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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

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**FORM 8-K**

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**CURRENT REPORT  
Pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported): March 10, 2014**

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**Willis Group Holdings Public Limited Company**

(Exact name of registrant as specified in its charter)

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**Ireland**  
(State or other jurisdiction  
of incorporation)

**001-16503**  
(Commission  
File Number)

**98-0352587**  
(IRS Employer  
Identification No.)

**c/o Willis Group Limited, 51 Lime Street, London, EC3M 7DQ, England and Wales**  
(Address, including Zip Code, of Principal Executive Offices)

**Registrant's telephone number, including area code: (44) (20) 3124 6000**

**Not Applicable**  
(Former name or former address, if changed since last report)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 7.01. Regulation FD Disclosure.**

On March 10, 2014, Willis Group Holdings Public Limited Company posted its Fact Book for the quarter ended December 31, 2013 to its website, which is attached hereto as [Exhibit 99.1](#) and incorporated herein by reference.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits

<u>Exhibit Number</u>	<u>Description</u>
99.1	Willis Group Holdings Fact Book for the Quarter Ended December 31, 2013

**SIGNATURES**

Pursuant to the requirement of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: March 10, 2014

**WILLIS GROUP HOLDINGS  
PUBLIC LIMITED COMPANY**

By: /s/ Adam L. Rosman  
Adam L. Rosman  
Group General Counsel

**INDEX TO EXHIBITS**

<u>Exhibit Number</u>	<u>Description</u>
99.1	Willis Group Holdings Fact Book for the Quarter Ended December 31, 2013

**Fact Book**

**Fourth Quarter 2013**

# **WILLIS GROUP HOLDINGS**

**March 2014**

The Willis logo is displayed in white serif font on a dark blue rectangular background. This logo is positioned on the right side of a horizontal bar that has a light beige background on the left and a dark blue background on the right.

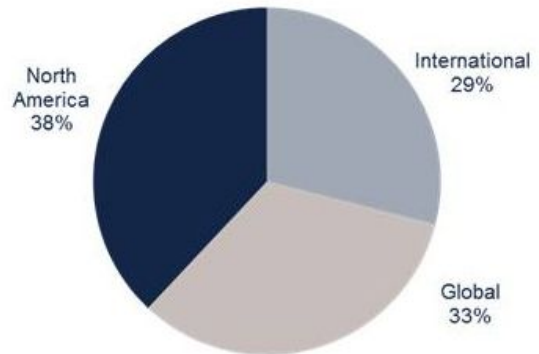
# A leading global risk advisor, insurance and reinsurance broker

## Willis Global Franchise



■ Willis Subsidiaries and Associates

## 2013 Commissions and Fees by Segment



**2013 C&F: \$3.63 billion**

- With roots dating to 1828, Willis operates today on every continent, with more than 18,000 employees in over 400 offices
- Across geographies, industries and specialties, Willis provides its local and multinational clients with resilience for a risky world
- Willis is known for its market-leading products and professional services in risk management and risk transfer
- Willis experts rank among the world's leading authorities on analytics, modelling and mitigation strategies at the intersection of global commerce and extreme events

## Summary Q4 2013 financial results

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	Q4 2013	Q4 2012
Reported commission and fee growth	5.1%	7.0%
Organic commission and fee growth	3.7%	7.5%
Reported operating margin	16.5%	(89.0)%
Adjusted operating margin	16.3%	19.1%
Reported EPS	\$0.37	\$(4.65)
Adjusted EPS	\$0.42	\$0.45

Positive Q4 2013 organic commission and fee growth across all three business segments

Q4 2012 adjusted operating margin would have been 180 bps lower had the change to compensation policy been in effect from start of 2012



## Organic Q4 2013 commissions and fees growth

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	Q4 2013	Q4 2012
North America	5.8%	5.0%
International	3.0%	7.4%
Global	1.4%	11.6%
<b>Willis Group</b>	<b>3.7%</b>	<b>7.5%</b>

Organic growth excluding \$9.4 million (110 bps) net negative revenue recognition adjustment would have been 4.8%

### North America –

- Excluding \$5.3 million (160 bps) positive revenue recognition adjustment, organic would have been 4.2%
- Growth well distributed across geographic regions and solid growth in construction

### International –

- Excluding \$14.7 million (510 bps) negative revenue recognition adjustment, organic would have been 8.1%
- Good growth across most regions: Western Europe, Eastern Europe, Latin America, Australasia. Good growth in Asia, excluding impact of revenue recognition adjustment

### Global –

- Mid-single digit growth in Specialty, Reinsurance down very low-single digits, challenging 4Q 2012 WCMA comparison



