

## CIRCULAR TO SHAREHOLDERS

### PROPOSED SHARE CONSOLIDATION AND NOTICE OF EXTRAORDINARY GENERAL MEETING

Registered in England and Wales with Company Number 2072534

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you should immediately consult your independent financial or other appropriate adviser.**

If you have sold or transferred, or sell or transfer, your entire holding of Ordinary Shares in Henderson Group plc prior to 5.00pm (London time) on 19 October 2007 or your entire holding of CHESS Depository Interests (CDIs) in Henderson Group plc prior to 5.00pm (Sydney time) on 12 October 2007, please send this document as soon as possible to the purchaser or transferee, or to the stockbroker, bank, or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee. However, this document should not be forwarded or transmitted in or into any jurisdiction in which such an act would constitute a violation of the relevant laws of such jurisdiction.

Where the term 'Shareholder' is used in this document, it refers to a holder of Henderson Group plc equity, regardless of whether the equity is traded in the form of Ordinary Shares on the London Stock Exchange (LSE) or in the form of CDIs on the Australian Securities Exchange (ASX), unless the context requires something different. Similarly, where the term 'share' or 'shareholding' is used in this document, it includes a CDI or CDI holding, where appropriate.

JPMorgan Cazenove is acting exclusively for Henderson Group plc and no-one else in connection with the Share Consolidation and will not be responsible to any person other than Henderson Group plc for providing the protections afforded to clients of JPMorgan Cazenove or for providing advice in relation to the Share Consolidation or any of the matters contemplated by this document.

UBS is acting exclusively for Henderson Group plc and no-one else in connection with the Share Consolidation and will not be responsible to any person other than Henderson Group plc for providing the protections afforded to clients of UBS or for providing advice in relation to the Share Consolidation or any of the matters contemplated by this document.

Each of JPMorgan Cazenove and UBS has given and has not withdrawn its written consent to the issue of this document with the inclusion herein of references to its name in the form and context in which it appears.

This document should be read as a whole. Please read the letter from the Chairman of Henderson Group plc set out on pages 1 and 2, which recommends that you vote in favour of the resolutions to be proposed at the Extraordinary General Meeting (EGM) referred to below.

**You should note that the Share Consolidation is conditional upon the approval by Shareholders of an ordinary resolution to be proposed at the EGM.**

A notice of the EGM relating to the Share Consolidation is set out on pages 14 to 15 of this document. The EGM will be held at 4 Broadgate, London EC2M 2DA, at 9.00am (London time) on 9 October 2007. To enable participation by Shareholders in Australia, the EGM will be simultaneously broadcast to the Wesley Conference Centre, 220 Pitt Street, Sydney, at 6.00pm (Sydney time) on 9 October 2007.

#### INTERNET VOTING AT [www.henderson.com](http://www.henderson.com)

- If you are a holder of Ordinary Shares (i.e. your shares are listed on the LSE), you can appoint a proxy online by no later than 9.00am (London time) on 7 October 2007.
- If you are a CDI Holder (i.e. your CDIs are listed on the ASX), you can submit voting instructions online by no later than 6.00pm (Sydney time) on 5 October 2007 (if directing CHESS Depository Nominees Pty Ltd (CDN) how to vote on your behalf) or 6.00pm (Sydney time) on 7 October 2007 (if directing CDN to appoint you or someone else as its proxy).

#### VOTING BY MAIL

A Proxy Form (for holders of Ordinary Shares) or a Voting Instruction Form (for CDI Holders) for use at the EGM is enclosed with this document.

- If you are a holder of Ordinary Shares, please complete and sign the Proxy Form and return it as soon as possible to: Henderson Group Share Registry, The Pavilions, Bridgwater Road, Bristol BS13 8FB, England, so as to be received no later than 9.00am (London time) on 7 October 2007.
- If you are a CDI Holder, please complete and sign the Voting Instruction Form and return it to: Henderson Group Share Registry, GPO Box 4578, Melbourne, VIC 8060, Australia or Private Bag 92119, Auckland 1020, New Zealand, so as to be received no later than 6.00pm (Sydney time) on 5 October 2007 (if directing CDN how to vote on your behalf) or 6.00pm (Sydney time) on 7 October 2007 (if directing CDN to appoint you or someone else as its proxy).

**Whether or not you intend to attend the EGM in person, you are requested to vote. Voting procedures are set out in Part 8 of this document. If you hold Ordinary Shares, the return of the completed Proxy Form will not prevent you from attending the EGM and voting in person if you wish and are so entitled. CDI Holders that wish to attend the meeting and vote in person must complete and return the Voting Instruction Form.**

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4 Broadgate, London EC2M 2DA  
Registered in England and Wales  
No. 2072534  
ABN 30 106 988 836  
29 August 2007

## DEAR SHAREHOLDER

I am pleased to invite you to this Extraordinary General Meeting (EGM) of Henderson Group plc (Company or Henderson Group). You are asked to vote on three resolutions. The first resolution relates to a return of cash by means of a Special Dividend and a Share Consolidation. The other two resolutions will be conditional on the first resolution being approved and are to update authorities granted at the 2007 Annual General Meeting (AGM) for the Company to purchase its own shares. The meeting will take place in London on 9 October 2007 and, to enable participation by Shareholders in Australia, will be simultaneously broadcast to the Wesley Conference Centre in Sydney.

For maps of the meeting locations, see the reverse of this booklet.

If you are unable to attend the meeting, you can listen to the EGM via our website, [www.henderson.com](http://www.henderson.com)

### 1. Background to Special Dividend and Share Consolidation

Based on a prudent assessment of forecast cash flows, regulatory, seed and working capital requirements for the business, the Board of Henderson Group has identified approximately £250 million surplus cash which it plans to return to Shareholders. The Board has approved the payment of a Special Dividend equal to 27.6 pence per share. If the payment of this Special Dividend proceeds, it will bring the total amount returned to Shareholders to approximately £1.3 billion since the Company listed in 2003.

The payment of this Special Dividend is conditional on Shareholder approval of the Share Consolidation. The Share Consolidation has the purpose of maintaining the comparability of the share price and earnings per share before and after the payment of the Special Dividend. It is common UK practice to combine a special dividend with a share consolidation in this way.

If the Share Consolidation is implemented, Shareholders on the Record Date, which is expected to be 19 October 2007, will:

- receive a Special Dividend equal to 27.6 pence per share (or, if you hold CDIs, the A\$ or, as the case may be, the NZ\$ equivalent);
- have their Ordinary Shares of 10 pence each held on the Record Date replaced by Ordinary Shares of 12.5 pence each so, for example, a Shareholder with 5 Existing Ordinary Shares of 10 pence each will have those shares replaced by 4 New Ordinary Shares of 12.5 pence each; and
- receive a cash payment corresponding to the market value (net of expenses) of any fractional amount of a New Ordinary Share to which they are entitled as a result of the Share Consolidation, as explained in Part 3 of this document.

As all existing shareholdings in the Company will be consolidated, the percentage interest of each Shareholder in the entire issued share capital of the Company immediately before and after the Share Consolidation will be unchanged (except for fractional entitlements). The payment of the Special Dividend and any fractional amount will be made at the same time as that of the interim dividend in respect of the results for the six months ended 30 June 2007 (Interim Dividend).

This document provides information on all three resolutions and explains what actions Shareholders are requested to take. Please see Parts 2 and 3 of this document for further details and for examples of the effect of the proposed Share Consolidation; Part 4 for a summary of the taxation consequences for certain categories of Shareholders; Part 5 for a summary of the effect on participants in the Henderson Group share incentive schemes; Part 7 for the notice of EGM; and Part 8 for voting procedures.

**PART 1 – LETTER FROM THE CHAIRMAN OF HENDERSON GROUP PLC**  
CONTINUED

**2. Key dates**

A detailed timetable is set out in Part 2 of this document. However, Shareholders may wish to note the following:

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Latest dates for receipt of voting instructions	5-7 October 2007*
Extraordinary General Meeting	9.00am (London time) 6.00pm (Sydney time) 9 October 2007
CDIs trade on the ASX on an ex-dividend, post-consolidation and deferred settlement basis	15 October 2007**
Record Date and effective date of Share Consolidation	19 October 2007**
Ordinary Shares trade on the LSE on an ex-dividend and post-consolidation basis	22 October 2007**
Payment and mailing of certificates for New Ordinary Shares and holding statements for CDIs	by 29 October 2007**

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\* See the detailed timetable in Part 2 of this document for the exact latest dates and times for receipt of voting instructions according to whether you are a holder of Ordinary Shares or CDIs, whether you are appointing a proxy and how you plan to submit your instructions (via internet, mail or CREST message).

\*\* Expected dates.

**3. For further Shareholder information**

If you have any questions about voting procedures or on the Share Consolidation or the Special Dividend, please call the Henderson Group Shareholder information line:

United Kingdom 0800 073 3916  
Australia 1300 137 981  
New Zealand 0800 888 017

**Please note that the Shareholder information line cannot give advice on the merits of the Share Consolidation or the Special Dividend or give any financial or tax advice.**

**4. Recommendation from the Board**

The Board of Henderson Group has received financial advice from JPMorgan Cazenove and UBS on the Share Consolidation. In providing their advice, JPMorgan Cazenove and UBS have each relied on the Directors' commercial assessment of the Share Consolidation. The Directors consider the passing of the resolutions as set out in the notice of EGM to be in the best interests of Shareholders as a whole.

