses) Per Share	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Operating Income Per Share</b>	<b>\$3.12</b>	<b>\$3.07</b>	<b>\$0.83</b>	<b>\$0.76</b>	<b>\$0.65</b>	<b>\$1.01</b>	<b>\$3.25</b>	<b>\$0.99</b>	<b>\$0.89</b>	<b>\$0.80</b>	<b>\$1.16</b>	<b>\$3.84</b>
% Change	10.3%	(1.6%)	0.2%	(6.8%)	7.3%	20.7%	5.8%	19.0%	18.0%	22.9%	15.0%	18.2%
<b>Cash Earnings Per Share</b>	<b>\$3.32</b>	<b>\$3.30</b>	<b>\$0.67</b>	<b>\$0.94</b>	<b>\$0.93</b>	<b>\$1.07</b>	<b>\$3.61</b>	<b>\$1.33</b>	<b>\$1.23</b>	<b>\$1.15</b>	<b>\$1.51</b>	<b>\$5.22</b>
	13.5%	(0.5%)	(24.5%)	7.9%	37.8%	23.8%	9.4%	97.3%	30.5%	23.5%	41.2%	44.3%
Average Shares Outstanding	290.3	298.7	345.0	344.5	343.0	340.5	343.2	336.2	331.6	326.0	322.0	328.9
Dividends Per Share	\$0.60	\$0.60	\$0.17	\$0.17	\$0.17	\$0.17	\$1.22	\$0.17	\$0.17	\$0.17	\$0.17	\$1.24
Dividend Payout Ratio	19.2%	19.5%	20.5%	22.5%	26.1%	16.8%	37.6%	17.2%	19.1%	21.2%	14.6%	32.3%

