

## **Summary of topics covered through questions at the Henderson Group EGM**

9 October 2007

**Why use a special dividend instead of a reduction of share capital? You say in the circular that, as in the previous returns of cash, the Board considered the interests of shareholders when evaluating the different methods for returning cash to shareholders. My understanding is that the dividend seems disadvantageous to individual Australian CDI holders from a taxation standpoint.**

Last year, we decided to carry out a share cancellation, as we had done in 2005, and we entered into discussions with the Australian Taxation Office (ATO) to determine the tax treatment for the payment. It became clear from those discussions in relation to the 2006 payment that this year the ATO would be unlikely to treat a third return of cash as a capital payment.

It was, therefore, a big consideration in our judgment about which method to follow this time round. We considered the various options very carefully as a Board, and we came to the conclusion that a special dividend and a share consolidation was the option that gave us the greatest certainty and precision. Frankly, without the capital treatment, we simply decided against repeating that method for a third time.