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

# FORM 8-K

## CURRENT REPORT

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

**Date of Report (Date of earliest event reported): February 16, 2012**

# Willis Group Holdings Public Limited Company
**(Exact name of registrant as specified in its charter)**

| **Ireland** | **001-16503** | **98-0352587** |
|---|---|---|
| **(State or other jurisdiction of incorporation)** | **(Commission File Number)** | **(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)**

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))

**Item 7.01. Regulation FD Disclosure.**

On February 16, 2012, Willis Group Holdings Public Limited Company posted slides to its website that it was later presenting on such date to the Bank of America Merrill Lynch Insurance Conference. The presentation is attached hereto as Exhibit 99.1 and incorporated herein by reference.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits

| Exhibit Number | Description |
|---|---|
| 99.1 | Willis Group Holdings Slides Presented February 16, 2012. |

## 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: February 16, 2012 | **WILLIS GROUP HOLDINGS PUBLIC LIMITED COMPANY** |
| | By: /s/ ADAM G. CIONGOLI |
| | **Adam G. Ciongoli** |
| | **Group General Counsel** |

## INDEX TO EXHIBITS

| Exhibit Number | Description |
|---|---|
| 99.1 | Willis Group Holdings Slides Presented February 16, 2012. |

Exhibit 99.1

# WILLIS GROUP HOLDINGS

## Joe Plumeri

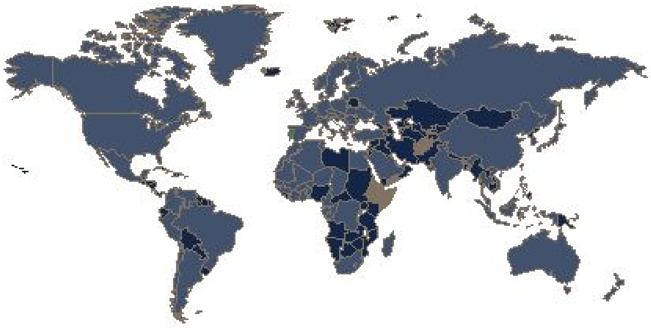
## Chairman and Chief Executive Officer

**Bank of America Merrill Lynch Insurance Conference**

**February 16, 2012**

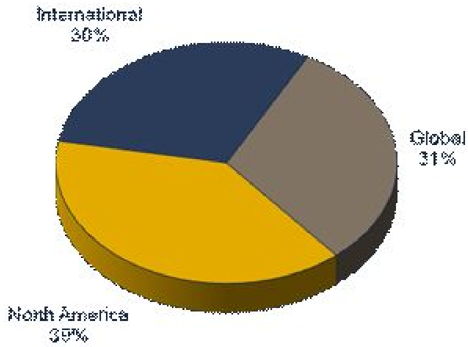
# Willis: A leading global insurance broker

**Willis Global Franchise**



Willis Subsidiaries and Associates

**2011 Commissions and Fees by Segment**




- Broad range of professional insurance, reinsurance, risk management, financial and human resource consulting and actuarial services
- Global distribution capabilities to meet risk management needs of large multinational and middle market clients
- More than 400 offices in 120 countries, with approximately 17,000 employees
- Strong sales culture and relentless focus on cost control

# 2011: A year in transition

**2011 challenges**

- Continued economic weakness, particularly in North America, U.K. and Europe
- Rates were soft but less of a headwind in latter half of 2011
- Increased operational costs due to:
  - Continued investment in growth markets
  - Increased retention award amortization
  - Reinstatement of salary reviews and 401k match
- North America:
  - Poor performance of Loan Protector
  - Economy continued to pressure Employee Benefits and Construction
  - Business lost through M&A and legacy HRH business defections in Q4
  - Changes in broker compensation in Employee Benefits
- International
  - Significant deterioration of economic conditions in Europe, and UK
  - Lost business in UK retail business–including M&A and one-offs
- Associates
  - Gras Savoye performance

# 2011: A year in transition (cont.)

## What we achieved

### Undertook and completed Company-wide operational review

- Aimed at aligning resources and positioning the company for future growth
- Total charge of $180m in 2011
- Resulting in cost savings of approximately $80m in 2011
  - Expected annualized savings of ~$135m, ($55 million 2012 benefit)
- Reinvesting savings in future growth opportunities

### Successfully refinanced debt

- Replaced $500m of 12.875% senior notes and $800m bank facility
- Reduced interest expense
- Extended maturity profile
- Increased financial flexibility
- Improved capacity to buyback stock

### Rolled out revenue initiatives

- Sales 2.0
- WillPlace
- Global Solutions

# 2011: A year in transition (cont.)

What we achieved:

- 4% reported and 2% Organic C&F growth
  - **Global** - organic C&F growth of 7% with growth in each business unit
    - Reinsurance up high single-digits led by growth in North America
    - Global Specialties up mid single-digits, led by Energy, Marine and Aerospace
    - Willis Faber & Dumas and Willis Capital Markets & Advisory both up mid-single digits
  - **International -** organic growth of 5%
    - Double-digit growth in Latin America and Eastern Europe; high single-digit growth in Asia
    - Mid single digit growth in continental Europe and low single-digit decline in UK & Ireland with economic weakness across much of the region
  - **North America -** organic C&F decline of 4%, decline of 2% ex- Loan Protector
- 22.5% adjusted operating margin
  - Down 50 bps from prior year
- Adjusted EPS of $2.75, unchanged from prior year