Sources: Company reports and William Blair &amp; Company, L.L.C. estimates

**Arthur J. Gallagher & Co.**  
**Earnings Model**  
(dollars in millions)

	2009	2010	Q1'11E	Q2'11E	Q3'11E	Q4'11E	2011E	Q1'12E	Q2'12E	Q3'12E	Q4'12E	2012E
<b>TOTAL COMPANY</b>												
Commissions	\$1,003.7	\$1,054.9	\$262.3	\$293.5	\$288.0	\$279.0	\$1,122.8	\$283.6	\$317.7	\$313.7	\$304.2	\$1,219.3
% change	9%	5%	6%	6%	6%	8%	6%	8%	8%	9%	9%	9%
Fees	\$708.0	\$735.0	\$178.2	\$194.6	\$201.3	\$217.2	\$791.3	\$187.7	\$207.5	\$214.6	\$232.9	\$842.7
% change	3%	4%	8%	8%	8%	6%	8%	5%	7%	7%	7%	7%
Investment Income - Fiduciary	\$17.7	\$12.8	\$2.6	\$2.6	\$2.6	\$2.6	\$10.4	\$2.7	\$2.7	\$2.8	\$2.8	\$11.0
% change	-57%	-28%	13%	-4%	-52%	8%	-19%	4%	4%	8%	8%	6%
Investment Income - All Other	\$0.5	\$64.9	\$0.0	\$2.0	\$2.0	\$3.0	\$7.0	\$4.0	\$4.0	\$5.0	\$6.0	\$19.0
% change	-38%	12880%					-89%					171%
Investment Gains (Losses)	(\$0.6)	(\$3.4)	(\$0.5)	(\$0.5)	(\$0.5)	(\$0.5)	(\$2.0)	(\$0.5)	(\$0.5)	(\$0.5)	(\$0.5)	(\$2.0)
% change												
Gross Revenues	\$1,729.3	\$1,864.2	\$442.6	\$492.2	\$493.4	\$501.2	\$1,929.4	\$477.5	\$531.4	\$535.6	\$545.5	\$2,090.0
% change	5%	8%	-8%	7%	7%	9%	3%	8%	8%	9%	9%	8%
Less Brokerage	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
% change												
<b>Revenues</b>	<b>\$1,729.3</b>	<b>\$1,864.2</b>	<b>\$442.6</b>	<b>\$492.2</b>	<b>\$493.4</b>	<b>\$501.2</b>	<b>\$1,929.4</b>	<b>\$477.5</b>	<b>\$531.4</b>	<b>\$535.6</b>	<b>\$545.5</b>	<b>\$2,090.0</b>
% change	5%	8%	-8%	7%	7%	9%	3%	8%	8%	9%	9%	8%
Compensation	\$1,061.0	\$1,105.1	\$279.3	\$290.7	\$290.3	\$312.8	\$1,173.3	\$296.1	\$310.8	\$309.9	\$339.2	\$1,256.1
% change	7%	4%	8%	6%	5%	6%	6%	6%	7%	7%	8%	7%
Other Operating	\$327.9	\$331.5	\$86.6	\$89.5	\$85.4	\$91.4	\$353.0	\$90.7	\$94.3	\$94.1	\$103.3	\$382.5
% change	-12%	1%	9%	6%	7%	4%	8%	5%	5%	10%	13%	8%
Investment Expenses	\$11.1	\$98.3	\$5.8	\$5.8	\$5.8	\$5.8	\$23.2	\$5.8	\$5.8	\$5.8	\$5.8	\$23.2
% change	-	-	-92%	26%	0%	-66%	0%	0%	0%	0%	0%	0%
Interest	\$28.5	\$34.6	\$10.5	\$10.5	\$10.5	\$10.5	\$42.0	\$10.5	\$10.5	\$10.5	\$10.5	\$42.0
% change			nm	nm	22%	21%		nm	nm	0%	0%	
Depreciation	\$30.6	\$32.3	\$8.1	\$8.1	\$8.1	\$8.1	\$32.4	\$8.1	\$8.1	\$8.1	\$8.1	\$32.4
% change	2%	6%	5%	1%	-2%	-2%	0%	0%	0%	0%	0%	
Amortization	\$57.9	\$60.8	\$15.6	\$15.8	\$16.1	\$16.3	\$63.7	\$16.6	\$16.8	\$17.1	\$17.3	\$67.7
% change	32%	5%	12%	-5%	11%	3%	6%	6%	6%	6%	6%	
<b>One-Time Items</b>												
<b>Expenses</b>	<b>\$1,517.0</b>	<b>\$1,662.6</b>	<b>\$405.9</b>	<b>\$420.5</b>	<b>\$416.2</b>	<b>\$444.9</b>	<b>\$1,687.6</b>	<b>\$427.8</b>	<b>\$446.3</b>	<b>\$445.5</b>	<b>\$484.2</b>	<b>\$1,803.8</b>
% change	2%	10%	-8%	6%	6%	3%	5%	6%	7%	7%	9%	
Earnings Before Income Taxes	\$212.3	\$201.6	\$36.7	\$71.7	\$77.2	\$56.3	\$241.9	\$49.8	\$85.2	\$90.0	\$61.2	\$286.2
% change	30%	-5%	-15%	12%	12%	118%	36%	19%	17%	9%		
Tax benefit related to Litigation/One-timers	\$78.0	\$39.7	\$10.0	\$24.0	\$26.1	\$17.8	\$78.0	\$14.8	\$28.8	\$30.7	\$19.0	\$93.3
Provision For Income Taxes	\$78.0	\$39.7	\$10.0	\$24.0	\$26.1	\$17.8	\$78.0	\$14.8	\$28.8	\$30.7	\$19.0	\$93.3
Effective Tax Rate	36.7%	19.7%	27%	33%	34%	32%	32.2%	30%	34%	34%	31%	32.6%
<b>Net Earnings</b>	<b>\$134.3</b>	<b>\$161.9</b>	<b>\$26.7</b>	<b>\$47.7</b>	<b>\$51.0</b>	<b>\$38.5</b>	<b>\$163.9</b>	<b>\$35.0</b>	<b>\$56.3</b>	<b>\$59.3</b>	<b>\$42.2</b>	<b>\$192.9</b>
% change	21%	21%	-9%	14%	14%	-16%	1%	31%	18%	16%	10%	18%
<b>Discontinued ops</b>												
Earnings Per Share	<b>\$1.32</b>	<b>\$1.41</b>	<b>\$0.25</b>	<b>\$0.44</b>	<b>\$0.47</b>	<b>\$0.35</b>	<b>\$1.50</b>	<b>\$0.32</b>	<b>\$0.51</b>	<b>\$0.54</b>	<b>\$0.38</b>	<b>\$1.75</b>
% change	12%	6%	-13%	9%	10%	17%	7%	29%	17%	15%	9%	16%
Cash EPS	<b>\$1.70</b>	<b>\$1.92</b>	<b>\$0.34</b>	<b>\$0.53</b>	<b>\$0.56</b>	<b>\$0.45</b>	<b>\$1.89</b>	<b>\$0.42</b>	<b>\$0.61</b>	<b>\$0.64</b>	<b>\$0.49</b>	<b>\$2.16</b>
% change	14%	13%	-9%	6%	9%	-15%	-2%	23%	15%	13%	8%	14%
Average Diluted Shares	100,622	104,917	108,377	108,877	109,277	109,577	109,027	109,827	110,077	110,327	110,527	110,190

