

NEWS RELEASE

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Willis Group Reports Strong Fourth Quarter and Full Year 2006 Results

**Seven Percent Reported Growth in Commissions and Fees in 2006
up from Zero Percent in 2005**

**Eight Percent Organic Growth in Commissions and Fees in 2006
up from Five Percent in 2005**

**Operating (and Adjusted) Margin of 22.7 Percent in 2006
up from 19.9 Percent Operating Margin and
21.2 Percent Adjusted Operating Margin in 2005**

New York, NY, February 7, 2007 – Willis Group Holdings Limited (NYSE: WSH), the global insurance broker, today reported results for the quarter and year ended December 31, 2006.

Separately, the Board of Directors today approved a 6.4 percent increase in the regular quarterly cash dividend on the Company's common stock to \$0.25 per share, an annual rate of \$1.00 per share. The dividend is payable on April 16, 2007 to shareholders of record on March 31, 2007.

Commenting on today's results, Joe Plumeri, Chairman and Chief Executive Officer, said, "Our results for 2006 were just what we said they would be: our organic revenue growth was strong, our operating margin expanded and our salaries and benefits to revenues decreased. In addition, earnings per share grew more than 18 percent for the year (excluding certain adjustments). We remain committed to executing the Shaping Our Future strategy because this focus has already served us well."

Throughout 2006, the Company's Shaping Our Future strategy has progressed in line with expectations. Willis has made significant progress in targeted growth areas including Employee Benefits, Energy, Construction and Financial Institutions. The Company continues to benefit from its focus on the Client Advocacy program, client profitability, remodeling the London platform, the rollout of the Willis Client Service Platform and the International efficiency review. In addition, reorganization within Global Operations, Willis UK and International, as well as in the US, is strengthening our structure and framework enabling the Company to drive forward.

Fourth Quarter 2006 Financial Results

Reported net income for the quarter ended December 31, 2006 was \$148 million, or \$0.94 per diluted share, compared with net income of \$55 million, or \$0.35 per diluted share, a year ago.

Excluding certain items, which are reviewed in detail in this release, adjusted net income was \$157 million, or \$1.00 per diluted share, compared with reported (and adjusted) net income of \$55 million, or \$0.35 per diluted share, for the same period last year. Fourth quarter 2006 adjusted net income benefited from a \$71 million tax credit (equivalent to \$0.45 per diluted share) primarily relating to the resolution of certain prior year tax matters. Net of the above, diluted earnings per share for the fourth quarter 2006 were \$0.55 compared to \$0.35 in the comparable period last year.

Total reported revenues for the quarter ended December 31, 2006 were \$621 million, compared with \$562 million for the same period last year, an increase of 10 percent. The effect of foreign currency translation increased reported revenues by 3 percent.

Organic growth in commissions and fees, which excludes market remuneration, was 7 percent in the fourth 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 4 percent and International at 9 percent.

Reported operating margin was 21.3 percent for the quarter ended December 31, 2006. Excluding Shaping Our Future expenditures of \$17 million and a small gain on disposal of operations, adjusted operating margin was 23.5 percent for the fourth quarter of 2006 compared with 17.6 percent for the same period last year.

The quarterly phasing of incentive compensation positively impacted the year over year comparison of the fourth quarter 2006 operating margin by approximately 4 percentage points compared to the fourth quarter 2005. Excluding this and the reduction of market remuneration, adjusted operating margin improved by approximately 3 percentage points.

Salaries and benefits expenses as reported were \$375 million, or 60.4 percent of total revenues, in the fourth quarter 2006; excluding Shaping Our Future expenses, they were \$362 million, or 58.3 percent of total revenues. This compares favorably with \$356 million, or 63.3 percent of total revenues, in the fourth quarter 2005.

Other operating expenses as reported were \$103 million, or 16.6 percent of total revenues, in the fourth quarter of 2006; excluding Shaping Our Future expenses, they were \$96 million or 15.5 percent of total revenues. This compares favorably with \$93 million, or 16.5 percent of revenues, in the fourth quarter 2005.

Full Year 2006 Financial Results

Net income for the year ended December 31, 2006 was \$449 million, or \$2.84 per diluted share, compared with a reported net income of \$281 million, or \$1.72 per diluted share, a year ago. The results for the year ended December 31, 2006 were significantly affected by the gain on the sale of the Company's London headquarters, spending on Shaping Our Future initiatives and, for the year ended December 31, 2005, by regulatory settlements and related expenses, severance costs, other provisions and net gain on the disposal of operations.

