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News Release

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MMC REPORTS FOURTH QUARTER AND YEAR-END RESULTS

NEW YORK, NEW YORK, February 14, 2006—Marsh & McLennan Companies, Inc. (MMC) today reported financial results for the quarter and year ended December 31, 2005. Marsh's U.S. wholesale broking operations and Sedgwick Claims Management Services, sold in October 2005 and January 2006, respectively, are shown in MMC's financial results as discontinued operations.

In the fourth quarter, consolidated revenues were \$2.8 billion, a 2 percent decline from the fourth quarter of 2004. Net income was \$35 million, or \$.06 per share, compared with a net loss of \$680 million, or \$1.29 per share, in the fourth quarter of 2004. Income from continuing operations was \$17 million, or \$.03 per share, compared with a net loss of \$683 million, or \$1.29 per share, in the fourth quarter of 2004. Excluding noteworthy items and stock option expense described in the attached supplemental schedules, earnings per share from net income in the fourth quarter of 2005 was \$.28, compared with \$.26 in the same period of 2004.

Full-year consolidated revenues were \$11.7 billion, compared with \$11.8 billion in 2004. Net income for the full year was \$404 million, or \$.74 per share, compared with \$176 million, or \$.33 per share, in 2004. Income from continuing operations was \$369 million, or \$.67 per share, compared with \$154 million, or \$.29 per share, in 2004. Excluding noteworthy items and stock

option expense, earnings per share for the full year from net income was \$1.57, compared with \$2.38 in 2004. The accompanying supplemental schedules give effect to discontinued operations and segment reclassifications. Quarterly trends are shown on pages 13, 15, and 16.

Michael G. Cherkasky, president and chief executive officer of MMC, said: “Two thousand five was a challenging year for MMC. We did what we critically needed to do. We stabilized MMC; we preserved our great brands—Marsh, Mercer, Putnam, Kroll, and Guy Carpenter; and we overwhelmingly retained our clients and employees. MMC is a much stronger company today than it was a year ago. Marsh had better client and staff retention and better profitability in the fourth quarter than in the previous quarters of 2005. We expect those trends to continue in 2006. Mercer Human Resource Consulting, Mercer Specialty Consulting, and Kroll grew revenues and are positioned for increased profitability in 2006, as is Guy Carpenter. Putnam continues to reduce its net outflows as it slowly but steadily completes its turnaround. MMC is headed in the right direction.”

Risk and Insurance Services

The improved business tone at Marsh is apparent in fourth quarter results. Both worldwide and North American client retention rates improved meaningfully from what has been reported throughout the year. Underlying revenues, excluding market services revenues, declined 2 percent, also a marked improvement from previous quarters. These results were achieved despite continued premium rate declines in the commercial insurance marketplace, particularly in Europe.

Guy Carpenter’s revenues in the fourth quarter were \$155 million, unchanged from the same period of 2004. While not reflected in 2005 results, January 2006 renewals showed premium rate increases in property catastrophe coverage.

Revenues from Marsh & McLennan Risk Capital Holdings were \$27 million, reflecting lower sales of equity investments. This was a marked decline not only from the \$58 million of revenues in the fourth quarter of 2004 but also from the first three quarters of 2005.

Total risk and insurance services revenues declined 7 percent to \$1.3 billion in the fourth quarter. The decline was primarily due to the year-over-year effect of market services revenues, the reduced sales of equity investments, and foreign currency translation. These results exclude strong revenue growth by Sedgwick Claims Management Services, which previously had been included in related insurance services but is now reflected in discontinued operations.

Risk Consulting and Technology

Kroll continued to produce strong revenue growth in the fourth quarter. Revenues increased 14 percent to \$230 million from \$201 million, or 18 percent on an underlying basis, led by strong growth in corporate advisory and restructuring, background screening, and technology services. In Kroll's first full year of operations as part of MMC, revenues were \$946 million, and operating income was \$124 million.

Consulting

Mercer's total revenues increased 6 percent in the fourth quarter to \$966 million. Specialty consulting produced excellent results, with revenues increasing 16 percent to \$248 million, compared with the fourth quarter of 2004. Mercer Oliver Wyman and Mercer's strategy and operations consulting businesses fueled this performance, continuing a pattern of strong growth throughout 2005. Mercer Human Resource Consulting reported a 2 percent increase in quarterly revenues to \$664 million. Underlying growth of 3 percent reflected solid results in retirement and human capital consulting and overall strength in international operations.

Investment Management

Putnam's revenues in the fourth quarter declined 12 percent to \$360 million, in line with the year-over-year decline in average assets under management, which were \$188 billion, compared with \$211 billion in the fourth quarter of 2004. Net redemptions in the quarter were \$6.4 billion. Total assets under management on December 31, 2005 were \$189 billion, comprising \$126 billion of mutual fund assets and \$63 billion of institutional assets.

Other Items

The 2005 restructuring program resulted in savings of \$160 million in the year, with the remaining \$215 million of the total annualized savings of \$375 million to occur in 2006, all in risk and insurance services. Restructuring-related costs totaled \$320 million in 2005, and the remaining \$50 million is anticipated in the first half of 2006.

Fourth quarter results also include expenses of \$40 million in connection with certain litigation and related matters.

MMC's net debt (total debt less cash and cash equivalents) was \$3.5 billion at year-end, reflecting a decline of approximately \$250 million in the fourth quarter and \$430 million for the full year, driven primarily by strong operating cash flows. In addition, the company made discretionary cash contributions of \$235 million to its U.K. pension plans, bringing aggregate discretionary pension contributions in the United States and the United Kingdom to \$440 million for the full year.