See important disclosures regarding Non-GAAP measures on page 24

# Strong track record of organic growth leadership

## Commissions and fees:

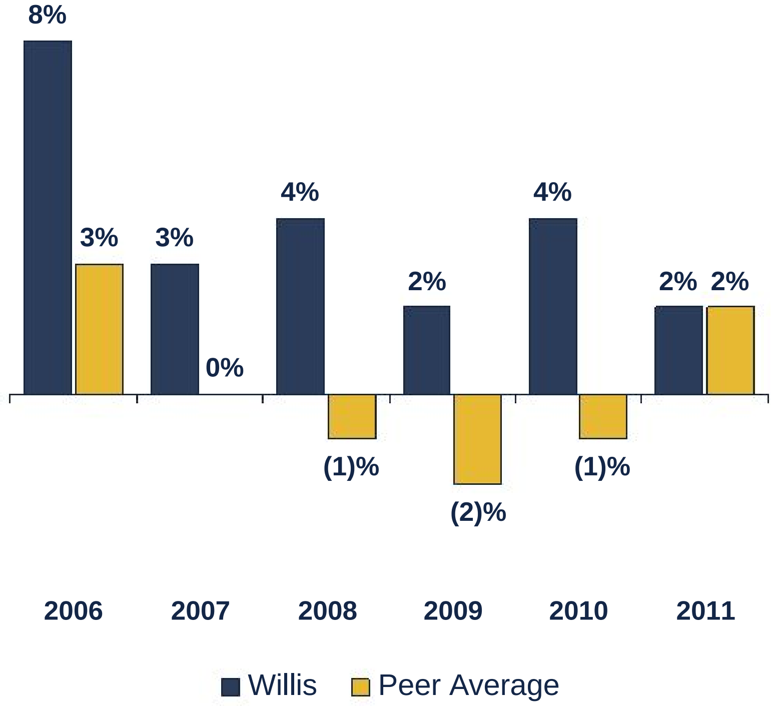
- $3.42 billion (2011)

## Average organic growth 2006 – 2011:

- Willis 4%
- Peers 0%

## Annual premiums written:

- ~$40 billion +
- Relationships with more than 5,000 insurance carriers worldwide



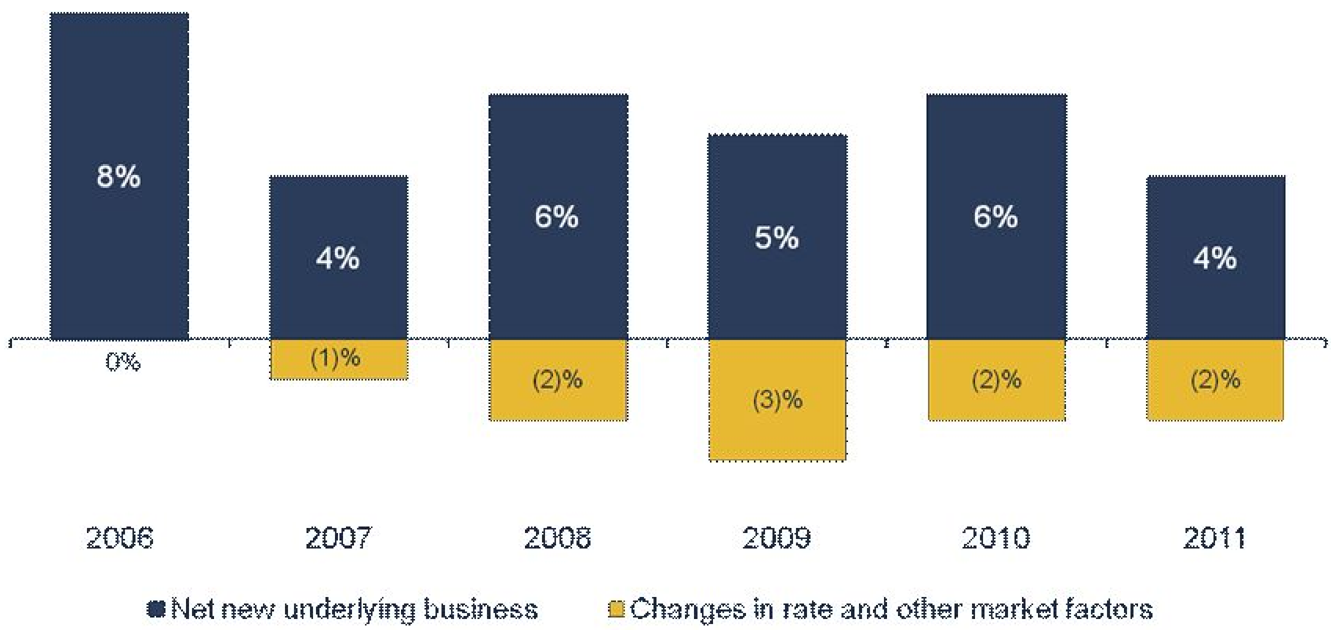

Note: Peer averages are based on Willis estimates using public information from AJG, AON, BRO, MMC



