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30 January 2009

HENDERSON GROUP PLC

Proposed Acquisition of New Star and Placing of New Shares

Proposed Acquisition

Henderson Group plc (**'Henderson Group'** or **'Group'**) has today announced the terms of a proposed acquisition of New Star Asset Management plc (**'New Star'**) (the **'Acquisition'**) which values New Star at a total enterprise value of £115 million. The Acquisition includes a cash offer for the entire issued and to be issued ordinary share capital of New Star (the **'Offer'**) and the acquisition of preference share capital to be issued on completion of New Star's proposed capital restructuring as described in the shareholder circular published by New Star on 22 January 2009 (the **'New Star Restructuring'**). Henderson Group will also procure the repayment of New Star's outstanding debt on completion of the New Star Restructuring. To part finance the Acquisition, Henderson Group is today conducting a fully underwritten placing of up to 72.3 million new ordinary shares, representing approximately 9.9% of Henderson Group's existing issued ordinary shares, to institutional and other relevant investors (the **'Placing'**).

A copy of the announcement made by Henderson Group today including the terms of the Acquisition is set out in Appendix 2 to this announcement (the **'Acquisition Announcement'**).

Background to and reasons for the Acquisition

The Henderson Group Board of Directors (the **'Board'**) believes that the Acquisition will strengthen significantly the position of Henderson Global Investors (**'Henderson'**) in the UK retail fund management market. Henderson is expected to become the 5th largest UK retail fund manager with in excess of £15 billion of funds under management¹. In particular, the key benefits expected from the transaction include:

- increased scale and distribution in the UK retail fund management market;
- a broad range of mutual funds complementary to Henderson's own range;
- the opportunity to expand Henderson's direct property business into the retail investor market;
- increased presence in the US institutional market;
- strengthening Henderson's investment capabilities with addition of key talent;
- extracting cost efficiencies through headcount reduction and transferring New Star's business onto Henderson's operating platforms; and
- significant earnings enhancement by 2010² by acquiring a business capable of being serviced at a marginal cost to income ratio of 40% or better.

New Star is a highly recognised UK retail fund management group, with a strong distribution network and a well-balanced portfolio of products, funds, clients and investment capabilities.

¹ Source: Total Retail and Institutional Funds Under Management for November 2008 — Investment Management Association (UK)

² The statements that the Acquisition will be earnings enhancing do not constitute a profit forecast and should not be interpreted to mean that the earnings per share in the first full financial year following the Acquisition, or in any subsequent period, would necessarily match or be greater than those for the relevant preceding financial year.

Henderson plans to take advantage of the strength of the New Star brand by co-branding relevant funds where appropriate. New Star also has a strong presence in UK mutual funds which will complement Henderson's existing offering. In addition, New Star has a range of institutional EAFE mandates and hedge funds which, when combined with Henderson's existing capabilities in these areas, further strengthens both businesses.

Assets under management ('AUM') by product category

£bn	Henderson	New Star	AUM
	Closing AUM	AUM ¹	
	31 Dec 08	Pro forma	Pro forma
Investment Trusts	2.7	0.2	2.9
Offshore Mutual funds	2.3	0.1	2.4
UK Wholesale	3.1	5.2	8.3
US Wholesale	2.3	-	2.3
Hedge funds	0.8	0.3	1.1
Global Property	9.3	0.5	9.8
Private Equity	1.2	-	1.2
Structured Products	2.2	-	2.2
Institutional	14.1	3.5	17.6
Pearl	11.5	-	11.5
Private clients	-	0.2	0.2
Total AUM	49.5	10.0	59.5

¹ Based on AUM at 26 January 2009, excluding the Family Assurance Management contract of approximately of £1.3bn
Source: New Star's internal records

Integration and financial benefits of the Acquisition

New Star has pro forma AUM of approximately £10 billion, after allowing for notified withdrawals, with associated run-rate revenues of approximately £66 million per annum. Whilst New Star's AUM have significantly reduced during 2008 as a result of market movements and client redemptions, the Board believes that, under Henderson Group's ownership, this portfolio of funds and mandates should stabilise by removing the corporate uncertainty that is currently affecting New Star's business. Over the medium term, the combination is expected to enhance substantially the growth potential of Henderson's retail and institutional businesses.

Henderson intends to migrate New Star's business onto Henderson's operating platforms. The total one-off costs of integration are expected to be approximately £31 million after tax. New Star will be acquired on a debt-free basis and is expected to have not less than £20 million of cash on completion to settle certain liabilities in New Star post completion.

Following the full integration of the businesses, the Board expects that the New Star AUM are capable of being serviced at a marginal cost to income ratio of 40% or better. On the basis of conservative assumptions around fund flows, the Board expects the Acquisition to be substantially earnings accretive by 2010.

Terms of the Acquisition

The headline terms of the Acquisition value New Star's ordinary equity, preference share capital and debt arising on completion of the New Star Restructuring at £115 million. The key Acquisition terms are as follows:

- a cash offer for the entire issued and to be issued ordinary share capital of New Star following the New Star Restructuring, which values the ordinary equity at £21.6 million (the '**Offer**');
- the acquisition of the entire to be issued preference share capital of New Star following the New Star Restructuring, which is expected to value the preference share capital at £73.4 million (the '**Preference Share Acquisition**'); and
- the repayment of £20 million of debt under New Star's existing credit facility that will be outstanding following the New Star Restructuring.

This will allow the New Star business to be acquired debt free with a cash balance of £20 million on completion.

The terms provide for the adjustment of the number of new Henderson Group ordinary shares issued under the Preference Share Acquisition for the run-rate revenue impact of net fund flows experienced by New Star between announcement and completion of the Acquisition ('**Revenue Flows**'). To the extent that Revenue Flows have varied by 10% or more by completion, there will be an adjustment to the price of between £5 million (at a 10% movement) and £20 million, being the maximum adjustment for a variation of 20% or more. The price will be adjusted by varying the number of new Henderson Group ordinary shares that may be issued under the Preference Share Acquisition. The terms also provide for the downward adjustment to the cash consideration payable under the Preference Share Acquisition, depending on the closing cash balance of New Star on completion, to maintain a cash balance of £20 million in the New Star business at completion.

The Bank of Scotland plc, The Royal Bank of Scotland plc, Lloyds TSB Bank plc, HSBC Bank plc and National Australia Bank Limited (London Branch), together being the providers of New Star's current credit facility (the '**Banks**'), have agreed the terms of a new three year £25 million revolving credit facility for Henderson Group on normal commercial terms, conditional on completion of the Acquisition.

The Acquisition will be funded from a mixture of Henderson Group's internal cash resources, the cash proceeds of the Placing and the issue of new Henderson Group ordinary shares to the New Star preference shareholders. The funding comprises:

- internal cash resources of approximately £50 million;
- cash raised from the Placing of new Henderson Group ordinary shares of approximately £40 million; and
- the issue of approximately 40.3 million new Henderson Group ordinary shares, valued at £25 million, to the New Star preference shareholders, assuming no price adjustment.

The new Henderson Group ordinary shares to be issued to the New Star preference shareholders will, when issued, be credited as fully paid and be free from any pledge, lien, mortgage, security interest, claim or equity or similar rights or pre-emptive rights and will rank pari passu with the existing ordinary shares of 12.5 pence each in the capital of Henderson Group from the date of issue. The shares will therefore qualify for the final dividend in respect of 2008 of 4.25 pence per share which the Board proposes to recommend to shareholders.

Conditions and expected timetable

The Acquisition (including the issue of new Henderson Group ordinary shares to New Star preference shareholders) is conditional on, inter alia, the approval of Henderson Group shareholders at a general meeting expected to be held in March 2009, notice of which will be included in a Circular to be sent to shareholders in due course. It is also conditional on the approval by New Star ordinary shareholders of the delisting of New Star and of the New Star Restructuring; acceptances by New Star ordinary shareholders under the Offer; and the approval of the FSA and other regulatory authorities. Subject to these conditions being satisfied, Henderson Group expects to publish a prospectus in connection with the issue of the Henderson Group ordinary shares to be issued to New Star preference shareholders before the Offer becomes unconditional in all respects.

New Star delisting General Meeting	10 February 2009
Posting of New Star Restructuring circular	11 March 2009
Posting of Offer document, Henderson Group class 1 circular	March 2009
Henderson Group General Meeting	March 2009
Henderson Group prospectus published	March 2009
New Star Restructuring General Meeting	March 2009
Acquisition expected to complete	April 2009

These times and dates are based on the Board's current expectations as at the time of this announcement and may change.

