

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 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 8, 2006

Willis Group Holdings Limited

(Exact Name of Registrant as Specified in Its Charter)

Bermuda

(State or Other Jurisdiction of Incorporation)

001-16503

98-0352587

(Commission File Number)

(IRS Employer Identification No.)

c/o Willis Group Limited
Ten Trinity Square
London EC3P 3AX, England

(Address of Principal Executive Offices)

(44) (20) 7488-8111

(Registrant's Telephone Number, Including Area Code)

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 (see General Instruction A.2. below):

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 2.02. Results of Operations and Financial Condition.

On February 8, 2006, Willis Group Holdings Limited ("WGHL") issued a press release (the "Press Release") reporting results for the quarter and year ended December 31, 2005. A copy of the Press Release is attached as Exhibit 99.1 to this Report on Form 8-K and is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(c) Exhibits.

99.1 Press Release of WGHL dated February 8, 2006

SIGNATURES

Pursuant to the requirements 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.

WILLIS GROUP HOLDINGS LIMITED

Date: February 8, 2006

By: /s/ William P. Bowden, Jr.

Name: William P. Bowden, Jr.
Title: General Counsel

EXHIBIT INDEX

Exhibit No.

Description

99.1 Press Release of WGHL dated February 8, 2006

Willis Group Reports Fourth Quarter and Full Year 2005 Results;
Increases Quarterly Cash Dividend 9 Percent to \$0.94 Annually

NEW YORK--(BUSINESS WIRE)--Feb. 8, 2006--Willis Group Holdings Limited (NYSE: WSH), the global insurance broker, today reported results for the quarter and year ended December 31, 2005.

Separately, the Board of Directors today approved a 9 percent increase in the regular quarterly cash dividend on the Company's common stock to \$0.235 per share, an annual rate of \$0.94 per share. The dividend is payable on April 14, 2006 to shareholders of record on March 31, 2006.

Commenting on today's results, Joe Plumeri, Chairman and Chief Executive Officer said, "Our results in the fourth quarter and throughout 2005 were the direct result of hard work in a year filled with challenges and opportunities. Our 8 percent organic growth in commissions and fees reflects the strength of our sales culture. Our essential investments during the year helped us attract and retain the industry's best talent and enhance our value proposition for our clients."

Fourth Quarter 2005 Financial Results

Total reported revenues for the quarter ended December 31, 2005 decreased 4 percent to \$562 million, from \$588 million for the same period last year. The effect of foreign currency translation decreased revenues 3 percent and net disposal of operations reduced reported revenues by 3 percent.

Organic growth in commissions and fees excluding volume and profit-based contingent commissions and other market remuneration was 8 percent in the fourth quarter, comprised of approximately 9 percent in net new business and a negative 1 percent impact from declining insurance premium rates and other market factors.

Net income for the quarter ended December 31, 2005 was \$60 million, or \$0.38 per diluted share, compared with \$108 million, or \$0.65 per diluted share, a year ago.

Reported (and adjusted) operating margin was 19.0 percent for the quarter ended December 31, 2005, compared with a 28.9 percent reported and 27.9 percent adjusted operating margin for the same period last year. Approximately 5 percent of the decline in adjusted operating margin was due to the elimination of contingent commissions and the decline in other market remuneration. The remainder of the decline was due to higher compensation costs, the effect of foreign currency translation and Stewart Smith, which was sold in April 2005.

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2005 Financial Results

Total reported revenues for the year ended December 31, 2005 were \$2,267 million, compared to \$2,275 million for the corresponding period in 2004. Foreign currency translation had no net impact on reported revenues and acquisitions net of disposal of operations added 1 percent.

Organic growth in commissions and fees excluding volume and profit-based contingent commissions and other market remuneration was 5 percent for the twelve months, comprised of approximately 6 percent in net new business and a negative 1 percent impact from declining insurance premium rates and other market factors.

Reported net income for the year ended December 31, 2005 after net gain on disposal of operations and first quarter charges for regulatory settlements and related expenses, severance costs and other provisions was \$300 million, or \$1.83 per diluted share, compared to \$427 million, or \$2.54 per diluted share, a year ago.

Adjusted operating margin, excluding regulatory settlements and related expenses, severance costs and other provisions and net gain on disposal of operations, was 22.5 percent for the year ended December 31, 2005 compared with 28.8 percent for the same period last year. Approximately 4 percent of the decline in adjusted operating margin was due to the elimination of contingent commissions and the decline in other market remuneration. The remainder of the decline was due to higher compensation costs, the effect of foreign currency translation and Stewart Smith, which was sold in April 2005.

