Aon plc
Form 10-Q
May 01, 2013

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

ý QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE QUARTERLY PERIOD ENDED March 31, 2013

OR

o TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number 1-7933

Aon plc
(Exact Name of Registrant as Specified in Its Charter)

ENGLAND AND WALES (State or Other Jurisdiction of Incorporation or Organization)	98-1030901 (I.R.S. Employer Identification No.)
8 DEVONSHIRE SQUARE, LONDON, ENGLAND (Address of Principal Executive Offices)	EC2M 4PL (Zip Code)

+44 20 7623 5500
(Registrant's Telephone Number,
Including Area Code)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES ý NO o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). YES ý NO o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definition of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer x

Accelerated filer o

Non-accelerated filer o
(Do not check if a smaller reporting company)

Smaller reporting company o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
YES o NO ý

Number of Class A Ordinary Shares of Aon plc, $0.01 nominal value, outstanding as of March 31, 2013: 309,126,345

Part I Financial Information
ITEM 1. FINANCIAL STATEMENTS

Aon plc
Condensed Consolidated Statements of Income
(Unaudited)

(millions, except per share data)	Three Months Ended March 31, 2013	March 31, 2012
Revenue		
Commissions, fees and other	$2,908	$2,829
Fiduciary investment income	7	12
Total revenue	2,915	2,841
Expenses		
Compensation and benefits	1,725	1,661
Other general expenses	780	778
Total operating expenses	2,505	2,439
Operating income	410	402
Interest income	1	3
Interest expense	(52)	(59)
Other income	9	—
Income before income taxes	368	346
Income taxes	96	97
Net income	272	249
Less: Net income attributable to noncontrolling interests	11	11
Net income attributable to Aon shareholders	$261	$238
Basic net income per share attributable to Aon shareholders	$0.82	$0.72
Diluted net income per share attributable to Aon shareholders	$0.82	$0.71
Cash dividends per share paid on ordinary shares	$0.16	$0.15
Weighted average ordinary shares outstanding - basic	316.4	332.4
Weighted average ordinary shares outstanding - diluted	320.0	336.6

See accompanying Notes to the Condensed Consolidated Financial Statements (Unaudited).

Aon plc
Condensed Consolidated Statements of Comprehensive Income
(Unaudited)

	Three Months Ended	
(millions)	March 31, 2013	March 31, 2012
Net income	$272	$249
Less: Net income attributable to noncontrolling interests	11	11
Net income attributable to Aon shareholders	261	238
Other comprehensive (loss) income, net of tax:		
Change in fair value of derivatives	(14)	7
Foreign currency translation adjustments	(174)	104
Post-retirement benefit obligation	23	21
Total other comprehensive (loss) income	(165)	132
Less: Other comprehensive income attributable to noncontrolling interests	—	1
Total other comprehensive (loss) income attributable to Aon shareholders	(165)	131
Comprehensive income attributable to Aon shareholders	$96	$369

See accompanying Notes to the Condensed Consolidated Financial Statements (Unaudited).

Aon plc
Condensed Consolidated Statements of Financial Position

(millions, except nominal value)	Mar 31, 2013 (Unaudited)	Dec 31, 2012
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$408	$291
Short-term investments	352	346
Receivables, net	2,884	3,101
Fiduciary assets	12,224	12,214
Other current assets	389	430
Total Current Assets	16,257	16,382
Goodwill	8,786	8,943
Intangible assets, net	2,844	2,975
Fixed assets, net	816	820
Investments	152	165
Other non-current assets	1,174	1,201
TOTAL ASSETS	$30,029	$30,486
LIABILITIES AND EQUITY		
LIABILITIES		
CURRENT LIABILITIES		
Fiduciary liabilities	$12,224	$12,214
Short-term debt and current portion of long-term debt	802	452
Accounts payable and accrued liabilities	1,440	1,853
Other current liabilities	795	831
Total Current Liabilities	15,261	15,350
Long-term debt	3,770	3,713
Pension, other post-retirement and other post-employment liabilities	2,027	2,276
Other non-current liabilities	1,338	1,342
TOTAL LIABILITIES	22,396	22,681
EQUITY		
Ordinary shares - $0.01 nominal value Authorized: 750 shares (issued: 2013 - 309.1; 2012 - 310.9)	3	3
Additional paid-in capital	4,507	4,436
Retained earnings	5,844	5,933
Accumulated other comprehensive loss	(2,775)	(2,610)
TOTAL AON SHAREHOLDERS’ EQUITY	7,579	7,762
Noncontrolling interests	54	43
TOTAL EQUITY	7,633	7,805
TOTAL LIABILITIES AND EQUITY	$30,029	$30,486

