Company Registration No: 3699550

MMC INTERNATIONAL LIMITED

Report and Financial Statements

31 December 2009

REPORT AND FINANCIAL STATEMENTS 2009

CONTENTS

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements of the Company for the year ended 31 December 2009 The Company's registration number is 3699550

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The Company's principal activity is that of an intermediate holding company

The Company's key financial indicators during the year were as follows

	2009 £m	2008 £m	Movement £m	Movement %
Interest receivable and similar income	12 7	-	12 7	100 0%
Interest payable and similar charges	48 0	123 1	(75 1)	(61 0%)
Profit/(loss) before tax	220 6	(123 1)	343 7	(279 2%)

The Company's profit before tax rose by £343 7 million in 2009 to a profit of £220 6 million During the year the Company's subsidiary MMC UK Group Limited, underwent a share buy back programme which resulted in an exceptional gain of £255 9 million Details can be found in note 2 of the financial statements

Interest receivable and similar income included exchange gains of £12 6 million during the year as a result of the strengthening of the US dollar to sterling on unhedged inter company loans payable Interest payable and similar charges decreased by £75 1 million largely as a result of the decrease in the US dollar to sterling exchange rate

It is anticipated that the activity of the Company will continue along similar lines for the foreseeable future

RESULTS AND DIVIDENDS

The results of the Company for the financial year ended 31 December 2009 are set out on page 7

The profit for the year is £220,622,000 (2008 loss £190,444,000)

No interim dividend was paid in the year (2008 £nil)

The directors do not recommend the payment of a final dividend (2008 £nil)

GOING CONCERN

The directors acknowledge the latest guidance on going concern The Company continues to monitor the uncertainty in the current economic and business environment The Company also has adequate liquid resources for the foreseeable future as it has been agreed that an inter company liability will not be called upon for settlement should there be insufficient funds to make repayment Accordingly the directors continue to adopt the going concern basis in preparing the annual report and accounts

DIRECTORS' REPORT (continued)

FINANCIAL RISK MANAGEMENT

The Company is exposed to financial risk through its financial assets and liabilities The key financial risk is that the proceeds from financial assets are not sufficient to fund the obligations arising from liabilities as they fall due The most important components of financial risk for the Company are currency risk, interest rate risk, credit risk and liquidity/cash flow risk

Currency risk

The Company is exposed to currency risk in respect of inter-company liabilities denominated in currencies other than pounds sterling The most significant currency to which the Company is exposed is the US Dollar The Company seeks to mitigate the risk as far as possible by hedging its exposure

Forward exchange contracts are used to hedge foreign exchange exposures arising on anticipated settlements in foreign currencies The premium or discount at inception of the hedge contract represents the difference between the spot rate at the date the forward contract was taken out and the forward contract rate The premium or discount is recognised in the profit and loss account

Credit risk

Credit risk is the risk that a counterparty will be unable to pay amounts in full when due The main areas where the Company is exposed to credit risk are amounts due from other group companies in respect of inter-company loans and other balances

The Company mitigates its credit risk in respect of inter-company items mentioned above by monitoring the debts created and ability to pay

Interest rate risk

Through its inter-company financing the Company is exposed to changes in US interest rates The Company seeks to mitigate this risk through the establishment of forward exchange contracts that are priced taking into account the interest rate differential between the Company's functional currency and the US dollar

Liquidity/cash flow risk

Liquidity and cash flow risk is the risk that cash may not be available to pay obligations when due The Company maintains regular contact with its inter-company creditors to ensure that any obligations that fall due can be met from existing cash resources or from alternative sources of inter-company financing

DIRECTORS

The directors who served throughout the financial year are as follows

D J Batchelor
A K Cameron
W S O'Regan
D N Williams

DIRECTORS' REPORT (continued)

DISCLOSURE OF INFORMATION TO AUDITORS

In the case of each of the persons who are directors of the Company at the date when this report was approved

- so far as each of the directors is aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the Company's auditors are unaware, and

- each of the directors has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information (as defined) and to establish that the Company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provision of section 418 of the Companies Act 2006

AUDITORS

Deloitte LLP will continue as auditors of the Company

Approved by the Board of Directors
and signed on behalf of the Board

P Naher
Secretary

4 November 2010

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period
In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK accounting standards have been followed, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006 They are also responsible for the safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MMC INTERNATIONAL LIMITED