In the fourth quarter of 2005, MMC entered into a new five-year revolving credit agreement in the amount of \$1.2 billion. MMC also repatriated \$585 million of accumulated international earnings at a favorable tax rate pursuant to the American Jobs Creation Act of 2004. To fund the repatriation, certain MMC international subsidiaries incurred borrowings under the new credit facility, which increased both cash and debt levels at the end of 2005.

The combined annualized revenues from Marsh's U.S. wholesale broking operations, Crump Group, and Sedgwick Claims Management Services were approximately \$470 million in 2005 and \$400 million in 2004. The results of these operations, including the after-tax net gain on the sale of Crump, have been reflected as discontinued operations. The gain on the sale of Sedgwick Claims Management Services will be reflected in the first quarter of 2006.

Conference Call

A conference call to discuss fourth quarter and year-end 2005 results will be held today at 10:00 a.m. Eastern Standard Time. To participate in the teleconference, please dial (888) 208-1812 or (719) 457-2654 (international). The access code for both numbers is 4446190. The audio webcast (which will be listen-only) may be accessed at www.mmc.com. A replay of the webcast will be available beginning approximately two hours after the event at the same web address.

MMC is a global professional services firm with annual revenues of approximately \$12 billion. It is the parent company of Marsh, the world's leading risk and insurance services firm; Guy Carpenter, the world's leading risk and reinsurance specialist; Kroll, the world's leading risk consulting company; Mercer, a major global provider of human resource and specialty consulting services; and Putnam Investments, one of the largest investment management companies in the United States. Approximately 55,000 employees provide analysis, advice, and transactional capabilities to clients in over 100 countries. Its stock (ticker symbol: MMC) is listed on the New York, Chicago, Pacific, 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 use words like "anticipate," "believe," "estimate," "expect," "intend," "plan," "project" and similar terms, express management's current views concerning future events or results. For example, we may use forward-looking statements when addressing topics such as: future actions by our management or regulators; the outcome of contingencies; changes in our business strategy; changes in our business practices and methods of generating revenue; the development and performance of our services and products; market and industry conditions, including competitive and pricing trends; changes in the composition or level of MMC's revenues; our cost structure; the impact of acquisitions and dispositions; and MMC's cash flow and liquidity.

Forward-looking statements are subject to inherent risks and uncertainties. Factors that could cause actual results to differ materially from those expressed or implied in our forward-looking statements include:

- the economic and reputational impact of: litigation and regulatory proceedings brought by federal and state regulators and law enforcement authorities concerning our insurance and reinsurance brokerage operations and our investment management operations (including the complaint filed in October 2004 by the New York Attorney General's office relating to market service agreements and other matters, and proceedings relating to market-timing matters at Putnam); and class actions, derivative actions and individual suits filed by policyholders and shareholders in connection with the foregoing;
- the extent to which we are able to replace the revenues we previously derived from contingent commissions, which we eliminated in late 2004;
- our ability to retain existing clients and attract new business, particularly in our risk and insurance services segment, and our ability to continue employment of key revenue producers and managers;

- period-to-period revenue fluctuations relating to the net effect of new and lost business production and the timing of policy inception dates;
- the impact on our commission revenues of changes in the availability of, and the premiums insurance carriers charge for, insurance products;
- the actual and relative investment performance of Putnam’s mutual funds and institutional and other advisory accounts, and the extent to which Putnam reverses its recent net redemption experience, increases assets under management and maintains management and administrative fees at historical levels;
- our ability to implement our restructuring initiatives and otherwise reduce expenses;
- our ability to execute our strategy of operating as “one company,” which includes employing technology-based business processes across our organization, creating proprietary processes based on enterprise-wide intellectual capital, and cross-selling to clients throughout MMC’s businesses;
- the impact of competition, including with respect to pricing and the emergence of new competitors;
- the impact of increasing focus by regulators, clients and others on potential conflicts of interest;
- changes in the value of MMC’s investments in individual companies and investment funds;
- our ability to make strategic acquisitions and to integrate, and realize expected synergies, savings or strategic benefits from, acquired businesses;
- 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; and
- changes in the tax or accounting treatment of our operations, and the impact of other legislation and regulation in the jurisdictions in which we operate.

Forward-looking statements speak only as of the date on which they are made, and MMC undertakes no obligation to update any such statement to reflect events or circumstances after the date on which it is made. Further information concerning MMC and its businesses, including information about factors that could materially affect our results of operations and financial position, is contained in MMC’s filings with the Securities and Exchange Commission.

MMC and its operating companies use their websites to convey meaningful information about their businesses, including the anticipated release of quarterly financial results and the posting of updates of assets under management at Putnam. Monthly updates of total assets under management at Putnam will be posted to the MMC website the first business day following the end of each month. Putnam posts mutual fund and performance data to its website regularly. Assets for most Putnam retail mutual funds are posted approximately two weeks after each month-end. Mutual fund net asset value (NAV) is posted daily. Historical performance and Lipper rankings are also provided. Investors can link to MMC and its operating company websites through www.mmc.com.

