



News Release

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**MMC REPORTS SECOND QUARTER 2010 GAAP EPS OF \$.43;
ADJUSTED EPS OF \$.46**

NEW YORK, August 3, 2010 — Marsh & McLennan Companies, Inc. (MMC) today reported financial results for the second quarter ended June 30, 2010.

Brian Duperreault, MMC President and CEO said: “We are pleased with the progress MMC made in the second quarter. Our Risk and Insurance Services segment grew revenue in an environment of continued soft market conditions in the property and casualty marketplace. Marsh produced strong new business globally, with especially good revenue growth in Asia Pacific and Latin America. Guy Carpenter generated underlying revenue growth, reflecting new business production. In our Consulting segment, Mercer continued to control expenses in a weak economic environment. We were also pleased with the growth in revenue and operating income generated by Oliver Wyman.

“The sale of Kroll will allow us to concentrate on our Risk and Insurance Services and Consulting businesses. We look forward to pursuing our objectives for future growth and to unlocking the potential of MMC as a strategic enterprise,” Mr. Duperreault concluded.

\$258 million, compared with \$245 million in last year's second quarter. Adjusted operating income rose 11 percent to \$302 million from \$271 million, reflecting improved performance at Marsh and Guy Carpenter, as well as acquisitions. For the first six months of 2010, segment revenue was \$3 billion, an increase of 9 percent from the prior year period, and flat on an underlying basis.

Marsh's revenue in the second quarter of 2010 rose 9 percent to \$1.2 billion from the same period in 2009, or 1 percent on an underlying basis. Underlying revenue growth in international operations was 6 percent, reflecting 3 percent growth in EMEA, 12 percent in Asia Pacific and 13 percent in Latin America. Marsh had strong growth in new business in the quarter. Insurance premiums in the property and casualty marketplace continued to decline.

In the quarter, Marsh completed the acquisition of HSBC Insurance Brokers, whose integration is progressing well. Additionally, Marsh & McLennan Agency acquired The Bostonian Group Insurance Agency.

Guy Carpenter's second quarter 2010 revenue rose 7 percent to \$243 million, or 2 percent on an underlying basis, reflecting strong new business generation.

Consulting

Consulting segment revenue increased 2 percent to \$1.2 billion in the second quarter of 2010, or 2 percent on an underlying basis. For the first six months of 2010, segment revenue increased 4 percent to \$2.3 billion, or 1 percent on an underlying basis.

Due to the settlement of the Alaska litigation, an operating loss of \$275 million was

Marsh & McLennan Companies, Inc.
Consolidated Statements of Income
(In millions, except per share figures)

Marsh & McLennan Companies, Inc.
Supplemental Information – Revenue Analysis
Six Months Ended
(Millions) (Unaudited)

	Six Months Ended June 30,		% Change GAAP Revenue	Components of Revenue Change*		
	2010	2009		Currency Impact	Acquisitions/ Dispositions Impact	Underlying Revenue
Risk and Insurance Services						
Marsh	\$2,371	\$2,179	9%	3%	5%	1%
Guy Carpenter	558	508	10%	2%	6%	1%
Subtotal	2,929	2,687	9%	3%	5%	1%
Fiduciary Interest Income	22	28	(25)%	4%	-	(29)%
Total Risk and Insurance Services						

Marsh & McLennan Companies, Inc.
Non-GAAP Measures
Three Months Ended June 30
(Millions) (Unaudited)

MMC presents below certain additional financial measures that are “non-GAAP measures” within the meaning of Regulation G under the Securities Exchange Act of 1934. These measures are: *adjusted operating income (loss)*; *adjusted operating margin*;

Marsh & McLennan Companies, Inc.
Non-GAAP Measures
Six Months Ended June 30
(Millions) (Unaudited)

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

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

Adjusted Operating Income and Adjusted Operating Margin

Adjusted operating income is calculated by excluding the impact of certain noteworthy items from MMC's GAAP operating income. The following tables identify these noteworthy items and reconcile adjusted operating income to GAAP operating income, on a consolidated and segment basis, for the six months ended June 30, 2010 and 2009. The following tables also present *adjusted operating margin*, which is calculated by dividing adjusted operating income by consolidated or segment GAAP revenue.