Outlook

The Company anticipates growth in organic commissions and fees to continue in 2006. Salaries and benefits expense as a percentage of total revenues is expected to remain at about 2005 levels. For the full year 2005, salaries and benefits expense (excluding the first quarter 2005 severance charge) was 58.6 percent of total revenues. The outlook assumes that recruiting opportunities in

2006 will be similar to those in 2005 and that the competition for talent will not abate. For the full year 2006 the Company expects to generate modest operating margin expansion compared to the 22.5 percent adjusted operating margin reported for 2005.

In conclusion Mr. Plumeri added, "Looking ahead, our goal is to achieve sustainable long-term growth for Willis. We welcome 2006 as a year for us to move forward. We are making the right investments in our Company, enhancing our client advocacy program and increasing productivity and efficiency. We will continue to execute on our plan and remain focused on being a leader in the insurance brokerage industry."

Other

At December 31, 2005, total long-term debt was \$600 million and total stockholders' equity was approximately \$1.3 billion. The capitalization ratio (total long-term debt to total long-term debt and stockholders' equity) was 31 percent at December 31, 2005.

During the fourth quarter, the Company repurchased 1.5 million shares of common stock for \$54 million. Through the twelve months of 2005, the Company repurchased 10.3 million shares for \$360 million under the existing \$500 million buyback authorization.

During the year ended December 31, 2005 the Company completed 8 acquisitions with annual revenues of approximately \$21 million. Cash and cash equivalents totaled \$193 million, including approximately \$94 million of immediately available cash at December 31, 2005.

Excluding the effects on taxation of amortization of intangibles, disposals of operations and performance-based stock options, the underlying tax rate in 2005 was 31.5 percent compared to the underlying tax rate of 33 percent in 2004.

Conference Call and Web Cast

A conference call to discuss fourth quarter 2005 results will be held February 9, 2006 at 8:00 a.m. Eastern Standard Time. To participate in the live teleconference, please dial (888) 829-8668 (U.S.) or (210) 234-0001 (International) with a pass code 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 Daylight Time, and ending February 23, 2006. To access the audio replay, please dial (888) 568-0121 (US), or (203) 369-3458 (International), or by accessing the web site.

Willis Group Holdings Limited is a leading global insurance broker, developing and delivering professional insurance, reinsurance, risk management, financial and human resource consulting and actuarial services to corporations, public entities and institutions around the world. With over 300 offices in some 80 countries, its global team of approximately 15,800 associates serves clients in some 180 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 consolidated statements of operations for the quarter and year ended December 31, 2005.

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,	
	2005	2004	2005	2004
Revenues:				
Commissions and fees	\$ 544	\$ 569	\$ 2,194	\$ 2,205
Interest income	18	19	73	70
Total Revenues	562	588	2,267	2,275
Expenses:				
Salaries and benefits (after charging non-cash compensation \$nil, \$1, \$nil and \$11)	348	311	1,356	1,182
Other operating expenses	93	101	405	391
Regulatory settlements	-	-	51	-
Depreciation expense and amortization of intangible assets	14	12	54	47
Net gain on disposal of operations	-	(6)	(78)	(11)
Total Expenses	455	418	1,788	1,609
Operating Income	107	170	479	666
Interest expense, net	9	7	30	22
Premium on redemption of subordinated debt	-	-	-	17
Income before Income Taxes, Equity in Net (Loss) Income of Associates and Minority Interest	98	163	449	627
Income taxes	31	53	152	208
Income before Equity in Net (Loss) Income of Associates and Minority Interest	67	110	297	419
Equity in net (loss) income of associates, net of tax	(3)	-	14	15
Minority interest, net of tax	(4)	(2)	(11)	(7)
Net Income	\$ 60	\$ 108	\$ 300	\$ 427
Net Income per Share				
- Basic	\$ 0.38	\$ 0.69	\$ 1.86	\$ 2.72
- Diluted	\$ 0.38	\$ 0.65	\$ 1.83	\$ 2.54
Average Number of Shares Outstanding				
- Basic	157	157	161	157
- Diluted	160	166	164	168

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

1. Definitions of Non-GAAP Financial Measures

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

Organic revenue growth

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

Adjusted operating income and adjusted net income

Our results for the year ended December 31, 2005 were significantly impacted by net gains on disposal of operations, and charges for regulatory settlements and related expenses, our first quarter headcount reduction program, other provisions and a non-recurring premium on redemption of subordinated debt in 2004. 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. These items did not have a material effect on the results for the three months ended December 31, 2005.