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

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2005	2004	2005	2004
Revenue:				
Service Revenue	\$2,799	\$2,823	\$11,469	\$11,561
Investment Income (Loss)	27	57	183	200
Total Revenue	2,826	2,880	11,652	11,761
Expense:				
Compensation and Benefits	1,597	1,692	6,945	6,456
Other Operating Expenses	1,074	1,378	3,811	3,736
Regulatory and Other Settlements	40	702	40	969
Total Expense	2,711	3,772	10,796	11,161
Operating Income (Loss)	115	(892)	856	600
Interest Income	14	6	47	21
Interest Expense	(79)	(66)	(332)	(219)
Income (Loss) Before Income Taxes and Minority Interest Expense	50	(952)	571	402
Income Taxes	29	(271)	192	240
Minority Interest Expense, Net of Tax	4	2	10	8
Income (Loss) From Continuing Operations	17	(683)	369	154
Discontinued Operations, Net of Tax	18	3	35	22
Net Income (Loss)	\$ 35	\$ (680)	\$ 404	\$ 176
Basic Income Per Share - Continuing Operations	\$ 0.03	\$ (1.29)	\$ 0.69	\$ 0.29
Net Income (Loss)	\$ 0.06	\$ (1.29)	\$ 0.75	\$ 0.33
Diluted Income Per Share - Continuing Operations	\$ 0.03	\$ (1.29)	\$ 0.67	\$ 0.29
Net Income (Loss)	\$ 0.06	\$ (1.29)	\$ 0.74	\$ 0.33
Average Number of Shares Outstanding - Basic	546	529	538	526
Diluted	555	529	543	535

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

Segment Reclassifications and Discontinued Operations

During the fourth quarter of 2005, MMC implemented several organizational changes that affected MMC's reportable segments. The data presented below reflects the transfer of Marsh's employee benefit business in the United Kingdom from Insurance Services to Human Resource Consulting. The business continuity management, mass tort and complex liability management, and data services for the management of insurance, claims and legal data businesses of Risk Consulting & Technology were transferred to Insurance Services.

MMC's U.S. wholesale broking operations and its claims management business were classified as discontinued operations and are not reflected in the revenue information presented below. Prior year information has been reclassified accordingly.

	Three Months Ended December 31,		% Change GAAP Revenue	Components of Revenue Change			Underlying Revenue excluding MSA Impact		
				2005	2004	Currency Impact		Acquisitions/ Dispositions Impact	Underlying Revenue
Risk and Insurance Services									
Insurance Services	\$ 1,135	\$ 1,196	(5)%	(1)%	1%	(5)%	(2)%		
Reinsurance Services	155	156	-	-	-	-	-		
Risk Capital Holdings	27	58	(53)%	-	(6)%	(47)%	-		
Total Risk and Insurance Services	<u>1,317</u>	<u>1,410</u>	(7)%	(1)%	-	(6)%	(3)%		
Risk Consulting & Technology	<u>230</u>	<u>201</u>	14%	(2)%	(2)%	18%	-		
Consulting									
Human Resource Consulting	664	648	2%	(2)%	1%	3%	3%		
Specialty Consulting	248	215	16%	(2)%	-	18%	-		
	912	863	6%	(2)%	1%	7%	7%		
Reimbursed Expenses	54	45							
Total Consulting	<u>966</u>	<u>908</u>	6%	(2)%	1%	7%	7%		
Investment Management	<u>360</u>	<u>411</u>	(12)%	-	-	(12)%	-		
Total Operating Segments	<u>2,873</u>	<u>2,930</u>	(2)%	(1)%	-	(1)%	-		
Corporate Eliminations	<u>(47)</u>	<u>(50)</u>							
Total Revenue	<u>\$2,826</u>	<u>\$2,880</u>	(2)%	(1)%	-	(1)%	-		

Notes

Underlying revenue measures the change in revenue, before the impact of acquisitions and dispositions, using consistent currency exchange rates. Underlying revenue for Insurance Services decreased 5% in the fourth quarter, including a 3% decline related to market services agreements; and for the Risk and Insurance Services segment underlying revenue decreased 6% in the fourth quarter, including a 3% decline related to market services agreements.

Effective October 1, 2004 MMC agreed to eliminate contingent compensation agreements with insurers. Results for the fourth quarter of 2005 include market services revenue of \$30 million related to collections of amounts earned on placements made prior to October 1, 2004, which had not previously been accrued.

Interest income on fiduciary funds amounted to \$37 million and \$36 million for the three months ended December 31, 2005 and 2004, respectively.

Revenue includes investment income (loss) of \$29 million and \$49 million for Risk and Insurance Services and \$(2) million and \$8 million for Investment Management for the three months ended December 31, 2005 and 2004, respectively.

Risk Capital Holdings owns MMC's investments in insurance and financial services firms such as Ace Ltd., XL Capital Ltd. and Axis Capital Holdings Ltd. as well as the Trident Funds.

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

Segment Reclassifications and Discontinued Operations

During the fourth quarter of 2005, MMC implemented several organizational changes that affected MMC's reportable segments. The data presented below reflects the transfer of Marsh's employee benefit business in the United Kingdom from Insurance Services to Human Resource Consulting. The business continuity management, mass tort and complex liability management, and data services for the management of insurance, claims and legal data businesses of Risk Consulting & Technology were transferred to Insurance Services.

MMC's U.S. wholesale broking operations and its claims management business were classified as discontinued operations and are not reflected in the revenue information presented below. Prior year information has been reclassified accordingly.