	<u>Risk & Insurance Services</u>	<u>Consulting</u>	<u>Corporate/ Eliminations</u>	<u>Total</u>
Six Months Ended June 30, 2010				
Operating income (loss)	\$ 605	\$ (159)	\$ (71)	\$ 375
Add (deduct) impact of noteworthy items:				
Restructuring Charges (a)	50	2	5	57
Alaska Litigation Settlement	-	400 (c)	-	400
Settlement, Legal and Regulatory (b)	5	-	-	5
Accelerated Amortization	1	-	-	1
Other	(1)	-	(7)	(8)
Operating income adjustments	<u>55</u>	<u>402</u>	<u>(2)</u>	<u>455</u>
Adjusted operating income (loss)	<u>\$ 660</u>	<u>\$ 243</u>	<u>\$ (73)</u>	<u>\$ 830</u>
Operating margin	<u>20.5%</u>	<u>N/A</u>	<u>N/A</u>	<u>7.2%</u>
Adjusted operating margin	<u>22.4%</u>	<u>10.5%</u>	<u>N/A</u>	<u>15.8%</u>
Six Months Ended June 30, 2009				
Operating income (loss)	\$542	\$ 169	\$ (100)	\$ 611
Add (deduct) impact of noteworthy items:				
Restructuring Charges (a)	77	6	18 (d)	101
Incremental Professional Liability costs	-	30 (e)	-	30
Settlement, Legal and Regulatory (b)	(9)	-	-	(9)
Accelerated Amortization	4	-	-	4
Other	-	-	3	3
Operating income adjustments	<u>72</u>	<u>36</u>	<u>21</u>	<u>129</u>
Adjusted operating income (loss)	<u>\$614</u>	<u>\$ 205</u>	<u>\$ (79)</u>	<u>\$ 740</u>
Operating margin	<u>20.0%</u>	<u>7.6%</u>	<u>N/A</u>	<u>12.4%</u>
Adjusted operating margin	<u>22.6%</u>	<u>9.2%</u>	<u>N/A</u>	<u>15.1%</u>

(a) Primarily includes severance from restructuring activities

Marsh & McLennan Companies, Inc.
Non-GAAP Measures
Three and Six Months Ended June 30
(Millions) (Unaudited)

Adjusted income, net of tax

Adjusted income, net of tax is calculated as: MMC's GAAP income from continuing operations, adjusted to reflect the after-tax impact of the operating income adjustments set forth in the preceding table. The related adjusted diluted earnings per share as calculated under the two-class method, reflects reductions for the portion of each item attributable to non-controlling interests and participating securities so that the calculation is based only on the amounts attributable to common shareholders.

Reconciliation of the impact of non-GAAP measures and Kroll discontinued operations on diluted earnings per share – Three and Six Months Ended June 30, 2010 and 2009:

	MMC Consolidated Results	Portion Attributable to Common Shareholders	Adjusted Diluted EPS	
Three Months Ended June 30, 2010				
Loss from continuing operations	\$ (29)	\$ (34)	\$ (0.06)	
Add operating income adjustments	\$ 443			
Deduct impact of related income tax expense	(173)			
	<u>270</u>	<u>266</u>	<u>0.49</u>	
Income from continuing operations, as adjusted	241	232	0.43	
Add Kroll adjusted operating income, net of tax	17	16	0.03	
Adjusted income, net of tax	<u>\$ 258</u>	<u>\$ 248</u>	<u>\$0.46</u>	
Six Months Ended June 30, 2010				
Income from continuing operations	\$ 245	\$ 231	\$ 0.43	
Add operating income adjustments	\$ 455			
Deduct impact of related income tax expense	(175)			
	<u>280</u>	<u>275</u>	<u>0.51</u>	
Income from continuing operations, as adjusted	525	506	0.94	A

Marsh & McLennan Companies, Inc.
Supplemental Information – Discontinued Operations
(Millions) (Unaudited)

On June 7, 2010, MMC announced the sale of Kroll, Inc. to Altegrity, Inc. for \$1.13 billion in cash. Kroll's results of operations are reported as discontinued operations in MMC's consolidated statements of income for the three-month and six-month periods ended June 30, 2010 and 2009.