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

2. Revenue analysis

Organic revenue growth

Organic revenue growth is defined as revenue growth excluding the impact of foreign currency translation and acquisitions and disposals. The percentage change in reported revenues is the most directly comparable GAAP measure, and the following tables reconcile this change to organic revenue growth by business unit for the three months ended December 31, 2005:

	Three months ended December 31,			Change attributable to		
	2005	2004	% Change	Foreign currency translation	Acquisitions and disposals	Organic revenue growth
Global	\$ 226	\$ 265	(15)%	(3)%	(6)%	(6)%
North America	198	184	8%	0%	1%	7%
International	120	120	0%	(7)%	1%	6%
Commissions and fees (see below)	\$ 544	\$ 569	(4)%	(3)%	(2)%	1%
Interest Income	18	19	(5)%	(9)%	(3)%	7%
Total revenues	\$ 562	\$ 588	(4)%	(3)%	(3)%	2%

Commissions and fees

Organic growth in commissions and fees for the three months ended December 31, 2005 was attributable to:

	Three months ended December 31,			
	Commissions and fees	Volume and profit-based contingent commissions	Other market remuneration (a)	Commissions and fees organic growth
Global	9%	(9)%	(6)%	(6)%
North America	6%	0%	1%	7%
International	9%	(3)%	0%	6%
Total Group	8%	(5)%	(2)%	1%

a) Other market remuneration includes fees received for product and market research we carry out on behalf of insurers and income related to administration and other services we provide to the market.

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

2. Revenue analysis (continued)

Organic revenue growth

The following table reconciles the change to organic revenue growth by business unit for the year ended December 31, 2005:

	Year ended December 31,		
	2005	2004	% Change
Global	\$ 1,070	\$ 1,116	(4)%
North America	677	660	3%
International	447	429	4%
Commissions and fees (see below)	\$ 2,194	\$ 2,205	0%
Interest Income	73	70	4%
Total revenues	\$ 2,267	\$ 2,275	0%

	Change attributable to		
	Foreign currency translation	Acquisitions and disposals	Organic revenue growth
Global	0%	0%	(4)%
North America	0%	2%	1%
International	(1)%	1%	4%
Commissions and fees (see below)	0%	1%	(1)%
Interest Income	(1)%	0%	5%
Total revenues	0%	1%	(1)%

Commissions and fees

Organic growth in commissions and fees for the year ended December 31, 2005 was attributable to:

	Year ended December 31,			
	Commissions and fees	Volume and profit- based contingent commissions	Other market remuneration (a)	Commissions and fees organic growth
Global	5%	(3)%	(6)%	(4)%
North America	5%	(4)%	0%	1%
International	5%	(1)%	0%	4%
Total Group	5%	(3)%	(3)%	(1)%

a) Other market remuneration includes fees received for product and market research we carry out on behalf of insurers and income related to administration and other services we provide to the market.

WILLIS GROUP HOLDINGS LIMITED
SUPPLEMENTAL FINANCIAL INFORMATION
(in millions, except per share data)
(unaudited)

2. Revenue analysis (continued)

Market remuneration

Volume and profit-based contingent commissions and other market remuneration by quarter are set out in the following table:

	Volume and profit-based contingent commissions		Other market remuneration	
	2005	2004	2005	2004
First quarter	\$3	\$21	\$3	\$22
Second quarter	8	15	5	20
Third quarter	1	10	3	19
Fourth quarter	1	25	5	16
	\$13	\$71	\$16	\$77

3. General and administrative expenses

An analysis of general and administrative expenses between salaries and benefits and other operating expenses by quarter is set out in the following table:

	Salaries and benefits (a)		Other operating expenses		General and administrative expenses	
	2005	2004	2005	2004	2005	2004
First quarter	\$386	\$320	\$125	\$99	\$511	\$419
Second quarter	309	275	98	98	407	373
Third quarter	313	276	89	93	402	369
Fourth quarter	348	311	93	101	441	412
	\$1,356	\$1,182	\$405	\$391	\$1,761	\$1,573

a) Salaries and benefits include salaries, incentive payments, pensions, non-cash compensation, severance and other employee benefits.