**The Board unanimously recommends that Shareholders vote in favour of all the resolutions, as all Directors intend to do for their own beneficial holdings of Ordinary Shares which, in aggregate, amount to 1,991,851 Ordinary Shares representing approximately 0.22 per cent of the existing issued share capital of Henderson Group as at the date of this circular.**

Yours sincerely



**Rupert Pennant-Rea**  
Chairman

## PART 2 – EXPECTED TIMETABLE OF EVENTS

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Latest time for receipt of Voting Instruction Forms from CDI Holders via post and voting instructions via internet, if directing CDN how to vote on your behalf	6.00pm (Sydney time) 5 October 2007
Latest time for receipt of proxy instructions from holders of Ordinary Shares via CREST	5.00pm (London time) 5 October 2007
Latest time for receipt of Voting Instruction Forms from CDI Holders via post and voting instructions via internet, if directing CDN to appoint you or someone else as its proxy	6.00pm (Sydney time) 7 October 2007
Latest time for receipt of Proxy Forms from holders of Ordinary Shares via post and voting instructions via internet	9.00am (London time) 7 October 2007
Extraordinary General Meeting	9.00am (London time) 6.00pm (Sydney time) 9 October 2007
Last date for processing requests by holders of Ordinary Shares to convert Ordinary Shares into CDIs and by CDI Holders to convert CDIs into Ordinary Shares	12 October 2007*
CDIs trade on the ASX on an ex-dividend, post-consolidation and deferred settlement basis	15 October 2007*
Record Date and effective date of Share Consolidation	19 October 2007*
CREST accounts adjusted to reflect the New Ordinary Shares	22 October 2007*
Ordinary Shares trade on the LSE on an ex-dividend and post-consolidation basis	22 October 2007*
Restart processing of requests by holders of Ordinary Shares to convert Ordinary Shares into CDIs and by CDI Holders to convert CDIs into Ordinary Shares	22 October 2007*
Credits to bank accounts and CREST accounts and despatch of cheques for the Special Dividend, the Interim Dividend and any fractional entitlement amount	by 29 October 2007*
Mailing of certificates for New Ordinary Shares and holding statements for New CDIs	by 29 October 2007*
Start of normal trading of CDIs on the ASX	30 October 2007*

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**Note:**

Holders of Ordinary Shares who sell all or part of their holding on or after 22 October 2007 and CDI Holders who sell all or part of their holding on or after 15 October 2007 need to ensure that they will have sufficient Ordinary Shares or CDIs remaining to deliver in settlement of those trades after the Share Consolidation takes effect. More details are set out in question 10 of Part 3 of this document.

\* The expected times and dates above are indicative only. If any of the above times or dates should change, the revised times or dates will be notified to holders of Ordinary Shares and CDI Holders through the LSE and the ASX and will be available from [www.henderson.com](http://www.henderson.com)

## PART 3 – EXPLANATION OF THE SHARE CONSOLIDATION AND PROPOSED RESOLUTIONS

An explanation of the Share Consolidation and the proposed resolutions is set out below in the form of questions and answers.

### 1. Why is Henderson Group carrying out the Share Consolidation?

The purpose of the Share Consolidation is to maintain the comparability of the share price and earnings per share before and after the payment of the Special Dividend. It is common UK practice for the payment of a special dividend exceeding approximately 10 per cent of the market value of a company to be combined with a share consolidation.

Without the Share Consolidation, Henderson Group's payment of the Special Dividend of 27.6 pence per Ordinary Share would be likely to result in a corresponding reduction in the share price. In addition, earnings per share would be likely to fall because the Company would no longer receive interest income on the cash returned to Shareholders, while the number of Ordinary Shares in issue would remain unchanged.

### 2. How will the Share Consolidation affect my shareholding?

If implemented, under the Share Consolidation each holder of Ordinary Shares will have their shares of 10 pence each held on the Record Date (expected to be 19 October 2007) replaced with New Ordinary Shares of 12.5 pence each. Therefore, holders of Ordinary Shares will receive 4 New Ordinary Shares for every 5 Existing Ordinary Shares held.

Existing Ordinary Shares held by CDN on behalf of CDI Holders will be replaced with New Ordinary Shares under the Share Consolidation. CDI Holders will receive 4 CDIs representing New Ordinary Shares (New CDIs) for every 5 CDIs representing Existing Ordinary Shares (Existing CDIs) held.

Apart from having a different nominal value, each New Ordinary Share will carry the same rights set out in the Company's articles of association, as currently attach to each Existing Ordinary Share.

For Shareholders with holdings that are not exactly divisible by 5, the Share Consolidation will give rise to an entitlement to a fraction of a New Ordinary Share or New CDI. Shareholders will receive a cash payment for any fractional entitlement to a New Ordinary Share or a New CDI resulting from the Share Consolidation. The payment will be of less value than one New Ordinary Share or New CDI.

Because the Existing Ordinary Shares and Existing CDIs of all Shareholders will be replaced by New Ordinary Shares and New CDIs, respectively, each individual Shareholder will retain the same percentage ownership of the issued share capital of Henderson Group that they had before the Share Consolidation, subject to minor changes resulting from the sale of fractional entitlements.

### 3. What does the term nominal value mean?

Nominal value, which is also known as face value or par value, is the value of a share assigned by a company at the time the share is issued. The nominal value of a share has no relation to its market value or its issue price, although shares may not be issued at a price below their nominal value.

The issued share capital account of Henderson Group was approximately £90.6 million divided into approximately 906 million shares of 10 pence each as at 28 August 2007. If implemented, the Share Consolidation will have the effect of re-denominating the issued share capital as approximately 724 million shares of 12.5 pence each. No change in the total value of the Company's issued share capital will occur; it will still be approximately £90.6 million.

### 4. Is a special dividend combined with a share consolidation the same as a share cancellation?

The combination of a special dividend and share consolidation has an effect similar to a share cancellation, in that each shareholder receives a cash payment and the number of shares held by each shareholder is reduced. As in the case of a share cancellation, under a special dividend and share consolidation each individual shareholder retains the same percentage ownership of the total issued share capital of the company.

However, the transactions are different. Under a share cancellation, a certain proportion of the shares held by shareholders is cancelled in return for a cash payment. Under a special dividend and a share consolidation, existing shares are replaced by new shares with a different nominal value. A special dividend combined with a share consolidation may be assessed differently from the cash received under a share cancellation for taxation purposes.

### 5. How was the consolidation ratio determined?

The ratio of 4:5 is based on the relationship between the Special Dividend amount and Henderson Group's market value. The total amount of the Special Dividend was equivalent to approximately 20 per cent of the market capitalisation of the Company as at the close of business on 28 August 2007, the latest practicable date prior to the publication of this document, when the closing mid-market price for Existing Ordinary Shares was 141 pence and there were 906 million Existing Ordinary Shares.

If implemented, the effect of the Share Consolidation will be to reduce the number of Ordinary Shares by approximately the same percentage.

**6. What payments will be made to Shareholders? When and how will they be made?**

If implemented, under the Special Dividend and Share Consolidation, Shareholders on the share register on the Record Date (expected to be 5.00pm on 19 October 2007) will receive payments in respect of:

- the Special Dividend; and
- any entitlement to a fraction of a New Ordinary Share or New CDI resulting from the Share Consolidation.

The Interim Dividend of 1.66 pence per Existing Ordinary Share or Existing CDI (in respect of the results for the six months ended 30 June 2007) will be paid to Shareholders on the register on the Record Date (expected to be 19 October 2007) irrespective of whether Shareholders approve the Share Consolidation.

The payments are expected to be made by 29 October 2007, as described below:

<b>Holders of Ordinary Shares listed on the LSE</b>	<b>Holders of CDIs listed on the ASX</b>
<p>Certificated shares:</p> <ul style="list-style-type: none"> <li>• A credit to a bank account, or cheque, in £ for an amount that will be the total of the Special Dividend, the Interim Dividend and any fractional entitlement amount</li> <li>• An advice of transaction statement</li> <li>• A new share certificate</li> </ul> <p>Uncertificated shares:</p> <ul style="list-style-type: none"> <li>• A credit to a CREST account in £ for an amount that will be the total of the Special Dividend, the Interim Dividend and any fractional entitlement amount</li> <li>• A credit to a CREST account in New Ordinary Shares</li> </ul>	<ul style="list-style-type: none"> <li>• A credit to a bank account, or cheque, in A\$ or NZ\$ for an amount that will be the total of the Special Dividend, the Interim Dividend and any fractional entitlement amount</li> <li>• An advice of payment statement</li> <li>• A new holding statement</li> </ul>

**Example:**

Number of Existing Ordinary Shares/Existing CDIs held on Record Date	Number of New Ordinary Shares/New CDIs held after Share Consolidation takes effect	Fractional entitlement of New Ordinary Share/New CDI	Fractional entitlement amount*		Special Dividend	
			Holder of New Ordinary Shares (£)	Holder of New CDIs (A\$)	Holder of New Ordinary Shares (£)	Holder of New CDIs** (A\$)
1	–	0.80	1.13	2.89	0.28	0.69
2	1	0.60	0.85	2.17	0.55	1.38
4	3	0.20	0.28	0.72	1.10	2.76
100	80	–	–	–	27.60	69.00
243	194	0.40	0.56	1.44	67.07	167.67
390	312	–	–	–	107.64	269.10
1,499	1,199	0.20	0.28	0.72	413.72	1,034.31
1,500	1,200	–	–	–	414.00	1,035.00
12,348	9,878	0.40	0.56	1.44	3,408.05	8,520.12

\* Illustrative amount based on a price of 141 pence per Ordinary Share and A\$3.61 per CDI. The prices paid to Shareholders will be the prices obtained by Henderson Group for the sales of the aggregated fractions of New Ordinary Shares and New CDIs conducted on the LSE and on the ASX, respectively, net of any related transaction costs, after the Share Consolidation takes effect.

