

NEWS RELEASE

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Willis Group Reports Strong Third Quarter 2006 Results

Eleven Percent Reported Revenue Growth and Eight Percent Organic Growth in Commissions and Fees Drives Performance

Commences Buyback; Declares Regular Quarterly Dividend

New York, NY, October 25, 2006 – Willis Group Holdings Limited (NYSE: WSH), the global insurance broker, today reported results for the quarter and nine months ended September 30, 2006.

Commenting on today's results, Joe Plumeri, Chairman and Chief Executive Officer, said, "We are extremely proud of our quarterly results and our performance through the first nine months of 2006. We remain committed to delivering profitable growth which we demonstrated again this quarter, with our strong organic growth in commissions and fees of 8 percent coupled with our continued margin expansion."

Third Quarter 2006 Financial Results

Reported net income for the quarter ended September 30, 2006 was \$89 million, or \$0.56 per diluted share, compared with net income of \$45 million, or \$0.28 per diluted share, a year ago. The results for the quarter ended September 30, 2006 were significantly affected by the gain on the sale of the Company's London headquarters and spending on Shaping our Future initiatives.

Excluding those items, which are reviewed in detail in this release, adjusted net income was \$57 million or \$0.36 per diluted share compared with reported (and adjusted) net income of \$45 million, or \$0.28 per diluted share, for the same period last year.

Total reported revenues for the quarter ended September 30, 2006 were \$543 million, compared with \$487 million for the same period last year, an increase of 11 percent. The effect of foreign currency translation increased reported revenues by 2 percent and net acquisitions by 1 percent.

Organic growth in commissions and fees, which excludes market remuneration, was 8 percent in the third quarter 2006. Each business unit contributed to overall organic growth in commissions and fees in the quarter with Global at 9 percent, North America at 7 percent and International at 9 percent.

Reported operating margin was 17.9 percent for the quarter ended September 30, 2006. Excluding the gain on the sale of the Company's London headquarters and Shaping our Future initiative expenses, adjusted operating margin was 15.1 percent for the third quarter of 2006 compared with 13.6 percent for the same period last year.

The reduction of market remuneration, as well as changes to the quarterly phasing of incentive compensation in 2006, negatively impacted the year-over-year comparison of adjusted operating margin by approximately 1.5 percentage points in the third quarter 2006 compared to the third quarter 2005. Excluding these items, adjusted operating margin improved by approximately 3 percentage points.

Salaries and benefits expense as reported was \$383 million or 70.5 percent of total revenues in the third quarter 2006; excluding Shaping our Future initiative expenses, they were \$340 million or 62.6 percent of total revenues. This compares favorably with \$319 million or 65.5 percent of total revenues in the third quarter 2005.

Other operating expenses as reported were \$138 million or 25.4 percent of total revenues in the third quarter of 2006; excluding Shaping our Future initiative expenses, they were \$106 million or 19.5 percent of total revenues. This compares with \$89 million or 18.3 percent of revenues in the third quarter 2005.

Foreign currency translation had a negative \$0.01 per diluted share impact on third quarter 2006 net income compared with the third quarter 2005.

The Company provided for an effective tax rate of 31.5 percent through the first half of 2006 on income excluding non-operating items; however, the full year's effective tax rate in 2006 is now estimated to be 30.5 percent, excluding the tax effects of the gain on sale of the Company's London headquarters, net loss on disposals, the amortization of intangibles and share-based compensation. The impact of the lower effective tax rate contributed \$0.02 per diluted share to earnings in the quarter and nine months ended September 30, 2006.

Nine Months 2006 Financial Results

Net income for the nine months ended September 30, 2006 was \$301 million, or \$1.89 per diluted share, compared with a reported net income of \$226 million, or \$1.38 per diluted share, a year ago. The results for the nine months ended September 30, 2006 were significantly affected by the gain on the sale of the Company's London headquarters and spending on Shaping our Future initiatives, and, for the nine months ended September 30, 2005, by regulatory settlements and related expenses, severance costs and other provisions.

Excluding those items, which are reviewed in detail in this release, adjusted net income was \$269 million, or \$1.69 per diluted share, compared with adjusted net income of \$254 million, or \$1.55 per diluted share, for the same period last year. Foreign currency translation had a negative \$0.04 per diluted share impact on net income for the nine months ended September, 2006 compared with the same period 2005.