Excluding these items, which are reviewed in detail in this release, adjusted net income was \$426 million, or \$2.70 per diluted share, compared with adjusted net income of \$309 million, or \$1.90 per diluted share, for the same period last year. Full year 2006 adjusted net income benefited from the \$71 million tax credit (equivalent to \$0.45 per diluted share) primarily relating to the resolution of certain prior year tax matters. Net of the above, diluted earnings per share for the full year 2006 were \$2.25, an increase of 18 percent compared to \$1.90 last year.

Total reported revenues for the year ended December 31, 2006 were \$2,428 million compared with \$2,267 million for the same period last year, an increase of 7 percent. The effect of foreign currency translation 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 year ended December 31, 2006.

Reported operating margin was 22.7 percent for the year ended December 31, 2006. Excluding the gain on the sale of the Company's London headquarters and Shaping Our Future initiative expenses, adjusted operating margin was also 22.7 percent for the full year 2006. This compares with a reported operating margin of 19.9 percent and an adjusted operating margin of 21.2 percent for the same period last year. Excluding the reduction in market remuneration, adjusted operating margin improved by approximately 2 percentage points.

The full year's effective underlying tax rate in 2006 was 30.5 percent, excluding the tax effects of the gain on sale of the Company's London headquarters, net loss on disposals, share-based compensation and the \$71 million tax credit recognized in the fourth quarter.

Shaping Our Future Initiative Expenses

In the fourth quarter 2006 the Company recognized \$17 million of Shaping Our Future initiative expenses, which primarily related to severance costs. For the second half of 2006, the Company recognized \$101 million relating to these initiatives.

The current estimated annualized benefit of these initiatives is approximately \$65 million pre tax by 2009, a \$5 million increase over the previous estimate, the majority of which will be direct cost savings. These initiatives have created efficiencies that led to the identification and elimination of nearly 500 positions - up from the 400 positions previously announced in the third quarter. Net of the incremental costs of the new buildings in London and New York, the annualized net benefit is anticipated to be approximately \$20 million in 2007, \$30 million by 2008 and \$45 million by 2009. The Company expects these benefits to contribute significantly to its 2010 financial targets.

Capital Management

In the fourth quarter 2006, the Company continued to buy back shares under its existing \$1 billion authorization. For the full year 2006, the Company purchased 5.4 million shares for \$211 million.

During the year ended December 31, 2006, the Company completed 8 acquisitions with annual revenues of approximately \$30 million. In addition, the Company purchased a further 5 percent of Gras Savoye & Cie for approximately \$25 million, increasing its ownership to 38 percent. Cash and cash equivalents totaled \$288 million as at December 31, 2006.

At December 31, 2006, total debt was \$800 million and total stockholders' equity was approximately \$1.5 billion. The capitalization ratio (total debt to total debt and stockholders' equity) was 35 percent at December 31, 2006.

Outlook

For the full year 2007, Willis expects to continue to grow organic revenue and expand adjusted operating margin modestly.

The Company expects to deliver breakout financial performance in the next few 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.

"As we continue to execute on the Shaping Our Future strategy, we are positioning ourselves for success in the next chapter," Mr. Plumeri concluded. "We are well on our way to meeting our 2010 financial goals for continued profitable growth."

Conference Call and Web Cast

A conference call to discuss fourth quarter 2006 results will be held February 8, 2007 at 8:00 a.m. Eastern Time. To participate in the live teleconference, please dial (888) 373-3590 (Domestic) +1 (210) 234-0000 (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 February 22, 2007 at 5:00 p.m. Eastern Time, by calling (800) 224-1285 (domestic) or +1 (402) 220-3691 (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. Including our Associates, we have over 300 offices in some 100 countries, with a global team of approximately 16,000 employees serving 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 months and year ended December 31, 2006.

