

## **Summary of topics covered at the HHG AGM, 10 June 2004**

### **Dividends**

The £98 million pound operating profit for 2004 was a satisfactory result in the circumstances. However in terms of cash generation within the Group, it is important that we conserve cash resources to continue to build the regulatory capital position of the Life companies. HHG has previously said that a dividend is not likely to be paid in 2004 or 2005, but it will keep our ability to fund a cash-based dividend under close review.

### **The meaning of 'underlying performance' and 'operating profit'**

These measures used in the annual report aim to show how the operating businesses have performed, aside from the impact of strategic changes in relation to the demerger and listing of HHG. We shall put appropriate comparisons in future reports.

### **Share price in Global Offer capital raising**

HHG raised a net amount of £190 million in the Global Offer capital raising conducted at the time of listing, issuing 652,920,962 shares priced at 30 pence per share. The capital was raised under an institutional book build. The price of the offer balanced the need for an after-market for the shares with the successful raising of capital.

### **Chairman's remuneration**

The Board Remuneration Committee arrived at the Chairman's fee after taking independent external as to the proper market rate for a Chairman of a Company of this nature.

### **CEO's remuneration**

In addition to Roger Yates' role as Group Chief Executive, he is also Managing Director of Henderson Global Investors. In many companies, these roles are separated. This and other factors, including independent external advice, were taken into consideration by the Board Remuneration Committee to determine Mr Yates' remuneration.