4. Sale of Stewart Smith

The Company completed the sale of Stewart Smith, its wholesale division, on April 14, 2005. The following table sets out the impact of Stewart Smith on results in the five quarters prior to sale:

	2004					2005
	Q1	Q2	Q3	Q4	FY	Q1
Revenues	\$15	\$19	\$18	\$25	\$77	\$10
General and administrative expenses	(10)	(10)	(11)	(13)	(44)	(11)
Operating income (loss)	5	9	7	12	33	(1)
Income taxes	(2)	(4)	(2)	(5)	(13)	-
Net income (loss)	\$3	\$5	\$5	\$7	\$20	\$(1)
Contribution to net income per diluted share	\$0.02	\$0.03	\$0.03	\$0.04	\$0.12	\$-

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

5. Adjusted operating income

Adjusted operating income is defined as operating income excluding net gain on disposal of operations and charges for regulatory settlements and related expenses, severance costs relating to our first quarter 2005 headcount reduction program and other provisions. 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, 2005 and 2004:

	Three months ended December 31,		
	2005	2004 (a)	% Change
Operating income, GAAP basis	\$107	\$170	(37)%
Excluding:			
Net gain on disposal of operations	-	(6)	
Adjusted operating income	\$107	\$164	(35)%
Operating margin, GAAP basis, or Operating income as a percentage of Total Revenues	19.0%	28.9%	
Adjusted operating margin, or Adjusted operating income as a percentage of total revenues	19.0%	27.9%	

	Year ended December 31,		
	2005	2004 (a)	% Change
Operating income, GAAP basis	\$479	\$666	(28)%
Excluding:			
Regulatory settlements (b)	51	-	
Costs related to regulatory settlements (b)	9	-	
Severance costs (c)	28	-	
Other provision (d)	20	-	
Net gain on disposal of operations	(78)	(11)	
Adjusted operating income	\$509	\$655	(22)%
Operating margin, GAAP basis, or Operating income as a percentage of total revenues	21.1%	29.3%	
Adjusted operating margin, or Adjusted operating income as a percentage of total revenues	22.5%	28.8%	

- a) In 2004, adjusted operating income was reported after excluding charges for non-cash compensation. With effect from 2005, these charges are no longer excluded from adjusted operating income and 2004 comparatives have been restated accordingly.
- b) 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.
- c) Severance costs relate to the headcount reduction program announced in first

quarter 2005 which eliminated approximately 500 positions at a cost of \$28 million. Severance costs also arise in the normal course of business and these charges amounted to \$2 million in the year ended December 31, 2005 (\$10 million - 2004).

- d) Based on the quarterly review of legal proceedings at March 31, 2005, the Company increased its provision for claims by an additional \$20 million.

WILLIS GROUP HOLDINGS LIMITED
SUPPLEMENTAL FINANCIAL INFORMATION
(in millions, except per share data)
(unaudited)

6. Adjusted net income

Adjusted net income is defined as net income excluding net gain on disposal of operations and charges for regulatory settlements and related expenses, severance costs relating to our first quarter 2005 headcount reduction program, other provisions and a non-recurring premium on redemption of subordinated debt in 2004. 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, 2005 and 2004:

	Three months ended December 31,			Per diluted share Three months ended December 31,		
	2005	2004 (a)	% Change	2005	2004 (a)	% Change
Net income, GAAP basis	\$ 60	\$ 108	(44)%	\$0.38	\$ 0.65	(42)%
Excluding:						
Net gain on disposal of operations, net of tax (\$nil, \$(1))	-	(5)		-	(0.03)	
Adjusted net income	\$ 60	\$ 103	(42)%	\$0.38	\$ 0.62	(39)%
Diluted shares outstanding, GAAP basis	160	166				

	Year ended December 31,			Per diluted share Year ended December 31,		
	2005	2004 (a)	% Change	2005	2004 (a)	% Change
Net income, GAAP basis	\$ 300	\$ 427	(30)%	\$ 1.83	\$ 2.54	(28)%
Excluding:						
Regulatory settlements, net of tax (\$20)	31	-		0.19	-	
Costs related to regulatory settlements, net of tax (\$4)	5	-		0.03	-	
Severance costs, net of tax (\$9)	19	-		0.12	-	
Other provision, net of tax (\$6)	14	-		0.08	-	
Net gain on disposal of operations, net of tax (\$(37), \$(3))	(41)	(8)		(0.25)	(0.05)	
Non-recurring premium on redemption of subordinated debt, net of tax (\$7)	-	10		-	0.06	

Adjusted net income	-----	-----		-----	-----	
	\$ 328	\$ 429	(24)%	\$ 2.00	\$ 2.55	(22)%
	=====	=====		=====	=====	

Diluted shares outstanding, GAAP basis		
	164	168
	=====	=====

a) In 2004, adjusted net income was reported after excluding charges for non-cash compensation. With effect from 2005, these charges are no longer excluded from adjusted net income and 2004 comparatives have been restated accordingly.

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