Total reported revenues for the nine months ended September 30, 2006 were \$1,807 million compared with \$1,705 million for the same period last year, an increase of 6 percent. The effect of foreign currency translation decreased reported revenues by 1 percent and net acquisitions of operations had no effect on reported revenues. Organic growth in commissions and fees, which excludes market remuneration, was 8 percent for the nine months ended September 30, 2006.

Reported operating margin was 23.2 percent for the nine months ended September 30, 2006. Excluding the gain on the sale of the Company's London headquarters and Shaping our Future initiative expenses, adjusted operating margin was 22.4 percent for the first nine months of 2006. This compares with a reported operating margin of 20.6 percent and an adjusted operating margin of 22.4 percent for the same period last year.

The reduction of market remuneration, as well as changes to the quarterly phasing of incentive compensation in 2006, negatively impacted the year-over-year comparison of adjusted operating margin by approximately 1.5 percentage points in the first nine months of 2006 compared to the same period in 2005. Excluding these items, adjusted operating margin improved by approximately 1.5 percentage points.

Sale of London Headquarters

In September 2006, the Company completed the sale of its current London headquarters at Ten Trinity Square. The building has been leased back until the Company occupies its new London headquarters on Lime Street which is expected to be in early 2008. Gross proceeds of the sale were \$191 million, of which 25 percent was received in cash upon completion of the transaction with the balance due in November 2006. The total pre-tax gain was \$121 million: \$99 million (\$91 million or \$0.57 per diluted share after tax) was recognized in the third quarter 2006 and the remainder will be recognized over the life of the lease.

Shaping our Future Initiative Expenses

The Company incurred expenses totaling \$84 million (\$59 million or \$0.37 per diluted share after tax) in the third quarter 2006 in connection with the launch of Shaping our Future initiatives for profitable growth.

Schedule of Shaping our Future Expenses by Initiative

Initiative	Pre-tax (millions)
International efficiency review	\$ 25
Data center consolidation and Willis Client Service Platform	10
Real estate rationalization	9
Reinsurance initiative	9
Remodeling London platform	7
Small commercial account initiative (United Kingdom)	6
Other, including business closure costs	18
	<u>\$ 84</u>

The Company estimates that it may incur an additional \$5 to \$10 million in Shaping our Future-related expenses in the fourth quarter of 2006.

It is anticipated that these expenses will generate annualized pre-tax benefits of approximately \$50 million by the end of 2008, rising to \$60 million by the end of 2009. Net of incremental operating expenses related to the new headquarters in London and New York (One World Financial Center), the net annualized benefits are estimated to be \$40 million pre tax by the end of 2009. The Company expects these benefits to significantly contribute to its five-year financial targets.

Capital Management

The Company commenced a buy back under its existing authorization in the third quarter 2006, and through September 30 purchased 0.9 million shares for \$32 million.

Separately, the Board of Directors declared a regular quarterly cash dividend on the Company's common stock of \$0.235 per share, an annual rate of \$0.94 per share. The dividend is payable on January 15, 2007 to shareholders of record on December 31, 2006.

During the nine months ended September 30, 2006, the Company completed 6 acquisitions with annual revenues of approximately \$20 million. In addition, the Company purchased a further 5 percent of Gras Savoye & Cie, increasing its ownership to 38 percent. Cash and cash equivalents totaled \$154 million. There was approximately \$17 million of immediately available net cash at September 30, 2006.

At September 30, 2006, total debt was \$635 million and total stockholders' equity was approximately \$1.5 billion. The capitalization ratio (total debt to total debt and stockholders' equity) was 30 percent at September 30, 2006.

Outlook

For the full year 2006, the Company anticipates continued growth in organic commissions and fees. The Company still expects salaries and benefits expense as a percentage of total revenues to be less than 59 percent and continues to expect modest adjusted operating margin expansion.

The Company expects to deliver breakout financial performance in the next five years. Specifically, by the full year 2010, the Company has set financial targets of salaries and benefits expense as a percentage of total revenues to be below 54 percent, adjusted operating margin of 28 percent or better and industry leading organic revenue growth.