See important disclosures regarding non-GAAP measures starting on page 17

## Q4 2013 financial results

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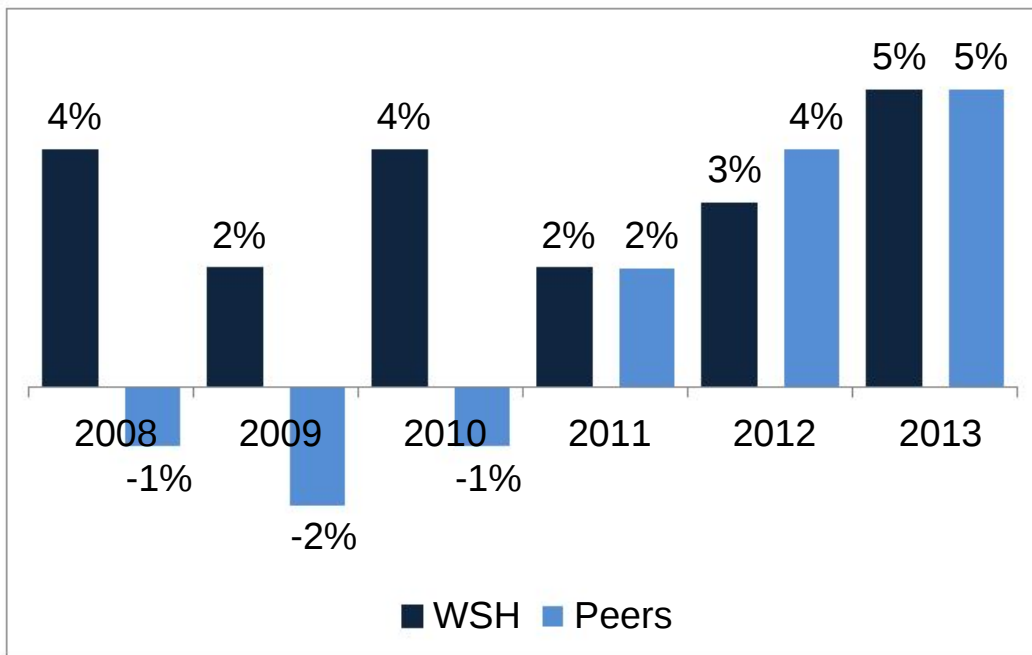
- **Reported operating margin 16.5%; Adjusted operating margin 16.3%**
  - Adjusted operating margin down 280 bps from prior year quarter, primarily driven by:
    - Higher salaries and benefits and other operating expenses
    - Partially offset by higher commissions and fees
  - Q4 2012 adjusted operating margin would have been 180 bps lower had the change in remuneration policy been in effect from start of 2012
  
- **Reported EPS of \$0.37; Adjusted EPS of \$0.42**
  - Reported and adjusted EPS include approximately \$9 million negative impact related to revenue recognition adjustments in North America and China
  - Adjusted EPS down \$0.03 from Q4 2012
  - Q4 2012 results would have been \$0.07 per diluted share lower had the change to remuneration policy been in effect from start of 2012

## WSH & Peers – Organic growth trends

Average 2008-2013:

WSH: 3%

Peers: 1%



Note: Peer averages are based on Willis estimates using public information regarding insurance brokerage operations of AJG, AON, BRO, MMC

**Willis**

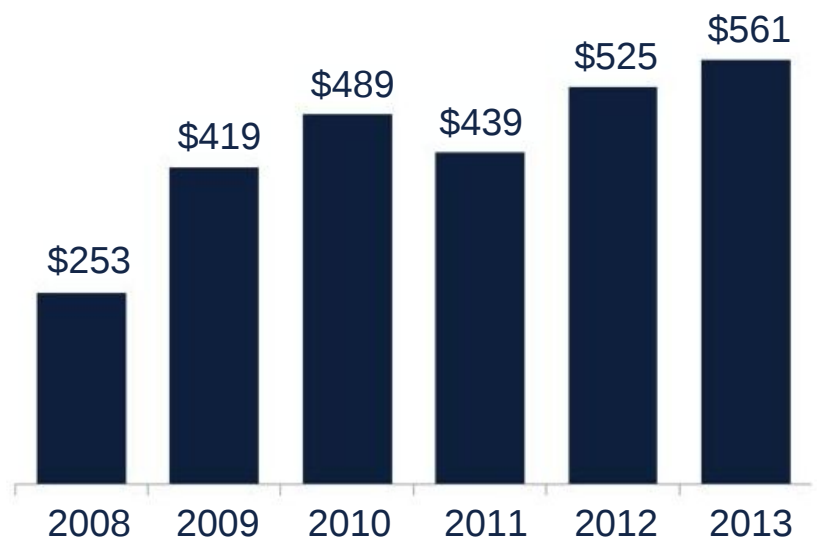
See important disclosures regarding non-GAAP measures starting on page 17

## Strong cash flow from operations

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### 2013 corporate/non-operating uses of cash

- Dividends \$193 million
- Capex \$112 million
- M&A expenditures of ~\$34 million

