MMC Reports Third Quarter 2007 Results

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For the nine months ended September 30, 2007, revenue for the risk and insurance services segment was \$4.2 billion, an increase of 3 percent from the year-ago period. Marsh's revenue rose 1 percent from last year to \$3.3 billion, and Guy Carpenter's revenue rose 4 percent to \$735 million. Underlying revenue for the segment was unchanged from the prior year.

Consulting

MMC's consulting segment revenue grew 14 percent to \$1.2 billion in the third quarter on a reported basis, and 9 percent on an underlying basis. The segment's operating income grew to \$148 million from \$112 million last year.

Mercer increased revenue 11 percent to \$844 million in the third quarter, and 7 percent on an underlying basis. This growth was achieved throughout Mercer's operations: retirement and investment had \$307 million of revenue, an increase of 13 percent; health and benefits, \$197 million, or 4 percent growth; outsourcing, \$187 million, grew 14 percent; and talent, \$128 million, increased 11 percent.

The strong demand for consulting services offered by the Oliver Wyman Group continued for the fourth year in a row. Oliver Wyman grew revenue 23 percent to \$374 million in the third quarter, or 17 percent on an underlying basis. Management, economic and brand consulting all produced double-digit revenue growth.

For the nine months ended September 30, 2007, the consulting segment generated revenue of \$3.6 billion, a 14 percent increase over last year. Mercer increased revenue by 10 percent to \$2.5 billion, and Oliver Wyman grew revenue 25 percent to \$1.1 billion.

Risk Consulting and Technology

Kroll's revenue was \$260 million in the third quarter, an increase of 9 percent from the year-ago quarter, or 11 percent on an underlying basis. Operating income at Kroll was \$31 million in the quarter, compared with \$38 million last year. This decline was largely attributable to higher compensation expense in the corporate advisory and restructuring business to retain key professional staff in anticipation of future increased activity.

Quarterly revenue in Kroll's technology operations increased 14 percent to \$147 million, led by the Kroll Ontrack legal technology unit and Kroll's background screening business. Revenue in Kroll's consulting operations rose 4 percent, to \$113 million.

For the nine months ended September 30, 2007, Kroll's revenue was \$746 million, up 1 percent, or 2 percent on an underlying basis. Technology revenue increased 11 percent to \$420 million, while consulting was down 9 percent to \$326 million. The decline in Kroll's consulting revenue primarily reflects a significant reduction in client success fees for completed engagements compared to those received in 2006.

Other Items

On August 3, 2007, Great-West Lifeco, a financial holding company controlled by Power Financial Corp., completed its purchase of Putnam for \$3.9 billion in cash. Following the tax payments on the transaction that MMC expects to make in the fourth quarter of 2007, the cash proceeds to MMC after minority interest should approach \$2.5 billion.

MMC's tax rate on ongoing operations was 32 percent for the third quarter of 2007. The effective tax rate in the quarter primarily reflects the unfavorable impact of tax rate changes in certain international jurisdictions.

On August 24, 2007, MMC entered into an \$800 million accelerated share repurchase transaction and received an initial 21 million shares of its common stock, with the remaining shares to be received upon the transaction's completion. In July 2007, MMC completed a previously announced \$500 million accelerated share repurchase transaction, under which it repurchased a total of 16 million shares. Primarily as a result of these two repurchase transactions, MMC's average diluted shares outstanding decreased from 558 million in the second quarter of 2007 to 540 million in the third quarter. A further reduction of average shares outstanding will occur in the fourth quarter.

MMC's cash position at the end of the third quarter was \$2.8 billion, increasing from \$1.1 billion at the end of the second quarter. Debt decreased to \$3.9 billion from \$4.9 billion. These changes were primarily attributable to the receipt of proceeds from the Putnam transaction, partially offset by the funding of the \$800 million share repurchase in the third quarter.

Conference Call

A conference call to discuss third quarter 2007 results will be held today at 8:30 a.m. Eastern Time. To participate in the teleconference, please dial 877 723 9520. Callers from outside the United States should dial 719 325 4831. The access code for both numbers is 4218483. The live audio webcast may be accessed at www.mmc.com. A replay of the webcast will be available approximately two hours after the event at the same web address.