"We are pleased with our performance and will maintain our steadfast discipline as we continue to implement and execute the Shaping our Future initiatives," Mr. Plumeri concluded. "We are confident that these initiatives will have a positive long-term impact on our Company."

Conference Call and Web Cast

A conference call to discuss third quarter 2006 results will be held October 26, 2006 at 8:00 a.m. Eastern Time. To participate in the live teleconference, please dial (888) 889-6348 (Domestic) +1 (210) 234-0002 (International) with a passcode of "Willis." The live audio web cast (which will be listen-only) may be accessed at www.willis.com. This call will be available by replay starting at approximately 10:00 a.m., Eastern Time, and ending November 9, 2006 at 11:00 PM Eastern Time, by calling (800) 234-3897 (domestic) or +1 (402) 220-9689 (international) with no passcode, or by accessing the website.

Willis Group Holdings Limited is a leading global insurance broker, developing and delivering professional insurance, reinsurance, risk management, financial and human resource consulting and actuarial services to corporations, public entities and institutions around the world. With over 300 offices in some 80 countries, its global team of approximately 15,400 associates serves clients in some 190 countries. Additional information on Willis may be found on its web site www.willis.com.

This press release may contain certain statements relating to future results, which are forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from historical results or those anticipated, depending on a variety of factors such as general economic conditions in different countries around the world, fluctuations in global equity and fixed income markets, changes in premium rates, the competitive environment and the actual cost of resolution of contingent liabilities. Further information concerning the Company and its business, including factors that potentially could materially affect the Company's financial results are contained in the Company's filings with the Securities and Exchange Commission.

This press release includes supplemental financial information which may contain references to non-GAAP financial measures as defined in Regulation G of SEC rules. Consistent with Regulation G, a reconciliation of this supplemental financial information to our generally accepted accounting principles (GAAP) information follows. We present such non-GAAP supplemental financial information as we believe such information is of interest to the investment community because it provides additional meaningful methods of evaluating certain aspects of the Company's operating performance from period to period on a basis that may not be otherwise apparent on a GAAP basis. This supplemental financial information should be viewed in addition to, not in lieu of, the Company's condensed consolidated statements of operations for the three and nine months ended September 30, 2006.

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WILLIS GROUP HOLDINGS LIMITED
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in millions, except per share data)
(unaudited)

	<u>Three months ended September 30,</u>		<u>Nine months ended September 30,</u>	
	<u>2006</u>	<u>2005 As adjusted (Note 2)</u>	<u>2006</u>	<u>2005 As adjusted (Note 2)</u>
Revenues				
Commissions and fees	\$ 519	\$ 469	\$ 1,743	\$ 1,650
Investment income	24	18	64	55
Total Revenues	<u>543</u>	<u>487</u>	<u>1,807</u>	<u>1,705</u>
Expenses				
Salaries and benefits (after charging share-based compensation \$7, \$4, \$15 and \$13)	383	319	1,082	1,028
Other operating expenses	138	89	351	312
Regulatory settlements	-	-	-	51
Depreciation expense and amortization of intangible assets	17	13	46	40
Gain on disposal of London headquarters	(99)	-	(99)	-
Net loss/(gain) on disposal of operations	7	-	7	(78)
Total Expenses	<u>446</u>	<u>421</u>	<u>1,387</u>	<u>1,353</u>
Operating Income	<u>97</u>	<u>66</u>	<u>420</u>	<u>352</u>
Interest expense, net	9	9	27	21
Income before Income Taxes, Equity in Net Income of Associates and Minority Interest	<u>88</u>	<u>57</u>	<u>393</u>	<u>331</u>
Income taxes	3	16	101	115
Income before Equity in Net Income of Associates and Minority Interest	<u>85</u>	<u>41</u>	<u>292</u>	<u>216</u>
Equity in net income of associates, net of tax	6	5	20	17
Minority interest, net of tax	(2)	(1)	(11)	(7)
Net Income	<u>\$ 89</u>	<u>\$ 45</u>	<u>\$ 301</u>	<u>\$ 226</u>
Earnings per Share				
- Basic	\$ 0.57	\$ 0.28	\$ 1.92	\$ 1.40
- Diluted	\$ 0.56	\$ 0.28	\$ 1.89	\$ 1.38
Average Number of Shares Outstanding				
- Basic	157	160	157	162
- Diluted	159	162	159	164

WILLIS GROUP HOLDINGS LIMITED
SUPPLEMENTAL FINANCIAL INFORMATION
(in millions) (unaudited)

1. Definitions of Non-GAAP Financial Measures

We believe that investors' understanding of the Company's performance is enhanced by our disclosure of the following non-GAAP financial measures. Our method of calculating these measures may differ from those used by other companies and therefore comparability may be limited.