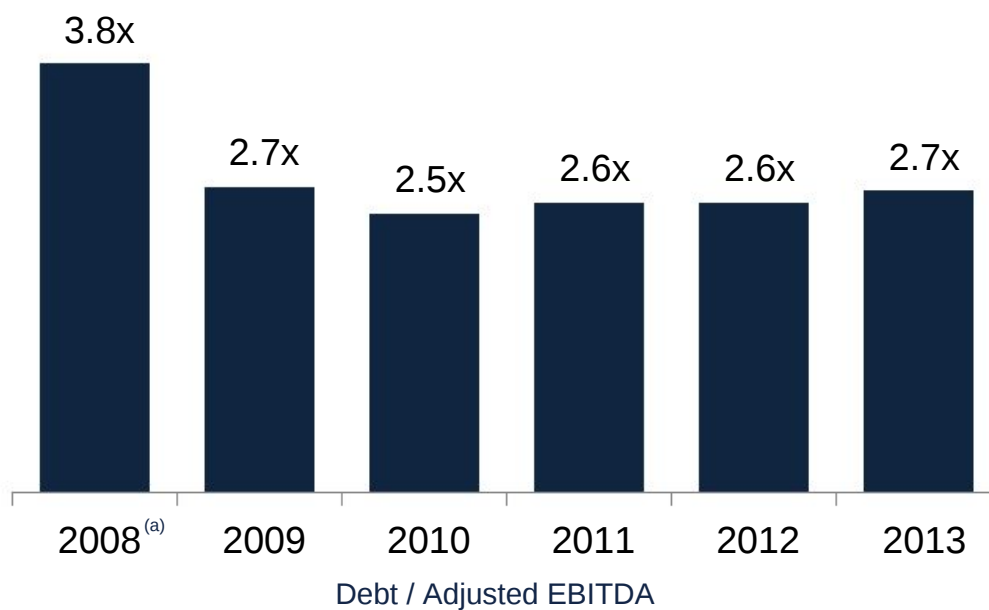


**\$36 million increase in cash flow from operations in 2013**  
**\$796 million of cash and cash equivalents at December 31, 2013**

## Leverage ratios

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- Adjusted EBITDA \$874 million in 2013
- Debt outstanding \$2.3 billion as at December 31, 2013



(a) Includes impact from acquisition of HRH as of 10/1/2008.

Willis

See important disclosures regarding non-GAAP measures starting on page 17



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# SEGMENT OVERVIEWS

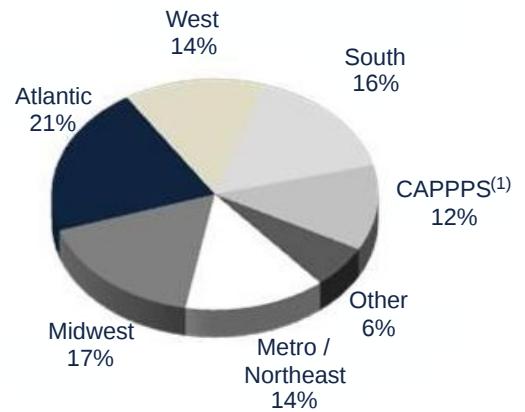
Willis

# Willis North America overview

## Segment overview

- Extensive retail platform
- Able to leverage industry and specialty practice group expertise across Willis network
- Major practice groups include:
  - Human Capital (approximately 25% of 2013 North America C&F)
  - Construction (approximately 14% of 2013 North America C&F)
  - Healthcare
  - Real Estate/Hospitality
  - Financial and Executive Risk
- Approximately 6,000 associates
- Over 100 locations (Other includes Canada and Mexico)

## 2013 commissions and fees – by region



**2013 North America C&F: \$1.38 billion**

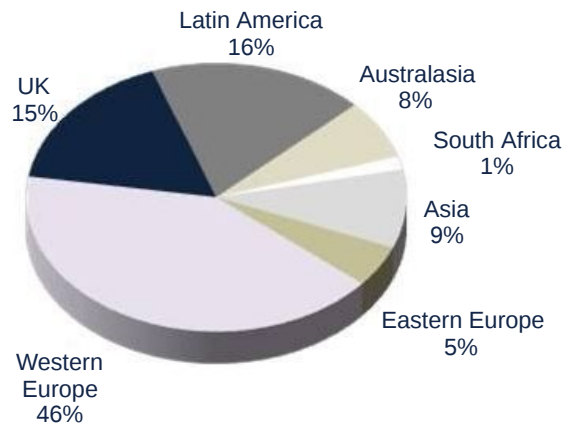
<sup>(1)</sup> CAPPSS: Captives, Actuarial, Programs, Pooling and Personal Lines

# Willis International overview

## Segment overview

- Retail operations in
  - Western and Eastern Europe
  - United Kingdom
  - Latin America
  - Asia Pacific
  - South Africa
  - Middle East
- Offices designed to grow business locally around the world, making use of the skills, industry knowledge and expertise available within segment and elsewhere in the Group
- Approximately 7,000 associates
- 170 offices in 43 countries

## 2013 commissions and fees – by region



**2013 International C&F: \$1.07 billion**



# Willis Global overview

## Segment overview

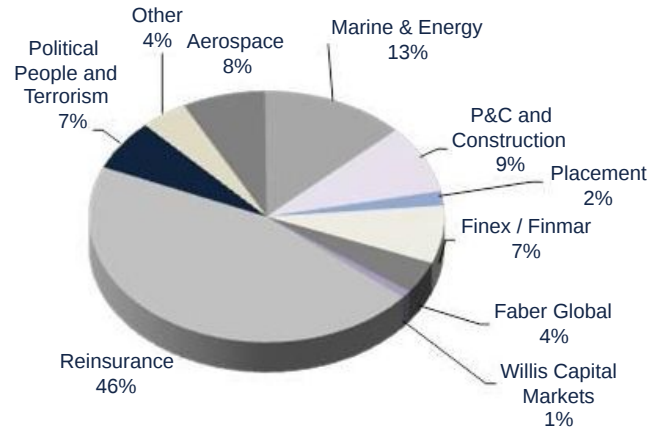
### Reinsurance, Specialty Insurance and Capital Markets businesses

Approximately 3,600 associates; clients around the globe

#### Willis Re

- One of the world's largest reinsurance brokers with three divisions: North America, International and Specialty
- Strong market share in major markets, particularly marine and aviation
- Complete range of transactional capabilities including, in conjunction with WCM&A, a wide variety of capital markets based products
- Cutting edge analytical and advisory services, including Willis Research Network, the insurance industry's largest partnership with global academic research