Irrevocable undertakings and letters of intent

Irrevocable undertakings have been received from the following New Star stakeholders:

- By Henderson Group from the Banks, being the providers of New Star's current banking facilities, who have undertaken to accept the Offer in respect of their holdings of New Star ordinary shares following the proposed New Star Restructuring (expected to be 75 per cent. of the then fully diluted issued ordinary share capital of New Star) immediately upon the New Star Restructuring becoming effective pursuant to the implementation agreement dated 29 January 2009 and entered into between Henderson Group, New Star and the Banks (**'Implementation Agreement'**). The Banks have also agreed to sell all of their holding (representing 94 per cent.) of New Star preference shares to be issued under the proposed New Star Restructuring to Henderson Group under the Preference Share Acquisition; and
- By New Star and the Banks from the directors of New Star who have irrevocably undertaken to vote in favour of the resolutions to be put to New Star Ordinary Shareholders at the general meeting of New Star to vote on the proposed Delisting (the **'Delisting General Meeting'**) and the general meeting of New Star to vote on the New Star Restructuring (the **'Restructuring General Meeting'**) in respect of all of the 28,305,499 New Star Ordinary Shares held by them, representing 12.12 per cent. of the votes capable of being cast at each of the Delisting General Meeting and the Restructuring General Meeting;
- By New Star and the Banks in respect of a further 20,418,307 New Star Ordinary Shares, representing 8.74 per cent. of the votes capable of being cast at each of the

Delisting General Meeting and the Restructuring General Meeting, pursuant to which the relevant New Star Ordinary Shareholders have given irrevocable undertakings to vote in favour of the resolutions to be put to New Star Ordinary Shareholders at the Delisting General Meeting and the Restructuring General Meeting. These additional irrevocable undertakings have been given on the basis that the relevant New Star Ordinary Shareholders will vote or procure votes in respect of the New Star Ordinary Shares beneficially owned by them in favour of the resolutions to be proposed at the Delisting General Meeting and the Restructuring General Meeting to the extent that they continue to be beneficially interested in such New Star Ordinary Shares at the time of the relevant general meeting;

- By New Star in respect of a further 9,566,111 New Star Ordinary Shares, representing 4.10 per cent. of the votes capable of being cast at each of the Delisting General Meeting and the Restructuring General Meeting, pursuant to which the relevant New Star Ordinary Shareholder has given irrevocable undertakings to vote in favour of the resolutions to be put to New Star Ordinary Shareholders at the Delisting General Meeting and the Restructuring General Meeting. This additional irrevocable undertaking has been given on the basis that the relevant New Star Ordinary Shareholder will vote or procure votes in respect of the New Star Ordinary Shares beneficially owned by it in favour of the resolutions to be proposed at the Delisting General Meeting and the Restructuring General Meeting to the extent that it continues to be beneficially interested in such New Star Ordinary Shares at the time of the relevant general meeting; and
- A letter of intent has been received by New Star in respect of a further 25,602,009 New Star Ordinary Shares, representing 10.96 per cent. of the votes capable of being cast at each of the Delisting General Meeting and the Restructuring General Meeting, pursuant to which the relevant New Star Ordinary Shareholder has indicated its current intention to vote in favour of the resolutions to be put to New Star Ordinary Shareholders at the Delisting General Meeting and the Restructuring General Meeting. The letter of intent is not legally binding.

Current trading of Henderson Group

Henderson Group is updating the market today on its operational performance for the period from 1 October 2008 to 31 December 2008 (**'the period'**) as well as its current outlook for the business.

- Profit before tax and non-recurring items for 2008 is expected to be approximately £80 million.
- AUM of £49.5 billion at 31 December 2008, 3% lower than at 30 September 2008.
- Net fund inflows (excluding Pearl) of £0.3 billion in the period, bringing net fund inflows (excluding Pearl) to £2.9 billion for the year.
- 2008 operating expenses expected to be approximately 25% below 2007, with a cost to income ratio for Henderson of approximately 63%.
- Net assets of approximately £300 million, including cash balances of £152 million at 31 December 2008.
- Henderson Group Board intends to recommend a final dividend of 4.25 pence per share to give a total dividend of 6.1 pence per share for 2008, equivalent to the total dividend paid in respect of 2007.

Fund flows and assets under management for Henderson

	Opening AUM	Net flows	Market/FX	Closing AUM	Net flows	Market/FX	Closing AUM	Net flows	Market/FX	Closing AUM
£bn	1-Jan-08	1 Jan 08— 30 Jun 08	1 Jan 08— 30 Jun 08	30-Jun-08	1 Jul 08— 30 Sep 08	1 Jul 08— 30 Sep 08	30-Sep-08	1 Oct 08— 31 Dec 08	1 Oct 08— 31 Dec 08	31-Dec-08
Higher margin										
Investment Trusts	4.3	(0.2)	(0.6)	3.5	(0.1)	(0.4)	3.0	-	(0.3)	2.7
Horizon funds	3.5	(0.2)	(0.3)	3.0	(0.1)	(0.2)	2.7	(0.2)	(0.2)	2.3
UK Wholesale	3.8	(0.1)	(0.4)	3.3	-	(0.1)	3.2	-	(0.1)	3.1
US Wholesale	3.5	0.2	(0.4)	3.3	(0.2)	(0.2)	2.9	(0.4)	(0.2)	2.3
Hedge funds	1.2	-	0.1	1.3	(0.1)	(0.1)	1.1	(0.3)	-	0.8
Property UK/Europe	7.4 ¹	0.6	(0.1)	7.9	0.3	(0.1)	8.1	(0.1)	(0.4)	7.6
Property US	1.3	-	(0.1)	1.2	-	0.2	1.4	0.1	0.2	1.7
Private Equity	1.1	-	0.1	1.2	-	-	1.2	-	-	1.2
Structured Products	1.8	-	-	1.8	-	-	1.8	-	0.4	2.2
	27.9	0.3	(1.7)	26.5	(0.2)	(0.9)	25.4	(0.9)	(0.6)	23.9
Lower margin										
Institutional	11.7	1.0	(0.7)	12.0	1.5	(0.8)	12.7	1.2	0.2	14.1
Total AUM ex Pearl	39.6	1.3	(2.4)	38.5	1.3	(1.7)	38.1	0.3	(0.4)	38.0
Pearl	17.7	(3.0)	(0.6)	14.1	(0.5)	(0.5)	13.1	(1.4)	(0.2)	11.5
Pearl Staff Pension Scheme	1.9 ²	(1.8)	(0.1)	-	-	-	-	-	-	-
Total AUM	59.2	(3.5)	(3.1)	52.6	0.8	(2.2)	51.2	(1.1)	(0.6)	49.5

¹ £0.2 billion previously included in 31 Dec 2007 disclosure now included in Pearl Staff Pension Scheme.

² Includes £0.2 billion of Property (UK/Europe).

During the period, Henderson experienced net fund outflows of £1.1 billion and together with unfavourable market and foreign exchange rate movements of £0.6 billion, this resulted in AUM declining by 3% from £51.2 billion at 30 September 2008 to £49.5 billion at 31 December 2008. As previously announced, October 2008 saw an increase in client redemption activity. Since then, net fund flows have steadily improved and there were net inflows in December 2008 of £0.5 billion.

Higher margin business saw net outflows in the period of £0.9 billion. Outflows included US Wholesale funds (£0.4 billion), Hedge funds (£0.3 billion), Horizon funds (£0.2 billion) and UK/European Property (£0.1 billion). There were modest net inflows into US Property (£0.1 billion) towards the end of the period. In addition, Henderson retained a Property pipeline of investment commitments from clients of £2.1 billion at 31 December 2008.

Lower margin Institutional net fund flows remained positive in the period, at £1.2 billion, represented equally by net inflows into our cash and fixed interest funds.

Henderson experienced net outflows of £1.4 billion from Pearl in the period, representing £0.2 billion from the natural run-off of Pearl's closed life books and £1.2 billion in respect of previously notified withdrawals. £4.7 billion (41%) of Pearl's assets under management as at 31 December 2008 remain under notice of withdrawal. The investment management and other related agreements, entered into with Pearl in June 2006, allow Pearl flexibility to withdraw and/or re-allocate its assets. As such, Henderson cannot predict movements in Pearl funds. However, if actual fees fall below certain thresholds, Pearl has agreed to make compensation payments to Henderson until April 2015 to make good the shortfall. The Pearl fund outflows mentioned above, therefore, will not have any material impact on Henderson's future revenues.