Sources: Company reports and William Blair & Company, L.L.C. estimates

**Brown & Brown, Inc.**  
**Earnings Model**  
(dollars in millions)

	2009	2010	Q1'11E	Q2'11E	Q3'11E	Q4'11E	2011E	Q1'12E	Q2'12E	Q3'12E	Q4'12E	2012E
<b>INCOME STATEMENT</b>												
Commissions and Fees	\$964.9	\$966.9	\$263.2	\$254.6	\$262.1	\$246.4	\$1,026.3	\$281.1	\$274.6	\$281.3	\$271.5	\$1,108.5
% Change	0%	0%	5%	6%	7%	8%	6%	7%	8%	7%	10%	8%
Investment Income	\$1.2	\$1.3	\$0.5	\$0.5	\$0.5	\$0.5	\$2.0	\$0.5	\$0.5	\$0.5	\$0.5	\$2.0
% Change	-81%	13%	61%	45%	43%	64%	53%	0%	0%	0%	0%	0%
Other Income	\$1.9	\$5.3	\$0.7	\$0.7	\$0.7	\$0.7	\$2.8	\$0.7	\$0.7	\$0.7	\$0.7	\$2.8
% Change	-66%	185%	-45%	-69%	-42%	28%	-47%	0%	0%	0%	0%	0%
<b>Total Revenues</b>	<b>\$967.9</b>	<b>\$973.5</b>	<b>\$264.4</b>	<b>\$255.8</b>	<b>\$263.3</b>	<b>\$247.6</b>	<b>\$1,031.1</b>	<b>\$282.3</b>	<b>\$275.8</b>	<b>\$282.5</b>	<b>\$272.7</b>	<b>\$1,113.3</b>
% Change	-1%	1%	5%	5%	6%	8%	6%	7%	8%	7%	10%	8%
Compensation and Benefits	\$484.7	\$487.8	\$128.3	\$126.4	\$130.2	\$130.3	\$515.3	\$135.0	\$135.9	\$140.0	\$140.5	\$551.4
% Change	0%	1%	4%	7%	7%	7%	5%	7%	8%	7%	8%	7%
Noncash stock compensation	\$7.4	\$6.9	\$3.0	\$3.0	\$3.0	\$3.0	\$12.0	\$3.0	\$3.0	\$3.0	\$3.0	\$12.0
% Change	1%	-7%	53%	69%	100%	86%	75%	0%	0%	0%	0%	0%
Other Operating Expenses	\$143.4	\$134.4	\$36.2	\$32.6	\$33.2	\$41.4	\$143.4	\$37.6	\$35.3	\$38.6	\$40.7	\$152.2
% Change	4%	-6%	1%	-1%	5%	22%	7%	4%	8%	16%	-2%	6%
Amortization	\$49.9	\$51.5	\$13.4	\$13.4	\$13.4	\$13.5	\$53.6	\$13.7	\$14.0	\$14.3	\$14.6	\$56.6
% Change	7%	3%	7%	6%	4%	1%	4%	3%	5%	7%	8%	5%
Depreciation	\$13.2	\$12.6	\$3.2	\$3.2	\$3.2	\$3.2	\$12.8	\$3.2	\$3.2	\$3.2	\$3.2	\$12.8
% Change	0%	-5%	-2%	2%	3%	2%	1%	0%	0%	0%	0%	0%
Interest	\$14.6	\$14.5	\$3.6	\$3.6	\$3.2	\$3.2	\$13.6	\$3.0	\$3.0	\$3.0	\$3.0	\$12.0
% Change	-1%	-1%	0%	0%	-12%	-12%	-6%	-17%	-17%	-6%	-6%	-12%
<b>Total Expenses</b>	<b>\$713.1</b>	<b>\$707.6</b>	<b>\$187.7</b>	<b>\$182.2</b>	<b>\$186.2</b>	<b>\$194.6</b>	<b>\$750.7</b>	<b>\$195.5</b>	<b>\$194.4</b>	<b>\$202.0</b>	<b>\$205.0</b>	<b>\$796.9</b>
% Change	1%	-1%	5%	4%	7%	9%	6%	4%	7%	8%	5%	6%
<b>Pretax Income</b>	<b>\$254.8</b>	<b>\$265.9</b>	<b>\$76.6</b>	<b>\$73.6</b>	<b>\$77.1</b>	<b>\$53.0</b>	<b>\$280.4</b>	<b>\$86.8</b>	<b>\$81.4</b>	<b>\$80.5</b>	<b>\$67.7</b>	<b>\$316.4</b>
% Change	-7%	4%	5%	8%	6%	2%	5%	13%	11%	4%	28%	13%
Tax	\$101.5	\$104.3	\$30.7	\$29.4	\$30.8	\$21.2	\$112.1	\$34.7	\$32.5	\$32.2	\$27.1	\$126.6
Tax Rate	39.8%	39.2%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%
Minority Interest	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<b>Net Income</b>	<b>\$153.3</b>	<b>\$161.6</b>	<b>\$46.0</b>	<b>\$44.2</b>	<b>\$46.3</b>	<b>\$31.8</b>	<b>\$168.2</b>	<b>\$52.1</b>	<b>\$48.8</b>	<b>\$48.3</b>	<b>\$40.6</b>	<b>\$189.8</b>
% Change	-8%	5%	4%	7%	5%	-1%	4%	13%	11%	4%	28%	13%
<b>Cash Income</b>	<b>\$203.2</b>	<b>\$213.0</b>	<b>\$59.4</b>	<b>\$57.5</b>	<b>\$59.7</b>	<b>\$45.3</b>	<b>\$221.8</b>	<b>\$65.8</b>	<b>\$62.8</b>	<b>\$62.6</b>	<b>\$55.2</b>	<b>\$246.4</b>
<b>Operating EPS</b>	<b>\$1.06</b>	<b>\$1.13</b>	<b>\$0.32</b>	<b>\$0.31</b>	<b>\$0.32</b>	<b>\$0.22</b>	<b>\$1.17</b>	<b>\$0.36</b>	<b>\$0.34</b>	<b>\$0.34</b>	<b>\$0.28</b>	<b>\$1.32</b>
% Change	-10%	7%	4%	6%	4%	0%	4%	13%	10%	4%	27%	12%
<b>Cash EPS</b>	<b>\$1.40</b>	<b>\$1.49</b>	<b>\$0.42</b>	<b>\$0.40</b>	<b>\$0.42</b>	<b>\$0.32</b>	<b>\$1.55</b>	<b>\$0.46</b>	<b>\$0.44</b>	<b>\$0.43</b>	<b>\$0.38</b>	<b>\$1.71</b>
% Change	-7%	6%	5%	6%	4%	0%	4%	10%	9%	4%	21%	11%
<b>Operating EPS Excluding Contingents</b>	<b>\$0.87</b>	<b>\$0.90</b>	<b>\$0.19</b>	<b>\$0.29</b>	<b>\$0.29</b>	<b>\$0.20</b>	<b>\$0.97</b>	<b>\$0.23</b>	<b>\$0.32</b>	<b>\$0.31</b>	<b>\$0.26</b>	<b>\$1.12</b>
% Change	-6%	3%	11%	10%	7%	5%	8%	24%	12%	6%	27%	16%
<b>Cash EPS Excluding Contingents</b>	<b>\$1.22</b>	<b>\$1.26</b>	<b>\$0.28</b>	<b>\$0.38</b>	<b>\$0.38</b>	<b>\$0.30</b>	<b>\$1.34</b>	<b>\$0.33</b>	<b>\$0.42</b>	<b>\$0.40</b>	<b>\$0.36</b>	<b>\$1.52</b>
% Change	-3%	3%	9%	8%	6%	4%	7%	17%	10%	6%	21%	13%
Average Diluted Shares	142.3	143.0	143.0	143.4	143.5	143.7	143.4	143.9	144.0	144.1	144.3	144.0
Actual Shares	142.5	143.2	143.5	143.5	143.8	143.8	\$143.8	144.1	144.1	144.4	144.4	\$144.4
Dividends Per Share	\$0.29	\$0.31	\$0.05	\$0.05	\$0.05	\$0.05	\$0.32	\$0.06	\$0.06	\$0.06	\$0.06	\$0.32