See accompanying Notes to the Condensed Consolidated Financial Statements (Unaudited).

Aon plc
Condensed Consolidated Statement of Shareholders' Equity
(Unaudited)

(millions)	Shares	Ordinary Shares and Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss, Net of Tax	Non-controlling Interests	Total
Balance at December 31, 2012	310.9	$4,439	$5,933	$ (2,610)	$43	$7,805
Net income	—	—	261	—	11	272
Shares issued - employee benefit plans	0.4	16	—	—	—	16
Shares issued - employee compensation	2.8	(36)	—	—	—	(36)
Shares purchased	(5.0)	—	(300)	—	—	(300)
Tax benefit - employee benefit plans	—	21	—	—	—	21
Share-based compensation expense	—	69	—	—	—	69
Dividends to shareholders	—	—	(50)	—	—	(50)
Net change in fair value of derivatives	—	—	—	(14)	—	(14)
Net foreign currency translation adjustments	—	—	—	(174)	—	(174)
Net post-retirement benefit obligation	—	—	—	23	—	23
Purchase of subsidiary shares from non-controlling interests	—	1	—	—	—	1
Balance at March 31, 2013	309.1	$4,510	$5,844	$ (2,775)	$54	$7,633

See accompanying Notes to the Condensed Consolidated Financial Statements (Unaudited).

Aon plc
Condensed Consolidated Statements of Cash Flows
(Unaudited)

(millions)	Three Months Ended March 31, 2013	Three Months Ended March 31, 2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$272	$249
Adjustments to reconcile net income to cash provided by (used for) operating activities:		
Depreciation of fixed assets	59	55
Amortization of intangible assets	99	104
Share-based compensation expense	69	55
Deferred income taxes	13	16
Change in assets and liabilities:		
Fiduciary receivables	(42)	(644)
Short term investments - funds held on behalf of clients	(322)	(62)
Fiduciary liabilities	364	706
Receivables, net	174	61
Accounts payable and accrued liabilities	(417)	(451)
Restructuring reserves	(16)	(16)
Current income taxes	(65)	41
Pension, other post-retirement and other post-employment liabilities	(196)	(110)
Other assets and liabilities	62	(19)
CASH PROVIDED BY (USED FOR) OPERATIONS	54	(15)
CASH FLOWS FROM INVESTING ACTIVITIES		
Sales of long-term investments	18	36
Purchases of long-term investments	(3)	(3)
Net (purchases) sales of short-term investments - non-fiduciary	(16)	283
Acquisition of businesses, net of cash acquired	(2)	(23)
Proceeds from sale of businesses	1	—
Capital expenditures	(60)	(71)
CASH (USED FOR) PROVIDED BY INVESTING ACTIVITIES	(62)	222
CASH FLOWS FROM FINANCING ACTIVITIES		
Share repurchase	(300)	(100)
Issuance of shares for employee benefit plans	36	49
Issuance of debt	1,150	75
Repayment of debt	(715)	(140)
Cash dividends to shareholders	(50)	(49)
Purchase of shares from noncontrolling interests	(1)	—
Dividends paid to noncontrolling interests	—	(1)
CASH PROVIDED BY (USED FOR) FINANCING ACTIVITIES	120	(166)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	5	10
NET INCREASE IN CASH AND CASH EQUIVALENTS	117	51
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	291	272
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$408	$323

Supplemental disclosures:		
Interest paid	$32	$75
Income taxes paid, net of refunds	$148	$40

See accompanying Notes to the Condensed Consolidated Financial Statements (Unaudited).