We have audited the financial statements of MMC International Limited for the year ended 31 December 2009 which comprise the profit and loss account, balance sheet and the related notes 1 to 18 The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2009 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MMC INTERNATIONAL LIMITED (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

William Ramsay (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
London, United Kingdom

12 November 2010

PROFIT AND LOSS ACCOUNT
Year ended 31 December 2009

	Notes	2009 £m	2008 £m
Exceptional item profit on reduction in investment in subsidiary	2	255 9	-
OPERATING PROFIT		255 9	-
Interest receivable and similar income	3	12 7	-
Interest payable and similar charges	5	(48 0)	(123 1)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		220 6	(123 1)
Tax (charge) on profit/(loss) on ordinary activities	6	-	(67 4)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION	13	220 6	(190 5)

All transactions derive from continuing operations

There are no recognised gains or losses nor movements in shareholders' funds in the current or preceding financial years other than those disclosed in the profit and loss account Accordingly, no statement of total recognised gains and losses is given

BALANCE SHEET
31 December 2009

	Notes	2009 £m	2008 £m
FIXED ASSETS			
Investments in subsidiary undertakings	7	636 0	951 2
CURRENT ASSETS			
Debtors Amounts falling due within one year	8	420 0	48 1
Cash at bank and in hand		1 0	-
		421 0	48 1
CREDITORS: amounts falling due within one year	9	(96 4)	(1,052 9)
NET CURRENT ASSETS/(LIABILITIES)		324 6	(1,004 8)
TOTAL ASSETS LESS CURRENT LIABILITIES		960 6	(53 6)
CREDITORS. amounts falling due after more than one year	10	(726 9)	-
NET ASSETS/(LIABILITIES)		233 7	(53 6)
CAPITAL AND RESERVES			
Called up share capital	12	291 4	224 7
Share premium	13	180 3	180 3
Other reserve	13	255 9	-
Profit and loss account	13	(493 9)	(458 6)
SHAREHOLDERS' FUNDS/(DEFICIT)	14	233 7	(53 6)

The financial statements were approved by the Board of Directors and authorised for issue on 4 November 2010

They were signed on its behalf by

S O'Regan
Director

4 November 2010

NOTES TO THE ACCOUNTS
Year ended 31 December 2009

1 ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom law and accounting standards The particular accounting policies adopted and applied consistently throughout the current and prior years are described below

Going Concern

The directors acknowledge the latest guidance on going concern The Company continues to monitor the uncertainty in the current economic and business environment The Company also has adequate liquid resources for the foreseeable future as it has been agreed that an inter company liability will not be called upon for settlement should there be insufficient funds to make repayment Accordingly the directors continue to adopt the going concern basis in preparing the annual report and accounts

Foreign exchange

The Company records transactions in foreign currencies at the rates of exchange ruling at the dates of the transactions Foreign currency monetary assets and liabilities, other than those hedged forward, are translated at the rates ruling at the balance sheet date These translation differences are recognised in the profit and loss account

Forward exchange contracts are used to hedge foreign exchange exposures arising on anticipated settlements in foreign currencies The premium or discount at inception of the hedge contract represents the difference between the spot rate at the date the forward contract was taken out and the forward contract rate The premium or discount is recognised in the profit and loss account

Investment income

Dividends from subsidiary undertakings are accounted for when declared

Interest receivable and payable

Interest receivable and payable are recognised on an accruals basis

Investments

Fixed asset investments are shown at cost less impairment Impairment is measured by comparing the carrying value of the asset with its future discounted cash-flow

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date

NOTES TO THE ACCOUNTS (continued)
Year ended 31 December 2009

1 ACCOUNTING POLICIES (continued)

Deferred taxation

In accordance with FRS 19, deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered Deferred tax assets and liabilities are not discounted

Cash flow statement

The Company's results are consolidated into Marsh & McLennan Companies, Inc , Group, a company which is incorporated in the state of Delaware, USA and prepares consolidated financial statements The Company is therefore not required to present a cash flow statement in accordance with FRS 1

2 EXCEPTIONAL ITEM: Profit on reduction in investment in subsidiary

During the year MMC UK Group Limited, the Company's principal fixed asset investment, underwent a share buy-back programme As a result, the Company received £571 1 million in consideration for reducing its shareholding by 39,851,058 ordinary shares