	Twelve Months Ended December 31,		% Change GAAP Revenue	Components of Revenue Change			Underlying Revenue excluding MSA Impact
				Currency Impact	Acquisitions/ Dispositions Impact	Underlying Revenue	
	2005	2004					
Risk and Insurance Services							
Insurance Services	\$4,567	\$5,166	(12)%	1%	-	(13)%	(6)%
Reinsurance Services	836	859	(3)%	1%	-	(4)%	
Risk Capital Holdings	189	180	5%	-	(8)%	13%	
Total Risk and Insurance Services	5,592	6,205	(10)%	1%	-	(11)%	(5)%
Risk Consulting & Technology	946	405	133%	(1)%	113%	21%	
Consulting							
Human Resource Consulting	2,708	2,704	-	1%	-	(1)%	(1)%
Specialty Consulting	909	774	17%	-	1%	16%	
	3,617	3,478	4%	1%	-	3%	3%
Reimbursed Expenses	185	159					
Total Consulting	3,802	3,637	4%	1%	-	3%	3%
Investment Management	1,506	1,710	(12)%	-	-	(12)%	
Total Operating Segments	11,846	11,957	(1)%	1%	4%	(6)%	(3)%
Corporate Eliminations	(194)	(196)					
Total Revenue	\$11,652	\$11,761	(1)%	1%	4%	(6)%	(3)%

Notes

Underlying revenue measures the change in revenue, before the impact of acquisitions and dispositions, using consistent currency exchange rates. Underlying revenue for Insurance Services decreased 13% for the twelve months, including a 7% decline related to market services agreements; and for the Risk and Insurance Services segment underlying revenue decreased 11% for the twelve months, including a 6% decline related to market services agreements.

Effective October 1, 2004 MMC agreed to eliminate contingent compensation agreements with insurers. Results for 2005 include market services revenue of \$124 million related to collections of amounts earned on placements made prior to October 1, 2004, which had not previously been accrued.

Interest income on fiduciary funds amounted to \$151 million and \$130 million for the twelve months ended December 31, 2005 and 2004, respectively.

Revenue includes investment income (loss) of \$180 million and \$149 million for Risk and Insurance Services and \$3 million and \$51 million for Investment Management for the twelve months ended December 31, 2005 and 2004, respectively.

Risk Capital Holdings owns MMC's investments in insurance and financial services firms such as Ace Ltd., XL Capital Ltd. and Axis Capital Holdings Ltd. as well as the Trident Funds.

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

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2005	2004	2005	2004
Operating Income (Loss):				
Risk and Insurance Services	\$ 62	\$ (871)	\$ 305	\$ 84
Risk Consulting & Technology	15	22	124	48
Consulting	94	30	451	409
Investment Management	59	(31)	263	98
Corporate (a)	(115)	(42)	(287)	(39)
	\$115	\$(892)	\$ 856	\$600
Segment Operating Margins:				
Risk and Insurance Services	4.7%	(61.8)%	5.5%	1.4%
Risk Consulting & Technology	6.5%	10.9%	13.1%	11.9%
Consulting	9.7%	3.3%	11.9%	11.2%
Investment Management	16.4%	(7.5)%	17.5%	5.7%
Consolidated Operating Margin	4.1%	(31.0)%	7.3%	5.1%
Pretax Margin	1.8%	(33.1)%	4.9%	3.4%
Effective Tax Rate (b)	58.0%	28.5%	33.7%	59.7%
Shares Outstanding at End of Period	546	527		
Potential Minority Interest Associated with the Putnam Equity Partnership Plan Net of Dividend Equivalent Expense Related to MMC Common Stock Equivalents				
	\$ 3	\$ -	\$ 4	\$ (2)

(a) Effective July 1, 2005, MMC adopted SFAS 123(R), Share-Based Payment, using the modified prospective method of adoption. Incremental expenses of \$33 million and \$64 million, respectively, primarily related to stock options, are included in Corporate expenses for the three months and twelve months ended December 31, 2005.

(b) The effective tax rate for the three months ended December 31, 2005 reflects lower tax benefits on restructuring costs, employee retention costs, settlement costs and stock option expense, and the impact of increasing the full year effective tax rate on ongoing operations to 34.2%. The effective tax rate for the three months ended December 31, 2004 reflects non-deductible settlement charges at Putnam.

Marsh & McLennan Companies, Inc.
Reconciliation of Non-GAAP Measures
Three and Twelve Months Ended December 31, 2005
(Millions) (Unaudited)

NON-GAAP MEASURES: The amounts shown below in Operating Income As Adjusted and Operating Income Margin As Adjusted are non-GAAP financial measures within the meaning of Regulation G promulgated by the Securities and Exchange Commission. Because a number of noteworthy items impacted operating income and interest expense in 2005, MMC believes that the supplemental non-GAAP financial measures presented below may help investors and other users of MMC's financial information to understand aspects of MMC's operating income and net income that may not be apparent from MMC's reported GAAP results. Certain industry peers provide similar supplemental information, although they may not use the same or comparable terminology and may not make identical adjustments. The non-GAAP financial measures presented below are not a substitute for MMC's reported GAAP information.

