



## **Extraordinary General Meeting**

31 August 2006

Henderson Group plc today holds an Extraordinary General Meeting.

The script for the opening address by the Chairman is attached.

\* \* \*

Henderson Group plc  
4 Broadgate,  
London EC2M 2DA  
Registered in England  
No. 2072534  
ABN 30 106 988 836

**Address by Rupert Pennant-Rea,  
Chairman,  
to the Henderson Group Extraordinary General Meeting  
31 August 2006**

Today you are being asked to vote on one proposal. In simple terms, the Board proposes to return approximately £200 million of surplus cash to shareholders<sup>1</sup> by the end of October 2006, by way of a capital reduction. The £200 million is not required by the Group for the operation of its business. In making its assessment of the level of surplus cash, the Board believes it has made prudent allowance for potential risks facing the business. These include warranties and indemnities given by the Group on past disposals, as well as other business contingencies. The Board believes this return of cash will enhance balance sheet efficiency and value to shareholders.

The return of cash is subject to approval both by shareholders and by a UK Court. As it is a special resolution, it requires that 75% of votes cast are in favour. The method we have chosen to return surplus cash is the same as the one used for the return of cash in May 2005, following the sale of the Life Services business. The Board would like to return cash in the most cost efficient and tax efficient way to shareholders and considered a number of options. On balance, the Board feels that for this return of cash, a capital reduction is the best option. We hope to ensure that holders of shares and CDIs are treated equally and that as far as possible, all holders receive cash by way of a return of capital.

All shareholders will have 22% of their shareholding cancelled on the Record Date, expected to be 13 October 2006, and will in return receive a cash payment of 78 pence per share cancelled. The A\$ and NZ\$ equivalents will be confirmed on the Record Date. The cancellation ratio and price are designed to ensure that a total of approximately £200 million is returned to shareholders.

To help you understand how this proposal may affect you, a calculator for shareholders has been provided on the Henderson Group website, [www.henderson.com](http://www.henderson.com). The expected timetable outlining the effective dates for each step of this return of cash is provided in detail on page three of the Circular and is also available on the website, and I ask all shareholders to note carefully the specific timing of each step. I would like to remind you that only shareholders who are on the register at the Record Date will take part in this proposed return of cash. If any of the timings should change, we will announce the revised details through the London and Australian stock exchanges and make the updates available on the Group website.

Taking into account the capital returned in 2005 as part of the sale of Life Services and this proposed Return of Cash, the Group will have returned over £1 billion to shareholders since listing in December 2003.

As for future capital planning, we continue to prepare for the new EU regulations that are being introduced on 1 January 2007 under the Capital Requirements Directive. Although not all aspects of the rules have been finalised yet, we are not expecting an increase in our overall regulatory capital requirement. The Group also hopes to be in a position to start some prudent borrowing during 2007. As a result, we believe a further capital return of between £150 million and £200 million could be achievable next year and we will keep you informed of our progress on this subject.

<sup>1</sup>The term shareholder refers to holders of Henderson Group plc equity regardless of whether the equity is traded in London in the form of ordinary shares or in Australia in the form of CHESS Depository Interests.

***For further information***

[www.henderson.com](http://www.henderson.com) or

**Investor enquiries**

Mav Wynn,  
Henderson Group Head of Investor Relations

+44 (0) 20 7818 5135

[investor.relations@henderson.com](mailto:investor.relations@henderson.com)

**Media enquiries**

***United Kingdom – Finsbury***

Andrew Mitchell

+44 (0) 20 7251 3801

***Australia – Cannings***

Gloria Barton

+61 2 9252 0622