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

	Three months ended December 31,		Year ended December 31,	
	2006	2005 As adjusted (Note 2)	2006	2005 As adjusted (Note 2)
Revenues				
Commissions and fees	\$ 598	\$ 544	\$ 2,341	\$ 2,194
Investment income	23	18	87	73
Total Revenues	621	562	2,428	2,267
Expenses				
Salaries and benefits (after charging share-based compensation \$3, \$5, \$18 and \$18)	375	356	1,457	1,384
Other operating expenses	103	93	454	405
Regulatory settlements	-	-	-	51
Depreciation expense and amortization of intangible assets	17	14	63	54
Gain on disposal of London headquarters	(3)	-	(102)	-
Net (gain)/loss on disposal of operations	(3)	-	4	(78)
Total Expenses	489	463	1,876	1,816
Operating Income	132	99	552	451
Interest expense, net	11	9	38	30
Income before Income Taxes, Interest in (Losses)/Earnings of Associates and Minority Interest	121	90	514	421
Income taxes	(38)	28	63	143
Income before Interest in (Losses)/Earnings of Associates and Minority Interest	159	62	451	278
Interest in (losses)/earnings of associates, net of tax	(4)	(3)	16	14
Minority interest, net of tax	(7)	(4)	(18)	(11)
Net Income	\$ 148	\$ 55	\$ 449	\$ 281
Earnings per Share				
- Basic	\$ 0.95	\$ 0.35	\$ 2.86	\$ 1.75
- Diluted	\$ 0.94	\$ 0.35	\$ 2.84	\$ 1.72
Average Number of Shares Outstanding				
- Basic	155	157	157	161
- Diluted	157	159	158	163

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(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 2006 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 December 31, 2006:

	Three months ended December 31,			Change attributable to			
	2006	2005 ¹	% Change	Foreign currency translation	Acquisitions and disposals	Market remuneration	Organic revenue growth
Global	\$ 223	\$ 197	13%	6%	(1)%	(1)%	9%
North America	214	207	3%	0%	(1)%	0%	4%
International	161	140	15%	3%	3%	0%	9%
Commissions and fees	\$ 598	\$ 544	10%	4%	0%	(1)%	7%
Investment Income	23	18	28%	6%	2%	0%	20%
Total revenues	\$ 621	\$ 562	10%	3%	0%	(1)%	8%

¹ As described in Note 2, our prior period revenue analysis has been adjusted to reflect our 2006 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 year ended December 31, 2006:

	Year ended December 31,			Change attributable to			
	2006	2005 ¹	% Change	Foreign currency translation	Acquisitions and disposals	Market remuneration	Organic revenue growth
Global	\$ 1,010	\$ 961	5%	1%	(2)%	(2)%	8%
North America	775	722	7%	0%	0%	0%	7%
International	556	511	9%	(1)%	3%	(1)%	8%
Commissions and fees	\$2,341	\$2,194	7%	0%	0%	(1)%	8%
Investment Income	87	73	19%	(2)%	0%	0%	21%
Total revenues	<u>\$2,428</u>	<u>\$2,267</u>	<u>7%</u>	<u>0%</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 2006 internal reporting structure.

4. Shaping Our Future Initiative Expenses

The Company incurred expenses totaling \$101 million (\$71 million or \$0.45 per diluted share after tax) in second half 2006 in connection with the launch of Shaping Our Future initiatives for profitable growth, as analyzed in the following tables:

	Pre-tax		
	Three months ended		Second half 2006
	September 30, 2006	December 31, 2006	
Salaries and benefits, including severance costs of \$25, \$10, \$35	\$ 43	\$ 13	\$ 56
Other operating expenses	32	4	36
Amortization of intangible assets	2	-	2
Net loss on disposals of operations	7	-	7
	<u>\$ 84</u>	<u>\$ 17</u>	<u>\$ 101</u>

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4. Shaping Our Future Initiative Expenses (continued)

Schedule of Shaping Our Future Expenses by Initiative

Initiative	Second half 2006 Pre-tax
International efficiency review	\$ 28
Data center consolidation and Willis Client Service Platform	10
Real estate rationalization	9
Reinsurance initiative	10
Remodeling London platform	13
Small commercial account initiative (United Kingdom)	8
US costs review	2
Other, including business closure costs	21
	\$ 101

The current estimated annualized benefit of these initiatives is approximately \$65 million pre tax by 2009, a \$5 million increase over the previous estimate, the majority of which will be direct cost savings. These initiatives have created efficiencies that led to the identification and elimination of nearly 500 positions - up from the 400 positions previously announced in the third quarter. Net of the incremental costs of the new buildings in London and New York, the annualized net benefit is anticipated to be approximately \$20 million in 2007, \$30 million by 2008 and \$45 million by 2009. The Company expects these benefits to contribute significantly to its 2010 financial targets.