Sources: Company reports and William Blair & Company, L.L.C. estimates

**Marsh & McLennan Companies, Inc.**  
**Earnings Model**  
(dollars in millions)

	2009	2010	Q1'11E	Q2'11E	Q3'11E	Q4'11E	2011E	Q1'12E	Q2'12E	Q3'12E	Q4'12E	2012E
<b>INCOME STATEMENT</b>												
Insurance Services Revenues	\$5,284.0	\$5,764.0	\$1,552.2	\$1,529.2	\$1,388.0	\$1,547.5	\$6,016.8	\$1,627.2	\$1,615.3	\$1,465.6	\$1,630.4	\$6,338.5
% Change	-3%	9%	4%	5%	5%	4%	4%	5%	6%	6%	5%	5%
Risk Consulting and Technology	\$687.0	\$162.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
% Change	-31%	-76%	-100%	NM	NM	NM	-100%	nm	nm	nm	nm	0%
Consulting Services Revenues	\$4,609.0	\$4,835.0	\$1,198.1	\$1,219.8	\$1,263.2	\$1,383.6	\$5,064.6	\$1,260.6	\$1,282.8	\$1,328.8	\$1,454.0	\$5,326.2
% Change	-11%	5%	4%	4%	5%	6%	5%	5%	5%	5%	5%	5%
Interest Income	\$17.0	\$20.0	\$6.0	\$6.0	\$6.0	\$6.0	\$24.0	\$6.0	\$6.0	\$6.0	\$6.0	\$24.0
Investment Income	(\$2.0)	\$43.0	\$12.0	\$12.0	\$12.0	\$12.0	\$48.0	\$12.0	\$12.0	\$12.0	\$12.0	\$48.0
Corporate Eliminations	(\$68.0)	(\$51.0)	(\$15.0)	(\$15.0)	(\$15.0)	(\$15.0)	(\$60.0)	(\$15.0)	(\$15.0)	(\$15.0)	(\$15.0)	(\$60.0)
Corporate Eliminations % Revenue	-0.6%	-0.5%	-0.5%	-0.5%	-0.6%	-0.5%	-0.5%	-0.5%	-0.5%	-0.5%	-0.5%	-0.5%
<b>Total Revenues</b>	<b>\$10,527.0</b>	<b>\$10,773.0</b>	<b>\$2,753.3</b>	<b>\$2,752.0</b>	<b>\$2,654.1</b>	<b>\$2,934.0</b>	<b>\$11,093.5</b>	<b>\$2,890.8</b>	<b>\$2,901.1</b>	<b>\$2,797.4</b>	<b>\$3,087.4</b>	<b>\$11,676.7</b>
% Change	-9%	2%	-2%	5%	5%	4%	3%	5%	5%	5%	5%	5%
Salaries and Benefits	\$6,240.0	\$6,540.0	\$1,631.8	\$1,657.3	\$1,668.4	\$1,797.9	\$6,755.4	\$1,698.8	\$1,732.0	\$1,745.5	\$1,884.4	\$7,060.8
% Change	-10%	5%	-1%	3%	5%	6%	3%	4%	5%	5%	5%	5%
Amortization of Intangibles	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
% Change												
Operating Expenses	\$2,941.0	\$3,217.0	\$757.5	\$769.4	\$774.6	\$834.7	\$3,136.1	\$788.7	\$804.1	\$810.3	\$874.8	\$3,277.9
% Change	-14%	9%	7%	-26%	11%	8%	-3%	4%	5%	5%	5%	5%
Interest Expense	\$241.0	\$233.0	\$53.0	\$53.0	\$52.0	\$52.0	\$210.0	\$52.0	\$52.0	\$50.0	\$50.0	\$204.0
<b>Total Operating Expenses</b>	<b>\$9,422.0</b>	<b>\$9,463.0</b>	<b>\$2,336.3</b>	<b>\$2,373.6</b>	<b>\$2,391.0</b>	<b>\$2,580.6</b>	<b>\$9,681.6</b>	<b>\$2,435.5</b>	<b>\$2,484.1</b>	<b>\$2,505.8</b>	<b>\$2,709.3</b>	<b>\$10,134.7</b>
% Change	-11%	0%	-3%	4%	3%	5%	4%	5%	5%	5%	5%	5%
<b>Pretax Operating Income</b>	<b>\$1,105.0</b>	<b>\$1,310.0</b>	<b>\$417.0</b>	<b>\$378.4</b>	<b>\$263.1</b>	<b>\$353.5</b>	<b>\$1,411.9</b>	<b>\$455.3</b>	<b>\$417.0</b>	<b>\$291.6</b>	<b>\$378.1</b>	<b>\$1,542.0</b>