Notes to the Condensed Consolidated Financial Statements (Unaudited)

1. Basis of Presentation

The accompanying unaudited Condensed Consolidated Financial Statements and Notes thereto have been prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP"). The Condensed Consolidated Financial Statements include the accounts of Aon plc and all controlled subsidiaries ("Aon" or the "Company"). All material intercompany accounts and transactions have been eliminated. The Condensed Consolidated Financial Statements include, in the opinion of management, all adjustments (consisting of normal recurring adjustments and reclassifications) necessary to present fairly the Company's consolidated financial position, results of operations and cash flows for all periods presented.

Certain information and footnote disclosures normally included in the financial statements prepared in accordance with U.S. GAAP have been condensed or omitted. These Condensed Consolidated Financial Statements should be read in conjunction with the Consolidated Financial Statements and Notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2012. The results for the three months ended March 31, 2013 are not necessarily indicative of operating results that may be expected for the full year ending December 31, 2013.

Company Redomestication

On April 2, 2012, the Company completed the reorganization of the corporate structure of the group of companies controlled by its predecessor, Aon Corporation, as holding company of the Aon group, pursuant to which Aon Corporation merged with one of its indirect, wholly-owned subsidiaries and Aon plc became the publicly-held parent company of the Aon group. This transaction is referred to as the Redomestication. In the Redomestication, each issued and outstanding share of Aon Corporation common stock held by stockholders of Aon Corporation was converted into the right to receive one Class A Ordinary Share, nominal value $0.01 per share, of Aon plc. Likewise, equity incentive and compensation plans were assumed by Aon plc and amended to provide that those plans will now provide for the award and issuance of Class A Ordinary Shares instead of shares of common stock of Aon Corporation on a one-for-one basis. Shares of treasury stock of Aon Corporation were cancelled in the Redomestication. Any references to "Aon", "the Company", "us", or "we," or any similar references relating to periods before the Redomestication shall be construed as references to Aon Corporation, being the previous parent company of the Aon group.

Use of Estimates

The preparation of the accompanying unaudited Condensed Consolidated Financial Statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of reserves and expenses. These estimates and assumptions are based on management's best estimates and judgments. Management evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors, including the current economic environment, which management believes to be reasonable under the circumstances. Aon adjusts such estimates and assumptions when facts and circumstances dictate. Illiquid credit markets, volatile equity markets, and foreign currency movements have combined to increase the uncertainty inherent in such estimates and assumptions. As future events and their effects cannot be determined with precision, actual results could differ significantly from these estimates. Changes in estimates resulting from continuing changes in the economic environment will be reflected in the financial statements in future periods.

2. Accounting Principles and Practices

Changes in Accounting Principles

Accumulated Other Comprehensive Income

In February 2013, the Financial Accounting Standards Board ("FASB") issued guidance on the disclosure of amounts to be reclassified out of accumulated other comprehensive income. The guidance requires that amounts reclassified out of accumulated other comprehensive income be presented either on the face of the statement of operations or in the notes to the financial statements by component. The guidance is effective for Aon in the first quarter 2013. The adoption of this guidance did not have a material impact on the Company's Condensed Consolidated Financial Statements.

Indefinite-Lived Intangible Asset Impairment

In July 2012, the FASB issued guidance on the testing of indefinite-lived intangible assets for impairment that gives an entity the option to perform a qualitative assessment that may eliminate the requirement to perform the annual quantitative test. The guidance gives an entity the option to first perform a qualitative assessment to determine whether it is more likely than not that the fair value of a an indefinite-lived intangible asset is less than its carrying amount. If an entity concludes that this is the case, it must perform the quantitative test. The guidance is effective for Aon in the first quarter 2013. The adoption of this guidance did not have a material impact on the Company's Condensed Consolidated Financial Statements.