	<u>Risk & Insurance Services (a)</u>	<u>Risk Consulting & Technology</u>	<u>Consulting (a)</u>	<u>Investment Management</u>	<u>Corporate & Eliminations</u>	<u>Total</u>
Three Months Ended						
Operating Income As Reported	\$ 62	\$ 15	\$ 94	\$ 59	\$ (115)	\$115
Settlement and Other Costs (b)	-	-	-	10	30	40
Restructuring Charges	62	-	1	-	4	67
Incremental Regulatory and Compliance (c)	19	-	-	-	(2)	17
Employee Retention Awards	(10)	-	7	-	-	(3)
Other (d)	1	-	-	-	11	12
Stock Option Expense	-	-	-	-	33	33
Adjustments	72	-	8	10	76	166
Operating Income As Adjusted	\$134	\$ 15	\$102	\$ 69	\$ (39)	\$281
Operating Income Margin As Adjusted	10.3%	6.5%	10.6%	19.2%	N/A	10.0%
Twelve Months Ended						
Operating Income As Reported	\$305	\$124	\$451	\$263	\$(287)	\$856
Settlement and Other Costs	-	-	-	10	30	40
Restructuring Charges (e)	257	-	1	-	59	317
Incremental Regulatory and Compliance (c)	88	-	-	(12)	(26)	50
Estimated Mutual Fund Reimbursement (f)	-	-	-	35	-	35
Employee Retention Awards	78	-	37	-	-	115
Other (d)	12	-	-	4	9	25
Stock Option Expense	-	-	-	-	64	64
Adjustments	435	-	38	37	136	646
Operating Income As Adjusted	\$ 740	\$124	\$489	\$300	\$(151)	\$1,502
Operating Income Margin As Adjusted	13.3%	13.1%	12.9%	19.9%	N/A	12.9%

Reconciliation of the Impact of Non-GAAP Measures on Net Income and Diluted Earnings Per Share

	<u>Three Months Ended</u>	<u>Twelve Months Ended</u>
Income From Continuing Operations, As Reported	\$ 17	\$ 369
Adjustments	\$ 166	\$ 646
Interest Expense Adjustment (g)	7	41
Tax Effect	(54)	(237)
	119	450
Income From Continuing Operations, As Adjusted	\$ 136	\$ 819
Discontinued Operations, Net of Tax	18	35
Net Income, As Adjusted	\$ 154	\$ 854
Diluted Earnings Per Share From Continuing Operations, As Adjusted	\$ 0.25	\$ 1.51
Diluted Earnings Per Share From Net Income, As Adjusted	\$ 0.28	\$ 1.57

Please see Notes to the Reconciliation of Non-GAAP Measures on Page 14.

Marsh & McLennan Companies, Inc.
Reconciliation of Non-GAAP Measures
Three and Twelve Months Ended December 31, 2004
(Millions) (Unaudited)

NON-GAAP MEASURES: The amounts shown below in Operating Income As Adjusted and Operating Income Margin As Adjusted are non-GAAP financial measures within the meaning of Regulation G promulgated by the Securities and Exchange Commission. Because a number of noteworthy items impacted operating income in 2004, MMC believes that the supplemental non-GAAP financial measures presented below may help investors and other users of MMC's financial information to understand aspects of MMC's operating income and net income that may not be apparent from MMC's reported GAAP results. Certain industry peers provide similar supplemental information, although they may not use the same or comparable terminology and may not make identical adjustments. The non-GAAP financial measures presented below are not a substitute for MMC's reported GAAP information.

	Risk & Insurance Services (h)	Risk Consulting & Technology	Consulting (h)	Investment Management	Corporate & Eliminations	Total
Three Months Ended						
Operating Income As Reported	\$ (871)	\$ 22	\$ 30	\$ (31)	\$ (42)	\$ (892)
Settlement and Other Costs (i)	634	-	-	84	-	718
Restructuring Charges	231	-	62	26	18	337
Servicing Obligation (j)	65	-	-	-	-	65
Severance	-	-	-	-	-	-
Incremental Regulatory and Compliance	15	-	-	7	-	22
Communications	-	-	-	1	1	2
Other	15	-	11	1	3	30
Adjustments	<u>960</u>	<u>-</u>	<u>73</u>	<u>119</u>	<u>22</u>	<u>1,174</u>
Operating Income As Adjusted	<u>\$ 89</u>	<u>\$ 22</u>	<u>\$ 103</u>	<u>\$ 88</u>	<u>\$ (20)</u>	<u>\$ 282</u>
Operating Income Margin As Adjusted	<u>6.3%</u>	<u>10.9%</u>	<u>11.3%</u>	<u>21.4%</u>	<u>N/A</u>	<u>9.8%</u>
Twelve Months Ended						
Operating Income As Reported	\$ 84	\$ 48	\$ 409	\$ 98	\$ (39)	\$ 600
Settlement and Other Costs (i)	866	-	-	224	(105)	985
Restructuring Charges	231	-	62	26	18	337
Servicing Obligation (j)	65	-	-	-	-	65
Severance	40	-	11	57	-	108
Incremental Regulatory and Compliance	15	-	-	45	-	60
Executive Comp Credit	-	-	-	(25)	-	(25)
Gain on Sale of Italian Venture	-	-	-	(38)	-	(38)
Communications	-	-	-	16	1	17
Other	15	-	11	(3)	3	26
Adjustments	<u>1,232</u>	<u>-</u>	<u>84</u>	<u>302</u>	<u>(83)</u>	<u>1,535</u>
Operating Income As Adjusted	<u>\$ 1,316</u>	<u>\$ 48</u>	<u>\$ 493</u>	<u>\$ 400</u>	<u>\$ (122)</u>	<u>\$ 2,135</u>
Operating Income Margin As Adjusted	<u>21.2%</u>	<u>11.9%</u>	<u>13.6%</u>	<u>23.9%</u>	<u>N/A</u>	<u>18.2%</u>

Reconciliation of the Impact of Non-GAAP Measures on Net Income and Diluted Earnings Per Share