<b>Pretax Operating Margin</b>	<b>10.5%</b>	<b>12.2%</b>	<b>15.1%</b>	<b>13.7%</b>	<b>9.9%</b>	<b>12.0%</b>	<b>12.7%</b>	<b>15.7%</b>	<b>14.4%</b>	<b>10.4%</b>	<b>12.2%</b>	<b>13.2%</b>
Special Items	(\$791.0)	\$443.0	\$0.0	\$0.0	\$0.0	\$0.0	\$886.0	\$0.0	\$0.0	\$0.0	\$0.0	\$886.0
Other Income	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Pretax Income	\$314.0	\$1,753.0	\$417.0	\$378.4	\$263.1	\$353.5	\$1,411.9	\$455.3	\$417.0	\$291.6	\$378.1	\$1,542.0
% Change	297%	458%	7%	-53%	24%	0%	-19%	9%	10%	11%	7%	9%
Taxes	\$53.0	\$218.0	\$125.1	\$113.5	\$78.9	\$106.0	\$444.1	\$136.6	\$125.1	\$87.5	\$113.4	\$462.6
Tax Rate	16.9%	12.4%	30.0%	30.0%	30.0%	30.0%	31.5%	30.0%	30.0%	30.0%	30.0%	30.0%
Taxes, Adjusted	\$241.0	\$389.1	\$125.1	\$113.5	\$78.9	\$106.0	\$423.6	\$136.6	\$125.1	\$87.5	\$113.4	\$462.6
Tax Rate, Adjusted	21.8%	29.7%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%
Minority Interest (Net of Tax)	\$15.0	\$16.0	\$3.0	\$3.0	\$3.0	\$3.0	\$12.0	\$3.0	\$3.0	\$3.0	\$3.0	\$12.0
After-Tax Adjusted Income	\$830.0	\$902.0	\$288.9	\$261.8	\$181.2	\$244.4	\$976.3	\$315.7	\$288.9	\$201.1	\$261.7	\$1,067.4
% Change	10%	9%	7%	5%	17%	8%	8%	9%	10%	11%	7%	9%
Adjustments Net	(\$444.0)	\$292.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
After-Tax Net Income Con. Ops.	\$386.0	\$1,194.0	\$288.9	\$261.8	\$181.2	\$244.4	\$976.3	\$315.7	\$288.9	\$201.1	\$261.7	\$1,067.4
After-Tax Net Income Without Minority			\$291.9	\$264.8	\$184.2	\$247.4	\$318.7	\$291.9	\$204.1	\$264.7	\$264.7	\$1,067.4
Operating Earnings	\$830.0	\$901.3	\$288.9	\$261.8	\$181.2	\$244.4	\$976.3	\$315.7	\$288.9	\$201.1	\$261.7	\$1,067.4
Net EPS - Continuing Operations	\$0.74	\$2.19	\$0.53	\$0.49	\$0.34	\$0.46	\$1.82	\$0.60	\$0.55	\$0.39	\$0.51	\$2.04
% Change	-656%	197%	16%	-49%	-6%	11%	-17%	12%	13%	14%	10%	12%
<b>Adjusted Operating EPS</b>	<b>\$1.59</b>	<b>\$1.66</b>	<b>\$0.53</b>	<b>\$0.49</b>	<b>\$0.34</b>	<b>\$0.46</b>	<b>\$1.82</b>	<b>\$0.60</b>	<b>\$0.55</b>	<b>\$0.39</b>	<b>\$0.51</b>	<b>\$2.04</b>
% Change	9%	4%	6%	6%	20%	11%	10%	12%	13%	14%	10%	12%
<b>Adjusted Cash EPS</b>	<b>\$1.49</b>	<b>\$1.72</b>	<b>\$0.55</b>	<b>\$0.51</b>	<b>\$0.36</b>	<b>\$0.48</b>	<b>\$1.90</b>	<b>\$0.62</b>	<b>\$0.57</b>	<b>\$0.41</b>	<b>\$0.53</b>	<b>\$2.12</b>
% Change	0%	15%	15%	-48%	-6%	11%	10%	11%	13%	13%	10%	12%
Average Shares	523.5	544.5	540.5	537.5	534.5	531.5	536.0	528.3	524.8	521.3	517.8	523.0
Dividend/Share	\$0.81	\$0.88	\$0.23	\$0.23	\$0.23	\$0.23	\$0.92	\$0.24	\$0.24	\$0.24	\$0.24	\$0.96
EBITDA	\$1,717.0	\$1,871.0	\$547.0	\$508.4	\$392.1	\$482.5	\$1,929.9	\$584.3	\$546.0	\$418.6	\$505.1	\$2,054.0
EBITDA/Share	3.28	3.44	1.01	0.95	0.73	0.91	3.60	1.11	1.04	0.80	0.97	3.93
EBITDA Margin	16.3%	17.4%	19.9%	18.5%	14.8%	16.4%	17.4%	20.2%	18.8%	15.0%	16.4%	17.6%