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 year ended December 31, 2006 and 2005:

	Three months ended December 31,		
	2006	2005 As adjusted (Note 2)	% Change
Operating Income, GAAP basis	\$ 132	\$ 99	33%
Excluding:			
Gain on sale and leaseback of London headquarters (a)	(3)	-	
London headquarters leaseback costs (a)	3	-	
Severance costs (b)	10	-	
Other strategic initiative expenditure (c)	7	-	
Net gain on disposal of operations (d)	(3)	-	
Adjusted Operating Income	\$ 146	\$99	47%
Operating Margin, GAAP basis, or Operating Income as a percentage of Total Revenues	21.3%	17.6%	
Adjusted Operating Margin, GAAP basis, or Adjusted Operating Income as a percentage of Total Revenues	23.5%	17.6%	

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5. Adjusted operating income (continued)

	Year ended December 31,		
	2006	2005 As adjusted (Note 2)	% Change
Operating Income, GAAP basis	\$ 552	\$ 451	22%
Excluding:			
Gain on sale and leaseback of London headquarters (a)	(102)	-	
London headquarters leaseback costs (a)	3	-	
Severance costs (b)	35	28	
Other strategic initiative expenditure (c)	59	-	
Net loss/(gain) on disposal of operations (d)	4	(78)	
Regulatory settlements (e)	-	51	
Costs related to regulatory settlements (e)	-	9	
Other provision (f)	-	20	
Adjusted Operating Income	<u>\$551</u>	<u>\$481</u>	15%
Operating Margin, GAAP basis, or Operating Income as a percentage of Total Revenues	<u>22.7%</u>	<u>19.9%</u>	
Adjusted Operating Margin, GAAP basis, or Adjusted Operating Income as a percentage of Total Revenues	<u>22.7%</u>	<u>21.2%</u>	

- a) We completed the sale of our London headquarters building, Ten Trinity Square, in third quarter 2006. The building has been leased back until the Company moves into its new headquarters in early 2008. The total pre-tax gain on disposal was \$121 million, of which \$99 million was recognized in the third quarter and \$22 million (equivalent to the net present value of the leaseback rentals) was deferred and is being recognized over the life of the lease.
- b) 2006 severance costs relate to nearly 500 positions identified or eliminated in the second half 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 fourth quarter 2006 (\$nil million in 2005) and \$6 million for the year ended December 31, 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 year ended December 31, 2006 and 2005:

	<u>Three months ended December 31,</u>			<u>Per diluted share Three months ended December 31,</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>
Net income, GAAP basis	\$ 148	\$ 55	169%	\$0.94	\$0.35	169%
Excluding:						
Gain on sale and leaseback of London headquarters, net of tax (nil) (a)	(3)	-		(0.02)	-	
London headquarters leaseback costs, net of tax (\$1) (a)	2	-		0.01	-	
Severance costs, net of tax (\$3) (b)	7	-		0.05	-	
Other strategic initiative expenditure, net of tax (\$2) (c)	5	-		0.03	-	
Net gain on disposal of operations, net of tax (\$1) (d)	(2)	-		(0.01)	-	
Adjusted net income	<u>\$157</u>	<u>\$55</u>	185%	<u>\$1.00</u>	<u>\$0.35</u>	186%
Diluted shares outstanding, GAAP Basis	<u>157</u>	<u>159</u>				

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(unaudited)

6. Adjusted net income (continued)

	Year ended December 31,			Per diluted share Year ended December 31,		
	2006	2005 As Adjusted (Note 2)	% Change	2006	2005 As adjusted (Note 2)	% Change
Net income, GAAP basis	\$449	\$281	60%	\$2.84	\$1.72	65%
Excluding:						
Gain on sale and leaseback of London headquarters, net of tax (\$8) (a)	(94)	-		(0.59)	-	
London headquarters leaseback costs, net of tax (\$1) (a)	2	-		0.01	-	
Severance costs, net of tax (\$10, \$9) (b)	25	19		0.16	0.12	
Other strategic initiative expenditure, net of tax (\$18) (c)	41	-		0.26	-	
Net loss/(gain) on disposal of operations, net of tax (\$1, \$(37)) (d)	3	(41)		0.02	(0.25)	
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		-	0.09	
Adjusted net income	<u>\$426</u>	<u>\$309</u>	38%	<u>\$2.70</u>	<u>\$1.90</u>	42%
Diluted shares outstanding, GAAP Basis	<u>158</u>	<u>163</u>				