Balance Sheet Offsetting

In December 2011, the FASB issued guidance on the disclosure of offsetting assets and liabilities to enable users of financial statements to evaluate the effect or potential effect of netting arrangements on an entity's financial position. The objective of this disclosure is to facilitate comparison between those entities that prepare their financial statements on the basis of U.S. GAAP and those entities that prepare their financial statements on the basis of IFRS. The guidance requires certain derivatives, repurchase agreements and reverse repurchase agreements, and securities borrowing and lending transactions to disclose both the gross and net position of these financial instruments. The guidance is effective for Aon in the first quarter 2013. The adoption of this guidance did not have a material impact on the Company's Condensed Consolidated Financial Statements.

3. Cash and Cash Equivalents

Cash and cash equivalents include cash balances and all highly liquid investments with initial maturities of three months or less. Short-term investments include certificates of deposit, money market funds and highly liquid debt instruments purchased with initial maturities in excess of three months but less than one year and are carried at amortized cost, which approximates fair value.

The Company is required to hold £77 million of operating funds in the U.K. as required by the Financial Conduct Authority, which were included in Short-term investments. These operating funds, when translated to U.S. dollars, were $117 million and $124 million at March 31, 2013 and December 31, 2012, respectively. Cash and cash equivalents included restricted balances of $153 million and $76 million at March 31, 2013 and December 31, 2012 respectively. The increase in restricted balances is due to a short-term funding requirement for a catastrophe bond that was in place on March 31, 2013 and settled in early April 2013, after which the requirement was lifted.

4. Other Income

Other income consists of the following (in millions):

	Three months ended March 31,	
	2013	2012
Equity earnings	$2	$5
Realized gain on sale of investments	1	10
Foreign currency remeasurement gains (losses)	24	(18)
Derivative (losses) gains	(18)	2
Other	—	1
	$9	$—

5. Acquisitions and Dispositions

Acquisitions

During the three months ended March 31, 2013, the Company completed the acquisition of one business in the HR Solutions segment. During the three months ended March 31, 2012, the Company completed the acquisition of two businesses in the Risk Solutions segment.

The following table includes the aggregate consideration transferred and the preliminary value of intangible assets recorded as a result of the Company's acquisitions.

	Three months ended March 31,	
(millions)	2013	2012
Consideration	$2	$21
Intangible assets:		
Goodwill	$2	$19
Other intangible assets	1	8
Total	$3	$27

The results of operations of these acquisitions are included in the Condensed Consolidated Financial Statements as of the acquisition date. The results of operations of the Company would not have been materially different if these acquisitions had been reported from the beginning of the period.

Dispositions — Continuing Operations

During the three months ended March 31, 2013, the Company completed the sale of three businesses in the Risk Solutions segment. No gain or loss was recognized on these sales. During the three months ended March 31, 2012, the Company completed the sale of one business in the HR Solutions segment. No gain or loss was recognized on this sale.

6. Goodwill and Other Intangible Assets

The change in the net carrying amount of goodwill by reportable segment for the three months ended March 31, 2013 is as follows (in millions):

	Risk Solutions	HR Solutions	Total
Balance as of December 31, 2012	$5,982	$2,961	$8,943
Goodwill related to current year acquisitions	—	2	2
Goodwill related to prior year acquisitions	(2)	—	(2)
Foreign currency translation	(136)	(21)	(157)
Balance as of March 31, 2013	$5,844	$2,942	$8,786

Other intangible assets by asset class are as follows (in millions):

	March 31, 2013			December 31, 2012		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Intangible assets with indefinite lives:						
Tradenames	$1,025	$—	$1,025	$1,025	$—	$1,025
Intangible assets with finite lives:						
Customer related and contract based	2,670	1,037	1,633	2,714	969	1,745
Marketing, technology and other (1)	605	419	186	619	414	205
	$4,300	$1,456	$2,844	$4,358	$1,383	$2,975

(1) Tradenames with finite lives disclosed separately in prior years are now presented in Marketing, technology and other

Amortization expense from finite lived intangible assets was $99 million and $104 million for the three months ended March 31, 2013 and 2012, respectively.