Sources: Company reports and William Blair & Company, L.L.C. estimates

**Willis Group Holdings Public Limited Company**  
**Earnings Model**  
(dollars in millions)

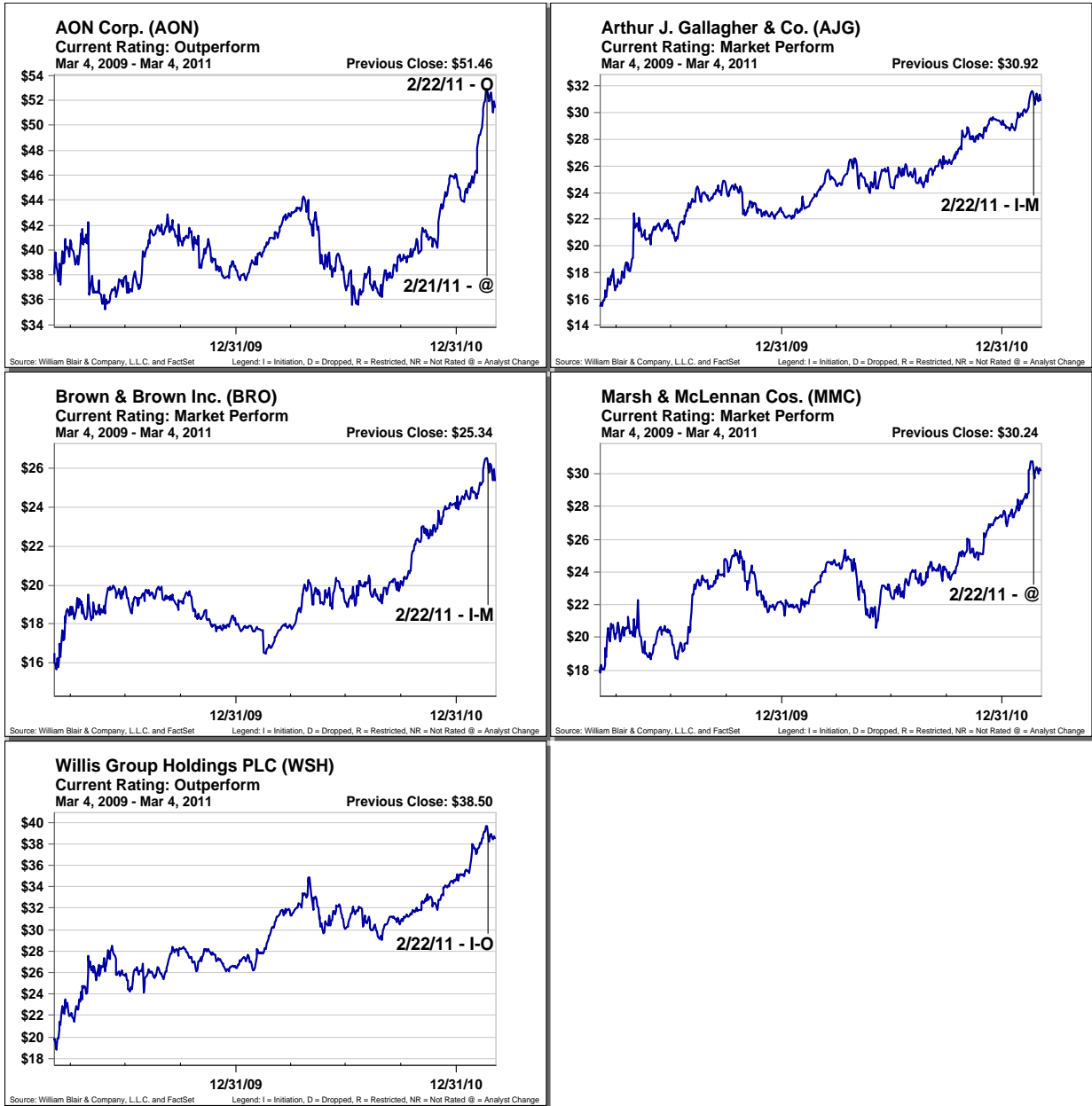
	2009	2010	Q1'11E	Q2'11E	Q3'11E	Q4'11E	2011E	Q1'12E	Q2'12E	Q3'12E	Q4'12E	2012E
<b>INCOME STATEMENT</b>												
Commissions and Fees	\$3,210.0	\$3,300.0	\$1,001.5	\$833.5	\$772.8	\$884.5	\$3,492.2	\$1,076.6	\$898.5	\$833.0	\$947.0	\$3,755.1
% Change	16.7%	2.8%	4.0%	5.6%	6.9%	7.2%	5.8%	7.5%	7.8%	7.8%	7.1%	7.5%
Other Fees	\$1.0	\$1.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
% Change	NA	NA	NA	NA	NA	NA	NA	na	na	na	na	NA
Interest Income	\$52.0	\$38.0	\$9.5	\$9.5	\$7.0	\$7.0	\$33.0	\$8.0	\$8.0	\$8.0	\$8.0	\$32.0
% Change	-37%	-27%	6%	-5%	-30%	-22%	-13%	-16%	-16%	14%	14%	-3.0%
<b>Total Revenues</b>	<b>\$3,263.0</b>	<b>\$3,339.0</b>	<b>\$1,011.0</b>	<b>\$843.0</b>	<b>\$779.8</b>	<b>\$891.5</b>	<b>\$3,525.2</b>	<b>\$1,084.6</b>	<b>\$906.5</b>	<b>\$841.0</b>	<b>\$955.0</b>	<b>\$3,787.1</b>
% Change	15%	2%	4%	6%	6%	7%	6%	7%	8%	8%	7%	7.4%
Compensation Costs	\$1,820.0	\$1,870.0	\$525.7	\$493.1	\$491.3	\$499.2	\$2,009.3	\$542.3	\$503.1	\$504.6	\$506.1	\$2,056.1
% Change	16%	3%	8%	9%	6%	6%	7%	3%	2%	3%	1%	2.3%
Other Costs	\$579.0	\$566.0	\$154.7	\$139.1	\$132.6	\$160.5	\$586.8	\$157.3	\$149.6	\$159.8	\$171.9	\$638.5
% Change	0%	-2%	4%	3%	3%	5%	4%	2%	8%	21%	7%	8.8%
<b>Total General and Admin. Expenses</b>	<b>\$2,399.0</b>	<b>\$2,436.0</b>	<b>\$680.4</b>	<b>\$632.2</b>	<b>\$623.8</b>	<b>\$659.7</b>	<b>\$2,596.2</b>	<b>\$699.6</b>	<b>\$652.6</b>	<b>\$664.4</b>	<b>\$678.0</b>	<b>\$2,694.7</b>
% Change	12%	2%	7%	8%	6%	6%	7%	3%	3%	7%	3%	3.8%
Depreciation Expense	\$60.0	\$63.0	\$18.5	\$18.5	\$18.5	\$18.5	\$74.0	\$20.0	\$20.0	\$20.0	\$20.0	\$80.0
% Change	18%	5%	23%	16%	32%	3%	17%	8%	8%	8%	8%	8.1%