MMC (Marsh & McLennan Companies) is a global professional services firm providing advice and solutions in the areas of risk, strategy and human capital. It is the parent company of a number of the world's leading risk experts and specialty consultants, including Marsh, the insurance broker and risk advisor; Guy Carpenter, the risk and reinsurance specialist; Kroll, the risk consulting firm; Mercer, the provider of HR and related financial advice and services; and Oliver Wyman, the management consultancy. With more than 55,000 employees worldwide and annual revenue of \$11 billion, MMC provides analysis, advice and transactional capabilities to clients in more than 100 countries. Its stock (ticker symbol: MMC) is listed on the New York, Chicago, and London stock exchanges. MMC's website address is www.mmc.com.

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,1" "thinkso:

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Total Operating Segments	2, 817 2, 573	10%	4%	-	6%
Corporate Eliminations	(23) (41)				
Total Revenue	\$2, 794 \$2, 532	10%	4%	-	6%

Revenue Details

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

			6 Change GAAP
			Revenue
Insurance Services:			
Americas			1%
EMEA	345	329	5%
Asia Pacific	96	86	10%
Total Incurrence Comit acc	 ¢1 020	тт. ООО	3%
Total Insurance Services		\$1,009	3%
Mercer:			
Retirement and Investment		\$271	
Health and Benefits	197	189	4%
Outsourci ng			14%
Tal ent			11%
Reimbursed Expenses	25	22	N/A
Total Mercer	 \$844	\$762	11%
Total Mercel			1 1 70
Risk Consulting & Technology:			
Technol ogy		\$129	
Consul ti ng	113	110	4%
Total Risk Consulting & Technology	\$260	\$239	9%
Total In Sic Consulting a Teenhorogy		=====	770

Notes

Underlying revenue measures the change in revenue, before the impact of acquisitions and dispositions, using consistent currency exchange rates.

Interest income on fiduciary funds amounted to \$53 million and \$50 million for the three months ended September 30, 2007 and 2006, respectively.

Revenue includes net investment income (loss) of \$76 million and \$46 million for Risk and Insurance Services for the three months ended September 30, 2007 and 2006, respectively.

Risk Capital Holdings owns investments in private equity funds and insurance and financial services firms.

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

	Ni no M	an+bc			ents of Revenue	
	Septemb	ded % ber 30,	% Change GAAP		Acqui si ti ons/ Di sposi ti ons	
	2007				Impact	
Ri sk and Insurance Servi ces Insurance						
Servi ces Rei nsurance	\$3, 305	\$3, 261	1%	3%	-	(2)%
Services Risk Capital	735	709	4%	2%	-	2%
Hol di ngs		119	31%	-	-	31%
Total Risk and Insurance Services		4, 089	3%	3%	-	-
Consulting Mercer Oliver Wyman		2, 252	10%		-	6%
Group		863	25%	4%	4%	17%
Total Consul ti ng		3, 115	14%	4%	1%	9%
Risk Consulting & Technology	746	738	1%	2%	(3)%	2%
Total Operating Segments	8, 506	7, 942	7%	3%	1%	3%
Corporate Eliminations	(81)	(102)				
Total Revenue	\$8, 425	\$7, 840	7%	3%	1%	3%

Revenue Details

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

	Ni ne Months Ended % Change September 30, GAAP
	2007 2006 Revenue
Insurance Services: Americas EMEA Asia Pacific	\$1,765 \$1,796 (2)% 1,261 1,215 4% 279 250 11%
Total Insurance Services	\$3, 305 \$3, 261
Mercer: Retirement and Investment 1	\$945 \$841 12%

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Outsourci ng Tal ent Rei mbursed Expenses	548 341 73	480 315 61	14% 8% N/A
Total Mercer	\$2, 486 =====	\$2, 252 =====	10%
Ri sk Consulting & Technology: Technology Consulting	\$420 326	\$377 361	11% (9)%
Total Risk Consulting & Technology	\$746 =====	\$738 =====	1%

Notes

Underlying revenue measures the change in revenue, before the impact of acquisitions and dispositions, using consistent currency exchange rates.