See important disclosures regarding Non-GAAP measures on page 24

# Growth driven by new business production

**% Organic growth in commissions and fees**

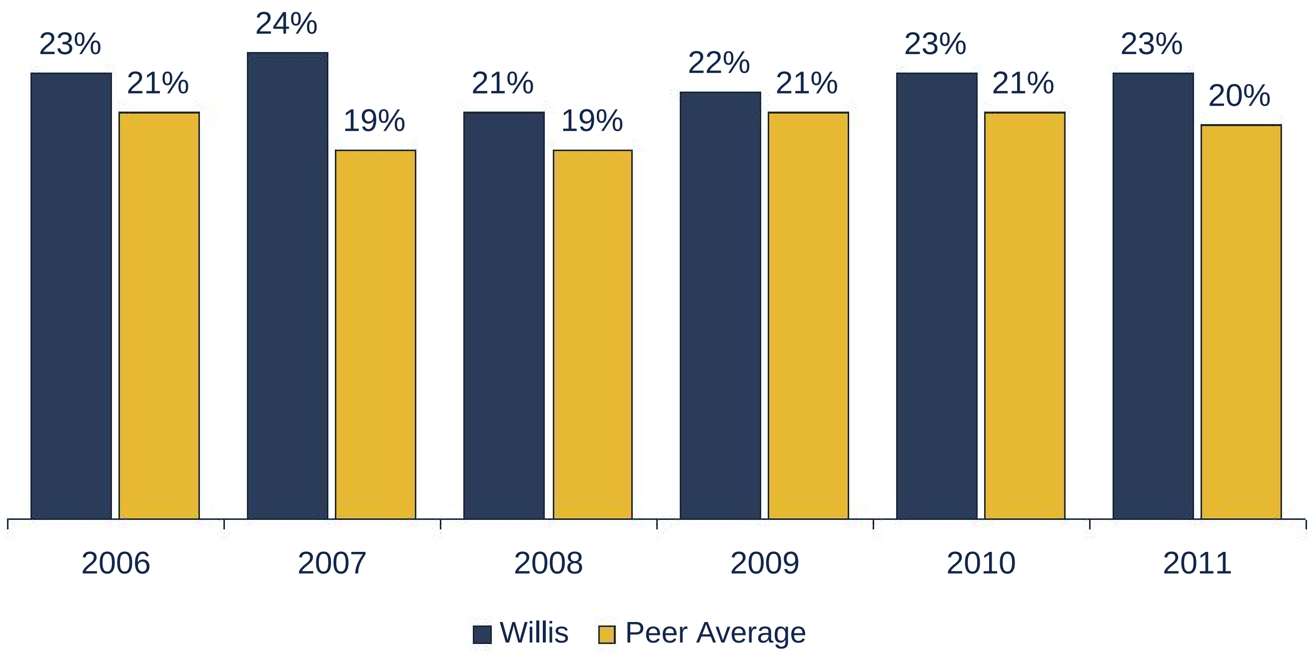



**6% average net new underlying business 2006 – 2011**



See important disclosures regarding Non-GAAP measures on page 24

# Strong adjusted operating margins




**Average 2006 – 2011 Willis 23% Peers 20%**

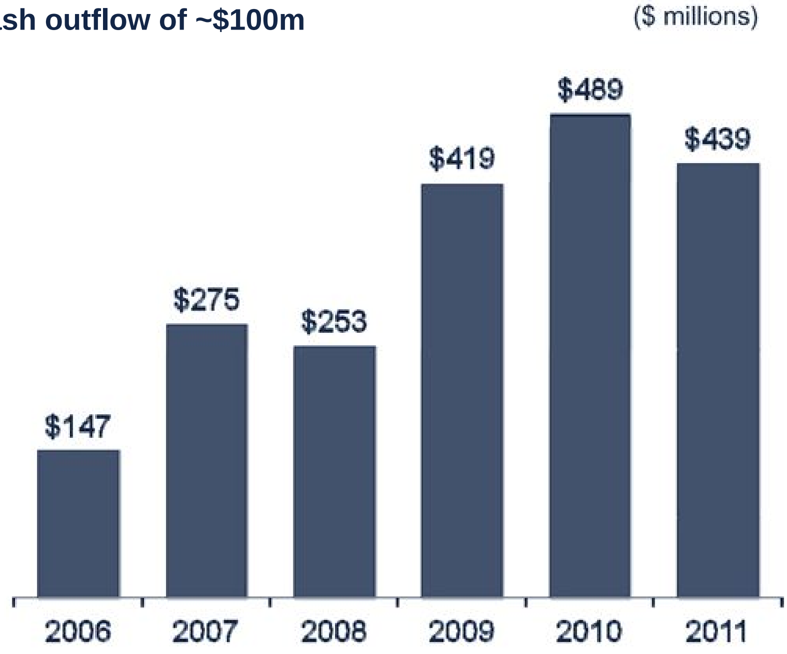
Note: Peer averages are based on Willis estimates using public information from AJG, AON, BRO, MMC



See important disclosures regarding Non-GAAP measures on page 24

# Strong cash flow from operations

**2011 decline driven by Operational Review cash outflow of ~$100m**




**2011 uses of cash**

- Dividends (~ $170 million)
- Mandatory debt repayments (~$110 million)
- Operational review (~$100 million)
- Capex (~ $110 million)

**2012 expected uses of cash**

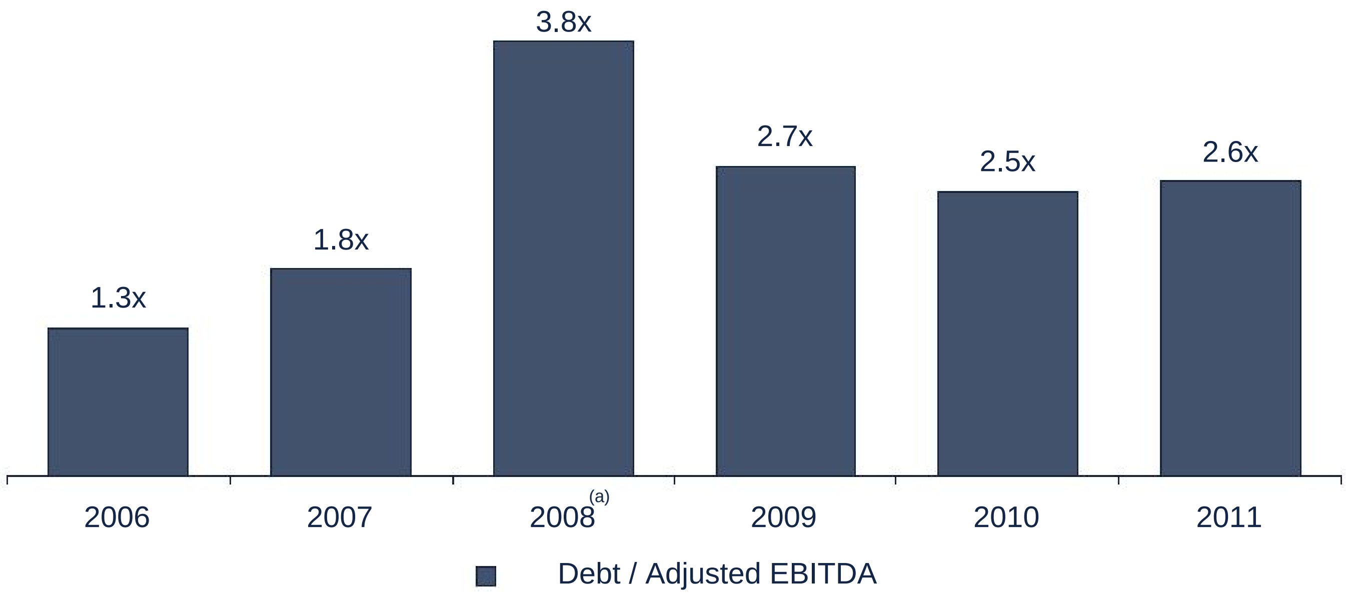
- Similar to 2011, except
- Mandatory debt repayments reduce to ~$8 million following term loan refinancing
- Share repurchases (up to $100 million)