Amortization Expense	\$93.0	\$82.0	\$16.0	\$16.0	\$16.0	\$16.0	\$64.0	\$15.0	\$15.0	\$15.0	\$15.0	\$60.0
% Change	138%	-12%	-24%	-24%	-27%	-11%	-22%	-6%	-6%	-6%	-6%	-6%
Interest Expense	\$169.0	\$166.0	\$42.0	\$42.0	\$36.0	\$36.0	\$156.0	\$36.0	\$36.0	\$36.0	\$36.0	\$144.0
% Change	78%	-2%	-2%	2%	-10%	-14%	-6%	-14%	-14%	0%	0%	-7.7%
Other Expense		\$311.1	\$0.0	\$0.0	\$0.0	\$0.0		\$0.0	\$0.0	\$0.0	\$0.0	\$284.1
<b>Total Operating Expenses</b>	<b>\$2,721.0</b>	<b>\$2,749.0</b>	<b>\$756.9</b>	<b>\$708.7</b>	<b>\$694.3</b>	<b>\$730.2</b>	<b>\$2,890.2</b>	<b>\$770.6</b>	<b>\$723.6</b>	<b>\$735.4</b>	<b>\$749.0</b>	<b>\$2,978.7</b>
% Change	16%	1%	6%	6%	4%	4%	5%	2%	2%	6%	3%	3%
<b>Operating Income</b>	<b>\$542.0</b>	<b>\$590.0</b>	<b>\$254.1</b>	<b>\$134.2</b>	<b>\$85.5</b>	<b>\$161.3</b>	<b>\$635.1</b>	<b>\$314.0</b>	<b>\$182.8</b>	<b>\$105.6</b>	<b>\$205.9</b>	<b>\$808.4</b>
% change	9%	9%	-2%	2%	29%	19%	8%	24%	36%	24%	28%	27.3%
<b>Operating Pretax Margin</b>	<b>16.6%</b>	<b>17.7%</b>	<b>25.1%</b>	<b>15.9%</b>	<b>11.0%</b>	<b>18.1%</b>	<b>18.0%</b>	<b>29.0%</b>	<b>20.2%</b>	<b>12.6%</b>	<b>21.6%</b>	<b>21.3%</b>
Other Unusual/Nonrecurring Items	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<b>Reported Pretax Margin</b>	<b>16.6%</b>	<b>17.7%</b>	<b>25.1%</b>	<b>15.9%</b>	<b>11.0%</b>	<b>18.1%</b>	<b>18.0%</b>	<b>29.0%</b>	<b>20.2%</b>	<b>12.6%</b>	<b>21.6%</b>	<b>21.3%</b>
Tax	\$103.0	\$140.0	\$66.1	\$34.9	\$22.2	\$41.9	\$165.1	\$81.6	\$47.5	\$27.5	\$53.5	\$210.2
Tax Rate	19%	24%	26%	26%	26%	26%	26%	26%	26%	26%	26%	26%
After-Tax Net Income	\$439.0	\$450.0	\$188.0	\$99.3	\$63.2	\$119.4	\$470.0	\$232.4	\$135.3	\$78.2	\$152.4	\$598.2
% Change	16%	3%	-2%	3%	13%	12%	4%	24%	36%	24%	28%	27%
Equity Earnings in Associates	\$33.0	\$22.0	\$20.0	(\$2.0)	\$9.0	(\$5.0)	\$22.0	\$20.0	(\$2.0)	\$9.0	(\$5.0)	\$22.0