\*\* Illustrative amount based on an exchange rate of A\$2.5:£1. The exchange rate that will be used will be announced on the Record Date.

## PART 3 – EXPLANATION OF THE SHARE CONSOLIDATION AND PROPOSED RESOLUTIONS

### CONTINUED

#### 7. What price will Shareholders be paid for a fractional entitlement?

If implemented, under the Share Consolidation all the fractional entitlements to New Ordinary Shares and New CDIs will be aggregated and sold on behalf of Shareholders on the market after the Share Consolidation takes place. The prices paid to holders of Ordinary Shares (taken together) and to CDI Holders (taken together) will be the prices obtained by Henderson Group for the sales of the aggregated fractions of New Ordinary Shares and New CDIs conducted on the LSE and on the ASX, respectively, net of any related transaction costs.

Note that only Shareholders with a holding in Existing Ordinary Shares or Existing CDIs that is not exactly divisible by 5 will be left with an entitlement to a fraction of a New Ordinary Share or New CDI.

#### 8. How will you determine the exchange rate for the dividends?

The exchange rate will be the average, calculated on the Record Date, of the rates of exchange obtained by Henderson Group under such foreign exchange contracts as it shall have executed on or before the Record Date, for the purchase of A\$ or, as the case may be, NZ\$, in relation to the Interim Dividend and, if the Share Consolidation is approved, the Special Dividend. The precise timing of the execution of such foreign exchange contracts will be determined by reference to the then prevailing liquidity in the relevant currency markets. The exchange rates will be announced on the Record Date, which is expected to be 19 October 2007.

#### 9. Will Shareholders receive updated statements and new share certificates?

If the Share Consolidation is approved, Henderson Group will send holders of certificated Ordinary Shares a definitive share certificate for the number of New Ordinary Shares held and CDI Holders a holding statement for the number of New CDIs held, by no later than 29 October 2007. The new share certificates will be sent by pre-paid first class post, at the risk of the relevant holder of Ordinary Shares, to the registered address of that holder or, in the case of joint holders, to the one whose name appears first in the register of members.

Share certificates for Existing Ordinary Shares will no longer be valid and should be destroyed once the new documentation is received. Until a holder of certificated Ordinary Shares receives a new share certificate, transfers of certificated Ordinary Shares will be certified against the register.

#### 10. How will the Share Consolidation timetable affect dealings in Ordinary Shares and CDIs?

If the Share Consolidation is approved, trading in Ordinary Shares on the LSE is expected to commence on an ex-dividend and post-consolidation basis on 22 October 2007. Trading in CDIs on the ASX is expected to commence on an ex-dividend, post-consolidation and deferred settlement basis on 15 October 2007 (four business days prior to the Record Date, which is expected to be 19 October 2007). This means that purchasers of Ordinary Shares or CDIs from these dates will not be entitled to receive the Interim Dividend and the Special Dividend. Holders of Ordinary Shares who sell all or part of their holding on or after 22 October 2007 and CDI Holders who sell all or part of their holding on or after 15 October 2007, should ensure that they will have sufficient New Ordinary Shares or New CDIs remaining to deliver in settlement of those trades.

Requests by holders of Ordinary Shares to convert Ordinary Shares into CDIs and by CDI Holders to convert their CDIs into Ordinary Shares will not be processed from four business days prior to the Record Date to the completion of the Share Consolidation i.e. from 15 October 2007 to 19 October 2007 (inclusive). Requests received during this period will be treated as requests to convert New Ordinary Shares or New CDIs existing after the Share Consolidation has taken effect.

If any of the dates above change, Henderson Group will announce a revised timetable.

#### 11. What will the tax impact be?

If the Share Consolidation is approved, it is expected that, for Shareholders in general:

- the receipt of the Special Dividend will be treated as an income distribution for tax purposes;
- the Share Consolidation should not give rise to any tax liability; and
- UK and New Zealand resident Shareholders should not be subject to any immediate capital gains tax liability on the disposal of any fractional entitlement. Australian resident Shareholders are anticipated to be subject to tax on any capital gain arising on the sale of any fractional entitlement.

A more detailed summary of the tax consequences of the Special Dividend and Share Consolidation for Shareholders is set out in Part 4 of this circular. Holders of Ordinary Shares and CDI Holders who are in any doubt as to their tax position should consult their professional advisers.

#### 12. Can a Shareholder opt out of the Share Consolidation?

No. If approved, the Share Consolidation will apply to all Shareholders.

- 13. What happens if the Share Consolidation is not approved by Shareholders?**
- If Shareholders do not approve the Share Consolidation, then the Special Dividend will not be paid and Henderson Group will retain the surplus cash. The Board considers that the Special Dividend should be combined with the Share Consolidation to maintain the comparability of the share price and earnings per share before and after the payment of the Special Dividend. The Board has approved payment of the Special Dividend with the condition of the Share Consolidation taking place. However, the Interim Dividend of 1.66 pence per Existing Ordinary Share or Existing CDI will still be paid.
- 14. Where does the surplus cash the Board has identified come from?**
- Since October 2006, when Henderson Group last returned cash to Shareholders, the Company's balance sheet position has improved. With effect from 1 January 2007, Henderson Group was granted a waiver by the Financial Services Authority (FSA) from consolidated supervision, which increased the regulatory capital surplus in the business and gave the Company more flexibility in respect of ongoing capital planning. Earlier this year, Henderson Group took on a prudent amount of debt, which improved balance sheet efficiency. As a result, based on a prudent assessment of forecast cash flows and regulatory, seed and working capital requirements of the business, the Board has identified approximately £250 million surplus cash.
- 15. Why use the Special Dividend to return cash instead of the method used before, which was a capital reduction and share cancellation?**
- As in the previous returns of cash, the Board considered the interests of Shareholders when evaluating different methods for returning cash to Shareholders. On balance, the Board decided that the best method, in this instance, would be the Special Dividend combined with the Share Consolidation.
- 16. Why is Shareholder approval required for the Share Consolidation and not for the Special Dividend?**
- If approved, the Share Consolidation will be carried out by a consolidation and subdivision of the Company's share capital. Under the articles of association of Henderson Group and under the Companies Act, Shareholders must pass an ordinary resolution in order for the Company to consolidate and subdivide its share capital. The ordinary resolution will be passed if at least 50 per cent of the votes cast are "for" the resolution. The Special Dividend does not require Shareholder approval, as the Directors have the authority to declare the Special Dividend under the articles of association of the Company.
- 17. Why are Shareholders being asked to reconsider two resolutions that were approved at the 2007 AGM?**
- If Resolution 1 is approved, the Share Consolidation will take effect. The total number of Ordinary Shares in issue will be reduced and the nominal value of each Ordinary Share will increase from 10 pence to 12.5 pence. As a result, the Shareholder approvals received at the 2007 AGM to make market purchases of Ordinary Shares and to enter into a contingent purchase contract (CP Contract) will no longer be valid, as each of those resolutions specifically refers to Ordinary Shares with a nominal value of 10 pence. These approvals are being sought in Resolution 2 and Resolution 3.
- 18. Why is Henderson Group seeking the authority to purchase its own shares (Resolution 2)?**
- Resolution 2 is conditional on the Share Consolidation proposed under Resolution 1 being approved. If the Share Consolidation is approved, the nominal value of Henderson Group's Ordinary Shares will change. The authority to purchase own shares sought under Resolution 2 is to update a similar authority granted at the 2007 AGM in May for the new nominal value.
- As set out in the explanatory notes to the notice of the 2007 AGM, the Directors consider that it may be advantageous for the Company to buy back its own shares in certain circumstances. The Directors will keep a possible future buy back of shares under review, taking into account the Company's financial position, share price and other investment opportunities. No shares have been purchased under the existing authority as at the date of this circular.
- As set out in the notice of EGM, Resolution 2 seeks Shareholders' approval for Henderson Group to purchase a maximum number of New Ordinary Shares that represents just under 10 per cent of the Company's issued share capital (excluding treasury shares) as at 28 August 2007, taken together with any New Ordinary Shares purchased by the Company pursuant to Resolution 3. Within this limit, the proportion of shares to be bought back pursuant to each of Resolution 2 and Resolution 3 will be determined by the Directors in what they believe to be the best interests of Shareholders generally. Any purchases of New Ordinary Shares would be by means of market purchases. The resolution sets the maximum and minimum prices per share for any such purchases. Resolution 2 will be proposed as a special resolution and so will be passed if more than 75 per cent of the votes cast are in favour. The authority sought by this resolution will expire at the end of the next AGM or 18 months from the date of the Resolution, whichever is earlier.
- 19. Why is Henderson Group seeking the authority to purchase its shares under a contingent purchase contract (Resolution 3)?**
- As in the case of Resolution 2, Resolution 3 is conditional on the Share Consolidation proposed under Resolution 1 being approved. If the Share Consolidation is approved, the nominal value of Henderson Group's Ordinary Shares will change. The authority sought under Resolution 3 to enter into a CP Contract is to update a similar authority granted at the 2007 AGM in May for the new nominal value.
- As set out in the explanatory notes to the notice of the 2007 AGM, the Directors consider that it may be advantageous for the Company to buy back interests in its own CDIs in certain circumstances. However, because CDIs are interests in shares rather than shares themselves, the provisions of the Companies Act that provide for a buy back of shares do not apply to CDIs.

**PART 3 – SUMMARY EXPLANATION OF THE RETURN OF CASH**  
CONTINUED

Henderson Group, therefore, seeks authority by way of a special resolution to enter into a CP Contract for this purpose with Credit Suisse (Australia) Limited and certain of its affiliates (Credit Suisse), as identified in the CP Contract. No interests in CDIs have been purchased under the existing authority as at the date of this circular.

