Marsh & McLennan Companies, Inc.
1166 Avenue of the Americas

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38 percent to $356 million, compared with $258 million. Adjusted operating income in the second quarter of 2011 increased 16 percent to $352 million from $302 million. For the first six months of 2011, segment revenue was $3.3 billion, an increase of 10 percent from the prior year period, and 5 percent growth on an underlying basis.

Marsh's revenue in the second quarter of 2011 was $1.4 billion, an increase of 12 percent, or 5 percent on an underlying basis. International operations grew underlying revenue 6 percent in the second quarter, reflecting growth of 18 percent in Latin America, 6 percent in Asia Pacific, and 4 percent in EMEA. In the United States/Canada region, underlying revenue grew 3 percent. Guy Carpenter's second quarter revenue increased 6 percent to $257 million, or 5 percent on an underlying basis.

Consulting

Consulting segment revenue increased 13 percent to $1.3 billion in the second quarter of 2011, or 5 percent on an underlying basis. Operating income was $152 million in the second quarter, compared with a loss of $275 million due to a litigation settlement last year. Adjusted operating income rose 21 percent to $154 million in the second quarter of 2011, compared with $127 million. For the first six months of 2011, segment revenue increased 11 percent to $2.6 billion, or 6 percent on an underlying basis. Adjusted operating income rose 17 percent to $285 million, compared with $243 million in 2010.

Mercer's revenue increased 13 percent to $945 million in the second quarter of 2011, an increase of 4 percent on an underlying basis. Mercer's consulting operations produced revenue of $639 million, an increase of 3 percent on an underlying basis; outsourcing, with revenue of $188 million, was up 2 percent; and investment consulting and management, with revenue of $118 million, grew 13 percent. Oliver Wyman's revenue increased 14 percent to $374 million in the second quarter of 2011, or 8 percent on an underlying basis.

Other Items

At the end of the second quarter of 2011, cash and cash equivalents was $1.7 billion, compared with $1.5 billion at the end of the second quarter of 2010. Net debt, which is total debt less cash and cash equivalents, was $1.4 billion, compared with $2.1 billion at the end of the second quarter of 2010.

In the second quarter of 2011, the Company repurchased 7.8 million shares of its common stock for $235 million as part of the Company's share repurchase authorization.

In July, the Company successfully completed a tender offer that resulted in the retirement of an aggregate of $600 million of the senior notes scheduled to mature in 2014 and 2015. Costs of $73 million relating to the early extinguishment of this debt will be recognized in the third quarter. Also in July, the Company successfully issued $500 million of 4.80 percent senior notes due 2021.

Conference Call

A conference call to discuss second quarter 2011 results will be held today at 8:30 a.m. Eastern Time. To participate in the teleconference, please dial 888 504 7953. Callers from outside the United States should dial 719 325 2223. The access code for both numbers is 4261044. 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.

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; Mercer, the provider of HR and related financial advice and services; and Oliver Wyman, the management consultancy. With 52,000 employees worldwide and annual revenue exceeding $11 billion, Marsh & McLennan Companies 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. Marsh & McLennan Companies' website address is www.mmc.com.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2011	2010	**2011**	2010
Revenue	**$2,928**	$2,606	**$5,812**	$5,241
Expense:				
Compensation and Benefits	**1,728**	1,614	**3,449**	3,189
Other Operating Expenses	**735**	1,042	**1,426**	1,677
Total Expense	**2,463**	2,656	**4,875**	4,866
Operating Income (Loss)	**465**	(50)	**937**	375
Interest Income	**5**	3	**12**	7
Interest Expense	**(49)**	(60)	**(100)**	(120)
Investment (Loss) Income	**(6)**	18	**13**	26

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

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

	Six Months Ended June 30,		% Change GAAP	Components of Revenue Change*		
	2011	2010	**Revenue**	**Currency Impact**	**Acquisitions/ Dispositions Impact**	**Underlying Revenue**
Risk and Insurance Services						
Marsh	**$2,635**	$2,371	11%	2%	5%	4%
Guy Carpenter	**597**	558	7%	1%	–	6%
Subtotal	**3,232**	2,929	10%	2%		

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

The Company 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*; and *adjusted income, net of tax.*

The Company 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 the Company’s businesses. However, investors should not consider these non-GAAP measures in isolation from, or as a substitute for, the financial information that the Company reports in accordance with GAAP. The Company’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 (Loss) and Adjusted Operating Margin

Adjusted operating income (loss) is calculated by excluding the impact of certain noteworthy items from the Company’s GAAP operating income or loss. The following table identifies these noteworthy items and reconciles adjusted operating income (loss) to GAAP operating income or loss, on a consolidated and segment basis, for the three months ended June 30, 2011 and 2010. The following table also presents a*djusted operating margin*, which is calculated by dividing adjusted operating income by consolidated or segment GAAP revenue.

	Risk & Insurance Services	Consulting	Corporate/ Eliminations	Total	
Three Months Ended June 30, 2011	o	M		t	i

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: the Company'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, 2011 and 2010:

		Consolidated Results	Portion Attributable to Common Shareholders	Adjusted Diluted EPS
Three Months Ended June 30, 2011				
Income from continuing operations		$ 286	$ 278	$ 0.50
(Deduct) operating income adjustments	$ (3)			
Add impact of related income tax expense	3			
		–	(1)	–
Income from continuing operations, as adjusted		$ 286	$ 277	$ 0.50
Six Months Ended June 30, 2011				
Income from continuing operations		$ 605	$ 588	$ 1.06
(Deduct) operating income adjustments	$ (2)			
Add impact of related income tax expense	3			
		1	–	–
Income from continuing operations, as adjusted		$ 606	$ 588	$ 1.06
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)			
		270	266	0.49
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		$ 258	$ 248	$ 0.46
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)			
		280	275	0.51
Income from continuing operations, as adjusted		$ 525	$ 506	$ 0.94
Add Kroll adjusted operating income, net of tax		17	16	0.03
Adjusted income, net of tax		$ 542	$ 522	$ 0.97

Adjusted income, net of tax for the three and six months ended June 30, 2010 includes the adjusted after-tax operating income

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

On August 3, 2010, the Company completed its sale of Kroll to Altegrity. Kroll's results of operations are reported as discontinued operations in the Company's consolidated statements of income. The three and six months ended June 30, 2010 also includes the loss on the sale of Kroll Labs Specialists ("KLS"). The provision/(credit) for income taxes related to the disposal of discontinued operations for the three and six months ended June 30, 2010 is the tax provision of $36 million on the sale of KLS. The tax credit for the three and six months ended June 30, 2011 is primarily due to a tax recovery included in the indemnity agreement related to the Putnam sale.

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

	Three Months Ended June 30, 2011	Three Months Ended June 30, 2010
Kroll Operations		
Revenue	**$** –	$ 163
Expense	–	146
Net operating income	–	17
Provision for income tax	–	–
Income from discontinued operations, net of tax	–	17
Other discontinued operations, net of tax	–	–
Income (loss) from discontinued operations, net of tax	–	17
Disposals of discontinued operations	**8**	(8)
Provision (credit) for income tax (2Tw 33.08/MCID 56 Tw 5698 Tm(l(6)TjE–)Tj598 0 0 7.98 94.88 TmE–Disposals of dintinued operati		

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