	Three Months Ended	Twelve Months Ended
Income From Continuing Operations, As Reported	\$ (683)	\$ 154
Adjustments	\$ 1,174	\$ 1,535
Tax Effect (k)	<u>(355)</u>	<u>(438)</u>
	819	1,097
Income From Continuing Operations, As Adjusted	\$ 136	\$ 1,251
Discontinued Operations, Net of Tax	3	22
Net Income, As Adjusted	<u>\$ 139</u>	<u>\$ 1,273</u>
Diluted Earnings Per Share From Continuing Operations, As Adjusted	<u>\$ 0.26</u>	<u>\$ 2.34</u>
Diluted Earnings Per Share From Net Income, As Adjusted	<u>\$ 0.26</u>	<u>\$ 2.38</u>

Please see Notes to the Reconciliation of Non-GAAP Measures on Page 14.

Marsh & McLennan Companies, Inc.
Reconciliation of Non-GAAP Measures – Segment Reclassifications
For the Three Months Ended March 31, June 30 and September 30, 2005
(Millions) (Unaudited)

NON-GAAP MEASURES: The amounts shown below in Operating Income As Adjusted and Operating Income Margin As Adjusted are non-GAAP financial measures within the meaning of Regulation G promulgated by the Securities and Exchange Commission. Because a number of noteworthy items impacted operating income and interest expense in 2005, MMC believes that the supplemental non-GAAP financial measures presented below may help investors and other users of MMC's financial information to understand aspects of MMC's operating income and net income that may not be apparent from MMC's reported GAAP results. Certain industry peers provide similar supplemental information, although they may not use the same or comparable terminology and may not make identical adjustments. The non-GAAP financial measures presented below are not a substitute for MMC's reported GAAP information.

MMC has reclassified prior period amounts to reflect organizational changes that affected MMC's reportable segments. The changes, noted on Page 9, are reflected in the tables below.

	Risk & Insurance Services	Risk Consulting & Technology	Consulting	Investment Management	Corporate & Eliminations	Total
March 31, 2005						
Operating Income As Reported	\$ 137	\$ 37	\$ 110	\$ 50	\$ (73)	\$ 261
Restructuring Charges	96	-	-	-	49	145
Incremental Regulatory and Compliance	43	-	-	-	(17)	26
Estimated Mutual Fund Reimbursement	-	-	-	30	-	30
Employee Retention Awards	15	-	10	-	-	25
Other	3	-	-	-	(3)	-
Adjustments	157	-	10	30	29	226
Operating Income As Adjusted	\$ 294	\$ 37	\$ 120	\$ 80	\$ (44)	\$ 487
Operating Income Margin As Adjusted	18.6%	15.9%	13.0%	20.1%	N/A	15.9%
June 30, 2005						
Operating Income As Reported	\$ 86	\$ 36	\$ 130	\$ 71	\$ (30)	\$ 293
Restructuring Charges	48	-	-	-	5	53
Incremental Regulatory and Compliance	10	-	-	-	(2)	8
Estimated Mutual Fund Reimbursement	-	-	-	4	-	4
Employee Retention Awards	23	-	10	-	-	33
Other	7	-	-	-	-	7
Adjustments	88	-	10	4	3	105
Operating Income As Adjusted	\$ 174	\$ 36	\$ 140	\$ 75	\$ (27)	\$ 398
Operating Income Margin As Adjusted	12.3%	14.9%	14.4%	19.9%	N/A	13.4%
September 30, 2005						
Operating Income As Reported	\$ 20	\$ 36	\$ 117	\$ 83	\$ (69)	\$ 187
Restructuring Charges	51	-	-	-	1	52
Incremental Regulatory and Compliance	16	-	-	(12)	(5)	(1)
Estimated Mutual Fund Reimbursement	-	-	-	1	-	1
Employee Retention Awards	50	-	10	-	-	60
Other	1	-	-	4	1	6
Stock Option Expense	-	-	-	-	31	31
Adjustments	118	-	10	(7)	28	149
Operating Income As Adjusted	\$ 138	\$ 36	\$ 127	\$ 76	\$ (41)	\$ 336
Operating Income Margin As Adjusted	10.9%	14.9%	13.5%	20.5%	N/A	12.1%

Reconciliation of the Impact of Non-GAAP Measures on Diluted Earnings Per Share

	First Quarter	Second Quarter	Third Quarter
Income From Continuing Operations	\$ 129	\$ 160	\$ 63
Net Adjustments	\$ 226	\$ 105	\$ 149
Interest Expense Adjustment	-	-	34
Tax Effect	(80)	(41)	(62)
	146	64	121
Income From Continuing Operations, As Adjusted	\$ 275	\$ 224	\$ 184
Discontinued Operation, Net of Tax	5	7	5
Net Income, As Adjusted	\$ 280	\$ 231	\$ 189
Diluted Earnings Per Share From Continuing Operations, As Adjusted	\$ 0.51	\$ 0.42	\$ 0.34
Diluted Earnings Per Share From Net Income, As Adjusted	\$ 0.52	\$ 0.43	\$ 0.35

Please see Notes to the Reconciliation of Non-GAAP Measures on Page 14.

