MMC Reports First Quarter 2007 Results

Consolidated Revenues Increased 5 Percent to \$2.8 Billion Income from Continuing Operations Rose 14 Percent \$500 Million Share Repurchase Program Is Announced Company Release - 05/08/2007 06:26 Mercer Human Resource Consulting increased revenues 8 percent to \$800 million in the first quarter, with a 4 percent increase on an underlying basis. This growth was achieved throughout Mercer HR's operations: retirement and investment produced \$319 million in revenues, an increase of 11 percent; health and benefits, \$183 million, the same level as last year; outsourcing, \$176 million, an increase of 13 percent; and talent, \$99 million, an increase of 6 percent.

Mercer Specialty Consulting's revenues grew 25 percent to \$329 million in the first quarter, with a 15 percent increase on an underlying basis, continuing the strong growth this group has achieved over the last four years. Each of the Mercer Specialty companies contributed to this exceptional performance.

Discontinued Operations

Due to the agreement to sell Putnam, announced on February 1, 2007, Putnam's results for both years are now reflected in discontinued operations. Results from discontinued operations, net of tax, were \$40 million, or \$.06 per share, in the first quarter of 2007, reflecting Putnam's results for the quarter, compared with \$.39 per share last year, primarily due to a \$.32 gain from the sale of Sedgwick Claims Management Services.

In the first quarter, Putnam had revenues of \$356 million, an increase of 3 percent from the first quarter of 2006. Putnam's assets under management on March 31, 2007 were \$188 billion, comprising \$119 billion in mutual fund assets and \$69 billion in institutional assets. Average assets under management were \$189 billion, compared with \$190 billion for the first quarter of 2006.

MMC Share Repurchase

The MMC Board of Directors has approved a \$500 million share repurchase program.

Other Items

to the terms of the sale agreement;

- -- Put nam s performance between now and the closing of the announced sale later in 2007, including the actual and relative investment performance of Put nam's mutual funds and institutional and other advisory accounts, Put nam's net fund flows and the level of Put nam's assets under management;
- -- our ability to effectively deploy MMC's proceeds from the sale of Putnam, and the timing of our use of those proceeds;
- -- the fact that our estimate of the dilutive impact of the sale of Putnam on MMC's future earnings per share is necessarily based on a set of current management assumptions, including assumptions about MMC's use of sale proceeds and the operating results of Putnam and MMC's other subsidiaries;
- our ability to achieve profitable revenue growth in our risk and insurance services segment by providing both traditional insurance brokerage services and additional risk advisory services;
- -- our ability to retain existing clients and attract new business, and our ability to retain key employees;
- revenue fluctuations in risk and insurance services relating to the net effect of new and lost business production and the timing of policy inception dates;
- -- the impact on risk and insurance services commission revenues of changes in the availability of, and the premiums insurance carriers charge for, insurance and reinsurance products, including the impact on premium rates and market capacity attributable to catastrophic events such as hurricanes;
- -- the impact on renewals in our risk and insurance services segment of pricing trends in particular insurance markets, fluctuations in the general level of economic activity and decisions by insureds with respect to the level of risk they will self-insure;
- -- the impact on our consulting segment of pricing trends, utilization rates, legislative changes affecting client demand, and the general economic environment;
- our ability to implement our restructuring initiatives and otherwise reduce or control expenses and achieve operating efficiencies, including our ability to generate anticipated savings and operational improvements from the actions we announced in September 2006;
- -- the impact of competition, including with respect to pricing and the emergence of new competitors;
- -- fluctuations in the value of Risk Capital Holdings' investments;
- -- our ability to make strategic acquisitions and dispositions and to integrate, and realize expected synergies, savings or strategic benefits from the businesses we acquire;
- -- our exposure to potential liabilities arising from errors and omissions claims against us;
- -- our ability to meet our financing needs by generating cash from operations and accessing external financing sources, including the potential impact of rating agency actions on our

cost of financing or ability to borrow;

- -- the impact on our operating results of foreign exchange fluctuations;
- -- changes in applicable tax or accounting requirements, including any potential income statement effects from the application of FIN 48 ("Accounting for Uncertainty in Income Taxes") and SFAS 142 ("Goodwill and Other Intangible Assets"); and
- -- the impact of, and potential challenges in complying with, legislation and regulation in the jurisdictions in which we operate, particularly given the global scope of our businesses and the possibility of conflicting regulatory requirements across the jurisdictions in which we do business.

The factors identified above are not exhaustive. MMC and its subsidiaries operate in a dynamic business environment in which new risks may emerge frequently. Accordingly, MMC cautions readers not to place undue reliance on its forward-looking statements, which speak only as of the dates on which they are made. MMC undertakes no obligation to update or

Net Income	\$ 268 \$ 416 ========
Basic Net Income Per Share - Continuing Operations	\$ 0.41 \$ 0.37
-NetIncome	\$ 0.49 \$ 0.76
Diluted Net Income Per Share - Continuing Operations	\$ 0.41 \$ 0.36

Total Operating Segments	2, 847	2, 708	5%	3%	1%	1%
Corporate Elimination	is (35)	(34)				
Tot al Revenue	\$2, 812 ======	\$2, 674 ======	5%	3%	1%	1%

Revenue Details

The following table provides more detailed revenue information for certain of the components presented above and the remaining quarters of 2006.