Insurance Services revenue includes market services revenue of \$3 million and \$43 million for the nine months ended September 30, 2007 and 2006, respectively. The decline in market services revenue primarily impacted revenues in the Americas.

Interest income on fiduciary funds amounted to \$149 million and \$135 million for the nine months ended September 30, 2007 and 2006, respectively.

Revenue includes net investment income (loss) of \$156 million and \$124 million for Risk and Insurance Services and \$0 million and \$1 million for Consulting for the nine months ended September 30, 2007 and 2006, respectively.

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

	Three Months Ended September 30,		Ended September 30,	
	2007	2006	2007	2006
Revenue: Ri sk and Insurance Services Consulting Ri sk Consulting & Technology	1, 218 260	1, 066 239	\$4, 195 3, 565 746	3, 115 738
Corporate Eliminations	2, 817	2, 573	8, 506 (81)	7, 942
			\$8, 425	
Operating Income (Loss): Risk and Insurance Services Consulting Risk Consulting & Technology Corporate	\$65 148 31	\$143 112 38 (49)	\$449 445 89 (129)	\$550 349 104 (159)
		\$244	\$854	\$844
Segment Operating Margins: Risk and Insurance Services Consulting Risk Consulting & Technology	12. 2%	10. 5%	10. 7% 12. 5% 11. 9%	11. 2%

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 Consolidated Operating Margin
 6.9%
 9.6%
 10.1%
 10.8%

 Pretax Margin
 5.7%
 7.3%
 8.4%
 8.4%

 Effective Tax Rate
 47.2%
 26.1%
 35.5%
 28.2%

Marsh & McLennan Companies, Inc.
Supplemental Information- Continuing Operations
(Millions) (Unaudited)

Significant Items Impacting the Comparability of Financial Results: The year-over-year comparability of MMC's financial results for the third quarter and nine months ended September 30 are affected by a number of noteworthy items. The following table identifies the impact of noteworthy items on segment and consolidated operating income for the periods indicated.

				Corporate & Eliminations	
Three Months Ended September 30, 2007					
Restructuring Charges (a) Accelerated	\$3	\$-	\$-	\$11	\$14
Amortization/ Depreciation	1	1	-	1	3
Settlement, Legal and Regulatory (b) Other	12 -	-	-	-	12
Total Impact in the Period	\$16	\$1	\$-	\$12	\$29
Three Months Ended September 30, 2006					
Restructuring Charges (a) Accel erated Amortization/	\$18	\$18	\$1	\$4	\$41
Depreciation Settlement, Legal	2	-	-	3	5
and Regulatory (b)	11	-	-	-	11
Total Impact in the Period	\$31	\$18		\$7	\$57
		Consul ti ng	Technol ogy	Corporate & Eliminations	
Ni ne Months Ended September 30, 2007					
Restructuri ng Charges (a) Accel erated	\$31	\$1	\$-	\$22	\$54

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Amortization/ Depreciation Settlement, Legal	9	6	-	4	19
and Regulatory (b) Other (c)	38	-	-	(14)	38 (14)
Total Impact in the Period	\$78 	\$7	\$- 	\$12	\$97
Ni ne Months Ended September 30, 2006					
Restructuring Charges (a) Accel erated Amortization/	\$63	\$17	\$1	\$31	\$112
Depreciation	23	-	-	6	29
Settlement, Legal and Regulatory (b)	32	-	-	-	32
Total Impact in the Period	\$118 	\$17	\$1	\$37	\$173

Notes

- (a) Primarily includes severance from restructuring activities and related charges, costs for future rent and other real estate costs, and fees related to cost reduction initiatives.
- (b) Reflects legal fees arising out of the civil complaint relating to market service agreements and other issues filed against MMC and Marsh by the New York State Attorney General in October 2004 and settled in January 2005, and indemnification of former employees for legal fees incurred in connection with the events of October 2004.
- (c) Represents an accrual adjustment related to the separation of former MMC senior executives.