## 2013 commissions and fees – by business



2013 Global C&F: \$1.19 billion

## Willis Global overview (continued)

### Segment overview

#### Global Specialty, with strong global positions in:

- Aerospace – includes Inspace
- Marine & Energy
- Construction
- Financial & Executive Risks
- Financial Solutions – political risks and UK financial institutions
- Faber Global – wholesale and facultative solutions through London, European & Bermuda markets
- Fine Art, Jewelry and Specie, Bloodstock and Kidnap & Ransom

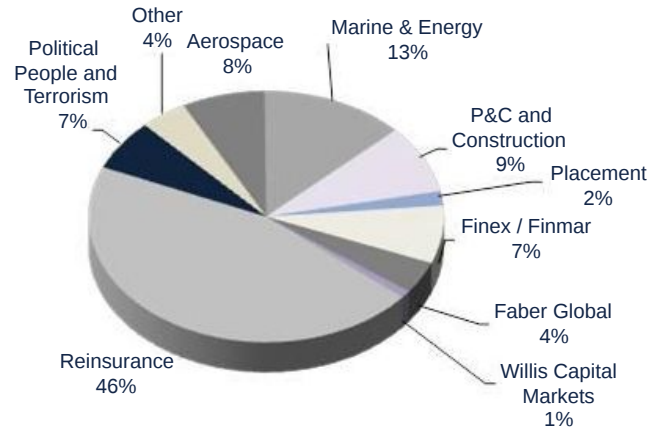
#### Placement

- Specialist placement of risk into worldwide insurance market

#### Willis Capital Markets & Advisory

- Advises on M&A and capital markets products

### 2013 commissions and fees – by business



2013 Global C&F: \$1.19 billion



# APPENDIX

Willis

A dark blue world map is centered in the background of the slide. The continents are rendered in a lighter shade of blue, creating a subtle texture behind the text.

# The Willis Cause

We thoroughly understand our clients' needs and their industries.

We develop client solutions with the best markets, price and terms.

We relentlessly deliver quality client service.

We get claims paid quickly.

*...With Integrity.*

# Important disclosures regarding forward-looking statements

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This presentation contains certain "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, and Section 21E of the Securities Exchange Act of 1934, which are intended to be covered by the safe harbors created by those laws. These forward-looking statements include information about possible or assumed future results of our operations.

All statements, other than statements of historical facts, included in this document that address activities, events or developments that we expect or anticipate may occur in the future, including such things as our outlook, potential cost savings and accelerated adjusted operating margin and adjusted earnings per share growth, future capital expenditures, growth in commissions and fees, business strategies, competitive strengths, goals, the benefits of new initiatives, growth of our business and operations, plans, and references to future successes are forward-looking statements. Also, when we use the words such as 'anticipate', 'believe', 'estimate', 'expect', 'intend', 'plan', 'probably', or similar expressions, we are making forward-looking statements.

There are important uncertainties, events and factors that could cause our actual results or performance to differ materially from those in the forward-looking statements contained in this document, including the following: the impact of any regional, national or global political, economic, business, competitive, market, environmental or regulatory conditions on our global business operations; the impact of current global economic conditions on our results of operations and financial condition, including as a result of those associated with the ongoing Eurozone crisis, any insolvencies of or other difficulties experienced by our clients, insurance companies or financial institutions; our ability to implement and realize anticipated benefits of any expense reduction initiative, charge or any revenue generating initiatives; our ability to implement and fully realize anticipated benefits of our new growth strategy and revenue generating and cost-saving initiatives; volatility or declines in insurance markets and premiums on which our commissions are based, but which we do not control; our ability to develop and implement technology solutions and invest in innovative product offerings in an efficient and competitive manner; our ability to continue to manage our significant indebtedness; our ability to compete effectively in our industry, including any impact if we continue to refuse to accept contingent commissions to date from carriers in the non-Human Capital areas of our retail brokerage business and developing new products and services; material changes in commercial property and casualty markets generally or the availability of insurance products or changes in premiums resulting from a catastrophic event, such as a hurricane; our ability to retain key employees and clients and attract new business; the timing or ability to carry out share repurchases and redemptions; the timing or ability to carry out refinancing or take other steps to manage our capital and the limitations in our long term debt agreements that may restrict our ability to take these actions; fluctuations in our earnings as a result of potential changes to our valuation allowance(s) on our deferred tax assets; any fluctuations in exchange and interest rates that could affect expenses and revenue; the potential costs and difficulties in complying with a wide variety of foreign laws and regulations and any related changes, given the global scope of our operations; rating agency actions, including a downgrade to our credit rating, that could inhibit our ability to borrow funds or the pricing thereof and in certain circumstances cause us to offer to buy back some of our debt; a significant decline in the value of investments that fund our pension plans or changes in our pension plan liabilities or funding obligations; our ability to achieve the expected strategic benefits of transactions, including any growth from associates; further impairment of the goodwill of one of our reporting units, in which case we may be required to record additional significant charges to earnings; our ability to receive dividends or other distributions in needed amounts from our subsidiaries; changes in the tax or accounting treatment of our operations and fluctuations in our tax rate; any potential impact from the US healthcare reform legislation; our involvement in and the results of any regulatory investigations, legal proceedings and other contingencies; underwriting, advisory or reputational risks associated with non-core operations as well as the potential significant impact our non-core operations (including the Willis Capital Markets & Advisory operations) can have on our financial results; our exposure to potential liabilities arising from errors and omissions and other potential claims against us; and the interruption or loss of our information processing systems, data security breaches or failure to maintain secure information systems.