See important disclosures regarding forward-looking statements on page 23

# Leverage Ratios Continue to Improve

- Adjusted EBITDA $915 million in 2011, an improvement of $3 million versus 2010
- Debt outstanding $2.4 billion as at December 31, 2011, a reduction of $281 million since 2008




Improvement in leverage ratio reflects improved operating performance and capital management actions

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



See important disclosures regarding Non-GAAP measures on page 24

# Capital priorities

- Reinvestment in the business for future growth
- Continue to pay down debt
  - Aim to reduce Debt/EBITDA to low 2x level
- Share repurchase
  - Announced buyback of up to $100m for 2012
- Small “tuck-in” accretive acquisitions
- Dividend
  - Announced 3.8% increase to annual rate of $1.08 per share



See important disclosures regarding forward-looking statements on page 23

# Looking ahead

# 2012 - driving growth

- Continue to realign our business model to further grow the Company
- Deliver the Willis Cause
- Grow each of our businesses
  - Nurture growth in North America
  - Harness growth in International
  - Maximize the Global businesses
- Share repurchase
- Small “tuck-in” accretive acquisitions

Adjusted operating margin expansion & adjusted EPS growth



See important disclosures regarding forward-looking statements on page 23

# Rate environment evolving

- Seeing early signs of overall improvement :
  - Rates were slightly positive in North America in 4Q2011
- January survey of Willis brokers in North America
  - Property up mid-single digits
  - Casualty and personal lines up low-single digits
- Jan 1, 2012 US reinsurance renewals saw positive rate trend on catastrophe affected property

**Willis is well placed to benefit from improvement in rate environment**

- North America premium volume of over $13 billion
- 70% commissions and 30% fees



See important disclosures regarding forward-looking statements on page 23

# Wrap up

Willis is in great shape

- Operational review complete and delivering savings
- Revenue initiatives rolled out – focus on execution
- Debt refinanced – greater flexibility
- Strong balance sheet
- The right management team in place to lead us forward
- Well placed to benefit from rate improvement



See important disclosures regarding forward-looking statements on page 23

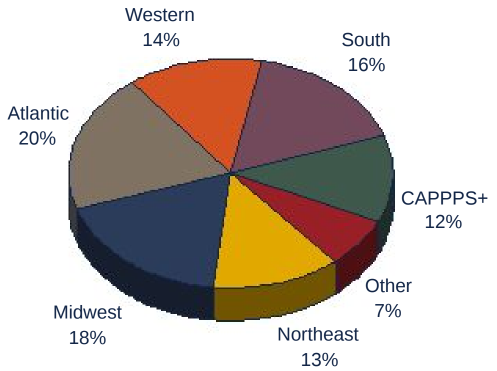
# Appendix

# Willis North America overview

**Segment overview**

- Extensive retail platform with leading positions in major markets
- Able to leverage industry and specialty practice group expertise across network
- Major practice groups include:
  - Employee Benefits (approximately 24% of 2011 North America C&F)
  - Construction (approximately 12% of 2011 North America C&F)
  - Healthcare
  - Real Estate/Hospitality
  - Financial and Executive Risk
- Seven geographic regions, with 120 offices
  - Other includes Canada and Mexico

**2011 commissions and fees – by region**




**2011 North America C&F: $1.32 billion**



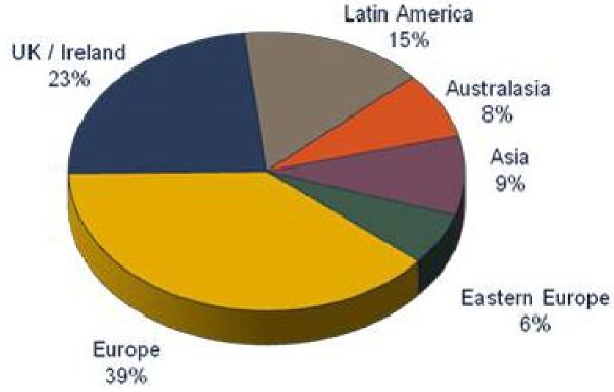
See important disclosures regarding Non-GAAP measures on page 24

# Willis International overview

**Segment overview**

- Retail operations in Eastern and Western Europe, the United Kingdom & Ireland, Asia Pacific, the Middle East, South Africa and Latin America
- Providing services to business locally in over 120 countries; leading positions in UK, Scandinavia, China and Russia
- Offices designed to grow business locally around the world, making use of the skills, industry knowledge and expertise available elsewhere in the Group
- International Employee Benefits generated approximately 12 percent of 2011 International C&F