The six months ended June 30, 2010 includes an after-tax loss on the disposal of Kroll Lab Services ("KLS") that was sold in the first quarter of 2010.

Marsh & McLennan Companies, Inc.
Supplemental Information – Discontinued Operations Reclassification
(Millions) (Unaudited)

The following table provides the revenue, expense and net operating income of Kroll that has been reclassified into discontinued operations. The reclassification presented below excludes KGS which was included in discontinued operations when it was sold in 2009.

	<u>First Quarter 2009</u>	<u>Second Quarter 2009</u>	<u>Third Quarter 2009</u>	<u>Fourth Quarter 2009</u>	<u>Full Year 2009</u>	<u>First Quarter 2010</u>
Kroll Operations						
Revenue	\$167	\$161	\$170	\$169	\$667	\$162
Expense	160	475	150	152	937	147
Operating income	<u>7</u>	<u>(314)</u>	<u>20</u>	<u>17</u>	<u>(270)</u>	<u>15</u>

The following reflects MMC's consolidated statements of income after the reclassification of Kroll to discontinued operations.

	<u>First Quarter 2009</u>	<u>Second Quarter 2009</u>	<u>Third Quarter 2009</u>	<u>Fourth Quarter 2009</u>	<u>Full Year 2009</u>	<u>First Quarter 2010</u>
Revenue						
Risk and Insurance Services						
Marsh	\$1,076	\$1,103	\$ 989	\$1,151	\$4,319	\$1,166
Guy Carpenter	281	227	223	180	911	315
Subtotal	<u>1,357</u>	<u>1,330</u>	<u>1,212</u>	<u>1,331</u>	<u>5,230</u>	<u>1,481</u>
Fiduciary Interest Income	15	13	14	12	54	11
Total Risk and Insurance Services	<u>1,372</u>	<u>1,343</u>	<u>1,226</u>	<u>1,343</u>	<u>5,284</u>	<u>1,492</u>
Consulting						
Mercer	803	832	831	861	3,327	849
Oliver Wyman Group	280	311	313	378	1,282	306
Total Consulting	<u>1,083</u>	<u>1,143</u>	<u>1,144</u>	<u>1,239</u>	<u>4,609</u>	<u>1,155</u>
Corporate/Eliminations	<u>(12)</u>	<u>(16)</u>	<u>(16)</u>	<u>(18)</u>	<u>(62)</u>	<u>(12)</u>

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

	<u>June 30, 2010</u>	<u>December 31, 2009</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,475	\$ 1,707
Net receivables	3,215	2,724
Current assets of discontinued operations	193	212
Other current assets	285	288
	<u>5,168</u>	<u>4,931</u>
Total current assets		
Goodwill and intangible assets	6,499	6,219
Fixed assets, net	815	850
Pension related assets	199	94
Deferred tax assets	1,144	1,242
Non-current assets of discontinued operations	977	1,077
Other assets	819	924
	<u>\$15,621</u>	<u>\$15,337</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Short-term debt	\$ 558	\$ 558
Accounts payable and accrued liabilities	2,273	1,751
Accrued compensation and employee benefits	810	1,290
Liabilities of discontinued operations	95	116
Dividends payable	109	-
	<u>3,845</u>	<u>3,715</u>
Total current liabilities		
Fiduciary liabilities	4,007	3,559
Less – cash and investments held in a fiduciary capacity	<u>(4,007)</u>	<u>(3,559)</u>
Long-term debt	3,030	3,034
Pension, postretirement and postemployment benefits	1,136	1,182
Liabilities for errors and omissions	488	518
Other liabilities	1,079	1,025
Total stockholders' equity	6,043	5,863
	<u>\$15,621</u>	<u>\$15,337</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		