The foregoing list of factors is not exhaustive and new factors may emerge from time to time that could also affect actual performance and results. For more information see the section entitled "Risk Factors" included in Willis' Form 10-K for the year ended December 31, 2013 and our subsequent filings with the Securities and Exchange Commission. Copies are available online at <http://www.sec.gov> or [www.willis.com](http://www.willis.com).

Although we believe that the assumptions underlying our forward-looking statements are reasonable, any of these assumptions, and therefore also the forward-looking statements based on these assumptions, could themselves prove to be inaccurate. In light of the significant uncertainties inherent in the forward-looking statements included in this presentation, our inclusion of this information is not a representation or guarantee by us that our objectives and plans will be achieved. Our forward-looking statements speak only as of the date made and we will not update these forward-looking statements unless the securities laws require us to do so. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this presentation may not occur, and we caution you against unduly relying on these forward-looking statements.

## Important disclosures regarding non-GAAP measures

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This presentation contains references to "non-GAAP financial measures" as defined in Regulation G of SEC rules. We present these measures because we believe they are of interest to the investment community and they provide 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 generally accepted accounting principles (GAAP) basis. These financial measures should be viewed in addition to, not in lieu of, the Company's condensed consolidated income statements and balance sheet as of the relevant date. Consistent with Regulation G, a description of such information is provided below and a reconciliation of certain of such items to GAAP information can be found in our periodic filings with the SEC. Our method of calculating these non-GAAP financial measures may differ from other companies and therefore comparability may be limited.

**Adjusted operating income** is defined as operating income, excluding certain items as set out on pages 18 and 19.

**Adjusted operating margin** is defined as the percentage of adjusted operating income to total revenues.

**Adjusted net income** is defined as net (loss) income, excluding certain items as set out on pages 20 and 21.

**Adjusted earnings per share (Adjusted EPS)** is defined as adjusted net income per diluted share.

**Adjusted EBITDA** is defined as Adjusted operating income, excluding depreciation and amortization as set out on pages 22 and 23.

**Organic commissions & fees growth** excludes: (i) the impact of foreign currency translation; (ii) the first twelve months of net commission and fee revenues generated from acquisitions; and (iii) the net commission and fee revenues related to operations disposed of in each period presented, as set out on pages 24 and 25 .

Reconciliations to GAAP measures are provided for selected non-GAAP measures.

## Important disclosures regarding non-GAAP measures (continued)

### Operating income (loss) to adjusted operating income

(In millions)	2008	2009	2010	2011	2012	2013
	FY	FY	FY	FY	FY	FY
<b>Operating Income</b>	<b>\$503</b>	<b>\$690</b>	<b>\$753</b>	<b>\$566</b>	<b>(\$209)</b>	<b>\$685</b>
<b>Excluding:</b>						
Fees related to the extinguishment of debt <sup>(a)</sup>	-	-	-	-	-	1
Expense reduction initiative <sup>(b)</sup>	-	-	-	-	-	46
Goodwill impairment charge <sup>(c)</sup>	-	-	-	-	492	-
Write-off of unamortized cash retention awards <sup>(d)</sup>	-	-	-	-	200	-
2012 cash bonus accrual <sup>(e)</sup>	-	-	-	-	252	-
Insurance recovery <sup>(f)</sup>	-	-	-	-	(10)	-
Write-off of uncollectible accounts receivable and legal fees <sup>(g)</sup>	-	-	-	22	13	-
India JV settlement <sup>(h)</sup>	-	-	-	-	11	-
2011 Operational review <sup>(i)</sup>	-	-	-	180	-	-
Financial Services Authority regulatory settlement	-	-	-	11	-	-
Venezuela currency devaluation <sup>(j)</sup>	-	-	12	-	-	-
Net (gain)/loss on disposal of operations	-	(13)	2	(4)	3	(2)
Salaries and benefits - severance programs <sup>(k)</sup>	24	-	-	-	-	-
Salaries and benefits - other <sup>(l)</sup>	42	-	-	-	-	-
HRH integration costs <sup>(m)</sup>	5	18	-	-	-	-
Other operating expenses <sup>(n)</sup>	26	-	-	-	-	-
Accelerated amortization of intangibles assets <sup>(o)</sup>	-	7	-	-	-	-
Redomicile costs <sup>(p)</sup>	-	6	-	-	-	-
<b>Adjusted Operating Income</b>	<b>\$600</b>	<b>\$708</b>	<b>\$767</b>	<b>\$775</b>	<b>\$752</b>	<b>\$730</b>
Operating Margin	17.8%	21.2%	22.6%	16.4%	(6.0%)	18.7%
Adjusted Operating Margin	21.2%	21.8%	23.0%	22.5%	21.6%	20.0%