During January 2009, Henderson has experienced net fund inflows into its UK Wholesale and Horizon fund ranges, with net fund outflows from US Wholesale slowing substantially. Hedge fund outflows have continued at similar levels to those experienced in the period.

Investment performance

Investment performance in the period in some funds has been negatively affected by market volatility. That said, towards the end of the period, investment performance improved across most funds. The three-year track record remains competitive, especially in mainstream fixed income portfolios. Over this period, the majority of retail funds have also performed well against their respective peer groups.

The Board expects transaction and net performance fees combined for 2008 to amount to approximately £35 million, in excess of previous guidance of £30 million.

Corporate

Corporate costs and net interest expense for 2008 are expected to be in line with previous guidance of approximately £8 million and £12 million respectively.

Non-recurring items before tax in the Group's 2008 income statement

	FY08 £m
Profit on interest rate swap	12.0
Loss on part disposal and impairment of investment in Banco Popolare Gruppo Bancario ('BP')	(68.8)
Impairment of investment in a Henderson structured product	(7.2)
Restructuring costs	(15.7)
Third party administration review costs	(2.6)
Scheme of Arrangement ('Scheme') costs	(4.5)
Total non-recurring items	(86.8)

Profit on interest rate swap

The Group realised a profit before tax of £12 million on unwinding an interest rate swap on its Corporate debt during December 2008. This profit will appear in the Group's 2008 income statement as a non-recurring item.

Investments

The Group recognised a non-recurring accounting gain on its equity stake in BP of £31.8 million in its 2007 income statement. During the period, the Group disposed of approximately 20% of its total holding in BP, realising a loss on disposal of £8.8 million which will appear in the Group's 2008 income statement as a non-recurring item. As previously guided, the balance of the investment has been impaired to its market value at 31 December 2008, in accordance with International Financial Reporting Standards, which has resulted in a charge against profit of £60 million. This charge will appear in the Group's 2008 income statement as a non-recurring item; £39.1 million of it had already been recognised in Group reserves through mark-to-market accounting at 30 June 2008.

The Group also holds a portfolio of investments in Henderson products. The value of one holding, an equity position in a Henderson structured product, has been impacted by the deterioration in credit markets and has been impaired to zero at 31 December 2008. This impairment has resulted in a charge to profit of approximately £7.2 million (change from previous guidance of £6.5 million due to adverse £/€ exchange rate movements in December 2008) and will appear in the Group's 2008 income statement as a non-recurring item.

The Board remains comfortable with the current carrying value of all other investments held by the Group.

Restructuring costs

As previously reported, management undertook a headcount and related restructuring programme at the start of 2008 and incurred a charge of £2.5 million pre-tax in the first half of 2008. Management significantly extended this restructuring programme in the second half of 2008, incurring an additional charge of £13.2 million. Headcount decreased during the year by 9% from 980 to 890 at 31 December 2008 and is expected to decrease further in 2009. Management expects to achieve a one-year pay back on this restructuring programme, without impairing Henderson's investment capabilities and client service levels. These charges will be disclosed as a non-recurring item in the Group's 2008 income statement.

Third party administration review costs

The review of all Henderson's third party administration activities is proceeding as planned and we expect to provide an update to the market when the Group's full-year results are released on 26 February 2009. As already guided, the review is expected to incur costs of approximately £2.6 million in 2008, which will be presented as a non-recurring item in the Group's 2008 income statement.

Scheme of Arrangement costs

The costs of implementing the Scheme were, as previously disclosed, approximately £4.5 million and will be reflected as a non-recurring item in the Group's 2008 income statement.

Effective tax rate

The Board expects the Group's effective tax rate on recurring operations in 2008 to be approximately 11%, within previous guidance of between 10% and 15%.

As a result of the Scheme, which became effective on 31 October 2008, the Board expects the Group to achieve an effective corporate tax rate of approximately 20% per annum from 2009 onwards.

Balance sheet

The Group's balance sheet is strong and comprised of total net assets of approximately £300 million, including cash balances of £152 million, at 31 December 2008.

Dividend

In light of the Group's profit estimate for 2008, the Board intends to recommend a final dividend for 2008 of 4.25 pence per share, bringing the total dividend for 2008 to 6.1 pence per share, equivalent to the total dividend paid in respect of 2007.

Outlook

We expect market conditions to remain difficult in the short to medium-term. Whilst Management will continue to focus on the cost base, the diversity of the Group's revenues provides additional flexibility in the current market environment. The Board remains committed to its strategy of delivering higher value-add investment products to the Group's clients in all market conditions.

Placing of new ordinary shares and use of proceeds

Henderson Group intends to offer up to 72.3 million new ordinary shares (the '**Placing Shares**'), representing approximately 9.9% of Henderson Group's existing issued ordinary shares, through a placing to institutional and other investors. The Placing Shares will be offered to institutions in Australia and New Zealand in the form of CHESS depository interests ('**CDIs**') representing Placing Shares.

Henderson Group has appointed JPMorgan Cazenove (**'JPMC'**) and UBS Investment Bank (**'UBS'**), (UBS together with JPMC, the **'Managers'**) as joint lead managers and bookrunners of the Placing.

Henderson Group intends to use the net proceeds of the Placing together with existing internal resources to finance the cash consideration payable under the Acquisition. The Placing is not conditional on the completion of the Acquisition. To the extent the Acquisition does not complete, Henderson Group would retain the proceeds for general corporate purposes.

The Placing is fully underwritten by JPMorgan Cazenove and UBS. The issue of the Placing Shares will take place at a price established through a bookbuild process to be carried out by the Managers as agents for Henderson Group.

Details of the number of Placing Shares to be issued and the price at which they are to be offered are expected to be determined and announced as soon as practicable after the bookbuild process closes. Books are expected to close mid morning on 30 January 2009 (London time) / 8pm on 30 January 2009 (Sydney time). Bookrunners reserve the right to accelerate close of books. The Placing is conditional on the matters described in Appendix 1 to this announcement and will be conducted in accordance with the terms and conditions in Appendix 1.

The Placing Shares will be credited as fully paid and will rank pari passu in all respects with the existing ordinary shares of 12.5p each in the capital of Henderson Group. The Placing Shares will rank for the proposed final dividend to be paid in respect of the year ended 31 December 2008.

By choosing to participate in the Placing and by making an oral and legally binding offer to acquire Placing Shares, investors will be deemed to have read and understood this announcement in its entirety (including the Appendices) and to be making such offer on the terms and conditions contained herein and to be providing the representations, warranties and acknowledgements contained in Appendix 1 to this announcement. Your attention is drawn to the detailed terms and conditions of the Placing described in Appendix 1 to this announcement and the copy of the announcement made by Henderson Group today setting out the terms of the Acquisition set out in Appendix 2 to this announcement.

Applications have been made for the Placing Shares to be admitted to the Official List maintained by the UK Listing Authority, and to be admitted to trading by the London Stock Exchange on its main market for listed securities. Application for quotation on the financial market operated by ASX Limited (**'ASX'**) will also be made for the CDIs representing the Placing Shares to be issued in Australia and New Zealand.

The Placing Shares have not been and will not be registered under the US Securities Act of 1933, as amended (the **'Securities Act'**) and are being offered outside the United States in transactions meeting the requirements of Regulation S under the Securities Act.

Expected Placing timetable

Bookbuild closes	no later than 8pm on 30 January (Sydney time) / mid morning on 30 January (London time)
Announcement of the Placing Price on LSE	no later than 4.30pm on 30 January (London time)
Announcement of the Placing Price on ASX	approximately 8:30am (being the time that the ASX company announcements platform opens) on 2 February (Sydney time)
Settlement of transactions in CDIs representing Placing Shares	on 5 February (Sydney time)
Settlement of transactions in Placing Shares	on 5 February (London time)
Placing Shares commence trading on the LSE	8am on 5 February (London time)
CDIs representing the Placing Shares commence trading on the ASX	10am on 6 February (Sydney time)

These times and dates are based on the Board's current expectation, as at the time of this announcement, and the Managers reserve the right to close the bookbuild early or extend the timetable.