	2009 £m	2008 £m
Proceeds of reduction in investment	571 1	-
Carrying value of shares disposed	(315 2)	-
	255 9	-

The profit on the reduction in investment in subsidiary of £255 9 million has been recognised in the profit and loss account for the year and, as it has been internally generated, a corresponding amount has been transferred from the profit and loss reserve to an undistributable reserve within shareholders' funds

3 INTEREST RECEIVABLE AND SIMILAR INCOME

	2009 £m	2008 £m
Foreign exchange gains	12 6	-
Other income	0 1	-
	12 7	-

NOTES TO THE ACCOUNTS (continued)
Year ended 31 December 2009

4 INFORMATION REGARDING DIRECTORS, EMPLOYEES AND AUDIT FEES

No remuneration was paid or is payable to the directors of MMC International Limited in respect of their services to the Company during the year or the previous year The directors are remunerated for their services to other companies in the Marsh & McLennan Companies, Inc Group and their remuneration is dealt with in the accounts of those companies The Company had no employees during the year, or the previous year

The audit fee and annual filing fees were borne by a fellow subsidiary undertaking during the year The audit fee attributable to this company is £10,500 (2008 £10,500) No other services were provided to this company by the Company's auditors in either period

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2009 £m	2008 £m
Interest payable to other group undertakings	48 0	60 7
Foreign exchange losses	-	62 4
	48 0	123 1

6 TAX CHARGE ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

The rate of corporation tax reduced from 30% to 28% from 1 April 2008, producing a statutory rate of 28 5% for the year to 31 December 2008 and 28% for the year to 31 December 2009 Deferred tax balances have been set up using the statutory rate for the year in which they are expected to reverse

	2009 £m	2008 £m
The taxation charge comprises		
Adjustments in respect of prior years	-	26 6
Total current taxation	-	26 6
Deferred taxation (note 11)		
Current year	-	32 5
Prior year	-	8 3
Total deferred taxation	-	40 8
Total tax charge on profit/(loss) on ordinary activities	-	67 4

NOTES TO THE ACCOUNTS (continued)
Year ended 31 December 2009

6 TAX CHARGE ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES (continued)

The current tax charge of £nil (2008 £26,557,000) is lower (2008 lower) than that resulting from applying the standard rate of corporation tax in the UK in 2009 of 28% (2008 28 5%)

The differences are explained below

	2009 %	2008 %
Standard tax rate for year as a percentage of profits/(losses)	28 0	(28 5)
Effects of		
Profit on sale of shares	(32 5)	-
Movement in short-term timing differences	(2 6)	(16 7)
Group relief for nil consideration	7 1	45 2
Adjustment in respect of prior year	-	21 6
Current tax rate for year as a percentage of profits/(losses)	-	21 6

The adjustment in respect of prior year relates to group relief for nil consideration with fellow group companies and the impact of paying some interest within 12 months of the year which had previously been treated as likely to be deferred

7 FIXED ASSETS
Investment in subsidiary undertakings

	2009 £m	2008 £m
Cost		
As at 1 January	951 2	951 2
Disposals	(315 2)	-
As at 31 December	636 0	951 2

During the year a subsidiary carried out a share redemption See note 2

Detail of the principal operating subsidiary is shown below Information on other subsidiaries will be filed with the Company's next Annual Return

	Principal activity	Country of registration	Class of share, percentage held and voting rights
MMC UK Group Limited	Holding Company	England and Wales	Ordinary (82%)

	Capital and Reserves £m	Profit for the year £m
MMC UK Group Limited	644 1	28 2

NOTES TO THE ACCOUNTS (continued)
Year ended 31 December 2009

8 DEBTORS

	2009 £m	2008 £m
Amounts falling due within one year		
Loans to group undertakings	376 8	-
Amounts owed by group undertakings	43 2	43 5
Other debtors	-	4 6
	420 0	48 1

9 CREDITORS

	2009 £m	2008 £m
Amounts falling due within one year		
Loans from group undertakings	(1 1)	(948 4)
Amounts owed to group undertakings	(95 3)	(104 5)
	(96 4)	(1,052 9)

10 CREDITORS

	2009 £m	2008 £m
Amounts falling due after more than one year		
Loan from group undertaking	(726 9)	-