- a) We completed the sale of our London headquarters building, Ten Trinity Square, in third quarter 2006. The building has been leased back until the Company moves into its new headquarters in early 2008. The total pre-tax gain on disposal was \$121 million, of which \$99 million was recognized in the third quarter and \$22 million (equivalent to the net present value of the leaseback rentals) was deferred and is being recognized over the life of the lease.
- b) 2006 severance costs relate to nearly 500 positions identified or eliminated in second half 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 fourth quarter, 2006 (\$nil million in 2005) and \$6 million for the year ended December 31, 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	Q4	FY
Revenues ¹										
Global	\$326	\$238	\$200	\$197	\$961	\$308	\$255	\$224	\$223	\$1,010
North America	162	180	173	207	722	181	195	185	214	775
International	163	112	96	140	511	163	122	110	161	556
Commissions and fees	651	530	469	544	2,194	652	572	519	598	2,341
Investment income	18	19	18	18	73	19	21	24	23	87
Total Revenues	669	549	487	562	2,267	671	593	543	621	2,428
Expenses										
Salaries and benefits as previously reported/computed	386	309	313	348	1,356	351	352	382	377	1,462
Adoption of FAS 123R ²	4	5	4	5	18	3	5	7	3	18
Pensions: market-related value methodology ²	3	2	2	3	10	(6)	(6)	(6)	(5)	(23)
Salaries and benefits as adjusted/reported	393	316	319	356	1,384	348	351	383	375	1,457
Other operating expenses	125	98	89	93	405	105	108	138	103	454
Regulatory settlements	51	-	-	-	51	-	-	-	-	-
Depreciation expense and amortization of intangible assets	13	14	13	14	54	14	15	17	17	63
Gain on disposal of London headquarters	-	-	-	-	-	-	-	(99)	(3)	(102)
Net (gain)/loss on disposal of operations	-	(78)	-	-	(78)	-	-	7	(3)	4
Total Expenses	582	350	421	463	1,816	467	474	446	489	1,876
Operating Income	87	199	66	99	451	204	119	97	132	552
Operating Income margin	13.0%	36.2%	13.6%	17.6%	19.9%	30.4%	20.1%	17.9%	21.3%	22.7%
Interest expense, net	6	6	9	9	30	9	9	9	11	38
Income before Income Taxes, Interest in (Losses)/ Earnings of Associates and Minority Interest	81	193	57	90	421	195	110	88	121	514
Income taxes as previously reported/computed	26	77	18	31	152	61	36	3	(39)	61
Adoption of FAS 123R	(1)	(2)	(1)	(2)	(6)	(1)	(2)	(2)	(1)	(6)
Pensions: market-related value methodology	(1)	-	(1)	(1)	(3)	2	2	2	2	8
Income taxes as adjusted/reported	24	75	16	28	143	62	36	3	(38)	63
Income before Interest in (Losses)/ Earnings of Associates and Minority Interest	57	118	41	62	278	133	74	85	159	451
Interest in (losses)/earnings of associates, net of tax	14	(2)	5	(3)	14	14	-	6	(4)	16
Minority interest, net of tax	(4)	(2)	(1)	(4)	(11)	(7)	(2)	(2)	(7)	(18)
Net Income	\$67	\$114	\$45	\$55	\$281	\$140	\$72	\$89	\$148	\$449
Earnings per Share										
- Diluted ³	\$0.41	\$0.70	\$0.28	\$0.35	\$1.72	\$0.88	\$0.45	\$0.56	\$0.94	\$2.84
Average Number of Shares Outstanding										
- Basic	163	163	160	157	161	157	157	157	155	157
Diluted as previously reported	168	166	163	160	164	159	159	159	157	158
Adoption of FAS 123R ³	(3)	(2)	(1)	(1)	(1)	-	-	-	-	-
- Diluted as adjusted/ reported	165	164	162	159	163	159	159	159	157	158

¹ As described in Note 2, our prior period revenue analysis has been adjusted to reflect our 2006 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.