**2011 commissions and fees – by region**




**2011 International C&F: $1.03 billion**



See important disclosures regarding Non-GAAP measures on page 24

# Willis Global overview

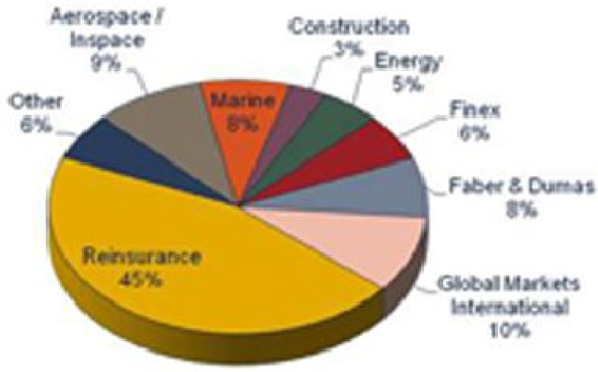
**Segment overview**

## Reinsurance

### Willis Re

- One of only three global reinsurance brokers
- Significant market share in major markets, particularly marine and aviation
- Cutting edge analytical and advisory services, including Willis Research Network
- Complete range of transactional capabilities including, in conjunction with Willis Capital Markets & Advisory, risk transfer via the capital markets

**2011 commissions and fees – by business**




**2011 Global C&F: $1.07 billion**



See important disclosures regarding Non-GAAP measures on page 24

# Willis Global overview (continued)

**Segment overview**

## Global Specialties

**Strong global positions in**

- **Aerospace/Inspace**
- **FINEX and Financial Solutions** – political risks and UK financial institutions
- **Marine**
- **Energy**
- **Construction**

## Willis Faber & Dumas includes

**Faber & Dumas** - wholesale brokerage including:

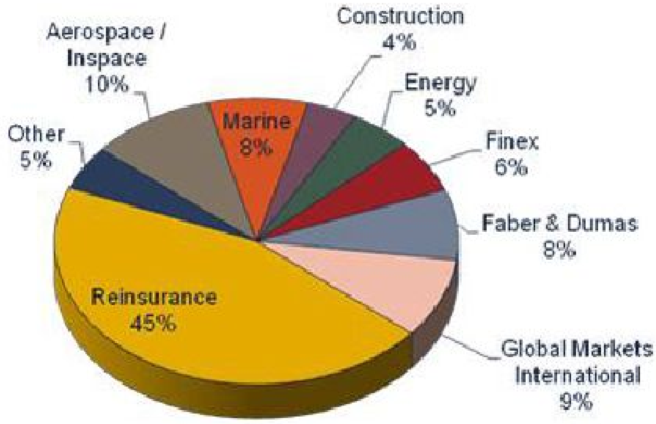
- Glencairn Limited - provides access to London & Bermuda markets
- Niche – Fine Art, Jewelry and Specie, Bloodstock and Kidnap & Ransom