Details of market briefing

For a telephone link to the briefings, dial one of the following numbers five to 10 minutes prior to the start of each call:

Conference title	Henderson Group - Market Briefing
Chairperson	Andrew Formica
Times	2.00pm on Friday 30 January (Sydney time)/3.00am on Thursday 29 January (London time) 8.00am (London time)/7.00pm (Sydney time) on Friday 30 January
From	
United Kingdom	0500 1016 30 (free call)
Australia	1800 9889 41 (free call)
All other countries	+44 (0) 20 7162 0025 (this is not a free call)
Replay number	
From	
United Kingdom	020 7031 4064
Australia	+61 (0) 2 8223 9748
	First briefing access code: 824496
	Second briefing access code: 824497
	(available from 30 January to 6 February 2009)

purposes of sections 274 and 282Y of the Securities and Futures Act, Chapter 289 of Singapore (“**SFA**”) or "relevant persons" (under sections 275 and 282Z of the SFA),, (all such persons in (A), (B) (C), (D), (E) and (F) together being referred to as ‘**Relevant Persons**’). This announcement, insofar as it constitutes an invitation or inducement to participate in the Placing, must not be acted on or relied on by persons who are not Relevant Persons. Any investment or inducement activity insofar as relating to participation in the Placing is available only to Relevant Persons and will be engaged in only with Relevant Persons.

The making of an offer in certain jurisdictions, or to residents who are citizens of certain jurisdictions (‘**Foreign Persons**’), may be restricted by laws of the relevant jurisdictions. Foreign Persons should inform themselves about and observe any such applicable legal requirements in their respective jurisdiction.

United States

This announcement is not for distribution, directly or indirectly, in or into the United States. This document is not an offer of securities for sale into the United States. The Placing Shares have not been and will not be registered under the Securities Act or under the securities laws of any state of the United States and may not be offered or sold within the United States unless they are registered with the US Securities and Exchange Commission or an exemption from registration is available. No public offering of the Placing Shares will be made in the United States.

Australia

This document is not a prospectus under Australian law and does not constitute, in respect of any retail investor, an invitation to subscribe for or buy any securities or an offer for subscription or purchase of any securities or a solicitation to engage in or refrain from engaging in any transaction. If there is to be an offer of securities to retail investors, such offer will be made under a prospectus issued at the time of the offer, if required.

Offers of Placing Shares and CDIs will be made in Australia only to certain sophisticated investors and professional investors. Henderson Group is not seeking the approval of shareholders for the Placing.

Singapore

This announcement and any other materials in connection with the Placing relating to Singapore have not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this announcement and any other document or material in connection with the offer or sale, or invitation for subscription or purchase of Placing Shares may not be circulated or distributed, nor may Placing Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than as described below and/or otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA. This document has been given to you on the basis that you fall within one of the categories of investors described below. In the event that you are not an investor falling within one of the categories set out below, please return this document to Henderson Group immediately. Please do not forward or circulate this document to any other person.

The offer is being made to institutional investors under Section 274 of the SFA, and to relevant persons pursuant to Section 275 of the SFA, in accordance with the conditions specified therein.

It should be noted that there are certain on-sale restrictions (set out in, among others, Sections 257 and 276 of the SFA) applicable to all investors who acquire securities pursuant

to these exemptions. All such investors are advised to acquaint themselves with such provisions and comply with them accordingly. The offer of Placing Shares is not made to you with a view to the Placing Shares (or any of them) being subsequently offered for sale to any other party.

Hong Kong

This announcement has not been, and will not be, registered as a prospectus in Hong Kong under the Companies Ordinance (Cap 32)("CO") nor has it been authorized by the Securities and Futures Commission ("SFC") in Hong Kong pursuant to the Securities and Futures Ordinance (Cap 571) of the Laws of Hong Kong (the "SFO"). Accordingly, this Information must not be issued, circulated or distributed in Hong Kong other than:

- (a) to "professional investors" within the meaning of SFO and any rules made under that ordinance ("Professional Investors"); or
- (b) in other circumstances which do not result in this announcement being a "prospectus" as defined in the CO nor constitute an offer to the public which requires authorisation by the SFC under the SFO.

Unless permitted by the securities laws of Hong Kong, no person may issue or have in its possession for issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Placing Shares, which is directed at, or the content of which is likely to be accessed or read by, the public of Hong Kong other than with respect to shares which are or are intended to be disposed of only to persons outside Hong Kong or only to Professional Investors. No person allotted Placing Shares may sell, or offer to sell, such Placing Shares to the public in Hong Kong within six months following the date of issue of such Placing Shares.

Jersey

A copy of this announcement has been delivered to the Jersey registrar of companies in accordance with Article 5 of the Companies (General Provisions) (Jersey) Order 2002, and it has given, and has not withdrawn, its consent to its publication. The Jersey Financial Services Commission has given, and has not withdrawn, its consent under Article 2 of the Control of Borrowing (Jersey) Order 1958, to the issue of the Placing Shares by Henderson Group. In giving these consents, neither the Jersey registrar of companies nor the Jersey Financial Services Commission takes responsibility for the financial soundness of Henderson Group or for the correctness of any statements made, or opinions expressed, with regard to it. The Jersey Financial Services Commission is protected by the Control of Borrowing (Jersey) Law 1947 against any liability arising from the discharge of its functions under that law. Nothing in this announcement or anything communicated to any person by or on behalf of Henderson Group is intended to constitute, or should be construed as, advice on the merits of the subscription for Placing Shares or the exercise of any rights attaching thereto, for the purposes of the Financial Services (Jersey) Law 1998.

THIS ANNOUNCEMENT AND THE INFORMATION CONTAINED HEREIN ARE NOT FOR PUBLICATION OR FOR RELEASE, OR DISTRIBUTION, IN WHOLE OR IN PART, IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OF SUCH JURISDICTION.

Certain statements in this announcement are forward-looking statements which are based on Henderson Group's expectations, intentions and projections regarding its future performance, anticipated events or trends and other matters that are not historical facts. These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements. Given

these risks and uncertainties, prospective investors are cautioned not to place undue reliance on forward-looking statements. Forward-looking statements speak only as of the date of such statements and, except as required by applicable law, Henderson Group undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

The price of Henderson Group's ordinary shares, including the Placing Shares, and the income from them may go down as well as up and investors may not get back the full amount invested on disposal of the Company's ordinary shares.

Dealing disclosure requirements

Under the provisions of Rule 8.3 of the Takeover Code, if any person is, or becomes, "interested" (directly or indirectly) in 1% or more of any class of "relevant securities" of Henderson Group plc or New Star Asset Management Group plc, all "dealings" in any "relevant securities" of that company (including by means of an option in respect of, or a derivative referenced to, any such "relevant securities") must be publicly disclosed by no later than 3.30pm (London time) on the London business day following the date of the relevant transaction. This requirement will continue until the date on which the offer becomes, or is declared, unconditional as to acceptances, lapses or is otherwise withdrawn or on which the "offer period" otherwise ends. If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire an "interest" in "relevant securities" of Henderson Group plc or New Star Asset Management Group plc, they will be deemed to be a single person for the purpose of Rule 8.3.

Under the provisions of Rule 8.1 of the Takeover Code, all "dealings" in "relevant securities" of Henderson Group plc or New Star Asset Management Group plc by New Star Asset Management Group plc or Henderson Group plc, or by any of their respective "associates", must be disclosed by no later than 12.00 noon (London time) on the London business day following the date of the relevant transaction. A disclosure table, giving details of the companies in whose "relevant securities" "dealings" should be disclosed, and the number of such securities in issue, can be found on the Takeover Panel's website at <http://www.thetakeoverpanel.org.uk/>.

"Interests in securities" arise, in summary, when a person has long economic exposure, whether conditional or absolute, to changes in the price of securities. In particular, a person will be treated as having an "interest" by virtue of the ownership or control of securities, or by virtue of any option in respect of, or derivative referenced to, securities.

Terms in quotation marks in this Dealing disclosure requirements section are defined in the Takeover Code, which can also be found on the Panel's website. If you are in any doubt as to whether or not you are required to disclose a "dealing" under Rule 8, you should consult the Panel.

APPENDIX 1

THIS ANNOUNCEMENT AND THE INFORMATION CONTAINED HEREIN ARE NOT FOR PUBLICATION OR FOR RELEASE, OR DISTRIBUTION, IN WHOLE OR IN PART, IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OF SUCH JURISDICTION.