The amounts above fall due for repayment as follows

	2009 £m	2008 £m
Over five years	(726 9)	-

The interest rate on the above loan is to be reset on 4 May 2010 and annually thereafter on the anniversary of 4 May 2010, equivalent to one year Eurodollar plus 2 5% The repayment date is 4 May 2019

11 DEFERRED TAXATION

Deferred tax is provided as follows :	2009 £m	2008 £m
At 1 January	-	40 8
Provision - current year	-	(32 5)
- prior year	-	(8 3)
At 31 December	-	-

Deferred tax balances have been setup using the statutory rate for the year in which they are expected to reverse

Due to the application of group relief for nil consideration as at 31 December 2009 there are unrecognised deferred tax assets of £6 0 million (2008 £11 9 million)

NOTES TO THE ACCOUNTS (continued)
Year ended 31 December 2009

12 CALLED UP SHARE CAPITAL

	2009 £m	2008 £m
Authorised		
400,000,000 (2008 250,000,000) ordinary shares of £1 each	400 0	250 0
Allotted, called up and fully paid		
291,420,830 (2008 224,710,345) ordinary shares of £1 each	291 4	224 7

On 30 April 2009, the Company increased its authorised share capital to £400,000,000 On 13 May 2009, the Company allotted 66,710,485 ordinary shares of £1 each to Marsh & McLennan Companies UK Limited for a consideration of £66,710,485 to facilitate the settlement of interest due on a loan

13 RESERVES

	Share premium £m	Profit and loss account £m	Un distributable reserve £m	Total £m
As at 1 January 2009	180 3	(458 6)	-	(278 3)
Profit for the financial year	-	220 6	-	220 6
Transfer to undistributable reserve	-	(255 9)	255 9	-
As at 31 December 2009	180 3	(493 9)	255 9	(57 7)

14 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS / (DEFICIT)

	2009 £m	2008 £m
Profit/(loss) for the financial year	220 6	(190 5)
Shares issued	66 7	-
Net movement in shareholders' funds	287 3	(190 5)
Opening shareholders' (deficit)/funds	(53 6)	136 9
Closing shareholders' funds/(deficit)	233 7	(53 6)

15 RELATED PARTY TRANSACTIONS

Advantage has been taken of the exemption under Financial Reporting Standard No 8 "Related Party Disclosures" not to disclose transactions between entities within the Marsh Group, where no less than 100% of voting rights are controlled within the Marsh & McLennan Companies, Inc Group, whose consolidated financial statements are publicly available There are no other transactions requiring disclosure

NOTES TO THE ACCOUNTS (continued)
Year ended 31 December 2009

16 DERIVATIVES NOT INCLUDED AT FAIR VALUE

The Company has derivatives which are not included at fair value in the accounts

	Principal		2009 Fair value of asset £m	2008 Fair value of liability £m
Forward foreign exchange contract	USD 1,300 4 million	Purchase	-	108 2
	USD 1,315 7 million	Purchase	27 5	-
	USD 598 3 million	Sell	1 9	-

The Company entered into forward contracts in 2009 with another group company, Mearbridge LLC, to purchase and sell US dollars at forward rates of exchange These contracts were put in place to enable it to hedge its US dollar currency exposure on its loan repayment obligations (which are due for settlement on 2 May 2019), and its loan receivable (which is repayable on demand)

There are equal and opposite offsetting gains or losses on the revaluation of the underlying asset or liability which this instrument is used to hedge

17 GROUP ACCOUNTS

Group accounts are not prepared in line with section 401 of the Companies Act 2006 as this company is itself a wholly owned subsidiary and is included in the consolidated financial statements of Marsh & McLennan Companies, Inc , its ultimate parent company Accordingly, these accounts present information about the Company as an individual undertaking and not about its group

18 IMMEDIATE AND ULTIMATE PARENT COMPANIES

The Company's immediate parent company is Marsh & McLennan Companies UK Limited, registered in England and Wales The Company's ultimate parent company and controlling entity is Marsh & McLennan Companies, Inc , incorporated in the state of Delaware, USA

The smallest and largest group in which the results of MMC International Limited are consolidated is that headed by Marsh & McLennan Companies, Inc The consolidated accounts of Marsh & McLennan Companies, Inc are available to the public and may be obtained from

Companies House
Crown Way
Cardiff
CF14 3UZ

and also from

The Company Secretary
Marsh & McLennan Companies UK Limited
1 Tower Place West
Tower Place
London