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vyestments Wether70.531.927.5 and and end of the commercial, individual and government- and engoine to inscribe the best pro- parter Hasets77.362107.92243.3 and 1498.2officing & dimensions own and generating and the project of the common stock (204 prox). Has about 7.20 management services analyze risks and determine the best pro- partick Gallagher. Inc.: DE Address: Two Pierce Place, Itaca, It- linois D0145.7pacement of inscrince of the cleant house, It- partick Gallagher. Inc.: DE Address: Two Pierce Place, Itaca, It- linois D0145.7VMUAL AREE revenues717.9452061.3227.65Address: Two Pierce Place, Itaca, It- indice of the cleant house, Ita- management services analyze risks and determine the best pro- statis in the second quarter. The compa- ry's share earnings rose by 26% year over year, driven by solid performances from its, we project that property/casualty more year, driven by solid performances from its owner year, driven by solid performances from its owner divisions. For instance, brokerage revenue rose by an even revenue from the vear storage r19%, all of which was organic, stat 248.1Pierter Mark analyze ment services and risk management revenue rose by an even stadily improved. Additionally, stronger 19%, all of which was organic, stat and and solo additionally, stronger revenue rose by an even stadily improved. Additionally, stronger revenue gains and stat and and additionally, stronger revenue gains and acquired the reduction in the compensation-to- stadily improved. Additionally, stronger revenue gains and mark and and solo addition proved and stat additional pre- three revenues rose should emain relative- solid customer retention, sand acquired to addition proved and stat addition of decent appreti- tating markin	Cash A	ssets		152.5	193.6										36%	37%	47%	43%	All Div'o	ds to Net F	Prof	45%	
America Turrent Assets396:0926:0016.41773.61773.61773.61773.61743.6193.0181 Current Liab148.21743.5193.030.933.7181 Current Liab1749.6206.1227.6207.51773.6107.5207.5207.5207.51773.6206.1227.6207.5207.51773.6107.5105.%105.%105.%105.%10.0%110.%8.5%16.5%105.%105.%10.0%110.%8.5%16.5%105.%105.%10.0%110.%8.5%16.5%105.%105.%10.0%110.%8.5%16.5%105.%105.%10.0%110.%8.5%16.5%105.%105.%10.0%110.5%16.5%105.%105.%105.%10.0%110.5%16.5%105.%105.%105.%10.0%110.5%16.5%105.%105.%105.%10.0%110.5%15.5%105.%105.%105.%10.0%248.1264.127.0208.127.02002248.1264.127.027.027.0200326.447.361.391.461.46200434.5354.61401.461.46200336.337.037.338.5140020151.751.551.651.76200434.555.51.75 <td>Investm</td> <td></td> <td></td> <td>70.5</td> <td>31.9</td> <td>27.5</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>,</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>	Investm			70.5	31.9	27.5								,									
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Ther 238.6 286.9 307.5 tection through insurance and risk control (does control and pre- linois 60143. Telephone: 630-773-3800. Internet: www.aig.com. NNUAL RATES Past Ext 01-103 Arthur Gallagher reported strong re- sults in the second quarter. The company ray's share earnings rose by 26% year over year, driven by solid performances from its brokerage and risk management divisions. months, we project that property/casualty morths, we project that property/casualty wear, driven by solid performances from its brokerage and risk management divisions. months, we project that property/casualty peaks internal growth. Nonetheless, in- many si internal growth. Nonetheless, in- thorkarage and risk management divisions. Cat- Mar Mar 31 Jun.30 Sep.30 Dec.31 Veat Full Num section through insurance, brokerage revenue rose by anew producers over the past few years. This stock is ranked to outpace the revenue retention is also aiding the top line. Cat- Mar 31 Jun.30 Sep.30 Dec.31 Veat Full Num section in the company's operating environment stadily improved. Additionally, strong lient retention is also aiding the top line. This stock is ranked to outpace the revenue percentage in the brokerage divi- sion, will likely remain stable on outpace the reduction in the compensation-to- stog 370 375 385 1480 Cat- Mar 31 Jun.30 Sep.30 Dec.31 Year Nore Cat- 2001 .10 .115 .115 .115 .115 .115 .115 .1			1												ployees. Chairman: Robert E. Gallagher. President & CEO: J. Patrick Gallagher. Inc.: DE. Address: Two Pierce Place, Itasca, II-								
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Cal- ndarEARNINGS PER SHARE A Mar.31Full YearFull YearFull YearFull YearFull YearContent reterintion is also along the top line. initiatives, such as the reduction in the compensation-to- orgraphic expansion. Further, these shares are ranked 1 (Highest) for Safety, and have a solid Earnings Predictability rating, making them well suited for more- conservative investors. Also, in the begin- ning of this year, Gallagher raised its an- nual dividend payment by almost 40% from a year earlier, to \$1.00 per share. All tures related to new hires and acquired brokers.We expect a softening in the insur- ance pricing environment over the past few years. But over the next six to 12We assolid customer retention, and ongoing ge- orgraphic expansion. Further, these shares are ranked 1 (Highest) for Safety, and have a solid Earnings Predictability rating, making them well suited for more- conservative investors. Also, in the begin- ning of this year, Gallagher raised its an- nual dividend payment by almost 40% from a year earlier, to \$1.00 per share. All told, the high-quality stock offers appeal and an above-average dividend yield. Randy Shrikishun2001.10.115.13.13.512002.15.15.15.602003.18.18.18.722004.25.25.25.20.10Primary earnings through 1997; DilutedNext earnings report due late October.(C) In millions. Adjusted for stock splits.Company's Financial Strength	2004 2005						stead	illy i	impro	ved.	Addit	ionally	y, sti	rong	throu	ıgh gı	reater	prod	uctio	n fron	n iťs	new	