Organic revenue growth

Organic revenue growth excludes the impact of foreign currency translation, acquisitions and disposals and market remuneration from reported revenues. We use organic revenue growth as a measure of business growth generated by operations that were part of the Company at the end of the period.

Adjusted operating income and adjusted net income

Our results have been significantly impacted by the gain on disposal of our London headquarters, severance costs, net gains/losses on disposal of operations, 2006 expenditure on strategic initiatives, 2005 charges for regulatory settlements and related expenses, and other provisions in 2005. We believe that excluding these items from operating income and net income as applicable, along with the GAAP measures, provides a more complete and consistent comparative analysis of our results of operations.

2. Accounting and reporting changes

We made a number of changes to our accounting and reporting in first quarter 2006. In particular:

Revenue analysis

Following a change to our internal reporting structure, North America Global Markets and International Global Markets revenues, which were previously reported within our Global division, are now reported in the North America and International divisions, respectively. In addition, we refined our method of allocating revenues between the Global and North America divisions. We have adjusted our 2005 revenue analysis to be consistent with the new internal reporting structure.

FAS 123R, Share-Based Payment

Effective January 1, 2006, we adopted FAS 123R using the modified-retrospective transition method. Our 2005 comparative data has therefore been adjusted to recognize the compensation cost previously reported in the footnote disclosure to our financial statements.

The retrospective application of FAS 123R has also impacted the diluted share count in prior periods as proceeds under the treasury stock method have been adjusted with a consequent impact on diluted share count. Proceeds were adjusted to include the future potential tax consequences that will arise when the options are exercised and the average unrecognized compensation cost outstanding during the period.

Pensions: market-related value

FAS 87, Employers' Accounting for Pensions, requires the expected return on plan assets to be determined based on the expected long-term rate of return on plan assets and the market-related value of plan assets. The market-related value of plan assets may either be a fair value or a calculated value that recognizes changes in a systematic and rational manner over not more than five years.

Up to December 31, 2005, the market-related value of our UK pension plan assets was determined using a calculated value that recognized asset gains or losses over five years. With effect from January 1, 2006, the market-related value of UK pension plan assets has been determined on a fair value basis. We believe that

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2. Accounting and reporting changes (continued)

Pensions: market-related value (continued)

fair value is a preferable measure of determining the market-related value of plan assets as it more fairly reflects the actual value of pension plan assets as of the balance sheet date. In addition, it brings the methodology used for calculating the market-related value of our UK plan assets into line with the fair value methodology already used to value our US plan assets.

We have adjusted our 2005 comparative data to reflect the change in method of determining the market-related value of plan assets.

Pensions: return on assets

After reviewing the long-term rate of return on our UK plan assets, effective January 1, 2006, we increased the expected long-term rate to 7.75 percent from 7.25 percent.

3. Revenue analysis

Organic revenue growth

Organic revenue growth is defined as revenue growth excluding the impact of foreign currency translation, acquisitions and disposals and market remuneration. The percentage change in reported revenues is the most directly comparable GAAP measure, and the following table reconciles this change to organic revenue growth by business unit for the three months ended September 30, 2006:

	Three months ended September 30,			Change attributable to			
	2006	2005 ¹	% Change	Foreign currency translation	Acquisitions and disposals	Market remuneration	Organic revenue growth
Global	\$ 224	\$ 200	12%	5%	0%	(2)%	9%
North America	185	173	7%	0%	0%	0%	7%
International	110	96	15%	3%	3%	0%	9%
Commissions and fees	\$ 519	\$ 469	11%	3%	1%	(1)%	8%
Investment Income	24	18	33%	0%	1%	0%	32%
Total revenues	\$ 543	\$ 487	11%	2%	1%	(1)%	9%

¹ As described in Note 2, our prior period revenue analysis has been adjusted to reflect our new internal reporting structure.