Marsh & McLennan Companies, Inc.
Notes to the Reconciliation of Non-GAAP Measures

Three and Twelve Months Ended December 31, 2005

- (a) For the three months and twelve months ended December 31, 2005, market services revenue of \$29 million and \$119 million, respectively, for Risk and Insurance Services, and \$1 million and \$5 million, respectively, for the employee benefits business transferred to Mercer, is included in Operating Income As Reported and Operating Income As Adjusted.
- (b) Settlement and Other Costs represent expenses incurred in connection with certain litigation and related matters.
- (c) Incremental regulatory and compliance costs in the risk and insurance services segment include professional services provided by other MMC companies and the inter-company amounts are eliminated in Corporate. The credit in Investment Management relates to insurance recoveries of amounts previously presented as Incremental Regulatory and Compliance costs.
- (d) Other primarily reflects costs related to a claim against a letter of credit posted by MMC on behalf of an insurance company previously owned by MMC, accelerated leasehold amortization and the bonus impact on the insurance credit received, partly offset by a gain on the sale of the corporate jet.
- (e) Corporate expenses in 2005 include restructuring charges of \$49 million related to the consolidation of office space in London, which was recorded in the first quarter of 2005. Because the office space consolidation was driven by MMC to benefit its London operations as a whole, the related charge was recorded in corporate expenses.
- (f) Represents estimated costs that Putnam believes will be necessary to address issues relating to the calculation of certain amounts paid by the Putnam mutual funds in previous years. The previous payments were cost reimbursements by the Putnam mutual funds to Putnam for transfer agency services related to defined contribution operations.
- (g) In addition to the noteworthy items that impacted operating income, interest expense included a write-off of \$7 million of unamortized costs related to the refinancing of the 2004 revolving credit agreement and a \$34 million mortgage prepayment charge.

Three and Twelve Months Ended December 31, 2004

- (h) For the three months and twelve months ended December 31, 2004, market services revenue of \$70 million and \$521 million, respectively, for Risk and Insurance Services, and \$3 million and \$20 million, respectively, for the employee benefits business transferred to Mercer, is included in Operating Income As Reported and Operating Income As Adjusted.
- (i) Settlement and Other Costs include charges related to the investigation of Marsh by New York regulators and Putnam's settlements with the SEC and State of Massachusetts and a credit for the final insurance settlement related to WTC in Corporate.
- (j) In connection with accounting guidance issued by the Institute of Chartered Accountants in the U.K., MMC reassessed its obligation to provide future claims handling and certain administrative services for brokerage clients in the European marketplace. MMC has determined that under certain circumstances it is obligated to provide such services based on its current business practices. MMC recorded a pretax charge to reflect the change in estimated cost to provide these services. This change does not result in any incremental cash outflow for MMC.
- (k) The tax effect for the twelve months ended December 31, 2004 reflects non-deductible Putnam settlement, reserve for possible Marsh settlement at 34% tax rate, credit related to insurance settlement at 40% tax rate, service obligation estimated at 30% tax rate and other charges and credit at 35% tax rate.

Marsh & McLennan Companies, Inc.
Supplemental Information – Revenue Analysis Segment Reclassifications
(Millions) (Unaudited)

Segment Reclassifications and Discontinued Operations

MMC has reclassified prior period reported amounts to reflect organizational changes that affected MMC's reportable segments. The following changes are reflected in the segment data presented below.

- The transfer of Marsh's U.K. employee benefits business from Insurance Services to Human Resource Consulting.
- The transfer of several consulting businesses, which included business continuity management, mass tort and complex liability mitigation, and data services for the management of insurance, claims and legal data, from Risk Consulting & Technology to Insurance Services.
- The discontinued operations classifications for the U.S. wholesale broking and claims management businesses, which were previously part of Related Insurance Services.

	Three Months Ended				Twelve Months Ended
	March 31,	June 30,	Sept. 30,	Dec. 31,	Dec. 31,
2005					
Risk and Insurance Services					
Insurance Services	\$ 1,232	\$ 1,172	\$ 1,028	\$ 1,135	\$ 4,567
Reinsurance Services	282	192	207	155	836
Risk Capital Holdings	63	54	45	27	189
Total Risk and Insurance Services	<u>1,577</u>	<u>1,418</u>	<u>1,280</u>	<u>1,317</u>	<u>5,592</u>
Risk Consulting & Technology	<u>233</u>	<u>241</u>	<u>242</u>	<u>230</u>	<u>946</u>
Consulting					
Human Resource Consulting	676	696	672	664	2,708
Specialty Consulting	<u>210</u>	<u>229</u>	<u>222</u>	<u>248</u>	<u>909</u>
	886	925	894	912	3,617
Reimbursed Expenses	<u>38</u>	<u>47</u>	<u>46</u>	<u>54</u>	<u>185</u>
Total Consulting	<u>924</u>	<u>972</u>	<u>940</u>	<u>966</u>	<u>3,802</u>
Investment Management	<u>398</u>	<u>377</u>	<u>371</u>	<u>360</u>	<u>1,506</u>
Total Operating Segments	<u>3,132</u>	<u>3,008</u>	<u>2,833</u>	<u>2,873</u>	<u>11,846</u>
Corporate Eliminations	<u>(62)</u>	<u>(31)</u>	<u>(54)</u>	<u>(47)</u>	<u>(194)</u>
Total Revenue	<u>\$ 3,070</u>	<u>\$ 2,977</u>	<u>\$ 2,779</u>	<u>\$ 2,826</u>	<u>\$ 11,652</u>
	Three Months Ended				Twelve Months Ended
	March 31,	June 30,	Sept. 30,	Dec. 31,	Dec. 31,
2004					
Risk and Insurance Services					
Insurance Services	\$ 1,478	\$ 1,365	\$ 1,127	\$ 1,196	\$ 5,166
Reinsurance Services	283	211	209	156	859
Risk Capital Holdings	<u>37</u>	<u>40</u>	<u>45</u>	<u>58</u>	<u>180</u>
Total Risk and Insurance Services	<u>1,798</u>	<u>1,616</u>	<u>1,381</u>	<u>1,410</u>	<u>6,205</u>
Risk Consulting & Technology	<u>4</u>	<u>4</u>	<u>196</u>	<u>201</u>	<u>405</u>
Consulting					
Human Resource Consulting	688	694	674	648	2,704
Specialty Consulting	<u>180</u>	<u>187</u>	<u>192</u>	<u>215</u>	<u>774</u>
	868	881	866	863	3,478
Reimbursed Expenses	<u>35</u>	<u>40</u>	<u>39</u>	<u>45</u>	<u>159</u>
Total Consulting	<u>903</u>	<u>921</u>	<u>905</u>	<u>908</u>	<u>3,637</u>
Investment Management	<u>450</u>	<u>434</u>	<u>415</u>	<u>411</u>	<u>1,710</u>
Total Operating Segments	<u>3,155</u>	<u>2,975</u>	<u>2,897</u>	<u>2,930</u>	<u>11,957</u>
Corporate Eliminations	<u>(51)</u>	<u>(43)</u>	<u>(52)</u>	<u>(50)</u>	<u>(196)</u>
Total Revenue	<u>\$ 3,104</u>	<u>\$ 2,932</u>	<u>\$ 2,845</u>	<u>\$ 2,880</u>	<u>\$ 11,761</u>