The estimated future amortization for intangible assets as of March 31, 2013 is as follows (in millions):

	HR Solutions	Risk Solutions	Total
Remainder of 2013	$208	$85	$293
2014	243	96	339
2015	212	82	294
2016	177	69	246
2017	140	53	193
Thereafter	347	107	454
	$1,327	$492	$1,819

7. Restructuring

Aon Hewitt Restructuring Plan

On October 14, 2010, Aon announced a global restructuring plan (“Aon Hewitt Plan”) in connection with the acquisition of Hewitt Associates, Inc. ("Hewitt"). The Aon Hewitt Plan is intended to streamline operations across the combined Aon Hewitt organization and includes approximately 2,200 job eliminations. The Company expects these restructuring activities and related expenses to affect operations into 2013. The Aon Hewitt Plan is expected to result in cumulative costs of approximately $325 million through the end of the plan, consisting of approximately $213 million in employee termination costs and approximately $112 million in real estate rationalization costs across the Company.

From the inception of the Aon Hewitt Plan through March 31, 2013, approximately 2,180 jobs have been eliminated and total expenses of $281 million have been incurred. The Company recorded $26 million and $12 million of restructuring and related charges in the three months ended March 31, 2013 and 2012, respectively. Charges related to the restructuring are included in Compensation and benefits and Other general expenses in the accompanying Condensed Consolidated Statements of Income.

The following table summarizes restructuring and related costs by type that have been incurred and are estimated to be incurred through the end of the restructuring initiative related to the Aon Hewitt Plan (in millions):

	2010	2011	2012	First Quarter 2013	Total to Date	Estimated Total Cost for Restructuring Plan (1)
Workforce reduction	$49	$64	$74	$24	$211	$ 213
Lease consolidation	3	32	18	2	55	86
Asset impairments	—	7	4	—	11	21
Other costs associated with restructuring (2)	—	2	2	—	4	5
Total restructuring and related expenses	$52	$105	$98	$26	$281	$ 325

(1) Actual costs, when incurred, will vary due to changes in the assumptions built into this plan. Significant assumptions that may change when plans are finalized and implemented include, but are not limited to, changes in severance calculations, changes in the assumptions underlying sublease loss calculations due to changing market conditions, and changes in the overall analysis that might cause the Company to add or cancel component initiatives.

(2) Other costs associated with restructuring initiatives, including moving costs and consulting and legal fees, are recognized when incurred.

The following table summarizes the restructuring and related expenses, by segment, that have been incurred and are estimated to be incurred through the end of the restructuring initiative related to the Aon Hewitt Plan (in millions):

	2010	2011	2012	First Quarter 2013	Total to Date	Estimated Total Cost for Restructuring Plan (1)
HR Solutions	$52	$49	$66	$15	$182	$ 213
Risk Solutions	—	56	32	11	99	112
Total restructuring and related expenses	$52	$105	$98	$26	$281	$ 325

(1) Costs included in the Risk Solutions segment are associated with the transfer of the health and benefits consulting business from HR Solutions to Risk Solutions effective January 1, 2012. Costs incurred in 2011 in the HR Solutions segment of $41 million related to the health and benefits consulting business have been reclassified and presented in the Risk Solutions segment.

As of March 31, 2013, the Company’s liabilities for its restructuring plans are as follows (in millions):

	Aon Hewitt Plan	Aon Benfield Plan	2007 Plan	Other	Total
Balance at December 31, 2012	$96	$3	$35	$3	$137
Expensed	26	—	—	—	26
Cash payments	(28)	(1)	(13)	—	(42)
Foreign exchange translation and other	1	—	2	—	3
Balance at March 31, 2013	$95	$2	$24	$3	$124

8. Investments

The Company earns income on cash balances and investments, as well as on premium trust balances that the Company maintains for premiums collected from insureds but not yet remitted to insurance companies, and funds held under the terms of certain outsourcing agreements to pay certain obligations on behalf of clients. Premium trust balances and receivables, as well as a corresponding liability, are included in Fiduciary assets and Fiduciary liabilities in the accompanying Condensed Consolidated Statements of Financial Position.