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3. Revenue analysis (continued)

The following table reconciles the percentage change in reported revenues to organic revenue growth by business unit for the nine months ended September 30, 2006:

	Nine months ended September 30,			Change attributable to			
	2006	2005 ¹	% Change	Foreign currency translation	Acquisitions and disposals	Market remuneration	Organic revenue growth
Global	\$ 787	\$ 764	3%	(1)%	(1)%	(3)%	8%
North America	561	515	9%	0%	0%	0%	9%
International	395	371	6%	(4)%	3%	0%	7%
Commissions and fees	\$1,743	\$1,650	6%	(1)%	0%	(1)%	8%
Investment Income	64	55	16%	(5)%	0%	0%	21%
Total revenues	<u>\$1,807</u>	<u>\$1,705</u>	<u>6%</u>	<u>(1)%</u>	<u>0%</u>	<u>(1)%</u>	<u>8%</u>

¹ As described in Note 2, our prior period revenue analysis has been adjusted to reflect our new internal reporting structure.

4. Shaping our Future Initiative Expenses

The following table provides an analysis by expense category of third quarter 2006 expenditure on Shaping our Future initiatives:

	<u>Pre-tax</u>
Salaries and benefits, including severance costs of \$25 million	\$ 43
Other operating expenses	32
Amortization of intangible assets	2
Net loss on disposals of operations	7
	<u>\$ 84</u>

5. Adjusted operating income

Adjusted operating income is defined as operating income excluding the gain on disposal of our London headquarters, severance costs, net gain/loss on disposal of operations, other 2006 expenditure on strategic initiatives, 2005 charges for regulatory settlements and related expenses, and other provisions in 2005. Operating income is the most directly comparable GAAP measure, and the following tables reconcile adjusted operating income to operating income for the three months and nine months ended September 30, 2006 and 2005:

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5. Adjusted operating income (continued)

	<u>Three months ended September 30,</u>		
	<u>2006</u>	<u>2005 As adjusted (Note 2)</u>	<u>% Change</u>
Operating Income, GAAP basis	\$ 97	\$ 66	47%
Excluding:			
Gain on disposal of London headquarters (a)	(99)	-	
Severance costs (b)	25	-	
Net loss on disposal of operations	7	-	
Other strategic initiative expenditure (c)	52	-	
Adjusted Operating Income	<u>\$ 82</u>	<u>\$66</u>	24%
Operating Margin, GAAP basis, or Operating Income as a percentage of Total Revenues	<u>17.9%</u>	<u>13.6%</u>	
Adjusted Operating Margin, GAAP basis, or Adjusted Operating Income as a percentage of Total Revenues	<u>15.1%</u>	<u>13.6%</u>	
	<u>Nine months ended September 30,</u>		
	<u>2006</u>	<u>2005 As adjusted (Note 2)</u>	<u>% Change</u>
Operating Income, GAAP basis	\$ 420	\$ 352	19%
Excluding:			
Gain on disposal of London headquarters (a)	(99)	-	
Severance costs (b)	25	28	
Net loss/(gain) on disposal of operations (d)	7	(78)	
Other strategic initiative expenditure (c)	52	-	
Regulatory settlements (e)	-	51	
Costs related to regulatory settlements (e)	-	9	
Other provision (f)	-	20	
Adjusted Operating Income	<u>\$405</u>	<u>\$382</u>	6%
Operating Margin, GAAP basis, or Operating Income as a percentage of Total Revenues	<u>23.2%</u>	<u>20.6%</u>	
Adjusted Operating Margin, GAAP basis, or Adjusted Operating Income as a percentage of Total Revenues	<u>22.4%</u>	<u>22.4%</u>	

