

**Address by Rupert Pennant-Rea, Chairman, to the Henderson Group
2009 Annual General Meeting
11 May 2009**

Last year was difficult. The main equity markets had one of their worst years ever, and property and corporate bonds also fell sharply. In such volatile and uncertain times, the underlying business continued to do well.

Assets under management and fund flows remained resilient and, excluding Pearl, we wrote net new business of £2.9 billion in the year, mostly in our Institutional and Property divisions. We also took action to cut costs, so operating costs in Henderson fell by 24% in 2008. These efforts resulted in an operating profit before non-recurring items and tax of £80.3 million.

We have also recently added to the business through acquisitions. Towards the end of last year we bought an equity stake of around 30% in an Australian investment management company, Attunga Capital. At the beginning of this year, we hired a specialist currency team from the investment banking arm of Fortis. On 2 April 2009 shareholders overwhelmingly approved our acquisition of New Star Asset Management Group PLC, which is expected to boost earnings per share significantly from 2010 onwards.

Shareholders also approved the establishment of a new holding company of the Group by means of a scheme of arrangement that became effective on 31 October 2008. The new holding company is tax-resident in the Republic of Ireland and incorporated in Jersey. The Scheme produces a lower corporate tax rate than in the UK, with effect from January 2009. We now have an international holding company and a group structure to help protect the Group's taxation position, and to assist its financial management.

On dividends, the Directors are recommending a final dividend for 2008 of 4.25 pence per share, to be paid on 29 May 2009 to shareholders on the register on 8 May 2009. For holders of CDIs, the A\$ equivalent will be 8.553945 cents and the NZ\$ equivalent will be 10.825553 cents. This will bring the total dividend for 2008 to 6.1 pence per share, the same as the total for 2007. The Board has not yet made a decision on its dividend policy for 2009, and intends to update shareholders when we release our 2009 interim results on 27 August 2009.

Roger Yates stepped down as Chief Executive in November last year and Andrew Formica, previously Co-head of our Listed Assets business and Head of Equities, replaced Roger as Chief Executive and joined the Board. Andrew has made an excellent start, and we are confident he will take the Group from strength to strength.

Tim How was appointed a Non-Executive Director, also in November last year. Tim's extensive business experience makes him a welcome addition to the Board.

This is our first AGM since we established the new holding company for the Group, so the Directors will be retiring and seeking reappointment today. The one exception is Anthony Hotson, who is standing down as a Non-Executive Director from today. I would like to thank Anthony for the thoughtful advice he has given to the Company, and we wish him well for the future. Tim How will replace Anthony Hotson on the Audit Committee.

Finally, a few words on the future. We assume that market conditions will continue to remain difficult in the short to medium term. We took some pre-emptive steps early last year to manage our costs and we will continue to do so. That said, with market indices still well below their average in 2008, our revenues are bound to suffer in 2009. Nevertheless, the diversity of our business and our recent acquisitions will provide further opportunities for growth. We aim to continue creating value for our shareholders and providing a good service for our clients. To all of them and to our excellent staff, thank you for your support.