Under the CP Contract, Credit Suisse is able to buy New CDIs listed on the ASX and will then convert the New CDIs into New Ordinary Shares listed on the LSE (Converted Shares). The Company will then have an obligation to buy any Converted Shares from Credit Suisse up to a maximum number that represents just under 10 per cent of the Company's issued share capital (excluding treasury shares) as at 28 August 2007, taken together with any New Ordinary Shares purchased by the Company under Resolution 2. The CP Contract sets the maximum and minimum prices for any such purchases. The price to be paid by Henderson Group for a Converted Share will be the price paid by Credit Suisse for the relevant New CDIs plus any stamp duty, stamp duty reserve tax, or other applicable transfer tax. Resolution 3 will be proposed as a special resolution and so will be passed if more than 75 per cent of the votes cast are in favour. The authority sought by this resolution will expire at the end of the next AGM or 18 months from the date of the Resolution, whichever is earlier.

**20. Will shares purchased under the authorities sought be cancelled or held as treasury shares?**

Shares purchased under the authorities sought by Resolution 2 and Resolution 3 will either be cancelled or held as treasury shares. Treasury shares may be cancelled or sold for cash. The Company may also use treasury shares to meet Henderson Group's obligations under the Company's employee share incentive schemes. So long as is required under institutional guidance (e.g. guidelines of the National Association of Pension Funds), the Company will treat the use of these shares as if they were an issue of new shares for the purpose of meeting the antidilution limits applicable to such schemes.

As at 28 August 2007, there were 3,134,007 options over unissued Ordinary Shares outstanding under the Henderson Group share incentive schemes, which represented 0.35 per cent of the Company's issued share capital (excluding treasury shares) at that date. If Henderson Group was to exercise its full authority permitted under Resolution 2 and under Resolution 3, the number of unissued Ordinary Shares subject to these options would then represent 0.38 per cent of the Company's issued share capital (excluding treasury shares) as at 28 August 2007.

**21. How do I vote?**

Shareholders are requested to vote on all the resolutions. Information on how to vote is set out in Part 8 of this circular.

**22. What happens if I do not vote?**

Shareholders are asked to vote on these important resolutions. However, voting is not compulsory. The outcome of the vote will be announced through the ASX and the LSE following the EGM.

**23. Am I a Shareholder or a CDI Holder?**

A CDI Holder is a holder of CDIs listed on the ASX. CDIs are a way of allowing securities of foreign companies to be traded on the ASX. CDIs afford Shareholders all the same direct economic benefits as Ordinary Shares, e.g. the right to dividends. If you are an Australian or New Zealand resident Shareholder, you are likely to have received your holding in the form of CDIs at or since the time of the demerger of the Company from AMP Limited in December 2003.

In this document, unless the context requires something different, where the term 'Shareholder' is used, it refers to a holder of Henderson Group equity, regardless of whether the holder's shares are Ordinary Shares listed on the LSE or CDIs listed on the ASX. Similarly, where the terms 'share' or 'shareholding' are used in this circular, they include a CDI or CDI holding, where appropriate and the context does not otherwise require.

For the purposes of the proposed Share Consolidation, holders of Ordinary Shares listed on the LSE and holders of CDIs listed on the ASX will be treated equally.

**24. What is an extraordinary general meeting?**

Any meeting of the shareholders of a company other than an annual general meeting is known as an extraordinary general meeting.

**25. Where is the EGM?**

The EGM will be held at 4 Broadgate, London EC2M 2DA (at 9.00am (London time) on 9 October 2007) and will be simultaneously broadcast to the Wesley Conference Centre, 220 Pitt Street, Sydney, NSW, Australia (at 6.00pm (Sydney time) on 9 October 2007).

**26. Which documents are available for inspection? Where are they available?**

Copies of the following documents will be available for inspection during normal business hours on any business day at the registered office of Henderson Group plc, at 4 Broadgate, London EC2M 2DA, from 24 September 2007 up to and including the date of the EGM:

- the memorandum and articles of association of the Company;
- the consent letters of JPMorgan Cazenove and UBS;
- the CP Contract;
- the register of Shareholders; and
- this document.

## PART 4 – TAXATION: UK, AUSTRALIA AND NEW ZEALAND

If the Share Consolidation is implemented, the Directors have been advised that:

- the tax treatment of UK resident holders of Ordinary Shares and Australian resident CDI Holders who receive the Special Dividend will generally be similar to the tax treatment of such holders receiving any other income dividend paid by the Company;
- New Zealand resident CDI Holders will be taxed on the Special Dividend, unless they are within the new Fair Dividend Rate rules introduced generally with effect from 1 April 2007. In this case, they will instead generally be subject to tax on a deemed annual return of 5 per cent of the opening value of their holding, if they have elected to use the Fair Dividend Rate;
- UK resident holders of Ordinary Shares and both Australian resident and New Zealand resident CDI Holders should not be treated as having made a disposal of their Existing Ordinary Shares for the purposes of UK, Australian and New Zealand taxation of chargeable gains, respectively, as a result of the Share Consolidation;
- UK resident holders of Ordinary Shares should generally not be taxed on the sale of any fractional entitlement, but in practice should instead have the proceeds of the sale deducted from the cost base of their holding of New Ordinary Shares;
- Australian resident CDI Holders will recognise a capital gain or capital loss equal to the difference between the payment received on disposal of any fractional entitlement and the cost base of their Existing CDIs that are not consolidated into the cost base of their New CDIs; and
- New Zealand resident CDI Holders may be taxed in certain circumstances in relation to the proceeds from any fractional entitlement.

Holders of Ordinary Shares and CDI Holders should read the sections below and, if they are in any doubt as to their tax position, should consult their professional advisers.

### 1. United Kingdom taxation

The following summary is intended as a general guide only and relates only to the UK taxation treatment of the Special Dividend and the related Share Consolidation. It is based on current UK tax law and current published Her Majesty's Revenue and Customs (HMRC) practice for holders of Ordinary Shares who (except where otherwise indicated) are resident in the UK for tax purposes and are the beneficial owners of those shares and hold them as investments. Certain holders of Ordinary Shares, such as dealers in securities, insurance companies, collective investment schemes and persons who have acquired their shares by reason of their or another's employment, may be taxed differently and are not considered.

#### *Special Dividend*

There is no UK withholding tax on dividends.

Individual UK resident holders of Ordinary Shares should generally be entitled to a tax credit in respect of the Special Dividend which they can offset against their total income tax liability (if any) on the Special Dividend. The amount of the tax credit is equal to 10 per cent of the aggregate of the dividend and the tax credit (gross dividend) or one-ninth of the amount of the net cash dividend. The gross dividend is included in computing the income of such an individual holder for UK tax purposes.

The rate of income tax on dividends is 10 per cent of the gross dividend for taxpayers liable to income tax at rates not exceeding the basic rate. The tax credit will discharge in full the income tax liability on the Special Dividend of individual holders of Ordinary Shares who are liable to income tax at rates not exceeding the basic rate. Higher rate taxpayers will be liable to tax on the Special Dividend at the rate of 32.5 per cent of the gross dividend. After the tax credit has been set

against their tax liability, they will have to account for tax equal to 22.5 per cent of the gross dividend, or 25 per cent of the net cash dividend received, to the extent that the gross dividend, being treated as the top slice of their income, falls above the threshold for higher rate income tax.

UK resident corporate holders of Ordinary Shares will not normally be liable to corporation tax in respect of the Special Dividend. Such holders will not be able to claim any repayment of tax credits.

UK resident corporate and individual holders of Ordinary Shares who are not liable to UK tax on dividends, including most companies, pension funds, charities and individuals holding their Ordinary Shares in a Personal Equity Plan or an Individual Savings Account, will generally not be entitled to claim repayment of the tax credit in respect of the Special Dividend.

For corporate and individual holders of Ordinary Shares who are not resident in the UK for tax purposes, the right to reclaim tax credits attaching to the Special Dividend will depend upon the existence and terms of an applicable double tax treaty. In most cases, such holders of Ordinary Shares will not be able to claim repayment of any part of the tax credit attaching to the Special Dividend. Holders of Ordinary Shares who are not resident in the UK for tax purposes should consult their own tax advisers concerning their tax liabilities on the Special Dividend in the UK and in any other country.

#### *Share Consolidation*

It is expected that for the purposes of UK taxation on chargeable gains the Share Consolidation should be treated as follows:

- the New Ordinary Shares arising from the Share Consolidation should result from a reorganisation of the share capital of the Company. Accordingly, holders of Ordinary Shares should not generally be treated as making a disposal of all or part of their holding of Existing Ordinary Shares by reason of the Share Consolidation being implemented. The New Ordinary Shares which replace their holding of Existing Ordinary Shares (new holding) as a result of the Share Consolidation will be treated as the same asset acquired at the same time as their holding of Existing Ordinary Shares was acquired;
- to the extent that holders of Ordinary Shares receive cash related to a fractional entitlement by virtue of a sale on their behalf of New Ordinary Shares, they should not in practice normally be treated as having made a part disposal of their holding of Existing Ordinary Shares. The proceeds will instead be deducted from the base cost of their holding of New Ordinary Shares; and
- on a subsequent disposal of the whole or part of the holding of New Ordinary Shares, holders may, depending on their circumstances, be subject to tax on the amount of any chargeable gain realised.

