

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): May 3, 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 May 3, 2006, Willis Group Holdings Limited ("WGHL") issued a press release (the "Press Release") reporting results for the quarter ended March 31, 2006. 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 May 3, 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: May 9, 2006

By: /s/ Eric Dinallo

Name: Eric Dinallo
Title: General Counsel

Willis Group Reports Increased First Quarter 2006 Results;
Declares Regular Quarterly Dividend

NEW YORK--(BUSINESS WIRE)--May 3, 2006--Willis Group Holdings Limited (NYSE: WSH), the global insurance broker, today reported results for the quarter ended March 31, 2006.

Commenting on today's results, Joe Plumeri, Chairman and Chief Executive Officer, said, "Last year we made disciplined decisions for the long-term best interest of our Company, including investments in talent, processes and technology. We are pleased that the first quarter 2006, with 6 percent organic revenue growth and improved earnings, reflects the early results of these investments."

First Quarter 2006 Financial Results

Total reported revenues for the quarter ended March 31, 2006 were \$671 million, compared with \$669 million for the same period last year. The effect of foreign currency translation decreased reported revenues by 5 percent and net disposal of operations reduced reported revenues by 1 percent.

Organic growth in commissions and fees excluding total market remuneration was 6 percent in the first quarter 2006, comprised of approximately 6 percent in net new business and a negligible impact from insurance premium rates and other market factors. Although we continue to see rates moderating, the impact is varied geographically and according to product line.

Net income for the quarter ended March 31, 2006 was \$140 million, or \$0.88 per diluted share, compared with \$67 million, or \$0.41 per diluted share, a year ago. Excluding certain items which affected net income for the quarter ended March 31, 2005, as detailed in the Supplemental Financial Information of this press release, adjusted net income was \$0.88 for the first quarter of 2006 compared to \$0.82 for the same period last year, an increase of 7 percent. The impact of foreign currency translation reduced first quarter 2006 net income by \$0.03 per diluted share compared with first quarter 2005.

On January 1, 2006, the Company adopted FAS 123R share-based payment and also changed the methodology used to calculate the market-related value of UK pension plan assets. Comparative figures for 2005 have been adjusted to reflect the retrospective application of the accounting changes. The Company also revised the expected long-term rate of return assumption on the UK pension plan assets. Each of these accounting changes is discussed in more detail in the Supplemental Financial Information of this press release.

Salaries and benefits expense for the quarter ended March 31, 2006 was \$348 million, or 51.9 percent of total revenues, compared with \$365 million, or 54.6 percent of total revenues in the comparable period last year, excluding first quarter 2005 severance costs. The improvement in this compensation ratio was helped by both increased revenue contribution from recent hires and the benefit in the first quarter 2006 of a more even quarterly recognition of incentive compensation than in 2005.

Other expenses for the first quarter of 2006 were \$105 million, or 15.6 percent of total revenues, compared to \$96 million, or 14.3 percent in the comparable period last year, excluding first quarter 2005 costs related to regulatory settlements and other provisions.

Reported (and adjusted) operating margin was 30.4 percent for the quarter ended March 31, 2006, compared with a 13.0 percent reported margin and 29.1 percent adjusted operating margin for the same period last year.

Excluding the effects on taxation of amortization of intangibles, disposals of operations and share-based compensation, the underlying tax rate in the first quarter of 2006 was 31.5 percent, the same as for the full year 2005.

Outlook

For the full year 2006, the Company anticipates continued growth in organic commissions and fees. The net impact of the accounting changes for stock options and pension on salaries and benefits and operating income in 2006 is not expected to be significant. For the full year 2006, the Company expects salaries and benefits expense as a percentage of total revenues to be less than 59 percent and expects modest operating margin expansion. This outlook assumes a more selective approach toward recruiting opportunities in an environment which remains highly competitive.

In conclusion, Mr. Plumeri added, "As we move into the next chapter at Willis we are committed to generating sustainable profitable growth by increasing value to our clients and delivering that value efficiently. From our already strong platform, we expect to

expand our market share and continue to enhance our top line and bottom line. We anticipate that we will see significant benefits from this strategy in 2007."

Other Items

The Board of Directors declared a regular quarterly cash dividend on the Company's common stock of \$0.235 per share, an annual rate of \$0.94 per share. The dividend is payable on July 14, 2006 to shareholders of record on June 30, 2006.

During the quarter ended March 31, 2006 the Company completed 4 acquisitions with annual revenues of approximately \$13 million. Cash and cash equivalents totaled \$158 million, including approximately \$53 million of immediately available cash at March 31, 2006. There were no shares repurchased during the first quarter 2006, and there is \$140 million available under the existing \$500 million buyback authorization.