**Global Markets International** - provides access for retail clients to global markets

## Willis Capital Markets & Advisory

- Advises on M&A and capital markets products

**2011 commissions and fees**

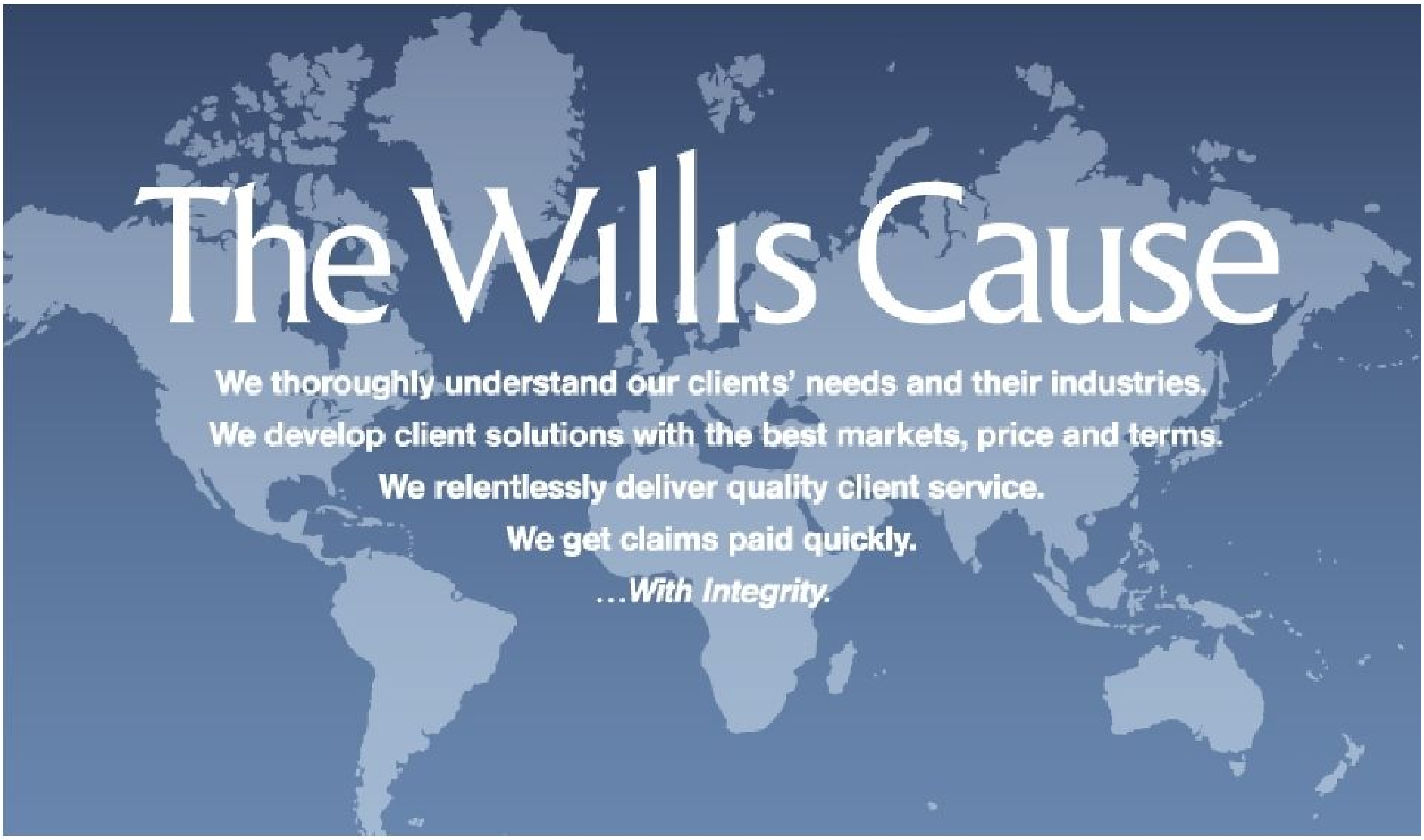



**2011 Global C&F: $1.07 billion**



See important disclosures regarding Non-GAAP measures on page 24

# The Willis Cause






See important disclosures regarding forward-looking statements on page 24

# Delivering the Willis Cause

- Deliver the Willis Cause - our value proposition to clients – more consistently and efficiently. Initiatives include:
  - Client Advocates to deliver all aspects of the Cause to clients
  - Growing new business through:
    - Global Solutions to grow our share of the Global 1,220 accounts
    - Sales 2.0, our industry focused middle market sales initiative
    - Recruiting talent
  - Delivering the best markets, price & terms for our clients:
    - WillPlace
    - Willis Quality Index
  - Continue implementation of target operating models
  - Service & claims metrics to focus resources on client delivery
  - Continually orienting our culture around Delivering the Willis Cause



See important disclosures regarding forward-looking statements on page 24

# Important disclosures regarding forward-looking statements

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 regional, national or global political, economic, business, competitive, market, environmental and regulatory conditions on our global business operations, including as a result of the Eurozone; the impact of current financial market conditions on our results of operations and financial condition, including as a result of any insolvencies of or other difficulties experienced by our clients, insurance companies or financial institutions; our ability to compete effectively in our industry; our ability to implement and realize anticipated benefits of the 2011 operational review or any revenue initiatives; 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, or otherwise; the volatility or declines in other insurance markets and premiums on which our commissions are based, but which we do not control; our ability to retain key employees and clients and attract new business; the timing and ability to carry out share repurchases; 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; 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 that could inhibit our ability to borrow funds or the pricing thereof; a significant decline in the value of investments that fund our pension plans or changes or increases in our pension plan liabilities and funding obligations; our ability to continue to manage our significant indebtedness; our ability to achieve the expected strategic benefits of transactions; changes in the tax or accounting treatment of our operations; any potential impact from the US healthcare reform legislation; our involvements 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 significant adverse impact the non-core operations (such as Loan Protector) may have on our operations; our exposure to potential liabilities arising from errors and omissions and other potential claims agai nst us; and the interruption or loss of our information processing systems 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 additional information see also Part I, Item 1A “Risk Factors” included in Willis’ Form 10-K for the year ended December 31, 2010, and our subsequent filings with the Securities and Exchange Commission. Copies are available online at http://www.sec.gov or on request from the Company.

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

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

**Adjusted net income** is defined as net income, excluding certain items as set out on pages 27 and 28.

**Adjusted operating income** is defined as operating income, excluding certain items as set out on pages 25 and 26.

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

**Adjusted EBITDA** is defined as Adjusted operating income, excluding depreciation and amortization

**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; (iii) the net commission and fee revenues related to operations disposed of in each period presented; (iv) in North America, legacy contingent commissions assumed as part of the HRH acquisition and that had not been converted into higher standard commission; and (v) investment income and other income from reported revenues, as set out on pages 31 and 32.

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

# Important disclosures regarding Non-GAAP measures (continued)

## Operating Income to Adjusted Operating Income

| (In millions) | 2006 FY | 2007 FY | 2008 FY | 2009 FY | 2010 FY | 2011 FY |
|---|---|---|---|---|---|---|
| **Operating Income** | **$552** | **$620** | **$503** | **$694** | **$753** | **$591** |
| **Excluding:** | | | | | | |
| 2011 Operational review[a] | - | - | - | - | - | 180 |
| FSA regulatory settlement[b] | - | - | - | - | - | 11 |
| Venezuela currency devaluation[d] | - | - | - | - | 12 | - |
| Net (gain)/loss on disposal of operations | 4 | (2) | - | (13) | 2 | (4) |
| Salaries and benefits - severance costs[e] | 35 | - | 24 | - | - | - |
| Salaries and benefits – other[f] | - | - | 42 | - | - | - |
| Shaping our Future expenditure[g] | 59 | - | - | - | - | - |
| Gain on disposal of London headquarters[h] | (99) | - | - | - | - | - |
| HRH integration costs[i] | - | - | 5 | 18 | - | - |
| Other operating expenses[j] | - | - | 26 | - | - | - |
| Accelerated amortization of intangibles assets[k] | - | - | - | 7 | - | - |
| Redomicile costs[l] | - | - | - | 6 | - | - |
| **Adjusted Operating Income** | **$551** | **$618** | **$600** | **$712** | **$767** | **$778** |
| Operating Margin | 22.7% | 24.0% | 17.8% | 21.3% | 22.6% | 17.1% |
| Adjusted Operating Margin | 22.7% | 24.0% | 21.2% | 21.8% | 23.0% | 22.5% |