IMPORTANT INFORMATION FOR PLACERS ONLY REGARDING THE PLACING

MEMBERS OF THE PUBLIC ARE NOT ELIGIBLE TO TAKE PART IN THE PLACING. THIS ANNOUNCEMENT, INCLUDING THIS APPENDICES AND THE TERMS AND CONDITIONS SET OUT HEREIN, AND ANY OFFER MADE SUBSEQUENTLY, ARE DIRECTED ONLY AT: (A) PERSONS IN THE MEMBER STATES OF THE EUROPEAN ECONOMIC AREA WHO ARE QUALIFIED INVESTORS (AS DEFINED IN ARTICLE 2(1)(E)(i), OR (v) OF EU DIRECTIVE 2003/71/EC (THE '**PROSPECTUS DIRECTIVE**')); (B) PERSONS IN THE UNITED KINGDOM WHO ARE QUALIFIED INVESTORS AND PERSONS WHO ARE (I) INVESTMENT PROFESSIONALS FALLING WITHIN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005 (THE '**ORDER**'); (II) PERSONS FALLING WITHIN ARTICLE 49(2) (A) TO (D) ("HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS, ETC") OF THE ORDER; OR (III) PERSONS TO WHOM IT MAY OTHERWISE BE LAWFULLY COMMUNICATED; AND (C) PERSONS IN THE COMMONWEALTH OF AUSTRALIA WHO ARE SOPHISTICATED INVESTORS OR PROFESSIONAL INVESTORS (WITHIN THE MEANING OF SECTIONS 708(8) AND 708(11) RESPECTIVELY OF THE CORPORATIONS ACT 2001 OF THE COMMONWEALTH OF AUSTRALIA (THE '**CORPORATIONS ACT**'); (D) PERSONS IN NEW ZEALAND WHO ARE INVESTORS WHOSE PRINCIPAL BUSINESS IS THE INVESTMENT OF MONEY OR WHO, IN THE COURSE OF AND FOR THE PURPOSE OF THEIR BUSINESS, HABITUALLY INVEST MONEY FOR THE PURPOSES OF SECTION 3(2) OF THE N.Z. SECURITIES ACT 1978; (E) INVESTORS IN HONG KONG WHO ARE PROFESSIONAL INVESTORS (AS DEFINED IN THE SECURITIES AND FUTURES ORDINANCE (CAP 571) OF THE LAWS OF HONG KONG AND ANY RULES MADE UNDER THAT ORDINANCE); (F) PERSONS IN SINGAPORE WHO ARE "INSTITUTIONAL INVESTORS" (FOR THE PURPOSES OF SECTIONS 274 AND 282Y OF THE SECURITIES AND FUTURES ACT, CHAPTER 289 OF SINGAPORE ("SFA")) OR "RELEVANT PERSONS" (UNDER SECTIONS 275 AND 282Z OF THE SFA), (ALL SUCH PERSONS IN (A), (B) (C), (D), (E) AND (F) TOGETHER BEING REFERRED TO AS '**RELEVANT PERSONS**').

THIS ANNOUNCEMENT, INCLUDING THIS APPENDIX AND THE TERMS AND CONDITIONS SET OUT HEREIN MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. PERSONS DISTRIBUTING THIS ANNOUNCEMENT (INCLUDING THE APPENDICES) MUST SATISFY THEMSELVES THAT IT IS LAWFUL TO DO SO. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS ANNOUNCEMENT, INCLUDING THIS APPENDIX AND THE TERMS AND CONDITIONS SET OUT HEREIN RELATE IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS. THIS APPENDIX DOES NOT ITSELF CONSTITUTE AN OFFER FOR SALE OR SUBSCRIPTION OF ANY SECURITIES IN HENDERSON GROUP.

THE PLACING SHARES REFERRED TO HEREIN HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US SECURITIES ACT OF 1933, AS AMENDED (THE '**SECURITIES ACT**') OR WITH ANY REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION IN THE UNITED STATES AND ARE BEING OFFERED OUTSIDE

THE UNITED STATES TO CERTAIN PERSONS IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATIONS UNDER THE SECURITIES ACT.

EACH PLACEE SHOULD CONSULT WITH ITS OWN ADVISERS AS TO LEGAL, TAX, BUSINESS AND RELATED ASPECTS OF A PURCHASE OF PLACING SHARES.

In this Appendix, unless the context otherwise requires, "Placee" means a person (including individuals, funds or others) on whose behalf a commitment to acquire Placing Shares has been given and references to "Placing Shares" shall include those new ordinary shares represented by CDIs.

A Placee choosing to participate in the Bookbuild (as defined below) will be deemed to have read and understood the Appendices in their entirety (including, without limitation, the terms and conditions in this Appendix) and will be deemed to be making any offer to participate and to acquire Placing Shares on the terms and conditions, and, if applicable, to be providing the representations, warranties, acknowledgements and undertakings, contained in this Appendix.

In particular each such Placee represents, warrants and acknowledges that:

1. it is a Relevant Person and undertakes that it will acquire, hold, manage or dispose of any Placing Shares that are allocated to it for the purposes of its business;
2. in the case of a Relevant Person in a member state of the EEA which has implemented the Prospectus Directive (each a '**Relevant Member State**') who acquires any Placing Shares pursuant to the Placing:
 - (a) it is a Qualified Investor; and
 - (b) in the case of any Placing Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, (i) the Placing Shares acquired by it in the Placing have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than Qualified Investors or in circumstances in which the prior consent of the Managers has been given to the offer or resale; or (ii) where Placing Shares have been acquired by it on behalf of persons in any member state of the EEA other than Qualified Investors, the offer of those Placing Shares to it is not treated under the Prospectus Directive as having been made to such persons; or
3. in the case of a Relevant Person in the Commonwealth of Australia who acquires any Placing Shares or CDIs pursuant to the Placing, it is a "sophisticated investor" or a "professional investor" (within the meaning of sections 708(8) and 708(11) respectively of the Corporations Act);
4. in the case of a Relevant Person in New Zealand who acquires any Placing Shares or CDIs pursuant to the Placing, it is an investor whose principal business is the investment of money or who, in the course of and for the purpose of their business, habitually invests money for the purposes of section 3(2) of the N.Z. Securities Act 1978;
5. in the case of a Relevant Person in Hong Kong who acquires Placing Shares pursuant to the Placing, it is a "professional investors" as defined in the Securities and Futures Ordinance (Cap 571) of the Laws of Hong Kong and any rules made under that ordinance;

6. in the case of a Relevant Person in Singapore who acquires Placing Shares pursuant to the Placing, it is an "institutional investor" (for the purposes of sections 274 and 282Y of the Securities and Futures Act, Chapter 289 of Singapore ("SFA")) or a "relevant person" (under sections 275 and 282Z of the SFA); and
7. it is acquiring the Placing Shares for its own account or is acquiring the Placing Shares for an account with respect to which it exercises sole investment discretion and that it (and any such account) is outside the United States in reliance upon Regulation S under the Securities Act.

Henderson Group, the Managers and their respective affiliates will rely upon the truth and accuracy of the foregoing representations, acknowledgements and agreements.

This announcement (including the Appendices) does not constitute an offer to sell or issue or the solicitation of an offer to buy or subscribe for Placing Shares in any jurisdiction where it is or may be unlawful to do so. This announcement and the information contained herein is not for publication or distribution, directly or indirectly, to persons in the United States, Canada or Japan or in any jurisdiction in which such publication or distribution is unlawful.

The Placing Shares referred to in this announcement have not been and will not be registered under the Securities Act or with any securities regulatory authority of any State or other jurisdiction of the United States, and may not be offered, sold or transferred within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Placing Shares are being offered and sold outside the United States in accordance with Regulation S under the Securities Act.

The distribution of this announcement and the Placing and/or issue of the Placing Shares in certain jurisdictions may be restricted by law. No action has been taken by Henderson Group, UBS or JPMorgan Cazenove or any of their respective affiliates that would permit an offer of such Placing Shares or possession or distribution of this announcement or any other offering or publicity material relating to such Placing Shares in any jurisdiction where action for that purpose is required. Persons into whose possession this announcement comes are required by Henderson Group, UBS and JPMorgan Cazenove to inform themselves about and to observe any such restrictions.

Application for admission to listing and trading

Applications have been made to the UKLA and to the London Stock Exchange for admission of the Placing Shares to the Official List of the UKLA and for admission to trading of the Placing Shares on the London Stock Exchange's main market for listed securities ('**Admission**'). Application for quotation on the ASX will also be made for the CDIs in Australia.

It is expected that dealings in the Placing Shares on the main market for listed securities of London Stock Exchange will commence no later than 8.00am on 5 February 2009 (London time), and that the CDIs will commence trading on the ASX at approximately 10.00am on 6 February 2009 (Sydney time).

Details of the Placing Agreement and the Placing Shares

The Managers have entered into a placing agreement (the '**Placing Agreement**') with Henderson Group under which each of the Managers has, subject to the satisfaction of certain conditions and the agreement not having been terminated, agreed severally, as agent of Henderson Group, to use its reasonable endeavours to procure Placees to acquire the Placing Shares on the terms and subject to the conditions set out in this Appendix, or failing which to acquire such Placing Shares themselves.