Marsh & McLennan Companies, Inc.
Supplemental Information – Putnam Assets Under Management
(Billions) (Unaudited)

	<u>Dec. 31,</u> <u>2005</u>	<u>Sept. 30,</u> <u>2005</u>	<u>June 30,</u> <u>2005</u>	<u>March 31,</u> <u>2005</u>	<u>Dec. 31,</u> <u>2004</u>
Mutual Funds:					
Growth Equity	\$ 31	\$ 32	\$ 33	\$ 34	\$ 38
Value Equity	37	38	39	40	41
Blend Equity	26	26	26	26	28
Fixed Income	32	33	34	35	36
Total Mutual Fund Assets	<u>126</u>	<u>129</u>	<u>132</u>	<u>135</u>	<u>143</u>
Institutional:					
Equity	34	33	33	35	40
Fixed Income	29	30	30	29	30
Total Institutional Assets	<u>63</u>	<u>63</u>	<u>63</u>	<u>64</u>	<u>70</u>
Total Ending Assets	<u>\$189</u>	<u>\$192</u>	<u>\$195</u>	<u>\$199</u>	<u>\$213</u>
Assets from Non-US Investors	<u>\$ 32</u>	<u>\$ 33</u>	<u>\$ 34</u>	<u>\$ 35</u>	<u>\$ 38</u>
Average Assets Under Management:					
Quarter-to-Date	<u>\$188</u>	<u>\$195</u>	<u>\$196</u>	<u>\$204</u>	<u>\$211</u>
Year-to-Date	<u>\$196</u>	<u>\$198</u>	<u>\$200</u>	<u>\$204</u>	<u>\$217</u>
Net Redemptions including					
Dividends Reinvested:					
Quarter-to-Date	<u>\$ (6.4)</u>	<u>\$ (8.5)</u>	<u>\$ (7.1)</u>	<u>\$ (9.7)</u>	<u>\$ (10.7)</u>
Year-to-Date	<u>\$(31.7)</u>	<u>\$(25.3)</u>	<u>\$(16.8)</u>	<u>\$ (9.7)</u>	<u>\$(51.0)</u>
Impact of Market/Performance on Ending Assets Under Management	<u>\$ 2.8</u>	<u>\$ 5.6</u>	<u>\$ 3.1</u>	<u>\$ (4.3)</u>	<u>\$ 15.4</u>

Categories of mutual fund assets reflect style designations aligned with Putnam's various prospectuses. All quarter-end assets conform with the current investment mandate for each product.

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

	<u>December 31,</u> <u>2005</u>	<u>December 31,</u> <u>2004</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 2,020	\$ 1,370
Net receivables	2,730	2,859
Assets of discontinued operations	153	173
Other current assets	<u>205</u>	<u>597</u>
Total current assets	5,108	4,999
Goodwill and intangible assets	7,773	8,055
Fixed assets, net	1,178	1,363
Long-term investments	277	558
Prepaid pension	1,596	1,394
Other assets	<u>1,899</u>	<u>1,968</u>
TOTAL ASSETS	<u>\$17,831</u>	<u>\$18,337</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Short-term debt	\$ 498	\$ 636
Accounts payable and accrued liabilities	1,831	1,818
Regulatory settlements – current portion	333	394
Accrued compensation and employee benefits	1,413	1,568
Liabilities of discontinued operations	89	46
Accrued income taxes	196	281
Dividends payable	<u>93</u>	<u>-</u>
Total current liabilities	4,453	4,743
Fiduciary liabilities	3,795	4,111
Less – cash and investments held in a fiduciary capacity	<u>(3,795)</u>	<u>(4,111)</u>
	-	-
Long-term debt	5,044	4,691
Regulatory settlements	348	595
Pension, postretirement and postemployment benefits	1,180	1,326
Other liabilities	1,446	1,926
Total stockholders' equity	<u>5,360</u>	<u>5,056</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$17,831</u>	<u>\$18,337</u>