See related footnotes on page 30

# Important disclosures regarding Non-GAAP measures (continued)

## Operating Income to Adjusted Operating Income

| (In millions) | 2010 1Q | 2010 2Q | 2010 3Q | 2010 4Q | 2011 1Q | 2011 2Q | 2011 3Q | 2011 4Q |
|---|---|---|---|---|---|---|---|---|
| **Operating Income** | **$301** | **$169** | **$106** | **$177** | **$238** | **$157** | **$90** | **$106** |
| **Excluding:** | | | | | | | | |
| 2011 Operational review charge [(a)] | - | - | - | - | 97 | 18 | 15 | 50 |
| FSA regulatory settlement[(b)] | - | - | - | - | - | 11 | - | - |
| Venezuela currency devaluation[(d)] | 12 | - | - | - | - | - | - | - |
| Net (gain)/loss on disposal of operations | - | 2 | - | - | (4) | - | - | - |
| **Adjusted Operating Income** | **$313** | **$171** | **$106** | **$177** | **$331** | **$186** | **$105** | **$156** |
| Operating Margin | 31.0% | 21.2% | 14.5% | 21.2% | 23.6% | 18.2% | 11.8% | 12.8% |
| Adjusted Operating Margin | 32.2% | 21.4% | 14.5% | 21.2% | 32.8% | 21.6% | 13.8% | 18.9% |



See related footnotes on page 30

# Important disclosures regarding Non-GAAP measures (continued)

## Net Income to Adjusted Net Income

| (In millions, except per share data) | 2006 FY | 2007 FY | 2008 FY | 2009 FY | 2010 FY | 2011 FY |
|---|---|---|---|---|---|---|
| **Net Income attributable to Willis Group Holdings plc** | **$449** | **$409** | **$302** | **$436** | **$455** | **$218** |
| **Excluding the following, net of tax:** | | | | | | |
| 2011 Operational review[(a)] | - | - | - | - | - | 128 |
| FSA regulatory settlement [(b)] | - | - | - | - | - | 11 |
| Make-whole amounts on repurchase and redemption of Senior Notes and write-off of unamortized debt costs[(c)] | - | - | - | - | - | 131 |
| Net (gain)/loss on disposal of operations | 3 | (2) | - | (11) | 3 | (4) |
| Venezuela currency devaluation [(d)] | - | - | - | - | 12 | - |
| Salaries and benefits -severance programs [(e)] | 25 | - | 17 | - | - | - |
| Salaries and benefits -other [(f)] | - | - | 30 | - | - | - |
| Shaping our Future expenditure[(g)] | 41 | - | - | - | - | - |
| Gain on disposal of London headquarters [(h)] | (92) | - | - | - | - | - |
| HRH financing (pre-close) and integration costs [(i)] | - | - | 10 | 13 | - | - |
| Other operating expenses [(j)] | - | - | 19 | - | - | - |
| Accelerated amortization of intangibles assets[(k)] | - | - | - | 4 | - | - |
| Redomicile costs [(l)] | - | - | - | 6 | - | - |
| Premium on early redemption of 2010 bonds[(m)] | - | - | - | 4 | - | - |
| **Adjusted Net Income** | **$426** | **$407** | **$378** | **$452** | **$470** | **$484** |
| Diluted shares outstanding | 158 | 147 | 148 | 169 | 171 | 176 |
| Net income per diluted share | $2.84 | $2.78 | $2.04 | $2.58 | $2.66 | $1.24 |
| Adjusted net income per diluted share | $2.70 | $2.77 | $2.55 | $2.67 | $2.75 | $2.75 |



See related footnotes on page 30

# Important disclosures regarding Non-GAAP measures (continued)

## Net Income to Adjusted Net Income

| | 2010 | | | | 2011 | | | |
|---|---|---|---|---|---|---|---|---|
| (In millions, except per share data) | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q |
| **Net Income attributable to Willis Group Holdings plc** | **$204** | **$89** | **$64** | **$98** | **$34** | **$85** | **$60** | **$39** |
| **Excluding the following, net of tax:** | | | | | | | | |
| 2011 operational review charge [(a)] | - | - | - | - | 69 | 12 | 11 | 36 |
| FSA regulatory settlement [(b)] | - | - | - | - | - | 11 | - | |
| Net (gain)/loss on disposal of operations | - | 3 | - | - | (4) | - | - | - |
| Make-whole amounts on repurchase and redemption of Senior Notes and write-off of unamortized debt costs [(d)] | - | - | - | - | 124 | - | 1 | 6 |
| Venezuela currency devaluation [(e)] | 12 | - | - | - | - | - | - | - |
| **Adjusted Net Income** | **$216** | **$92** | **$64** | **$98** | **$223** | **$108** | **$72** | **$81** |
| Diluted shares outstanding | 170 | 171 | 171 | 172 | 174 | 176 | 176 | 176 |
| Net income per diluted share | $1.20 | $0.52 | $0.37 | $0.57 | $0.20 | $0.48 | $0.34 | $0.22 |
| Adjusted net income per diluted share | $1.27 | $0.54 | $0.37 | $0.57 | $1.28 | $0.61 | $0.41 | $0.46 |



See related footnotes on page 30

# Important disclosures regarding Non-GAAP measures (continued)

## Adjusted EBITDA and Debt/Adjusted EBITDA

| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
|---|---|---|---|---|---|---|
| (In millions) | FY | FY | FY | FY | FY | FY |
| **Operating Income** | **$552** | **$620** | **$503** | **$694** | **$753** | **$591** |
| **Excluding:** | | | | | | |
| 2011 operational review [(a)] | - | - | - | - | - | 180 |
| FSA regulatory settlement [(b)] | - | - | - | - | - | 11 |
| Venezuela currency devaluation [(d)] | - | - | - | - | 12 | - |
| Net (gain)/loss on disposal of operations | 4 | (2) | - | (13) | 2 | (4) |
| Salaries and benefits - severance costs [(e)] | 35 | - | 24 | - | - | - |
| Salaries and benefits – other [(f)] | - | - | 42 | - | - | - |
| Shaping our Future expenditure [(g)] | 59 | - | - | - | - | - |
| Gain on disposal of London headquarters [(h)] | (99) | - | - | - | - | - |
| HRH integration costs [(i)] | - | - | 5 | 18 | - | - |
| Other operating expenses [(j)] | - | - | 26 | - | - | - |
| Accelerated amortization of intangibles assets [(k)] | - | - | - | 7 | - | - |
| Redomicile costs [(l)] | - | - | - | 6 | - | - |
| **Adjusted Operating Income** | **$551** | **$618** | **$600** | **$712** | **$767** | **$778** |
| Add back | | | | | | |
| Depreciation | 49 | 52 | 54 | 64 | 63 | 69 |
| Amortization of intangibles | 14 | 14 | 36 | 93 | 82 | 68 |
| **Adjusted EBITDA** | **$614** | **$684** | **$690** | **$869** | **$912** | **$915** |
| Debt | 800 | 1,250 | 2,650 | 2,374 | 2,267 | 2,369 |
| **Debt / Adjusted EBITDA** | **1.3** | **1.8** | **3.8** | **2.7** | **2.5** | **2.6** |