Minority Interest	(\$21.0)	(\$13.0)	(\$7.0)	(\$2.0)	(\$1.0)	(\$5.0)	(\$15.0)	(\$7.0)	(\$2.0)	(\$1.0)	(\$5.0)	(\$15.0)
<b>Adjusted Reported Net Income</b>	<b>\$451.0</b>	<b>\$459.0</b>	<b>\$201.0</b>	<b>\$95.3</b>	<b>\$71.2</b>	<b>\$109.4</b>	<b>\$477.0</b>	<b>\$245.4</b>	<b>\$131.3</b>	<b>\$86.2</b>	<b>\$142.4</b>	<b>\$605.2</b>
% Change	19%	2%	-1%	4%	11%	10%	4%	22%	38%	21%	30%	27%
<b>Operating Earnings Per Share</b>	<b>\$2.68</b>	<b>\$2.69</b>	<b>\$1.17</b>	<b>\$0.56</b>	<b>\$0.42</b>	<b>\$0.64</b>	<b>\$2.80</b>	<b>\$1.43</b>	<b>\$0.77</b>	<b>\$0.50</b>	<b>\$0.83</b>	<b>\$3.55</b>
% Change	5%	0%	-2%	4%	11%	10%	4%	22%	38%	21%	30%	27%
<b>Cash Operating EPS (New GAAP)</b>	<b>\$2.88</b>	<b>\$3.04</b>	<b>\$1.24</b>	<b>\$0.63</b>	<b>\$0.49</b>	<b>\$0.71</b>	<b>\$3.07</b>	<b>\$1.50</b>	<b>\$0.83</b>	<b>\$0.57</b>	<b>\$0.90</b>	<b>\$3.80</b>
% Change	6%	6%	-4%	0%	3%	8%	1%	20%	33%	17%	27%	24%
Average Shares	168.3	170.8	171.2	171.2	171.2	171.2	171.2	171.2	171.2	171.2	171.2	171.2
Dividends Per Share	\$1.04	\$1.04	\$0.26	\$0.26	\$0.26	\$0.26	\$1.04	\$0.26	\$0.26	\$0.26	\$0.26	\$1.04
Payout Ratio	36.1%	34.2%	20.9%	41.5%	53.6%	36.7%	33.8%	17.4%	31.3%	45.8%	29.0%	27.3%

Sources: Company reports and William Blair & Company, L.L.C. estimates

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**Current Rating Distribution (as of 02/28/11)**

Coverage Universe	Percent	Inv. Banking Relationships*	Percent
Outperform (Buy)	65	Outperform (Buy)	9
Market Perform (Hold)	34	Market Perform (Hold)	1
Underperform (Sell)	1	Underperform (Sell)	0

\*Percentage of companies in each rating category that are investment banking clients, defined as companies for which William Blair has received compensation for investment banking services within the past 12 months.

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