At March 31, 2006, total long-term debt was \$600 million and total stockholders' equity was approximately \$1.4 billion. The capitalization ratio (total long-term debt to total long-term debt and stockholders' equity) was 30 percent at March 31, 2006.

Conference Call and Web Cast

A conference call to discuss first quarter 2006 results will be held May 4, 2006 at 8:00 a.m. Eastern Time. To participate in the live teleconference, please dial (800) 857-6553 (US) or (773) 756-0108 (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 Time, and ending May 18, 2006. To access the audio replay, please dial (866) 442-1775 (US), or (203) 369-1075 (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 15,400 associates serves clients in some 190 countries. Additional information on Willis may be found on its web site www.willis.com.

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

This press release includes supplemental financial information which may contain references to non-GAAP financial measures as defined in Regulation G of SEC rules. Consistent with Regulation G, a reconciliation of this supplemental financial information to our generally accepted accounting principles (GAAP) information follows. We present such non-GAAP supplemental financial information as we believe such information is of interest to the investment community because it provides additional meaningful methods of evaluating certain aspects of the Company's operating performance from period to period on a basis that may not be otherwise apparent on a GAAP basis. This supplemental financial information should be viewed in addition to, not in lieu of, the Company's condensed consolidated statements of operations for the quarter ended March 31, 2006.

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

Three months ended
March 31,

2005

	2006	As adjusted (Note 2)
Revenues		
Commissions and fees	\$652	\$651
Investment income	19	18
Total Revenues	671	669
Expenses		
Salaries and benefits (including share-based compensation of \$3, \$4)	348	393
Other operating expenses	105	125
Regulatory settlements	-	51
Depreciation expense and amortization of intangible assets	14	13
Total Expenses	467	582
Operating Income	204	87
Interest expense, net	9	6
Income before Income Taxes, Equity in Net Income of Associates and Minority Interest	195	81
Income taxes	62	24
Income before Equity in Net Income of Associates and Minority Interest	133	57
Equity in net income of associates, net of tax	14	14
Minority interest, net of tax	(7)	(4)
Net Income	\$140	\$67
Earnings per Share		
- Basic	\$0.89	\$0.41
- Diluted	\$0.88	\$0.41
Average Number of Shares Outstanding		
- Basic	157	163
- Diluted	159	165

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

1. Definitions of Non-GAAP Financial Measures

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

Organic revenue growth

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

Adjusted operating income and adjusted net income

Our results for the three months ended March 31, 2005 were significantly impacted by charges for regulatory settlements and related expenses, our first quarter 2005 headcount reduction program and other provisions. 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 March 31, 2006.

2. Accounting and reporting changes

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

Revenue analysis

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

FAS 123R, Share-Based Payment

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

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

Pensions: market-related value

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

Up to December 31, 2005, the market-related value of our UK pension plan assets was determined using a calculated value that recognized asset gains or losses over five years. With effect from January 1, 2006, the market-related value of UK pension plan assets has been determined on a fair value basis. We believe that fair value is a preferable measure of determining the market-related value of plan assets as it more fairly reflects the actual value of pension plan assets as of the balance sheet date. In addition, it brings the methodology used for calculating the market-related value of our UK plan assets into line with the fair value methodology already used to value our US plan assets.

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

Pensions: return on assets

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

3. Revenue analysis

Organic revenue growth

Organic revenue growth is defined as revenue growth excluding the impact of foreign currency translation, acquisitions and disposals and total market remuneration. The percentage change in reported revenues is the most directly comparable GAAP measure, and the following table reconciles this change to organic revenue growth by business unit for the three months ended March 31, 2006:

	Three months ended March 31,		
	2006	2005(1)	Change
Global	\$308	\$326	(6)%
North America	181	162	12%
International	163	163	0%
Commissions and fees	\$652	\$651	0%
Investment Income	19	18	6%

Total revenues	\$671	\$669	0%
	=====	=====	=====

	Change attributable to			
	Foreign currency translation	Acquisitions and disposals	Total market remuneration	Organic revenue growth
Global	(4)%	(4)%	(1)%	3%
North America	0%	1%	0%	11%
International	(9)%	3%	(1)%	7%
Commissions and fees	(4)%	(1)%	(1)%	6%
Investment Income	(7)%	(5)%	0%	18%
Total revenues	(5)%	(1)%	0%	6%

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

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

4. Non-GAAP Supplemental Financial Information

Adjusted operating income

Adjusted operating income is defined as operating income excluding net gain on disposal of operations and, for 2005, 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 table reconciles adjusted operating income to operating income for the three months ended March 31, 2006 and 2005:

	Three months ended March 31,		
	2006	2005 As adjusted (Note 2)	% Change
Operating Income, GAAP basis	\$204	\$87	134%
Excluding:			
Regulatory settlements (a)	-	51	
Costs related to regulatory settlements (a)	-	9	
Severance costs (b)	-	28	
Other provision (c)	-	20	
Adjusted Operating Income	\$204	\$195	5%
Operating Margin, GAAP basis, or Operating Income as a percentage of Total Revenues	30.4%	13.0%	
Adjusted Operating Margin, GAAP basis, or Adjusted Operating Income as a percentage of Total Revenues	30.4%	29.1%	

a) 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.

b) Severance costs relate to the headcount reduction program announced in first quarter 2005 which eliminated approximately 500 positions at a cost of \$28 million.

c) 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)

4. Non-GAAP Supplemental Financial Information (continued)

Adjusted net income

Adjusted net income is defined as net income excluding net gain on disposal of operations and, for 2005, charges for regulatory settlements and related expenses, severance costs relating to our first quarter 2005 headcount reduction program and other provisions. Net income is the most directly comparable GAAP measure, and the following table reconciles adjusted net income to net income for the three months ended March 31, 2006 and 2005:

	Three months ended March 31,			Per diluted share Three months ended March 31,		
	2006	2005 As adjusted (Note 2)	% Change	2006	2005 As adjusted (Note 2)	% Change
Net income, GAAP basis	\$140	\$67	109%	\$0.88	\$0.41	115%
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		-	0.11	
Other provision, net of tax (\$6)		14		-	0.08	
Adjusted net income	\$140	\$136	3%	\$0.88	\$0.82	7%
Diluted shares outstanding, GAAP basis	159	165				

WILLIS GROUP HOLDINGS LIMITED
NON-GAAP FINANCIAL SUPPLEMENT
(in millions, except per share data)
(unaudited)

	2005					2006
	Q1	Q2	Q3	Q4	FY	Q1
Revenues (1)						
Global	\$326	\$235	\$202	\$200	\$963	\$308
North America	162	182	171	205	720	181
International	163	113	96	139	511	163
Commissions and fees	651	530	469	544	2,194	652
Investment income	18	19	18	18	73	19
Total Revenues	669	549	487	562	2,267	671
Expenses						
Salaries and benefits as previously reported/computed	386	309	313	348	1,356	351
Adoption of FAS 123R (2)	4	5	4	5	18	3
Pensions: market-related value methodology (2)	3	2	2	3	10	(6)

Salaries and benefits as adjusted/reported	393	316	319	356	1,384	348
Other operating expenses	125	98	89	93	405	105
Regulatory settlements	51	-	-	-	51	-
Depreciation expense and amortization of intangible assets	13	14	13	14	54	14
Net gain on disposal of operations	-	(78)	-	-	(78)	-
Total Expenses	582	350	421	463	1,816	467
Operating Income	87	199	66	99	451	204
Operating Income margin	13.0%	36.2%	13.6%	17.6%	19.9%	30.4%
Interest expense, net	6	6	9	9	30	9
Income before Income Taxes, Equity in Net Income (Loss) of Associates and Minority Interest	81	193	57	90	421	195
Income taxes as previously reported/computed	26	77	18	31	152	61
Adoption of FAS 123R	(1)	(2)	(1)	(2)	(6)	(1)
Pensions: market-related value methodology	(1)	-	(1)	(1)	(3)	2
Income taxes as adjusted/reported	24	75	16	28	143	62
Income before Equity in Net Income (Loss) of Associates and Minority Interest	57	118	41	62	278	133
Equity in net income (loss) of associates, net of tax	14	(2)	5	(3)	14	14
Minority interest, net of tax	(4)	(2)	(1)	(4)	(11)	(7)
Net Income	\$67	\$114	\$45	\$55	\$281	\$140
Earnings per Share						
- - Diluted (3)	\$0.41	\$0.70	\$0.28	\$0.35	\$1.72	\$0.88
Average Number of Shares Outstanding						
- Basic	163	163	160	157	161	157
Diluted as previously reported	168	166	163	160	164	159
Adoption of FAS 123R (3)	(3)	(2)	(1)	(1)	(1)	-
- - Diluted as adjusted/reported	165	164	162	159	163	159

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

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

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

CONTACT: Willis Group Holdings Limited
Investors:
Kerry K. Calaiaro, 212-837-0880
kerry.calaiaro@willis.com
or
Media:
Dan Prince, 212-837-0806
daniel.prince@willis.com