The Placing Shares will, when issued, be credited as fully paid and be free from any pledge, lien, mortgage, security interest, claim or equity or similar rights or pre-emptive rights and will rank pari passu with the existing ordinary shares of 12.5 pence each in the capital of Henderson Group. The Placing Shares will rank for the proposed final dividend to be paid in respect of the year ended 31 December 2008.

Bookbuild

Commencing today each of the Managers will be conducting an accelerated bookbuild process (the '**Bookbuild**') to arrange participation in the Placing. This Appendix gives details of the terms and conditions of, and the mechanics of participation in, the Bookbuild. No commissions will be paid to Placees or by Placees in respect of any Placing Shares.

How to participate in the Bookbuild

If a Placee wishes to participate in the Bookbuild it should communicate its bid by telephone to the Placee's usual sales contact at UBS or JPMorgan Cazenove. If successful, the Placee's allocation will be confirmed to it orally following the close of the Bookbuild, and a conditional contract note, or Placement Confirmation letter in the case of CDI applicants, will be dispatched as soon as possible thereafter. The relevant Manager's oral confirmation to the Placee, following completion of the Bookbuild, will constitute a legally binding commitment upon it to acquire the number of Placing Shares or CDIs, if applicable, allocated to it on the terms and conditions set out in this announcement and in accordance with Henderson Group's Memorandum and Articles of Association. Henderson Group will make a further announcement following the close of the Bookbuild detailing the number of Placing Shares (including CDIs) to be issued and the price at which the Placing Shares and CDIs, as applicable, have been placed.

Principal terms of the Bookbuild Process

- (a) Each of UBS and JPMorgan Cazenove are arranging the Placing severally and not jointly as agents of Henderson Group. Participation will only be available to persons invited to participate by either of the Managers. Each of the Managers is entitled to enter bids as principal in the Bookbuild.
- (b) The obligations of a Placee will be owed by the Placees to Henderson Group and to the Manager through whom the Placee submitted its bid. The allotment and issue of Placing Shares to a Placee (or CHES Depositary Nominees Pty Ltd in respect of CDIs) by Henderson Group will be in consideration for the transfer to Henderson Group of shares in a Jersey incorporated company by JPMorgan Cazenove pursuant to a subscription and transfer agreement entered into between JPMorgan Cazenove, Henderson Group and the Jersey company (the '**Transfer Agreement**'). Each Placee will, however, also have an immediate, separate and binding obligation, owed to the relevant Manager, to pay to it in cleared funds an amount equal to the product of the Placing Price and the amount of the Placing Shares (or CDIs) it has agreed to acquire. The relevant Manager will procure the allotment by Henderson Group of such Placing Shares to a Placee (or CHES Depositary Nominees Pty Ltd in respect of CDIs) by effecting the necessary transfer from JPMorgan Cazenove to Henderson Group of shares in the Jersey company following that Placee's payment to such Manager of such amount.
- (c) The Placing is to be made outside the United States within the meaning of and pursuant to Regulation S under the Securities Act.
- (d) The Bookbuild will establish a single price (the '**Placing Price**') payable by all Placees to the Managers. The Placing Price will be agreed between UBS,

JPMorgan Cazenove and Henderson Group following completion of the Bookbuild and any discount to the market price of the ordinary shares of Henderson Group will be determined in accordance with the Listing Rules. The Placing Price for CDI applicants shall be converted to an Australian-dollar Placing Price by the Managers shortly after the completion of the Bookbuild and all CDI applicants will be required to accept that Australian-dollar Placing Price. The Placing Price is expected to be announced (the '**Pricing Announcement**') on the Regulatory Information Service ('**RIS**') no later than 4.30pm on 30 January 2009 (London time) and on ASX at approximately 8.30am on 2 February 2009 (Sydney time) following the close of the Bookbuild.

- (e) To enter a bid in the Bookbuild, the Placee should communicate its bid by telephone to the Placee's usual sales contact at UBS or JPMorgan Cazenove. The Placee's bid should state the number of Placing Shares or monetary amount which it wishes to acquire or pay at either the Placing Price which is ultimately established by Henderson Group and the Managers or at prices up to a price limit specified in the Placee's bid. Placees wishing to receive the Placing Shares in the form of CDIs must indicate this at the time of placing their bid. All bids must be made in GBP regardless of whether Placees seek to receive Placing Shares or CDIs.
- (f) Each of the Managers reserves the right not to accept bids or to accept bids in part rather than in whole. The acceptance of bids shall be at each of the Manager's absolute discretion.
- (g) The Bookbuild is expected to close mid morning (London time) on 30 January 2009/ 8pm (Sydney time) on 30 January 2009, with the timing of closing at the absolute discretion of the Managers. Each of the Managers may, at its sole discretion, accept bids that are received after the Bookbuild has closed.
- (h) A bid in the Bookbuild will be made on the terms and conditions in this announcement and if accepted will be legally binding on the Placee by which, or on behalf of which, it is made and will not be capable of variation or revocation after the close of the Bookbuild (except with the consent of the Managers).
- (i) To the fullest extent permissible by law, neither of the Managers nor any of their affiliates shall have any liability to Placees (or any other person whether acting on behalf of a Placee or otherwise). In particular, neither of the Managers nor any of their affiliates shall have any liability (including to the extent permissible by law, any fiduciary duties) in respect of the Managers' conduct of the Bookbuild or of such alternative method of effecting the Placing as the Managers and Henderson Group may agree.

Conditions of the Placing

The obligations of each of the Managers under the Placing Agreement will be conditional, inter alia, on:

- (a) Henderson Group having delivered to the Managers on or before the time of Admission becoming effective a notice confirming, inter alia, that: (i) there have been no breaches of any Major Warranties (as defined in the Placing Agreement) under the Placing Agreement; and (ii) all obligations of Henderson Group under the Placing Agreement which are material in the context of the Placing have been performed;
- (b) Henderson Group and the Jersey company having duly executed, delivered and performed all their obligations under the Transfer Agreement which are material in the context of the Placing;

- (c) the receipt by the Managers on or before the time of Admission becoming effective of certain legal opinions in accordance with the terms of the Placing Agreement;
- (d) Admission having occurred by 8.00am (London time) no later than 5 February 2009 (or such later date as the Managers may agree);
- (e) Henderson Group having allotted the Placing Shares in accordance with the Placing Agreement conditional only on Admission;
- (f) the ASX not having stated that it will not permit the official quotation of the CDIs and the ASIC not having issued or publicly threatened to issue proceedings in relation to the Placing and not having commenced or publicly threatened to commence any inquiry or investigation in relation to the Placing; and
- (g) the publication of this announcement, and the Pricing Announcement through an RIS and the lodgement of both these announcements with the ASX, as required by the Placing Agreement.

If, (a) the conditions above are not satisfied or waived by the Managers by the relevant time and/or date or (b) the Placing Agreement is terminated in the circumstances specified below, the Placing will lapse and the Placee's rights and obligations hereunder shall cease and determine at such time and no claim can be made by the Placee (or any person on whose behalf the Placee is acting) in respect thereof.

The Managers reserve the right to waive or to extend the time and/or date for fulfilment of any of the conditions in the Placing Agreement (save that fulfilment of the condition in paragraph (e) above may not be waived). Any such extension or waiver will not affect Placees' commitments. Neither of the Managers shall have any liability to any Placee (or to any other person whether acting on behalf of a Placee or otherwise) in respect of any decision it may make as to whether or not to waive or to extend the time and/or date for the satisfaction of any condition in the Placing Agreement.

Right to terminate under the Placing Agreement

The Managers may by notice in writing terminate the Placing Agreement at any time prior to Admission becoming effective if they are of the opinion, acting in good faith, that any of the following circumstances has occurred:

- (a) any statement in this announcement or any other Public Document (as defined in the Placing Agreement) is or has become or has been discovered to be untrue, inaccurate or misleading in any respect which is material in the context of the Placing, or any matter has arisen which would if any of such documents were to be issued at that time, constitute a material inaccuracy or omission therefrom which is material in the context of the Placing;
- (b) any of the conditions set out in subclause 2.1 of the Placing Agreement (detailed above) is not satisfied on or before the relevant time and/or date provided for in the Placing Agreement;
- (c) Henderson Group has failed to comply with any obligation under the Placing Agreement or under the Transfer Agreement which, in any case, is material in the context of the Placing; or
- (d) there has occurred any breach of Major Warranty (as defined in the Placing Agreement) or an event has occurred or is likely to occur which, if the Major

Warranties were repeated immediately after that event, would give rise to a breach of any of them.