## Important disclosures regarding non-GAAP measures (continued)

### Operating income (loss) to adjusted operating income

(In millions)	2012				2013			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
<b>Operating Income (loss)</b>	<b>\$317</b>	<b>\$179</b>	<b>\$70</b>	<b>(\$775)</b>	<b>\$287</b>	<b>\$171</b>	<b>\$75</b>	<b>\$152</b>
<b>Excluding:</b>								
Fees related to the extinguishment of debt <sup>(a)</sup>	-	-	-	-	-	-	1	-
Expense reduction initiative <sup>(b)</sup>	-	-	-	-	46	-	-	-
Goodwill impairment charge <sup>(c)</sup>	-	-	-	492	-	-	-	-
Write-off of unamortized cash retention awards <sup>(d)</sup>	-	-	-	200	-	-	-	-
2012 cash bonus accrual <sup>(e)</sup>	-	-	-	252	-	-	-	-
Insurance recovery <sup>(f)</sup>	-	(5)	-	(5)	-	-	-	-
Write-off of uncollectible accounts receivable and legal fees <sup>(g)</sup>	13	-	-	-	-	-	-	-
India JV settlement <sup>(h)</sup>	-	-	11	-	-	-	-	-
Net (gain)/loss on disposal of operations	-	-	1	2	-	-	-	(2)
<b>Adjusted Operating Income</b>	<b>\$330</b>	<b>\$174</b>	<b>\$82</b>	<b>\$166</b>	<b>\$333</b>	<b>\$171</b>	<b>\$76</b>	<b>\$150</b>
Operating Margin	31.3%	21.3%	9.3%	(89.0%)	27.3%	19.2%	9.4%	16.5%
Adjusted Operating Margin	32.6%	20.7%	10.9%	19.1%	31.7%	19.2%	9.6%	16.3%



# Important disclosures regarding non-GAAP measures (continued)

## Net income (loss) to adjusted net income

(In millions, except per share data)	2008	2009	2010	2011	2012	2013
	FY	FY	FY	FY	FY	FY
<b>Net Income (loss)</b>	<b>\$302</b>	<b>\$434</b>	<b>\$455</b>	<b>\$203</b>	<b>(\$446)</b>	<b>\$365</b>
<b>Excluding the following, net of tax:</b>						
Fees related to the extinguishment of debt <sup>(a)</sup>	-	-	-	-	-	1
Loss on extinguishment of debt <sup>(a)</sup>	-	-	-	-	-	60
Expense reduction initiative <sup>(b)</sup>	-	-	-	-	-	38
Goodwill impairment charge <sup>(c)</sup>	-	-	-	-	458	-
Write-off of unamortized cash retention awards <sup>(d)</sup>	-	-	-	-	138	-
2012 cash bonus accrual <sup>(e)</sup>	-	-	-	-	175	-
Insurance recovery <sup>(f)</sup>	-	-	-	-	(6)	-
Write-off of uncollectible accounts receivable and legal fees <sup>(g)</sup>	-	-	-	13	8	-
India JV settlement <sup>(h)</sup>	-	-	-	-	11	-
2011 Operational review <sup>(i)</sup>	-	-	-	128	-	-
Financial Services Authority regulatory settlement	-	-	-	11	-	-
Deferred tax valuation allowance	-	-	-	-	113	9
Make-whole amounts on repurchase and redemption of Senior Notes and write-off of unamortized debt costs	-	-	-	131	-	-
Venezuela currency devaluation <sup>(j)</sup>	-	-	12	-	-	-
Net (gain)/loss on disposal of operations	-	(11)	3	(4)	3	(1)
Salaries and benefits - severance programs <sup>(k)</sup>	17	-	-	-	-	-
Salaries and benefits - other <sup>(l)</sup>	30	-	-	-	-	-
HRH integration costs <sup>(m)</sup>	10	13	-	-	-	-
Other operating expenses <sup>(n)</sup>	19	-	-	-	-	-
Accelerated amortization of intangibles assets <sup>(o)</sup>	-	4	-	-	-	-
Redomicile costs <sup>(p)</sup>	-	6	-	-	-	-
Premium on early redemption of 2010 bonds <sup>(q)</sup>	-	4	-	-	-	-
<b>Adjusted Net Income</b>	<b>\$378</b>	<b>\$450</b>	<b>\$470</b>	<b>\$482</b>	<b>\$454</b>	<b>\$472</b>
Diluted shares outstanding	148	169	171	176	176	179
Net income						
per diluted share	\$2.04	\$2.57	\$2.66	\$1.15	(\$2.58)	\$2.04
Adjusted net income						
per diluted share	\$2.55	\$2.66	\$2.75	\$2.74	\$2.58	\$2.64



## Important disclosures regarding non-GAAP measures (continued)

### Net income (loss) to adjusted net income

(In millions, except per share data)	2012				2013			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
<b>Net Income (loss)</b>	<b>\$225</b>	<b>\$107</b>	<b>\$26</b>	<b>(\$804)</b>	<b>\$219</b>	<b>\$105</b>	<b>(\$27)</b>	<b>\$68</b>
<b>Excluding the following, net of tax:</b>								
Loss on extinguishment of debt <sup>(a)</sup>	-	-	-	-	-	-	60	-
Fees related to the extinguishment of debt <sup>(a)</sup>	-	-	-	-	-	-	1	-
Expense reduction initiative <sup>(b)</sup>	-	-	-	-	38	-	-	-
Goodwill impairment charge <sup>(c)</sup>	-	-	-	458	-	-	-	-
Write-off of unamortized cash retention awards <sup>(d)</sup>	-	-	-	138	-	-	-	-
2012 cash bonus accrual <sup>(e)</sup>	-	-	-	175	-	-	-	-
Insurance recovery <sup>(f)</sup>	-	(3)	-	(3)	-	-	-	-
Write-off of uncollectible accounts receivable and legal fees <sup>(g)</sup>	8	-	-	-	-	-	-	-
India JV settlement <sup>(h)</sup>	-	-	11	-	-	-	-	-
Deferred tax valuation allowance	-	-	-	113	-	-	-	9
Net (gain)/loss on disposal of operations	-	-	1	2	-	-	-	(1)
<b>Adjusted Net Income</b>	<b>\$233</b>	<b>\$104</b>	<b>\$38</b>	<b>\$79</b>	<b>\$257</b>	<b>\$105</b>	<b>\$34</b>	<b>\$76</b>
Diluted shares outstanding	176	176	175	175	176	178	180	182
Net income per diluted share	\$1.28	\$0.61	\$0.15	(\$4.65)	\$1.24	\$0.59	(\$0.15)	\$0.37
Adjusted net income per diluted share	\$1.32	\$0.59	\$0.22	\$0.45	\$1.46	\$0.59	\$0.19	\$0.42