See related footnotes on page 30

# Important disclosures regarding Non-GAAP measures (continued)

## Notes to the Operating Income to Adjusted Operating Income reconciliation and Net Income from Continuing Operations to Adjusted Net Income from Continuing Operations reconciliation

(a) $50 million pre-tax charge in 4Q11 ($180 million in FY2011) relating to the 2011 operational review, including $34 million of severance costs relating to the elimination of approximately 400 positions in 4Q11 (or $98 million of severance costs relating to the elimination of approximately 1,200 positions in FY2011).

(b) Regulatory settlement with the Financial Services Authority (FSA).

(c) Make-whole amounts on repurchase and redemption of Senior Notes and write-off of unamortized debt costs

(d) 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.

(e) 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 $24 million and $2 million for the years ended December 31, 2009 and 2008, respectively.

(f) Other 2008 expense review salaries and benefits costs relate primarily to contract buyouts.

(g) In addition to severance costs and a net loss on disposal of operations, the Company incurred significant additional expenditure in 2006 to launch its strategic initiatives, including professional fees, lease termination costs and vacant space provisions.

(h) The gain on disposal of London headquarters is shown net of leaseback costs.

(i) 2009 HRH integration costs include $nil million severance costs ($2 million in 2008).

(j) Other operating expenses primarily relate to property and systems rationalization.

(k) 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.

(l) These are legal and professional fees incurred as part of the Company's redomicile of its parent Company from Bermuda to Ireland.

(m) 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.

# Important disclosures regarding Non-GAAP measures (continued)

## Commissions and Fees Analysis (a)

| | 2011 | 2010 | Change | Foreign currency translation | Acquisitions and disposals | Contingent Commissions | Organic commissions and fees growth |
|---|---|---|---|---|---|---|---|
| | ($ millions) | | % | % | % | % | % |
| **Three months ended December 31, 2011** | | | | | | | |
| Global | $213 | $202 | 5 | (1) | - | - | 6 |
| North America (b) | 322 | 346 | (7) | - | - | - | (7) |
| International | 281 | 275 | 2 | - | - | - | 2 |
| Commissions and Fees | $816 | $823 | (1) | - | - | - | (1) |
| **Twelve months ended December 31, 2011** | | | | | | | |
| Global | $1,073 | $987 | 9 | 2 | - | - | 7 |
| North America (b) | 1,320 | 1,369 | (4) | - | - | - | (4) |
| International | 1,027 | 937 | 10 | 5 | - | - | 5 |
| Commissions and Fees (c) | $3,420 | $3,293 | 4 | 2 | - | - | 2 |

(a) Effective January 1, 2011, the Company's internal reporting structure has changed. The primary changes are: Global Markets International, previously reported within the International segment, is now reported in the Global segment. In addition, Mexico Retail, which was previously reported within the International segment, is now reported in the North America segment. Comparative data has been restated accordingly.

(b) Included in North America reported commissions and fees were legacy HRH contingent commissions of $nil million in the fourth quarter of 2011 compared with $nil million in the fourth quarter of 2010 and $5 million in 2011 compared with $11 million in 2010.

(c) Reported commissions and organic revenue growth for the twelve months ended December 31, 2011 included a first quarter 2011 favorable impact from a change in accounting methodology in a Global Specialty business of $6 million.

# Important disclosures regarding Non-GAAP measures (continued)

## Commissions and Fees Analysis (a)

| | 2010 | 2009 | Change | Foreign currency translation | Acquisitions and disposals | Contingent Commissions | Organic commissions and fees growth |
|---|---|---|---|---|---|---|---|
| | ($ millions) | | % | % | % | % | % |
| **2010 Full year** | | | | | | | |
| Global | $994 | $931 | 7 | - | - | - | 7 |
| North America (b) | 1,369 | 1,381 | (1) | - | - | (1) | - |
| International | 937 | 898 | 4 | (2) | 1 | - | 5 |
| Commissions and Fees | $3,300 | $3,210 | 3 | (1) | - | - | 4 |

| | 2009 | 2008 | Change | Foreign currency translation | Acquisitions and disposals | Contingent Commissions | Organic commissions and fees growth |
|---|---|---|---|---|---|---|---|
| | ($ millions) | | % | % | % | % | % |
| **2009 Full year** | | | | | | | |
| Global | $931 | $894 | 4 | (3) | 3 | - | 4 |
| North America (b) | 1,381 | 925 | 49 | - | 56 | (3) | (4) |
| International | 898 | 925 | (3) | (9) | 1 | - | 5 |
| Commissions and Fees | $3,210 | $2,744 | 17 | (4) | 20 | (1) | 2 |

(a) Effective January 1, 2011, the Company's internal reporting structure has changed. The primary changes are: Global Markets International, previously reported within the International segment, is now reported in the Global segment. In addition, Mexico Retail, which was previously reported within the International segment, is now reported in the North America segment. Comparative data has been restated accordingly.

(b) Included in North America reported commissions and fees were legacy HRH contingent commissions of $11 million in 2010 compared with $27 million in 2009.

# WILLIS GROUP HOLDINGS

**Joe Plumeri**

**Chairman and Chief Executive Officer**

**Bank of America Merrill Lynch Insurance Conference**

**February 16, 2012**