



## GENERAL MEETING

2 April 2009

Henderson Group plc (the 'Group') today holds a General Meeting. The script of the opening address by the Chairman is included below.

\* \* \*

We stated in our recent Circular that present market levels were significantly below the average levels of 2008 and that the Board expected this situation to persist in the short to medium term. Therefore, 2009 was likely to be more challenging for earnings than 2008. Since then, and as expected, markets have remained weak, reinforcing the challenge for earnings in 2009. However, Henderson Global Investors' (Henderson) competitive long-term investment performance, diversity of revenues and active cost management should provide some support.

Henderson remains committed to providing clients with higher value-add investment products in all market conditions. Although the future focus will be on generating profitable organic growth, prevailing markets offer other opportunities, at attractive prices for shareholders, to extend Henderson's product offering and increase market share. Overall, the Group remains in satisfactory shape despite the economic climate.

The purpose of this meeting is to seek your approval for the proposed acquisition of New Star Asset Management Group PLC ('New Star').

The Board believes that buying New Star will strengthen Henderson's presence in UK retail funds, by combining our existing business with New Star's distribution network and its portfolio of products, funds, clients and investment skills.

Other key benefits of this transaction include:

- the opportunity for our direct property business to attract more retail investors;
- a bigger role in the US institutional market;
- the strengthening of our investment expertise; and
- cost efficiencies through reducing staff numbers and transferring New Star's business onto our operating platforms; this will, in effect, cut the cost to income ratio of the acquired business after integration to 40%, perhaps even lower than that.

Henderson Group plc  
47 Esplanade  
St Helier  
Jersey JE1 0BD  
Registered in Jersey  
No. 101484  
ARBN 133 992 766

If shareholders approve this transaction, the combined entity will have pro forma assets under management of around £55 billion and we will more than double the UK retail assets that we manage.

How much will New Star cost? Well, we have come across some ambiguities in the way the price adjustment mechanism would work, so earlier today we reached a compromise with the Banks and New Star which provides certainty for all parties. We have agreed that the price of the proposed acquisition will come down from £115 million to £107 million in full and final settlement of the price adjustment for the revenue run-rates at completion. The adjustment mechanism for New Star's unrestricted cash balance remains the same.

The consideration of £107 million will be funded by £44 million of our own cash, roughly £46 million from the placing of Henderson Group shares earlier this year and the rest from issuing some new Henderson Group shares, which we will do at Completion.

Overall, buying New Star is an exciting opportunity for Henderson. Based on reasonable assumptions, it should boost the Group's earnings per share significantly from 2010 onwards. In turn, we hope to bring stability to the New Star business, giving its clients the certainty and security they are looking for. So, both clients and shareholders stand to benefit from this transaction.

Your Board unanimously supports all three resolutions and recommends that shareholders do so as well.

\* \* \*

#### **Further information**

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

#### **Investor enquiries**

Mav Wynn, Head of Investor Relations

+44 (0) 20 7818 5135 or  
+44 (0) 20 7818 5310  
[mav.wynn@henderson.com](mailto:mav.wynn@henderson.com) or  
[investor.relations@henderson.com](mailto:investor.relations@henderson.com)

#### **Media enquiries**

##### ***United Kingdom: Maitland***

Lydia Pretzlik/Rebecca Mitchell  
+44 (0)20 7379 5151

##### ***Australia: Cannings***

Pip Green/Luis Garcia  
+61 (0)2 8284 9990