The above schedules exclude incremental costs of \$13 million related to the departure of Marsh's former CEO in the third quarter of 2007.

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

	September 30, 2007	31,
ASSETS		
Current assets: Cash and cash equivalents Net receivables Assets of discontinued operations Other current assets	3, 001	\$2, 015 2, 718 1, 921 322
Total current assets	6, 152	6, 976
Goodwill and intangible assets Fixed assets, net Long-term investments Pension related asset Other assets	7, 756 983 96 713 1, 843	990 124 613

TOTAL ASSETS	\$17, 543	\$18, 137
LI ABI LI TI ES AND STOCKHOLDERS' EQUI TY		
Current liabilities: Short-term debt Accounts payable and accrued liabilities Regulatory settlements-current portion Accrued compensation and employee benefits Liabilities of discontinued operations Accrued income taxes Dividends payable	176 1, 073	\$1, 111 2, 486 178 1, 230 782 131
Total current liabilities	4, 173	5, 918
Fiduciary liabilities Less – cash and investments held in a fiduciary	3, 454	3, 587
capacity	(3, 454)	(3, 587)
	-	-
Long-term debt Regulatory settlements	3, 607	3, 860 173
Pension, postretirement and postemployment benefits Liabilities for errors and omissions	1, 014 632	1, 085
Other liabilities	1, 195	
Tot al st ockhol der s' equi t y	6, 922	5, 819
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$17, 543	\$18, 137

Marsh & McLennan Companies, Inc.

Supplemental Information - Discontinued Operations

(Mllions) (Unaudited)

On January 31, 2007, M/C entered into a stock purchase agreement with Great-West Lifeco ("G/L"), a financial holding company controlled by Power Financial Corporation, pursuant to which G/L agreed to purchase Putnam The transaction closed on August 3, 2007. The gain on the transaction and Putnam's results of operations are reported as discontinued operations in M/C's consolidated statements of income. The amounts reported in 2007 include Putnam's results through August 2, 2007.

In 2006, MMC sold its majority interest in Sedgwick Claims Management Services; Price Forbes, its U.K.-based insurance wholesale operation; and Kroll Security International. The net gains on these disposals, as well as their results of operations, are reported as discontinued operations in MMCs consolidated statements of income.

Summarized Statements of Income data for discontinued operations is as follows:

Thr ee Mont hs Ended Sept ember 30, Document Contents Page 12 of 12

2007 2006

	2007 2000
Put nam	
Revenue	\$112 \$342
Expense	90 266
Net Operating Income	22 76
Other Discontinued Operations - Income before provision	
income tax	- 5
Provision for income tax	10 30
Income from discontinued operations, net of tax	12 51
γ	
Coin (loss) on disposal of disposationed amountions	0.070 (0)
Gain (loss) on disposal of discontinued operations Provision for income tax	2, 970 (8) 1, 117 -
Trovioren for theone tax	
Gain (loss) on disposal of discontinued operations, net	
t ax	1, 853 (8)
Discontinued operations, net of tax	\$1,865 \$43
•	======
	Ni ne Months
	Ended
	Sept ember 30,
	2007 2006
	2007 2000
Put nam	
Revenue	\$798 \$1,026 636 810
Expense	030 010
Net Operating Income	162 216
Other Discontinued Operations - Income before provision	(0)
for income tax Provision for income tax	(2) 4 71 88
Trovioren for theone tax	
Income from discontinued operations, net of tax	89 132
Gain on disposal of discontinued operations	2, 970 298
Provision for income tax	1, 117 130
Cain an disposal of discontinued operations and of tax	1 052 160
Gain on disposal of discontinued operations, net of tax	1, 853 168
Discontinued operations, net of tax	\$1,942 \$300
	======

Put nam's results for the three months and nine months ended September 30, 2006 include credits of \$0 million and \$7 million, respectively, that were reflected in the schedule of noteworthy items in the prior year's earnings release.

Source: Marsh & McLennan Companies, Inc.

Contact:

Media: MMC Christine Walton, 212 345 0675 christine.walton@mmc.com or Investors: MMC Mike Bischoff, 212 345 5470 jmichael.bischoff@mmc.com