# Important disclosures regarding non-GAAP measures (continued)

## Adjusted EBITDA and Debt/Adjusted EBITDA

(In millions)	2008	2009	2010	2011	2012	2013
	FY	FY	FY	FY	FY	FY
<b>Operating Income (loss)</b>	<b>\$503</b>	<b>\$690</b>	<b>\$753</b>	<b>\$566</b>	<b>(\$209)</b>	<b>\$685</b>
<b>Excluding:</b>						
Fees related to the extinguishment of debt <sup>(a)</sup>	-	-	-	-	-	1
Expense reduction initiative <sup>(b)</sup>	-	-	-	-	-	46
Goodwill impairment charge <sup>(c)</sup>	-	-	-	-	492	-
Write-off of unamortized cash retention awards <sup>(d)</sup>	-	-	-	-	200	-
2012 cash bonus accrual <sup>(e)</sup>	-	-	-	-	252	-
Insurance recovery <sup>(f)</sup>	-	-	-	-	(10)	-
Write-off of uncollectible accounts receivable and legal fees <sup>(g)</sup>	-	-	-	22	13	-
India JV settlement <sup>(h)</sup>	-	-	-	-	11	-
2011 Operational review <sup>(i)</sup>	-	-	-	180	-	-
Financial Services Authority regulatory settlement	-	-	-	11	-	-
Venezuela currency devaluation <sup>(j)</sup>	-	-	12	-	-	-
Net (gain)/loss on disposal of operations	-	(13)	2	(4)	3	(2)
Salaries and benefits - severance programs <sup>(k)</sup>	24	-	-	-	-	-
Salaries and benefits - other <sup>(l)</sup>	42	-	-	-	-	-
HRH integration costs <sup>(m)</sup>	5	18	-	-	-	-
Other operating expenses <sup>(n)</sup>	26	-	-	-	-	-
Accelerated amortization of intangibles assets <sup>(o)</sup>	-	7	-	-	-	-
Redomicile costs <sup>(p)</sup>	-	6	-	-	-	-
<b>Adjusted Operating Income</b>	<b>\$600</b>	<b>\$708</b>	<b>\$767</b>	<b>\$775</b>	<b>\$752</b>	<b>\$730</b>
Add back						
Depreciation	54	64	63	69	79	89
Amortization of intangibles	36	93	82	68	59	55
<b>Adjusted EBITDA</b>	<b>\$690</b>	<b>\$865</b>	<b>\$912</b>	<b>\$912</b>	<b>\$890</b>	<b>\$874</b>
Debt	2,650	2,374	2,267	2,369	2,353	2,326
<b>Debt / Adjusted EBITDA</b>	<b>3.8x</b>	<b>2.7x</b>	<b>2.5x</b>	<b>2.6x</b>	<b>2.6x</b>	<b>2.7x</b>



See related footnotes on page 26

## Important disclosures regarding non-GAAP measures (continued)

### Adjusted EBITDA and Debt/Adjusted EBITDA

(In millions)	1Q	2Q	2013 3Q	4Q	FY
<b>Operating Income</b>	<b>\$287</b>	<b>\$171</b>	<b>\$75</b>	<b>\$152</b>	<b>\$685</b>
<b>Excluding:</b>					
Fees related to the extinguishment of debt <sup>(a)</sup>	-	-	1	-	1
Expense reduction initiative <sup>(b)</sup>	46	-	-	-	46
Net (gain) on disposal of operations	-	-	-	(2)	(2)
<b>Adjusted Operating Income</b>	<b>\$333</b>	<b>\$171</b>	<b>\$76</b>	<b>\$150</b>	<b>\$730</b>
Add back					
Depreciation	21	21	21	26	89
Amortization of intangibles	14	14	14	13	55
<b>Adjusted EBITDA</b>	<b>\$368</b>	<b>\$206</b>	<b>\$111</b>	<b>\$189</b>	<b>\$874</b>
Debt					2,326
<b>Debt / Adjusted EBITDA</b>					<b>2.7x</b>

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See related footnotes on page 26