By participating in the Bookbuild the Placee agrees with the Managers that the exercise by the Managers of any right of termination or other discretion under the Placing Agreement shall be pursuant to that agreement and that the Managers need not make any reference to the Placee and that neither of the Managers shall not have any liability to the Placee whatsoever in connection with any such exercise. By participating in the Bookbuild the Placee agrees that its rights and obligations in respect of the Placing will not be capable of rescission or termination by the Placee.

No Prospectus

Placees' commitments will be made solely on the basis of the information contained in this announcement (including this Appendix), the Acquisition Announcement and the Pricing Announcement. No prospectus or other offering document has been or will be submitted to be approved by the FSA, the Australian Securities and Investments Commission ('ASIC') or by the competent authority in any other jurisdiction, in relation to the Placing, except that a copy of this announcement has been delivered to the Jersey registrar of companies in accordance with Article 5 of the Companies (General Provisions) (Jersey) Order 2002, and it has given, and has not withdrawn, its consent to its publication. Further, the Jersey Financial Services Commission has given, and has not withdrawn, its consent under Article 2 of the Control of Borrowing (Jersey) Order 1958, to the issue of the Placing Shares by Henderson Group. In giving these consents, neither the Jersey registrar of companies nor the Jersey Financial Services Commission takes responsibility for the financial soundness of Henderson Group or for the correctness of any statements made, or opinions expressed, with regard to it. The Jersey Financial Services Commission is protected by the Control of Borrowing (Jersey) Law 1947 against any liability arising from the discharge of its functions under that law.

Each Placee, by participating in the Bookbuild and, if relevant, the Placing, confirms that it has neither received nor relied on any information, representation, warranty or statement made by or on behalf of the Managers or Henderson Group other than the content of this announcement (including this Appendix), the Acquisition Announcement and the Pricing Announcement and none of the Managers, Henderson Group nor any other person will be liable for any Placee's decision to participate in the Bookbuild and, if relevant, the Placing, based on any other information, representation, warranty or statement including (but not limited to) any publicly available or filed information. Each Placee acknowledges, agrees and warrants that it has relied on its own investigation of the business, financial or other position of Henderson Group in deciding whether to participate in the Bookbuild and, if relevant, the Placing. Nothing in this paragraph shall exclude the liability of any person for fraudulent misrepresentation.

Registration and Settlement

Settlement of transactions in the Placing Shares following Admission will take place within the CREST system, subject to certain exceptions. Each of the Managers reserves the right to require settlement for and delivery of the Placing Shares to Placees in such other means that it deems necessary if delivery or settlement is not possible within the CREST system within the timetable set out in this announcement or would not be consistent with the regulatory requirements in the Placee's jurisdiction.

If a Placee is allocated any Placing Shares in the Bookbuild it will be sent a conditional contract note that will state the number of Placing Shares allocated to it, the Placing Price and the aggregate amount owed by it. In agreeing to acquire the number of Placing Shares set out in the conditional contract note, such Placee agrees that it will do all things

necessary to ensure that delivery and payment is completed in accordance with either the standing CREST instructions or the certificated settlement instructions which it has in place with the Managers.

Settlement in the UK will be on a T+4 basis (unless otherwise notified by the Managers). Interest is chargeable daily on payments to the extent that value is received after the due date at the rate of 2 percentage points above prevailing LIBOR as determined by the Managers.

If the Placee does not comply with these obligations, the relevant Manager may sell the Placing Shares allocated to the Placee on its behalf and retain from the proceeds an amount equal to the Placing Price plus any interest due. The Placee will, however, remain liable for any shortfall below the Placing Price and it may be required to bear any stamp duty or stamp duty reserve tax (together with any interest or penalties) which may arise upon the sale of its Placing Shares on its behalf.

If Placing Shares are to be delivered to a custodian or settlement agent, the Placee should ensure that the conditional contract note is copied and delivered immediately to the relevant person within that organisation.

Insofar as Placing Shares are registered in the Placee's name or that of its nominee or in the name of any person for whom the Placee is contracting as agent or that of a nominee for such person, such Placing Shares will, subject as provided below, be so registered free from any liability to UK stamp duty or stamp duty reserve tax. The Placee will not be entitled to receive any fee or commission in connection with the Placing.

Registration and Settlement of Placing Shares (settling as CDIs)

Settlement of CDI allocations will be made via CHESS DvP in accordance with the terms set out in the Placement Confirmation letter to be provided to the relevant institutions. The Placing Price for CDI applicants shall be converted to an Australian-dollar Placing Price by the Managers shortly after the completion of the Bookbuild and all CDI applicants will be required to accept that Australian-dollar Placing Price.

Representations, warranties and other agreements

Subject to such additional or different representations and agreements as may be made or deemed to be made by particular Placees (including Placees participating in the Bookbuild in respect of CDIs), by participating in the Bookbuild each Placee (and any person acting on its behalf) represents, warrants, acknowledges and agrees (for itself and for any such respective Placee) to Henderson Group and the Managers that:

1. it has received and read this announcement (including this Appendix) and the Acquisition Announcement in their entirety and that its acquisition of Placing Shares is subject to and based upon all the terms, conditions, representations, warranties, acknowledgements, agreements and undertakings and other information contained therein;
2. it has not received any offering document comprising a prospectus in connection with the Placing of the Placing Shares and acknowledges that no such prospectus has been or will be prepared in connection with the placing of the Placing Shares;
3. the Henderson Group existing ordinary shares are listed on the Official List of the FSA, and Henderson Group is therefore required to publish certain business and financial information in accordance with the rules and practices of the FSA which includes a description of the nature of Henderson Group's business and

Henderson Group's most recent balance sheet and profit and loss account and that it is able to obtain or access such information without undue difficulty, and is able to obtain access to such information or comparable information concerning any other publicly traded company, without undue difficulty;

4. the content of this announcement, the Acquisition Announcement and the Pricing Announcement is exclusively the responsibility of Henderson Group and that neither the Managers nor its affiliates nor any person acting on any such person's behalf has or shall have any liability for any information or representation relating to Henderson Group or the Placing. Each Placee further represents, warrants and agrees that the only information on which it is entitled to rely and on which such Placee has relied in committing itself to acquire Placing Shares is contained in this announcement and the Acquisition Announcement, such information being all that it deems necessary to make an investment decision in respect of the Placing Shares. Nothing in this paragraph shall exclude the liability of any person for fraudulent misrepresentation;
5. it has neither received nor relied on any confidential price sensitive information concerning Henderson Group in accepting this invitation to participate in the Placing;
6. it has neither received nor relied on any other information, representation, warranty or statement made by the Managers or Henderson Group and neither the Managers nor Henderson Group or any of their respective affiliates will be liable for any Placee's decision to accept this invitation to participate in the Placing based on any other information, representation, warranty or statement. Each Placee further acknowledges and agrees that it has relied on its own investigation of the business, financial or other position of Henderson Group in deciding to participate in the Bookbuild and the Placing. Nothing in this paragraph shall exclude the liability of any person for fraudulent misrepresentation;
7. it has the power and authority to carry on the activities in which it is engaged, to acquire Placing Shares and to execute and deliver all documents necessary for such acquisition;
8. it is not, and at the time the Placing Shares are acquired will not be, a resident of Japan or Canada;
9. the Placing Shares have not and will not be registered under the Securities Act, or under the securities laws of any state of the United States, and are being offered and sold on behalf of the Company in offshore transactions in accordance with Regulation S under the Securities Act;
10. it and the beneficial owner of the Placing Shares is, and the time the Placing Shares are acquired will be, not in the United States and will be acquiring the Placing Shares in an 'offshore transaction' in accordance with Rule 903 or Rule 904 of Regulation S;
11. neither it nor any person acting on its behalf, has engaged in any direct selling efforts (as defined in Regulation S) with respect to the Placing Shares;
12. the Placing Shares have not been registered or otherwise qualified, and will not be registered or otherwise qualified, for offer and sale nor will a prospectus be cleared in respect of any of the Placing Shares under the securities laws of the United States, Canada or Japan and, subject to certain exceptions, may not be offered,