	Three Months Ended		% Change 2006										
	March 31,					hree Months Ended				Twelve			
	2	007	2	006	Revenu							Mon	t hs
Insurance Services: Americas EMEA Asia Pacific		540 524 78		568 508 70	3	3% 2%	634 378 94		594 329 86		641 390 98	1,	437 605 348
Tot al I nsur ance Ser vi ces	\$1				-		, 106						
Risk Consulting & Technology: Technology Consulting	\$	132 103		118	14 - 12	2%		•	129 110	•		+	504 475
Total Risk Consulting & Technology	\$	235	\$	234	1	% \$		\$	239	\$	241		979
Human Resource Consulting: Retirement and	d												
Investment Health and Benefits Outsourcing Talent		319 183 176 99		288 183 156 93	- 13	% \$ 3% 5%	183	\$	271 189 165 115	\$	292 171 169 111		133 726 649 426
Reimbursed Expenses		23		19	N/ A	A	20		22		26		87
Total Human Resource Consulting		800		739		 3% \$ ==	751	•	762	•		• •	

Notes

Significant Items Impacting the Comparability of Financial Results: The year-over-year comparability of MMC's first quarter financial results is 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.

	Insur		&	ting	Consu	lting	•ate& nations	Tot al
Three Months Ended March 31, 2007							 	
Restructuring Charges (a) Accelerated	\$	24	\$	-	\$	-	\$ 6	\$ 30
Amortization/ Depreciation Settlement, Legal		5		-		3	3	11
and Regulatory (b) Other (c)		11		-		-	 (14)	11 (14)
Total Impact in 2007	\$	40	\$	-	\$	3	\$ (5)	\$ 38
Three Months Ended March 31, 2006								
Restructuring Charges (a) Accelerated	\$	19	\$	-	\$	-	\$ 26	\$ 45
Amortization/ Depreciation Settlement, Legal and Regulatory		5		-		-	-	5
(b)		10		-		-	 -	10
Total Impact in 2006	\$	34	\$	-	\$	-	\$ 26	\$ 60

Notes:

- (a) Primarily includes severance and related charges, costs for future rent and other real estate costs, and consulting costs related to previously announced cost reduction initiatives (see Form 8-K dated September 20, 2006 for more information).
- (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 they have incurred in connection with the events of October 2004.
- (c) Represents an accrual adjustment related to the separation of former MMC senior executives.

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

	March 31, 2007	December 31, 2006	
ASSETS			
Current assets: Cash and cash equivalents Net receivables Assets of discontinued operations Other current assets	\$ 1, 203 2, 904 1, 579 318		
Total current assets	6, 004	6, 976	
Coodwill and intangible assets Fixed assets, net Long-term investments Pension related asset Other assets	7, 593 979 144 647 1, 861	613	
TOTAL ASSETS	\$ 17, 228 =======	\$ 18, 137 ======	
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities: Short-term debt Accounts payable and accrued liabilities	\$ 1, 045 2, 483	\$ 1, 111 2, 476	

three-month periods ended March 31, 2007 and 2006 were segregated and reported as discontinued operations in the accompanying consolidated statements of income.

In 2006, MMC sold its majority interest in Sedgwick Claims Management, a provider of claims management and associated productivity services; Price Forbes, its U.K.-based insurance wholesale operation; and Kroll Security International, its international high-risk asset and personal protection business. The gains or losses on these disposals, as well as their results of operations, are reported as discontinued operations in the accompanying consolidated statements of income.

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

		e Mon March	ths Ended 31,		
	2	007	2006		
Put nam Revenue Expense	+	356 281	\$	345 281	
Net Operating Income M nority interest and other discontinued operations Provision for income tax		75 (1) 34		64 - 24	
Income from discontinued operations, net of tax		40		40	
Gain on disposal of discontinued operations Provision for income tax		-		306 130	
Gain on disposal of discontinued operations, net of tax		-		176	
Discontinued operations, net of tax	\$ ====	40 ====	\$ ===	216 =====	

Marsh & McLennan Companies, Inc. Reclassification of Discontinued Operations (MIlions) (Unaudited)

The following table provides reclassified prior period reported amounts to reflect discontinued operations classification for Investment Management:

	Three Months Ended						
2006	March 31, June 30, Sept. 30, Dec. 31,	Full Year					
Segment Revenue as Reported Less: Putnam Corporate Eliminations	\$ 3, 053 \$3, 000 \$ 2, 915 \$3, 084 (345) (339) (342) (359) (34) (27) (41) (18)	\$12, 052 (1, 385) (120)					
Tot al Revenue	\$ 2, 674 \$2, 634 \$ 2, 532 \$2, 707	\$10, 547 ======					

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