## Important disclosures regarding non-GAAP measures (continued)

### Commissions and fees analysis

	2013	2012	Change	Foreign currency translation	Acquisitions and disposals	Organic commissions and fees growth
	(\$ millions)		%	%	%	%
<b>Three months ended</b>						
<b>December 31, 2013</b>						
North America	\$353	\$331	6.6	0.0	0.8	5.8
International	308	299	3.0	0.4	(0.4)	3.0
Global	250	237	5.5	(0.4)	4.5	1.4
Commissions and Fees	<u>\$911</u>	<u>\$867</u>	<u>5.1</u>	<u>0.0</u>	<u>1.4</u>	<u>3.7</u>
	2013	2012	Change	Foreign currency translation	Acquisitions and disposals	Organic commissions and fees growth
	(\$ millions)		%	%	%	%
<b>Twelve months ended</b>						
<b>December 31, 2013</b>						
North America	\$1,377	\$1,306	5.4	(0.1)	0.6	4.9
International	1,068	1,028	3.9	(0.2)	0.0	4.1
Global	1,188	1,124	5.7	(0.9)	1.0	5.6
Commissions and Fees	<u>\$3,633</u>	<u>\$3,458</u>	<u>5.1</u>	<u>(0.3)</u>	<u>0.5</u>	<u>4.9</u>

## Important disclosures regarding non-GAAP measures (continued)

### Commissions and fees analysis

	<u>2012</u>	<u>2011</u>	<u>Change</u>	<u>Foreign currency translation</u>	<u>Acquisitions and disposals</u>	<u>Organic commissions and fees growth</u>
	<u>(\$ millions)</u>		<u>%</u>	<u>%</u>	<u>%</u>	<u>%</u>
<b>2012 Full year</b>						
Global	\$1,124	\$1,073	4.8	(1.3)	-	6.1
North America	1,306	1,314	(0.6)	-	-	(0.6)
International	1,028	1,027	0.1	(4.8)	-	4.9
Commissions and Fees	<u>\$3,458</u>	<u>\$3,414</u>	<u>1.3</u>	<u>(1.8)</u>	<u>-</u>	<u>3.1</u>
	<u>2011</u>	<u>2010</u>	<u>Change</u>	<u>Foreign currency translation</u>	<u>Acquisitions and disposals</u>	<u>Organic commissions and fees growth</u>
	<u>(\$ millions)</u>		<u>%</u>	<u>%</u>	<u>%</u>	<u>%</u>
<b>2011 Full year</b>						
Global	\$1,073	\$987	8.7	2.0	-	6.7
North America	1,314	1,369	(4.0)	-	(0.4)	(3.6)
International	1,027	937	9.6	4.8	-	4.8
Commissions and Fees	<u>\$3,414</u>	<u>\$3,293</u>	<u>3.7</u>	<u>2.1</u>	<u>(0.2)</u>	<u>1.8</u>

## Important disclosures regarding non-GAAP measures (continued)

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- (a) In August 2013, Willis bought back \$521 million of outstanding 2015, 2017 and 2019 senior notes through a tender offer. In conjunction with this activity, the Company recorded a loss on debt extinguishment of \$60 million. Willis also recorded a \$1 million expense for tender related fees (recorded within other operating expenses).
- (b) \$46 million pre-tax charge associated with expense reduction initiative in 1Q13.
- (c) Impairment charge to reduce carrying value of North America segment goodwill.
- (d) Charge to write-off unamortized balance of past cash retention awards related to change in remuneration policy.
- (e) Accrual for 2012 bonuses paid in 2013 related to change in remuneration policy.
- (f) Insurance recovery related to (g) below.
- (g) Write-off of uncollectible accounts receivable balance, together with associated legal costs.
- (h) Settlement with former partners related to the termination of a joint venture arrangement in India.
- (i) \$180 million pre-tax charge in FY2011 relating to the 2011 operational review, including \$98 million of severance costs relating to the elimination of approximately 1,200 positions in FY2011.
- (j) With effect from January 1, 2010, the Venezuelan economy was designated as hyper-inflationary. The Venezuelan government also devalued the Bolivar Fuerte in January 2010. As a result of these actions, the Company recorded a one-time charge in other expenses to reflect the re-measurement of its net assets denominated in Venezuelan Bolivar Fuerte.
- (k) Severance costs excluded from adjusted operating income and adjusted net income in 2008 relate to approximately 350 positions through the year ended December 31, 2008 that were eliminated as part of the 2008 expense review. Severance costs also arise in the normal course of business and these charges (pre-tax) amounted to \$6 million, \$nil, \$15 million, \$24 million and \$2 million for the years ended December 31, 2012, 2011, 2010, 2009 and 2008, respectively.
- (l) Other 2008 expense review salaries and benefits costs relate primarily to contract buyouts.
- (m) 2009 HRH integration costs include \$nil severance costs (\$2 million in 2008).
- (n) Other operating expenses primarily relate to property and systems rationalization.
- (o) The charge for the accelerated amortization for intangibles relates to the HRH brand name. Following the successful integration of HRH into our North American operations, we announced on October 1, 2009 that our North America retail operations would change their name from Willis HRH to Willis North America. Consequently, the intangible asset recognized on the acquisition of HRH relating to the HRH brand has been fully amortized.
- (p) These are legal and professional fees incurred as part of the Company's redomicile of its parent Company from Bermuda to Ireland.
- (q) On September 29, 2009 we repurchased \$160 million of our 5.125 percent Senior Notes due July 2010 at a premium of \$27.50 per \$1,000 face value, resulting in a total premium on redemption, including fees, of \$5 million.

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**Fact Book**

**Fourth Quarter 2013**

# **WILLIS GROUP HOLDINGS**

**March 2014**

The Willis logo is displayed in white text on a dark blue rectangular background. This logo is positioned on the right side of a horizontal bar that features a light beige background on the left and a dark blue background on the right, where the logo is placed.