- a) We completed the sale of our London headquarters building, Ten Trinity Square, in the third quarter 2006.
- b) 2006 severance costs relate to approximately 400 positions identified or eliminated in the third quarter 2006 as part of our Shaping our Future strategic initiatives. 2005 severance costs relate to the headcount reduction program announced in first quarter 2005 which eliminated approximately 500 positions. Severance costs also arise in the normal course of business and these charges amounted to \$1 million in the third quarter 2006 (\$2 million in 2005) and \$5 million for the nine months ended September 30, 2006 (\$2 million in 2005).
- c) In addition to severance costs and a net loss on disposal of operations, we incurred significant additional expenditure in 2006 to launch our strategic initiatives, including professional fees, lease termination costs and vacant space provisions.
- d) The 2005 net gain on disposal of operations was primarily attributable to a \$79 million gain arising on the sale of the Company's US wholesale unit Stewart Smith on April 14, 2005.
- e) Comprises \$51 million to establish the reimbursement funds agreed with the New York and Minnesota Attorneys General and New York Department of Insurance in April 2005 and \$9 million of related legal and administrative expenses.
- f) Based on the quarterly review of legal proceedings at March 31, 2005, the Company increased its provision for claims by an additional \$20 million.

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6. Adjusted net income

Adjusted net income is defined as net income excluding the gain on disposal of our London headquarters, severance costs, net gain/loss on disposal of operations, other 2006 expenditure on strategic initiatives, 2005 charges for regulatory settlements and related expenses, and other provisions in 2005. Net income is the most directly comparable GAAP measure, and the following tables reconcile adjusted net income to net income for the three months and nine months ended September 30, 2006 and 2005:

	<u>Three months ended September 30,</u>			<u>Per diluted share Three months ended September 30,</u>		
	<u>2006</u>	<u>2005 As Adjusted (Note 2)</u>	<u>% Change</u>	<u>2006</u>	<u>2005 As adjusted (Note 2)</u>	<u>% Change</u>
		<u>\$</u>			<u>\$</u>	
Net income, GAAP basis	\$ 89	\$ 45	98%	\$0.56	\$0.28	100%
Excluding:						
Gain on disposal of London headquarters, net of tax (\$8) (a)	(91)	-		(0.57)	-	
Severance costs, net of tax (\$8) (b)	17	-		0.11	-	
Net loss on disposal of operations, net of tax (\$2) (d)	5	-		0.03	-	
Other strategic initiative expenditure, net of tax (\$15) (c)	37	-		0.23	-	
Adjusted net income	<u>\$57</u>	<u>\$45</u>	27%	<u>\$0.36</u>	<u>\$0.28</u>	29%
Diluted shares outstanding, GAAP basis	<u>159</u>	<u>162</u>				

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6. Adjusted net income (continued)

	Nine months ended September 30,			Per diluted share Nine months ended September 30,		
	2006	2005 As		2006	2005 As	
		Adjusted (Note 2)	% Change		adjusted (Note 2)	% Change
Net income, GAAP basis	\$301	\$226	33%	\$1.89	\$1.38	37%
Excluding:						
Gain on disposal of London headquarters, net of tax (\$8) (a)	(91)	-		(0.57)	-	
Severance costs, net of tax (\$8, \$9) (b)	17	19		0.11	0.12	
Net loss/(gain) on disposal of operations, net of tax (\$2, \$(37)) (d)	5	(41)		0.03	(0.25)	
Other strategic initiative expenditure, net of tax (\$15) (c)	37	-		0.23	-	
Regulatory settlements, net of tax (\$20) (e)	-	31		-	0.19	
Costs related to regulatory settlements, net of tax (\$4) (e)	-	5		-	0.03	
Other provision, net of tax (\$6) (f)	-	14		-	0.08	
Adjusted net income	<u>\$269</u>	<u>\$254</u>	6%	<u>\$1.69</u>	<u>\$1.55</u>	9%
Diluted shares outstanding, GAAP basis	<u>159</u>	<u>164</u>				