#### *Section 703 ICTA and section 698 ITA*

Under the provisions of section 703 Income and Corporation Taxes Act 1988 (ICTA) (for holders of Ordinary Shares within the charge to corporation tax) and section 698 Income Tax Act 2007 (ITA) (for holders of Ordinary Shares within the charge to income tax), HMRC can, in certain circumstances, counteract tax advantages arising in relation to certain transactions in securities. No clearance has been or will be sought under section 707 ICTA or section 701 ITA that HMRC will not seek to apply those provisions in relation to the Special Dividend. These provisions, however, should not generally affect the taxation of holders of Ordinary Shares who receive the Special Dividend while continuing to hold their Ordinary Shares.

Holders of Ordinary Shares considering transactions in respect of their Existing Ordinary Shares or who may be considering taking the Special Dividend into account for any of the relevant purposes listed in section 704A ICTA (for holders of Ordinary Shares within the charge to corporation tax) or section 686 ITA (for holders of Ordinary Shares within the charge to income tax) are advised to take independent advice on the potential application of section 703 ICTA or section 698 ITA in the light of their own particular circumstances.

## PART 4 – TAXATION: UK, AUSTRALIA AND NEW ZEALAND CONTINUED

### 2. Australian taxation

The following is a summary of the likely Australian income tax implications associated with the Special Dividend and the Share Consolidation for Australian resident CDI Holders (Australian CDI Holders). The summary below is based on the Australian income tax law and published practice of the Australian Taxation Office as at the date of this document.

The summary does not represent a complete analysis of all the likely Australian income tax implications associated with the Special Dividend and the Share Consolidation. The summary only covers the Australian income tax consequences for Australian CDI Holders that hold their CDIs on capital account. It does not apply to Australian CDI Holders that hold their CDIs as trading stock or revenue assets. Nor does it apply to Australian CDI Holders that hold CDIs that give them an interest in 10 per cent or more of the total shares in issue.

The Australian income tax implications for Australian CDI Holders should be the same for Australian resident holders of Ordinary Shares listed on the LSE, unless otherwise specified. It is expected that such holders will receive payments under the Special Dividend and the Share Consolidation denominated in Pounds Sterling. Such holders should seek their own advice in relation to the foreign exchange implications associated with these payments.

#### *Special Dividend*

The Special Dividend received by Australian CDI Holders is expected to be treated as an assessable dividend for Australian income tax purposes. As no UK tax will be withheld from Henderson Group's Special Dividend, there should be no right to claim a credit for any tax paid in the UK.

The Australian income tax implications on the receipt of the Special Dividend by Australian CDI Holders to which the Foreign Investment Fund (FIF) provisions apply are detailed below.

#### *Share Consolidation*

It is expected that the New CDIs arising from the Share Consolidation will result from a reorganisation of the share capital of the Company involving the merging of 5 Existing CDIs into 4 New CDIs. Australian CDI Holders should not be treated as having disposed of their Existing CDIs as a result of the Share Consolidation. Accordingly, no capital gain or loss should be realised in respect of those Existing CDIs that are replaced with New CDIs under the Share Consolidation. The New CDIs should have the same date of acquisition as the Existing CDIs which they replace. The aggregate cost base of the Existing CDIs that are replaced with New CDIs should be apportioned across the New CDIs.

Australian CDI Holders should recognise a capital gain or loss upon disposal of any fractional entitlement to a New CDI. This will be determined by comparing the payment received for such disposal against the cost base of the Existing CDIs relating to any fractional entitlement to a New CDI.

#### *Application of FIF provisions to Henderson Group*

The Australian tax legislation includes FIF provisions, which apply to Australian residents that hold interests in foreign companies. Where these provisions apply, Australian CDI Holders may be required to include an amount in their assessable income without actually receiving dividends from Henderson Group. Where this is the case, the Special Dividend will be taxed only to the extent that it exceeds the deemed income already taxed to the Australian CDI Holder. However, there are several exemptions from the FIF provisions that could apply.

One exemption applies to Australian CDI Holders who are individuals (other than in the capacity of a trustee) if their aggregate value of shares in foreign companies at 30 June each year is less than A\$50,000. The relevant value of the shares in foreign companies, including Henderson Group, will be the greater of the cost or market value at 30 June each year.

A second exemption from the FIF rules may also apply by virtue of the ASX classification of the CDIs. The FIF provisions should not apply simply on the basis of the classification of Henderson Group on the ASX in the sector Asset Management and Custody Banks, a sub-sector of Diversified Financials. Australian CDI Holders will need to satisfy themselves at the end of each income year that this exemption is available based upon the classification of Henderson Group on the ASX at that time.

Australian resident holders of Ordinary Shares listed on the LSE may be able to satisfy other exemptions from the FIF rules. They should seek their own advice in this regard.

### 3. New Zealand taxation

The following is a summary of the New Zealand income tax consequences of the Special Dividend and Share Consolidation proposal for New Zealand resident CDI Holders (NZ CDI Holders). The summary below is based on current law and published practice of the New Zealand Inland Revenue Department as at the date of this document.

#### *Special Dividend*

For individual NZ CDI Holders who fall below the Foreign Investment Fund (FIF) regime's de minimis threshold (i.e. who hold foreign investments costing in total no more than NZ\$50,000), the proposed Special Dividend should constitute a dividend for New Zealand tax purposes and they will be liable to tax on receipt accordingly.

NZ CDI Holders who are subject to the new FIF rules (with effect generally from 1 April 2007) will be taxable on their holding in Henderson Group, generally under the Fair Dividend Rate (FDR) calculation method. These rules generally deem income in each year of 5 per cent of the opening market value of the CDIs for that year. NZ CDI Holders who calculate tax on their Henderson Group shares under the FDR method are generally not required to include the dividend in their tax return (unless they undertake a 'safety net' calculation using the Comparative Value method).

As no UK tax is to be withheld from Henderson Group's Special Dividend, there is no right to claim any UK tax credit.

Note that, although the CDIs are listed on the ASX, they do not qualify for exclusion from the FIF regime that applies to certain Australian resident listed securities.

#### *Share Consolidation*

It is expected that for the purposes of New Zealand taxation, the Share Consolidation should not be treated as a disposal of all or part of a NZ CDI Holder's holding of Existing CDIs. The New CDIs, which replace a NZ CDI Holder's holding of Existing CDIs as a result of the Share Consolidation (new holding), should be treated as the same asset acquired at the same time and at the same cost as the NZ CDI Holder's holding of Existing CDIs was acquired.

To the extent that a NZ CDI Holder receives cash related to any fractional entitlement by virtue of a sale on his or her behalf of New CDIs, the holder will be treated as having made a disposal of part of their holding of Existing CDIs. If that NZ CDI Holder is subject to tax under the FDR method, they will generally not be required to include the proceeds in their tax return (unless they have to undertake a 'Quick Sale' calculation).

A NZ CDI Holder that is below the FIF de minimis threshold should not be subject to tax on the amount of any gain realised, unless they are dealers or acquired CDIs for the purpose of sale.

## PART 5 – EFFECT ON HENDERSON EMPLOYEE SHARE INCENTIVE SCHEMES

**The approval of the Share Consolidation and payment of the Special Dividend will not make the options granted under the Henderson Group employee share incentive schemes exercisable and it will not enable any early release, early vesting or exercise of awards under the schemes.**

If the Share Consolidation is approved by Shareholders, the effect will be as follows:

### 1. Henderson Sharesave Scheme

Subject to HMRC approval, the Board's Remuneration Committee does not intend to adjust the number of Ordinary Shares or the price at which the options may be exercised as a result of the Special Dividend and Share Consolidation.

The total number of options to subscribe for Ordinary Shares that are outstanding as at 28 August 2007 (being the latest practicable date prior to publication of this circular) is 3.1 million. These options relate to shares which represent approximately 0.35 per cent of the total issued share capital (excluding treasury shares) of Henderson Group as at the same date.

### 2. Henderson Buy As You Earn Share Plan (BAYE)

Participants in the BAYE, previously called the Henderson Share Incentive Plan (under which partnership shares, free shares, dividend shares and matching shares to which participants are beneficially entitled are held in trust on their behalf), will be able to receive the benefit of the Special Dividend and will participate in the Share Consolidation.

The trustee will receive the Special Dividend in respect of each participant's partnership, free, dividend and matching shares.

The Special Dividend will be reinvested in the BAYE as dividend shares after the Share Consolidation has taken effect up to an amount of £1,500, in line with the HMRC permitted limit, for all dividend payments in the tax year for each participant. Any balance beyond £1,500 will be paid to participants as a dividend payment.

### 3. Henderson Long Term Incentive Plan (LTIP)

Participants in the LTIP are not entitled to receive the Special Dividend and the Remuneration Committee will not adjust awards of Ordinary Shares under the LTIP as a result of the Special Dividend and Share Consolidation. Awards are normally exercisable at the end of a three year performance period and are subject to performance conditions which determine how many Ordinary Shares a participant is entitled to acquire under an award. The performance conditions applying to the current awards, which were granted in 2005, 2006 and 2007, relate to Henderson Group's total shareholder return over each three year period from the date the awards were granted compared to that achieved by the companies which were in the FTSE 250 Index at the beginning of the financial year in which the awards were granted (and remain so at the end of the performance period). The performance conditions will not be changed as a result of the Special Dividend and Share Consolidation.

### 4. Henderson Restricted Share Plan (RSP)

Participants in the RSP are not entitled to receive the Special Dividend and the Remuneration Committee will not adjust awards of Ordinary Shares under the RSP as a result of the Special Dividend and the Share Consolidation. Awards are normally exercisable or vest after a three year period.

### 5. Henderson Global Investors Deferred Equity Plan (DEP)

Participants in the DEP hold awards over Ordinary Shares which they acquired using a proportion of their annual bonus; these are known as "bonus shares". In some cases, participants were required to apply part of their bonus in this manner and, in other cases, they have chosen to do so.