The Company's interest-bearing assets and other investments are included in the following categories in the Condensed Consolidated Statements of Financial Position (in millions):

	March 31, 2013	December 31, 2012
Cash and cash equivalents	$408	$291
Short-term investments	352	346
Fiduciary assets (1)	4,253	4,029
Investments	152	165
	$5,165	$4,831

(1) Fiduciary assets include funds held on behalf of clients but does not include fiduciary receivables.

The Company's investments are as follows (in millions):

	March 31, 2013	December 31, 2012
Equity method investments (2)	$93	$102
Other investments, at cost	40	43
Fixed-maturity securities	19	20
	$152	$165

(2) The reduction in equity method investments is primarily due to redemptions.

9. Debt

The Company uses proceeds from the commercial paper market from time to time in order to meet short-term working capital needs. At March 31, 2013, the Company had $383 million commercial paper outstanding as compared to $50 million of commercial paper outstanding at December 31, 2012. The weighted average commercial paper outstanding for the three months ended March 31, 2013 was $162 million. The weighted average interest rate of the commercial paper outstanding for the same period was 0.40%. In addition to commercial paper outstanding, the Company had £20 million ($30 million at March 31, 2013 exchange rates) outstanding on its five-year €650 million ($836 million at March 31, 2013 exchange rates) multi-currency foreign credit facility ("Euro Facility") as compared to no borrowings on its lines of credit at December 31, 2012.

On March 8, 2013, the Company issued $90 million aggregate principal amount of 4.250% Notes Due 2042. The 4.250% Notes Due 2042 constitute a further issuance of, and were consolidated to form a single series of debt securities with, the $166 million aggregate principal amount of the 4.250% Notes Due 2042 issued by Aon plc on December 12, 2012 (collectively, the "Original Notes"). The Original Notes were unconditionally guaranteed as to the payment of principal and interest by Aon Corporation.

On April 15, 2013, an S-4 registration statement registering $256 million aggregate principal amount of the 4.250% Notes Due 2042 (the "Exchange Notes") under the Securities Act of 1933 as amended (the "Securities Act") was declared effective by the Securities and Exchange Commission. The Exchange Notes are to be exchanged for the Original Notes. The form and terms of the Exchange Notes are substantially identical in all material respects to those of the Original Notes except that the Exchange Notes are registered under the Securities Act and the transfer restrictions, registration rights and related additional interest provisions applicable to the Original Notes do not apply to the Exchange Notes. Like the Original Notes, the Exchange Notes will issued by Aon plc and will be unconditionally guaranteed by Aon Corporation.

On April 29, 2013, the Company amended its Euro Facility agreement to add Aon plc as an additional borrower.

10. Shareholders' Equity

Ordinary Shares

In April 2012, the Company's Board of Directors authorized a share repurchase program under which up to $5.0 billion of Class A Ordinary Shares may be repurchased ("2012 Share Repurchase Program"). Under this program, shares may be repurchased through the open market or in privately negotiated transactions, from time to time, based on prevailing market conditions, and will be funded from available capital.

During the three months ended March 31, 2013, the Company repurchased 5.0 million shares at an average price per share of $59.82 for a total cost of $300 million under the 2012 Share Repurchase Program. The remaining authorized amount for share repurchase under the 2012 Share Repurchase Program is $3.7 billion. Since the inception of the 2012 Share Repurchase Program, the Company repurchased a total of 24.5 million shares for an aggregate cost of $1.3 billion.

Participating Securities

Unvested share-based payment awards that contain non-forfeitable rights to dividends or dividend equivalents, whether paid or unpaid, are participating securities, as defined, and therefore, should be included in computing basic and diluted earnings per share using the two class method. Certain of the Company's restricted share awards allow the holder to receive a non-forfeitable dividend equivalent.

Net income attributable to participating securities was $3 million in the three month periods ended March 31, 2013 and 2012, respectively.

Weighted average shares outstanding are as follows (in millions):

	Three months ended March 31,	
	2013	2012
Shares for basic earnings per share (1)	316.4	