- a) We completed the sale of our London headquarters building, Ten Trinity Square, in the third quarter 2006.
- b) 2006 severance costs relate to approximately 400 positions identified or eliminated in the third quarter 2006 as part of our Shaping our Future strategic initiatives. 2005 severance costs relate to the headcount reduction program announced in first quarter 2005 which eliminated approximately 500 positions. Severance costs also arise in the normal course of business and these charges amounted to \$1 million in the third quarter, 2006 (\$2 million in 2005) and \$5 million for the nine months ended September 30, 2006 (\$2 million in 2005).
- c) In addition to severance costs and a net loss on disposal of operations, we incurred significant additional expenditure in 2006 to launch our strategic expenditure, including professional fees, lease termination costs and vacant space provisions.
- d) The 2005 net gain on disposal of operations was primarily attributable to a \$42 million gain net of tax arising on the sale of the Company's US wholesale unit Stewart Smith on April 14, 2005.
- e) Comprises \$31 million net of tax to establish the reimbursement funds agreed with the New York and Minnesota Attorneys General and New York Department of Insurance in April 2005 and \$5 million net of tax of related legal and administrative expenses.
- f) Based on the quarterly review of legal proceedings at March 31, 2005, the Company increased its provision for claims by an additional \$14 million net of tax.

WILLIS GROUP HOLDINGS LIMITED, NON-GAAP FINANCIAL SUPPLEMENT

(in millions, except per share data) (unaudited)

	2005					2006			
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q3 YTD
Revenues ¹									
Global	\$326	\$238	\$200	\$197	\$961	\$308	255	224	787
North America	162	180	173	207	722	181	195	185	561
International	163	112	96	140	511	163	122	110	395
Commissions and fees	651	530	469	544	2,194	652	572	519	1,743
Investment income	18	19	18	18	73	19	21	24	64
Total Revenues	669	549	487	562	2,267	671	593	543	1,807
Expenses									
Salaries and benefits as previously reported/computed	386	309	313	348	1,356	351	352	382	1,085
Adoption of FAS 123R ²	4	5	4	5	18	3	5	7	15
Pensions: market-related value methodology ²	3	2	2	3	10	(6)	(6)	(6)	(18)
Salaries and benefits as adjusted/reported	393	316	319	356	1,384	348	351	383	1,082
Other operating expenses	125	98	89	93	405	105	108	138	351
Regulatory settlements	51	-	-	-	51	-	-	-	-
Depreciation expense and amortization of intangible assets	13	14	13	14	54	14	15	17	46
Gain on disposal of London headquarters	-	-	-	-	-	-	-	(99)	(99)
Net (gain)/loss on disposal of operations	-	(78)	-	-	(78)	-	-	7	7
Total Expenses	582	350	421	463	1,816	467	474	446	1,387
Operating Income	87	199	66	99	451	204	119	97	420
Operating Income margin	13.0%	36.2%	13.6%	17.6%	19.9%	30.4%	20.1%	17.9%	23.2%
Interest expense, net	6	6	9	9	30	9	9	9	27
Income before Income Taxes, Equity in Net Income of Associates and Minority Interest	81	193	57	90	421	195	110	88	393
Income taxes as previously reported/computed	26	77	18	31	152	61	36	3	100
Adoption of FAS 123R	(1)	(2)	(1)	(2)	(6)	(1)	(2)	(2)	(5)
Pensions: market-related value methodology	(1)	-	(1)	(1)	(3)	2	2	2	6
Income taxes as adjusted/reported	24	75	16	28	143	62	36	3	101
Income before Equity in Net Income of Associates and Minority Interest	57	118	41	62	278	133	74	85	292
Equity in net income of associates, net of tax	14	(2)	5	(3)	14	14	-	6	20
Minority interest, net of tax	(4)	(2)	(1)	(4)	(11)	(7)	(2)	(2)	(11)
Net Income	\$67	\$114	\$45	\$55	\$281	\$140	\$72	\$89	\$301
Earnings per Share									
- Diluted ³	\$0.41	\$0.70	\$0.28	\$0.35	\$1.72	\$0.88	\$0.45	\$0.56	\$1.89
Average Number of Shares Outstanding									
- Basic	163	163	160	157	161	157	157	157	157
Diluted as previously reported	168	166	163	160	164	159	159	159	159
Adoption of FAS 123R ³	(3)	(2)	(1)	(1)	(1)	-	-	-	-
- Diluted as adjusted/ reported	165	164	162	159	163	159	159	159	159

¹ As described in Note 2, our prior period revenue analysis has been adjusted to reflect our new internal reporting structure.

² Details of the accounting and reporting changes are described in Note 2.

³ The impact on diluted share count from the retrospective application of FAS 123R is described in Note 2.