Participants also hold awards to receive additional Ordinary Shares to which they become entitled if they do not sell the bonus shares during a predetermined restricted period, typically three years; these are known as "restricted shares". The bonus shares and restricted shares are held by a trustee in trust on a participant's behalf.

Participants in the DEP will receive the Special Dividend and will participate in the Share Consolidation in respect of their bonus shares.

It is proposed that participants will be required to reinvest the cash received from the Special Dividend on their bonus shares (net of any tax due) to acquire Ordinary Shares after the Share Consolidation has taken effect. To the extent that the Special Dividend is reinvested, participants will be entitled to receive their original entitlement of restricted shares at the end of the normal restricted period.

### 6. Unallocated Ordinary Shares held in trust and treasury shares

Discretionary employee benefit trusts hold Ordinary Shares which may be applied by the trustees for the purpose of satisfying awards granted under Henderson Group employee share schemes to beneficiaries. The trustees of these trusts can waive the rights to dividends on unallocated Ordinary Shares that are held. The Company intends to request the trustees to waive dividends on unallocated Ordinary Shares held at the Record Date. The Ordinary Shares will be subject to the Share Consolidation.

The Company may also hold treasury shares to settle share scheme commitments. While the Company does not hold any treasury shares at the date of this circular, it may do so at the Record Date. No dividends are payable on treasury shares, but the Ordinary Shares will be subject to the Share Consolidation.

In the event that the Special Dividend is not paid on unallocated or treasury shares, the Special Dividend will be less than £250 million in total and, instead, an amount equivalent to the Special Dividend foregone will be used to purchase additional Ordinary Shares for the purpose of the Henderson Group employee share schemes.

## PART 6 – DEFINITIONS

<b>2007 AGM</b>	the annual general meeting of the Company, which was held on 3 May 2007
<b>AGM</b>	an annual general meeting of the Company
<b>ASX</b>	the Australian Securities Exchange
<b>Australian CDI Holder</b>	a holder of CDIs resident in Australia
<b>Board or Directors</b>	the directors of Henderson Group plc as at the date of this document, being Rupert Pennant-Rea, Roger Yates, Toby Hiscock, Anthony Hotson, Gerry Aherne, John Roques and Duncan Ferguson
<b>business day</b>	a day (other than a Saturday or Sunday) on which clearing banks are open for business in London or Sydney, as appropriate
<b>CDI</b>	CHES Depository Interest representing one Ordinary Share
<b>CDI Holder</b>	a holder of CDIs
<b>CDN</b>	CHES Depository Nominees Pty Ltd (ABN 75 071 346 506), a wholly owned subsidiary of ASX Limited
<b>Companies Act</b>	the Companies Act 1985 (UK) including any modification or re-enactment of it for the time being in force
<b>Company or Henderson Group</b>	Henderson Group plc
<b>CP Contract</b>	the contingent purchase contract which is proposed to be entered into between the Company and Credit Suisse (Australia) Limited and certain of its affiliates, as identified in the contract
<b>CREST</b>	the system for the paperless settlement of trades in listed securities on the LSE, of which Euroclear UK & Ireland Limited is the operator
<b>CREST participant</b>	a person who is, in relation to CREST, a system-participant (as defined in the CREST Regulations)
<b>CREST Regulations</b>	the Uncertificated Securities Regulations 2001 (SI 2001/3755) (as amended)
<b>CREST sponsor</b>	a CREST participant admitted to CREST as a CREST sponsor
<b>CREST sponsored member</b>	a CREST member admitted to CREST as a sponsored member
<b>EGM or Extraordinary General Meeting</b>	the extraordinary general meeting of the Company to be held at 4 Broadgate, London EC2M 2DA at 9.00am (London time) and which will be simultaneously broadcast to the Wesley Conference Centre, 220 Pitt Street, Sydney, NSW, Australia, at 6.00pm (Sydney time) on 9 October 2007, notice of which is set out at the end of this circular, or any adjournment thereof
<b>Existing CDI</b>	CDI representing one Existing Ordinary Share
<b>Existing Ordinary Shares</b>	the issued ordinary shares of 10 pence each in the capital of the Company

<b>FSA</b>	the Financial Services Authority of the UK in its capacity as the competent authority for the purposes of Part VI of FSMA and in the exercise of its functions in respect of the admission to the Official List otherwise in accordance with Part VI of FSMA
<b>FSMA</b>	the Financial Services and Markets Act 2000 (UK) (as amended)
<b>HMRC</b>	Her Majesty's Revenue and Customs
<b>Interim Dividend</b>	the interim dividend of 1.66 pence per Existing Ordinary Share or Existing CDI in respect of the six months ended 30 June 2007
<b>JPMorgan Cazenove</b>	JPMorgan Cazenove Limited
<b>LSE</b>	the London Stock Exchange
<b>New CDI</b>	CDI representing one New Ordinary Share
<b>New Ordinary Shares</b>	the ordinary shares of 12.5 pence each in the capital of Henderson Group which would result from the Share Consolidation
<b>NZ CDI Holder</b>	a holder of CDIs resident in New Zealand
<b>Official List</b>	the official list maintained by the FSA for the purposes of Part VI of FSMA
<b>Ordinary Shares</b>	prior to the Share Consolidation, the Existing Ordinary Shares and, thereafter, the New Ordinary Shares
<b>Proxy Form</b>	the form of proxy for use by holders of Ordinary Shares in connection with the EGM entitled "Proxy Form"
<b>Record Date</b>	5.00pm (London time) on 19 October 2007 (or such later time and date as the Directors may determine)
<b>Resolution 1</b>	Resolution 1 as set out in the notice of EGM on page 14
<b>Resolution 2</b>	Resolution 2 as set out in the notice of EGM on page 14
<b>Resolution 3</b>	Resolution 3 as set out in the notice of EGM on page 15
<b>Share Consolidation</b>	the proposed consolidation to be effected by consolidating every 5 Existing Ordinary Shares or 5 authorised but unissued Ordinary Shares, into 4 New Ordinary Shares or 4 authorised but unissued Ordinary Shares, respectively
<b>Shareholders</b>	holders of Ordinary Shares and CDI Holders
<b>Special Dividend</b>	the proposed special dividend of 27.6 pence per Existing Ordinary Share
<b>UBS</b>	UBS Limited
<b>UK or United Kingdom</b>	the United Kingdom of Great Britain and Northern Ireland
<b>Voting Instruction Form</b>	the voting instruction form for use by CDI Holders in connection with the EGM entitled "Voting Instruction Form"

## PART 7 – NOTICE OF EXTRAORDINARY GENERAL MEETING

### Henderson Group plc (the Company) Registered in England and Wales with Company Number 2072534

**NOTICE IS HEREBY GIVEN** that an Extraordinary General Meeting of the Company will be held at 4 Broadgate, London, EC2M 2DA at 9.00am (London time) on 9 October 2007 (and will be simultaneously broadcast to the Wesley Conference Centre, 220 Pitt Street, Sydney, NSW, Australia at 6.00pm (Sydney time) on 9 October 2007), to consider and, if thought fit, pass the following resolutions. Resolution 1 will be proposed as an ordinary resolution and Resolutions 2 and 3 will be proposed as special resolutions:

#### Resolution 1

That:

- (a) the share capital represented by each holding of ordinary shares of 10 pence each in the capital of the Company which at 5.00pm on Friday 19 October 2007 (or such other time and date as the directors of the Company may determine) (Record Time) are shown in the books of the Company as issued (taken together, the Existing Ordinary Shares), shall be consolidated into share capital of the Company with a nominal value equal to the product of 10 pence multiplied by the number of Existing Ordinary Shares comprised in such holding, and the share capital represented by each such consolidation shall be subdivided into new ordinary shares of 12.5 pence each in the capital of the Company (New Ordinary Shares), provided that:
- (i) where such consolidation and subdivision results in any member being entitled to a fraction of a New Ordinary Share, such fraction shall, so far as possible, be aggregated with the fractions of a New Ordinary Share to which other members of the Company are entitled into as many whole New Ordinary Shares as possible (Fractional Entitlement Shares); and
  - (ii) the directors of the Company shall be and are hereby authorised to sell (or appoint any other person to sell) to any person, on behalf of the relevant members, all the Fractional Entitlement Shares, at the best price reasonably obtainable to any person, and to pay the proceeds of sale (net of expenses) in due proportion among the relevant members entitled thereto (any fraction of a penny which would otherwise be payable being rounded up or down in accordance with the usual practice of the registrar of the Company), and that any director of the Company (or any person appointed by the directors of the Company) shall be and is hereby authorised on behalf of all the relevant members to execute an instrument of transfer in respect of such shares and to do all acts and things the directors consider necessary or expedient to effect the transfer of such shares to, or in accordance with the directions of, any buyer of any such shares; and
- (b) the share capital represented by all of the ordinary shares of 10 pence each in the capital of the Company which at the Record Time are shown in the books of the Company as authorised but unissued (Unissued Ordinary Shares), shall be consolidated into share capital of the Company with a nominal value equal to the product of 10 pence multiplied by such number of Unissued Ordinary Shares, and the share capital represented by that consolidation shall be subdivided into new ordinary shares of 12.5 pence each in the capital of the Company (New Unissued Ordinary Shares), provided that where such consolidation and subdivision results in a fraction of a New Unissued Ordinary Share, such fraction shall be cancelled pursuant to section 121(2)(e) of the Companies Act 1985 (Act) and the amount of the Company's authorised but unissued share capital shall be diminished accordingly.