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2005.47.55.62.662.30If y statle, though, as revenue gams are slightly offset by the increase in expendi- slightly offset by the increase in expendi- tures related to new hires and acquired brokers.Conservative investors. Also, in the begin- ning of this year, Gallagher raised its an- nual dividend payment by almost 40% from a year earlier, to \$1.00 per share. All told, the high-quality stock offers appeal attor potential over the pull to 2007–20092004.10.115.15.15.512004.25.25.72We expect a softening in the insur- orive Arthur Gallagher's top line over the past few years. But over the next six to 12through a combination of decent appreci- ation potential over the pull to 2007–2009 and an above-average dividend yield. Randy Shrikishun) Primary earnings through 1997; DilutedNext earnings report due late October.(C) In millions. Adjusted for stock splits.Company's Financial StrengthA+	2003 2004						Oper	ating	marg	ins sh	ould 1	remair	ı rela	tive-	ratin	g, ma	king t	them	well s	suited	for n	nore-	
Cal- ndar QUARIERTY DIVIDENDS PAID * Full Year Full Year Full Year tures related to new hires and acquired brokers. nual dividend payment by almost 40% from a year earlier, to \$1.00 per share. All told, the high-quality stock offers appeal through a combination of decent appreci- ation potential over the pull to 2007–2009 and an above-average dividend yield. <i>Randy Shrikishun</i> 2004 .18 .18 .18 .18 .18 .18 .18 .72 2004 .25 .25 .72 .72 .72 .72 .72 .72 Primary earnings through 1997; Diluted Next earnings report due late October. (C) In millions. Adjusted for stock splits. Company's Financial Strength A+	2005	.47	.55	.62	.66			slightly offset by the increase in expendi-															
2000 .10 .115 .110 .110 .110	Cal- endar						tures related to new hires and acquired								nual dividend payment by almost 40%								
2001 .115 .13 .13 .13 .13 .51 2002 .15 .15 .15 .15 .15 .60 2004 .25 .25 .72 ance pricing environment over the through a combination of decent appreci- 2004 .25 .25 .72 ance pricing environment over the next six to 12 through a combination of decent appreci- 2004 .25 .25 .72 ance pricing environment over the next six to 12 through a combination of decent appreci- 2004 .25 .25 .72 ance pricing environment over the next six to 12 and an above-average dividend yield. 2004 .25 .25 .25 .25 .25 .25 .25 2004 .72 .72 .72 .72 .72 .72 .72 2004 .72 .72 .72 .72 .72 .72 .72 .72 2004 .72 .72 .72 .72 .72 .72 .72 .72 2004 .72 .72 .72 .72 .72 .72 .72 <td< td=""><td>2000</td><td></td><td></td><td></td><td></td><td>.45</td><td></td><td></td><td>cta</td><td>softer</td><td>ning</td><td>in th</td><td>ie in</td><td>sur-</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></td<>	2000					.45			cta	softer	ning	in th	ie in	sur-									
2003 .18 .18 .18 .18 .18 .18 .18 .18 .72 Coming year. Nate mixes have herefore to alter herefore to alter potential over the path to 2007–2009 2004 .25 .25 .18 .18 .72 drive Arthur Gallagher's top line over the next six to 12 and an above-average dividend yield. 2004 .25 .25 .18 .18 .72 drive Arthur Gallagher's top line over the next six to 12 <i>Randy Shrikishun</i> August 27, 2004) Primary earnings through 1997; Diluted Next earnings report due late October. (C) In millions. Adjusted for stock splits. Company's Financial Strength A+	2001 2002	.115	.13	.13	.13	.51	ance	e pri	cing	envi	ronm	ent o	over	the	throu	igh a	comb	inatio	n of	decen	t app	reci-	
.23 .23 .23 past few years. But over the next six to 12 Randy Shrikishun August 27, 2004) Primary earnings through 1997; Diluted Next earnings report due late October. (C) In millions. Adjusted for stock splits. Company's Financial Strength A+	2003	.18	.18																			2009	
) Primary earnings through 1997; Diluted Next earnings report due late October. (C) In millions. Adjusted for stock splits. (C) In millions. Adjusted for stock splits. (D) Includes intangibles: '03. \$222.9 mill: Stock's Price Stability 75	2004	.25	.25																			2004	
						ed Nex	t earnings Dividend	report d	lue late C ically pa	October. id in mic	I-April.	(C) In mil (D) Incli	lions. Ad ides int	justed for angibles	r stock sp '03. \$2	lits. 22.9 mi	Cor				th		

thereafter. Incl. cap. gains; '97, \$0.26; '99, | **(B)** Dividends historically paid in mid-April, | **(D)** Inclu \$0.03. Excludes nonrecurring charge of \$0.21 | July, October, January. Dividend reinvestment | \$2.48/sh. in '03.

ionum n	
Company's Financial	Strength A+
Stock's Price Stability	75
Price Growth Persiste	nce 65
Earnings Predictabilit	y 95

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