#### Resolution 2

That, subject to and conditional upon Resolution 1 above being passed and with effect from 22 October 2007, the Company be and is hereby generally and unconditionally authorised to make market purchases (within the meaning of section 163(3) of the Act) of its ordinary shares, subject to the following conditions:

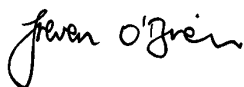
- (a) the maximum number of ordinary shares authorised to be purchased is 72,400,000 minus the number of shares purchased pursuant to Resolution 3;
- (b) the minimum price (exclusive of expenses) which may be paid for each ordinary share is 12.5 pence (being the nominal value of a New Ordinary Share);
- (c) the maximum price (exclusive of expenses) which may be paid for each ordinary share is the higher of (i) an amount equal to 105 per cent of the average of the middle market quotations for an ordinary share as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the share is contracted to be purchased; and (ii) an amount equal to the higher of the price of the last independent trade of an ordinary share and the highest current independent bid for an ordinary share as derived from the London Stock Exchange Trading system;
- (d) this authority shall expire at the close of the Annual General Meeting of the Company held in 2008 or 18 months from the date of this Resolution (whichever is earlier); and
- (e) a contract to purchase shares under this authority may be made before this authority expires, and concluded in whole or in part after this authority expires.

### Resolution 3

That, subject to and conditional upon Resolution 1 above being passed and with effect from 22 October 2007, the Company be and is hereby generally and unconditionally authorised (including, without limitation, for the purposes of section 165 of the Act) to enter into a contingent purchase contract (within the meaning of section 165 of the Act) between the Company and Credit Suisse (Australia) Limited and certain of its affiliates (Credit Suisse) as identified in the contract (a draft of which is produced to the meeting and initialled by the Chairman for the purposes of identification) (CP Contract), providing for the purchase by the Company of ordinary shares of 12.5 pence each converted from CHES Depository Interests (CDIs) (Converted Shares) substantially on the terms set out in the CP Contract, subject to the following conditions:

- (a) the maximum number of ordinary shares authorised to be purchased under the CP Contract is 72,400,000 minus the number of shares purchased pursuant to Resolution 2;
- (b) the minimum price (exclusive of expenses) which may be paid by Credit Suisse for each CDI is the Australian dollar equivalent of 12.5 pence per CDI;
- (c) the maximum price (exclusive of expenses) which may be paid by Credit Suisse for each CDI is an amount which is equal to 105 per cent of the average of closing prices for CDIs over the previous five days on which sales of CDIs were recorded on the Australian Securities Exchange;
- (d) the price to be paid by the Company for a Converted Share is the price paid by Credit Suisse for the relevant CDI plus any stamp duty, stamp duty reserve tax, or other applicable transfer tax relating to the CDI purchased by Credit Suisse; and
- (e) this authority shall expire at the close of the Annual General Meeting of the Company held in 2008 or 18 months from the date of this Resolution (whichever is earlier).

By order of the Board,



**Steven O'Brien**

General Counsel and Company Secretary

Registered office: 4 Broadgate, London EC2M 2DA  
29 August 2007

### Notes:

#### Determination of entitlement to attend and vote at the meeting

Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, only those members entered in the register of members of Henderson Group plc at 6.00pm (London time) on Sunday 7 October 2007, or if this meeting is adjourned, in the register of members 48 hours before the time of any adjournment meeting, shall be entitled to attend and vote at the meeting in respect of the number of ordinary shares registered in their name at that time. Changes to entries in the register of members after that time shall be disregarded in determining the rights of any person to attend or vote at the meeting. CDI holders should read the voting instructions on page 17 and holders of Ordinary Shares whose shares are listed on the LSE should read the voting instructions on page 16.

#### Documents available for inspection

The memorandum and articles of association of the Company, the CP Contract referred to in Resolution 3 and this document are available for inspection during normal business hours at 4 Broadgate, London EC2M 2DA from 24 September 2007 until the conclusion of the EGM, and will also be available for inspection at the EGM venue immediately prior to and during the EGM itself.

#### Proxies

All Shareholders entitled to attend and vote are entitled to appoint a proxy or proxies to attend, speak and vote in their place. Shareholders can direct the proxy to vote for or against, or abstain from voting on, the resolution. Alternatively, Shareholders can leave the decision to the proxy on how to vote on the resolution. A proxy need not be a Shareholder of Henderson Group plc. Please see Part 8 of this document for further details.

#### Sending documents relating to the meeting to the Company

Any documents or information relating to the proceedings at the meeting may only be sent to the Company in one of the ways set out in Part 8 of this document.

#### The CHES Depository Nominees Pty Ltd Financial Services Guide

To obtain a copy of the CHES Depository Nominees Pty Ltd Financial Services Guide, go to [www.asx.com.au/CDIs](http://www.asx.com.au/CDIs) or phone 131 279 (from within Australia) if you would like one sent to you by mail.

#### Important information

**This document is important. If you have any doubts about the action you should take, please contact your stockbroker or financial adviser.**

## PART 8 – VOTING PROCEDURES

There are different voting procedures depending on whether you hold Ordinary Shares listed on the London Stock Exchange or if you hold CDIs listed on the Australian Securities Exchange. Please read the voting instructions below carefully to ensure that you are aware of the arrangements that are appropriate for you.

### Voting information for holders of Ordinary Shares (other than CDI Holders)

If you would like to vote, you may do so either by:

- attending and voting at the meeting; or
- submitting proxy instructions appointing someone as your proxy, who can be the Chairman, to vote for you at the meeting on each resolution according to your directions.

To submit proxy instructions, go to the Henderson Group website at [www.henderson.com](http://www.henderson.com) or return by mail the enclosed Proxy Form. Instructions on how to fill out the form are set out on the back of the Proxy Form. If you are a CREST system user, you can submit your instructions via CREST message.

#### Who can vote at the meeting?

Only those members entered in the register of members of Henderson Group at 6.00pm (London time) on 7 October 2007 or, if this meeting is adjourned, in the register of members 48 hours before the time of any adjourned meeting, shall be entitled to attend and vote at the meeting in respect of the number of Ordinary Shares registered in their name at that time. Changes to entries in the register of members after that time shall be disregarded in determining the rights of any person to attend or vote at the meeting.

#### How can you vote at the meeting?

You may attend the meeting in person or appoint as proxies either one or more people (who need not be a Shareholder of Henderson Group) to attend and vote on your behalf. If you wish to appoint more than one proxy, please copy the enclosed Proxy Form.

#### Who can be a proxy?

You may appoint anyone as your proxy, including the Chairman of the meeting. A proxy does not need to be a Shareholder of Henderson Group.

#### What happens if you appoint more than one proxy?

If you appoint more than one proxy, then on each Proxy Form you must specify the number of shares for which each proxy is appointed. If you appoint more than one proxy, then none of them is entitled to vote on a show of hands at the meeting – they may vote only on a poll taken on a proposed resolution.

#### How do you submit your proxy instructions?

- BY INTERNET via the Henderson Group website at [www.henderson.com](http://www.henderson.com). To use this facility, you will need your unique PIN and your Shareholder Reference Number. These numbers are shown on your Proxy Form enclosed. You will be taken to have signed the Proxy Form if you submit your instructions in accordance with the directions on the website;
- BY MAIL by sending the Proxy Form enclosed to the Henderson Group Share Registry, using the enclosed reply-paid envelope or by posting it to: Henderson Group Share Registry, The Pavilions, Bridgwater Road, Bristol BS13 8FB, England; or
- BY CREST MESSAGE. If you are a CREST system user (including a CREST personal member), you can submit proxy instructions by having an appropriate CREST message transmitted. CREST personal members or other CREST sponsored members should contact their CREST sponsor for assistance with appointing proxies via CREST. For further information on CREST procedures, limitations and systems timings, please refer to the CREST manual. Henderson Group may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

#### What is the last date for appointing your proxy?

The latest time for receipt of Proxy Forms sent by mail and proxy instructions submitted via the internet is 9.00am (London time) on 7 October 2007. If your proxy instructions (and any supporting document) are not received by then, your proxy appointment will not be effective.

If you are submitting instructions via CREST, a CREST message must be received by Computershare (ID number 3RA50) by 5.00pm (London time) on 5 October 2007. The time of receipt will be taken to be the time (as determined by the timestamp generated by the CREST system) from which Computershare is able to retrieve the message.

#### What if a proxy is appointed under a power of attorney or other authority?

Proxy instructions given under authority on behalf of a holder of Ordinary Shares must be submitted by mailing a Proxy Form.

If the Proxy Form is signed under a power of attorney or other authority on behalf of a holder of Ordinary Shares, then the attorney must make sure that either the original power of attorney or other authority, or a certified copy, is sent to Henderson Group's Share Registry so as to arrive no later than 9.00am (London time) on 7 October 2007, unless it has previously been lodged with Henderson Group's share registrars.

#### How does a holder of Ordinary Shares that is a company execute the Proxy Form?

If the holder of Ordinary Shares submitting proxy instructions is a company, then it must execute a Proxy Form in one of the following ways:

- by having two directors or a director and a secretary of the company sign the Proxy Form;
- if the company has one director who is also the secretary of the company (or the company does not have a secretary), by having that director sign it;
- by having a duly authorised officer or attorney sign the Proxy Form (in which case the holder of Ordinary Shares must send with the Proxy Form the original, or a certified copy, of the document authorising the attorney or representative); or
- if the company has a common seal, by affixing the common seal in accordance with the company's constitution.

#### Does a proxy have to vote?

Your proxy can decide whether or not to attend the meeting and, if he or she attends, can decide whether or not to vote. Therefore, you should nominate someone you can trust. However, if a proxy attends the meeting and votes, a proxy can only vote following the voting directions instructed by the holder of Ordinary Shares. If no voting directions are provided, a proxy may decide whether to vote in favour, against or abstain, on any motion.

#### Can a proxy vote in favour or against, as he or she wishes?

If the holder of Ordinary Shares appointing the proxy:

- directs the proxy how to vote on an item of business, then the proxy can only vote on that item in the way the holder of Ordinary Shares directed; or
- does not direct the proxy how to vote on an item of business, then the proxy can vote as he or she thinks fit on that item.

The proxy will also have discretion to vote as he or she sees fit on any business other than the items set out in the notice of meeting that may properly come before the meeting, including amendments to any resolution, and at any adjourned meeting.

#### How will the Chairman vote as proxy if he has not been directed how to vote?

If a holder of Ordinary Shares appoints the Chairman of the meeting as proxy and does not direct the Chairman how to vote on an item of business, then when the Chairman votes as proxy on a poll, he intends to vote in favour of the proposed resolutions.

## Voting information for CDI Holders

If you would like to vote, you may do so by:

- submitting instructions for CDN to vote for you at the meeting on each resolution according to your directions;
- submitting instructions to CDN to appoint you as proxy and then attending and voting at the meeting; or
- submitting instructions to CDN to appoint someone else as your proxy, who can be the Chairman, to vote for you at the meeting on each resolution according to your directions.

To submit voting instructions, go to the Henderson Group website at [www.henderson.com](http://www.henderson.com) or return by mail the enclosed Voting Instruction Form. Instructions on how to fill out the form are set out on the back of the form.

### Who can vote at the meeting?

Only those CDI Holders entered in the register of CDI Holders of Henderson Group at 6.00pm (Sydney time) on 7 October 2007, or if this meeting is adjourned, in the register of CDI Holders 48 hours before the time of any adjourned meeting, shall be entitled to provide voting instructions to CDN in respect of the number of CDIs registered in their name at that time. Changes to entries in the register of CDI Holders after that time shall be disregarded in determining the rights of any CDI Holder to provide voting instructions to CDN in regard to the meeting.

### How can you exercise your voting rights?

You can exercise your voting rights by directing CDN how to vote on each of the resolutions in respect of your CDIs. If instead you wish to attend the meeting (or would like someone else to attend on your behalf), you can exercise your voting rights by submitting instructions to CDN to appoint you or your representative as proxy. Your representative can be the Chairman. You can direct your representative how to vote on each of the resolutions in respect of your CDIs at the meeting.

### Who can be a proxy?

You may instruct CDN to appoint yourself or any other person (including the Chairman) as its proxy in respect of your CDIs. A proxy does not need to be a Shareholder of Henderson Group.

### How do you submit your voting instructions?

- BY INTERNET via the Henderson Group website at [www.henderson.com](http://www.henderson.com) To use this facility, you will need your Security Holder Reference Number, which is shown on the enclosed Voting Instruction Form. You will be taken to have signed the Voting Instruction Form if you submit your instructions in accordance with the directions on the website;
- BY MAIL by sending the Voting Instruction Form enclosed to the Henderson Group Share Registry, using the enclosed reply-paid envelope or by posting it to: Henderson Group Share Registry, GPO Box 4578, Melbourne, VIC 8060, Australia; or: Private Bag 92119, Auckland 1020, New Zealand; or
- BY FACSIMILE by faxing the Voting Instruction Form enclosed to 03 9473 2118 in Australia or 09 488 8787 in New Zealand.

### What is the last date for submitting your voting instructions?

- If you are directing CDN to vote on your behalf, the latest time for receipt of Voting Instruction Forms (and any necessary supporting documents) via post and voting instructions via internet is 6.00pm (Sydney time) on 5 October 2007.
- If you are directing CDN to appoint you, the Chairman or someone else as proxy in relation to your CDIs, the latest time for receipt of Voting Instruction Forms (and any necessary supporting documents) via post and voting instructions via internet is 6.00pm (Sydney time) on 7 October 2007.

### What if voting instructions are submitted under a power of attorney or other authority?

Voting instructions given under authority on behalf of a CDI Holder must be submitted by mailing a Voting Instruction Form.

If the Voting Instruction Form is signed under a power of attorney or other authority on behalf of a CDI Holder, then the attorney must make sure that either the original power of attorney or other authority, or a certified copy, is sent to Henderson Group's Share Registry so as to arrive by the relevant date specified on the form, unless it has previously been lodged with Henderson Group's share registrars.

### How does a CDI Holder that is a company execute the Voting Instruction Form?

If the CDI Holder submitting voting instructions is a company, then it must execute a Voting Instruction Form in one of the following ways:

- by having two directors or a director and a secretary of the company sign the Voting Instruction Form;
- if the company has one director who is also the secretary of the company (or the company does not have a secretary), by having that director sign it;
- by having a duly authorised officer or attorney sign the Voting Instruction Form (in which case the CDI Holder must send with the Voting Instruction Form the original, or a certified copy, of the document authorising the attorney or representative); or
- if the company has a common seal, by affixing the common seal in accordance with the company's constitution.

### Does a proxy have to vote?

Your proxy can decide whether or not to attend the meeting and, if he or she attends, can decide whether or not to vote. Therefore, you should nominate someone you can trust. However, if a proxy attends the meeting and votes, a proxy can only vote following the voting directions instructed by the CDI Holder. If no voting directions are provided, a proxy may decide whether to vote in favour, against or abstain, on any motion.

### Can a proxy vote in favour or against, as he or she wishes?

If the Voting Instruction Form:

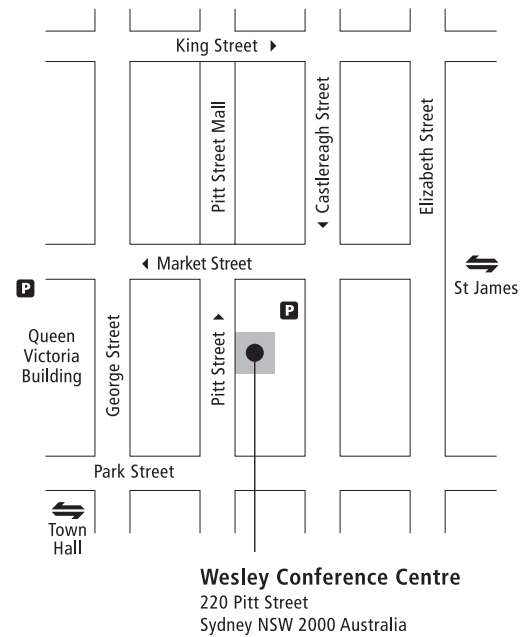
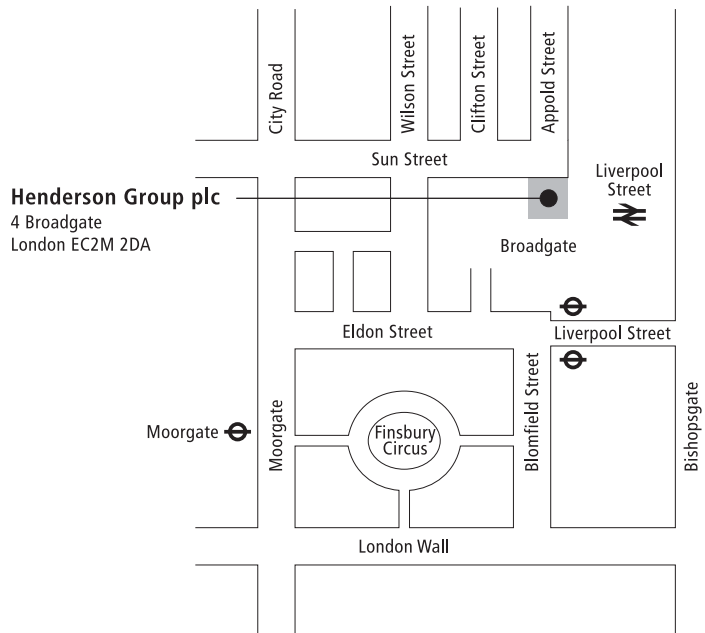
- directs the proxy how to vote on an item of business, then the proxy can only vote on that item in the way the CDI Holder directed; or
- does not direct the proxy how to vote on an item of business, then the proxy can vote as he or she thinks fit on that item.

The proxy will also have discretion to vote as he or she thinks fit on any business other than the items set out in the notice of meeting that may properly come before the meeting including amendments to any resolution, and at any adjourned meeting.

### How will the Chairman vote as proxy if he has not been directed how to vote?

If a CDI Holder instructs CDN to appoint the Chairman of the meeting as proxy and does not direct the Chairman how to vote on an item of business, then when the Chairman votes as proxy on a poll, he intends to vote in favour of the proposed resolutions.

## MEETING LOCATIONS



For shareholder queries please contact  
the Henderson Group Share Registry

### United Kingdom

PO Box 82 The Pavilions  
Bridgwater Road  
Bristol BS99 7NH

**Phone:** 0800 073 3916

**Fax:** 0870 703 6119

**Email:** [web.queries@computershare.co.uk](mailto:web.queries@computershare.co.uk)

### Australia

GPO Box 4578  
Melbourne Victoria 8060

**Phone:** 1300 137 981

+ 61 (0) 3 9415 4081

**Fax:** + 61 (0) 3 9473 2500

**Email:** [henderson@computershare.com.au](mailto:henderson@computershare.com.au)

### New Zealand

Private Bag 92119  
Auckland 1020

**Phone:** 0800 888 017

**Fax:** 09 488 8787

**Email:** [henderson@computershare.com.au](mailto:henderson@computershare.com.au)

### Website

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

### Registered office

4 Broadgate, London EC2M 2DA