- sold, taken up, renounced or delivered or transferred, directly or indirectly, within the United States, Canada or Japan;
13. it and/or each person on whose behalf it is participating (including the beneficial owner, as applicable):
 - (a) is entitled to acquire Placing Shares pursuant to the Placing under the laws of all relevant jurisdictions;
 - (b) has fully observed such laws;
 - (c) has capacity and authority and is entitled to enter into and perform its obligations as an acquirer of Placing Shares and will honour such obligations; and
 - (d) has obtained all necessary consents and authorities (including, without limitation, in the case of a person acting on behalf of a Placee, all necessary consents and authorities to agree to the terms set out or referred to in this Appendix) to enable it to enter into the transactions contemplated hereby and to perform its obligations in relation thereto;
 14. where it is acquiring the Placing Shares for one or more managed accounts, it is authorised in writing by each managed account (i) to acquire the Placing Shares for each managed account, and (ii) to execute and deliver an investment letter in the form provided to it by UBS or JPMorgan Cazenove on behalf of each managed account. Each Placee agrees to indemnify (on an after-tax basis) and hold Henderson Group and the Managers harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the representations and warranties in this paragraph. Each Placee agrees that the provisions of this paragraph shall survive the resale of the Placing Shares by or on behalf of the managed accounts;
 15. if it is a pension fund or investment company, its purchase of Placing Shares is in full compliance with applicable laws and regulations;
 16. if it is in the UK, represents and warrants that it has complied with its obligations in connection with money laundering and terrorist financing under the Proceeds of Crime Act 2002, the Terrorism Act 2000 and the Money Laundering Regulations (2007) (the '**Regulations**') and, if it is making payment on behalf of a third party, that satisfactory evidence has been obtained and recorded by it to verify the identity of the third party as required by the Regulations;
 17. the issue to it, or the persons specified by it for registration as a holder, of Placing Shares will not give rise to a liability under any of sections 67, 70, 93 or 96 of the Finance Act 1986 (depository receipts and clearance services) and that the Placing Shares are not being acquired in connection with arrangements to issue depository receipts or to transfer Placing Shares into a clearing system;
 18. it and any person acting on its behalf falls within Article 19(5), 49(2) or 50 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended, and undertakes that it will acquire, hold, manage or dispose of any Placing Shares that are allocated to it for the purposes of its business;
 19. it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) relating to the

Placing Shares in circumstances in which section 21(1) of FSMA does not require approval of the communication by an authorised person;

20. it has complied and will comply with all applicable provisions of FSMA with respect to anything done by it in relation to the Placing Shares in, from or otherwise involving the United Kingdom;
21. it has not offered or sold and will not offer or sell any Placing Shares to persons in the United Kingdom prior to Admission except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their business or otherwise in circumstances which have not resulted and which will not result in an offer to the public in the United Kingdom within the meaning of section 85(1) of FSMA;
22. it has not offered or sold and will not offer or sell any Placing Shares to persons in the European Economic Area prior to Admission except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their business or otherwise in circumstances which have not resulted and which will not result in an offer to the public in any member state of the European Economic Area within the meaning of the Prospectus Directive (including any relevant implementing measure in any member state);
23. if it is in a Relevant Member State, it is a Qualified Investor within the meaning of the Prospectus Directive;
24. it will pay the Placing Price in accordance with this announcement on the due time and date set out herein, failing which the relevant Placing Shares may be placed with other Placees or sold at such price as each of the Managers determines and without liability to such Placee and it will remain liable for any amount by which the net proceeds of such sale falls short of the product of the Placing Price and the number of Placing Shares allocated to it and may be required to bear any stamp duty stamp duty reserve tax (together with any interest or penalties due pursuant to the terms set out or referred to in this announcement) which may arise upon the sale of such Placee's Placing Shares on its behalf;
25. participation in the Placing is on the basis that it is not and will not be a client or customer of either of the Managers and that neither of the Managers has any duties or responsibilities to it for providing the protections afforded to their clients or for providing advice in relation to the Placing nor in respect of any representations, warranties, undertakings or indemnities contained in the Placing Agreement;
26. (i) the person who it specifies for registration as holder of the Placing Shares will be the Placee or the Placee's nominee, as the case may be, (ii) neither of the Managers nor Henderson Group will be responsible for any liability to stamp duty or stamp duty reserve tax resulting from a failure to observe this requirement, and (iii) the Placee and any person acting on its behalf agrees to the Placing on the basis that the Placing Shares will be allotted: (A) in the case of Placees other than those who are a 'sophisticated investor' or a 'professional investor' (for the purposes of sections 708(8) and 708(11) respectively of the Corporations Act) resident in the Commonwealth of Australia (an '**Australian Investor**') or a person resident in New Zealand whose principal business is the investment of money or who, in the course of and for the purpose of their business, habitually invests money for the purposes of section 3(2) of the New Zealand Securities Act 1978 (a '**NZ Investor**'), to the CREST stock accounts of either of the Managers who will hold them as nominee on its behalf until settlement in accordance with its standing

settlement instructions; and (B) in the case of Australian Investors or NZ Investors, to CHESS Depository Nominees Pty Limited, with CDIs representing such shares being issued to that Placee in accordance with the settlement instructions set out in this announcement and any confirmation letter;

27. any agreements entered into by it pursuant to these terms and conditions, and any non contractual claim or dispute arising out of or in connection with them, shall be governed by and construed in accordance with the laws of England and it submits (on behalf of itself and on behalf of any person on whose behalf it is acting) to the non-exclusive jurisdiction of the English courts as regards any claim, dispute or matter arising out of any such contract (including in relation to any non contractual obligation); except that enforcement proceedings in respect of the obligation to make payment for the Placing Shares (together with any interest chargeable thereon) may be taken by Henderson Group and the Managers in any jurisdiction in which the Placee is incorporated or in which any of its securities have a quotation on a recognised stock exchange.
28. that Henderson Group, the Managers and others will rely upon the truth and accuracy of the foregoing representations, warranties and acknowledgements;
29. the agreement to settle its acquisition (and/ or the acquisition of a person for whom it is contracting as agent) free of stamp duty and stamp duty reserve tax depends on the settlement relating only to an acquisition by it and/or such person direct from Henderson Group for the Placing Shares in question. Such agreement assumes that the Placing Shares are not being acquired in connection with arrangements to issue depository receipts (other than the issues of CDIs) or to transfer the Placing Shares into a clearance service. If there are any such arrangements, or the settlement relates to any other dealing in the Placing Shares, stamp duty or stamp duty reserve tax may be payable, for which neither Henderson Group nor either of the Managers will be responsible. If this is the case, the Placee should take its own advice and notify the relevant Manager.
30. either Manager may (in its absolute discretion) satisfy its obligations to procure Placees by itself agreeing to become a Placee in respect of some or all of the Placing Shares or by nominating any connected or associated person to do so; and
31. it shall indemnify on an after tax basis and hold Henderson Group and the Managers harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the representations, warranties, acknowledgements, agreements and undertakings in this appendix and further agrees that the provisions of this appendix shall survive after completion of the Placing.

The representations, warranties, acknowledgements and undertakings contained in this letter are given to each of the Managers for themselves and on behalf of Henderson Group and are irrevocable.

This announcement has been issued by Henderson Group and is the sole responsibility of Henderson Group.

UBS is acting for Henderson Group and no-one else in connection with the Placing and other matters referred to in this announcement, and will not be responsible to anyone other than Henderson Group for providing the protections afforded to its clients nor for providing advice in relation to the Placing or any other matter referred to in this announcement.

JPMorgan Cazenove is acting for Henderson Group and no-one else in connection with the Placing and other matters referred to in this announcement, and will not be responsible to anyone other than Henderson Group for providing the protections afforded to its clients nor for providing advice in relation to the Placing or any other matter referred to in this announcement.

When a Placee or person acting on behalf of the Placee is dealing with the Managers, any money held in an account with the Managers on behalf of the Placee and/or any person acting on behalf of the Placee will not be treated as client money (within the meaning of the rules and regulations of the FSA made under FSMA) which, therefore, will not require UBS or JPMorgan Cazenove to segregate such money, as that money will be held by it under a banking relationship and not as a trustee.

Past performance is no guide to future performance and persons needing advice should consult an independent financial adviser. Each Placee and each person acting on behalf of the Placee acknowledges that neither the Managers, nor any of its affiliates, is making any recommendations to it, advising it regarding the suitability of any transactions it may enter into in connection with the Placing nor providing advice in relation to the Placing nor in respect of any warranties, representations, undertakings or indemnities contained in the Placing Agreement nor the exercise or performance of any of the Managers' rights and obligations there under including any rights to waive or vary any conditions or exercise any termination rights.

All times and dates in this announcement may be subject to amendment. The Managers shall notify the Placees and any person acting on behalf of the Placees of any changes.

APPENDIX 2

FOR IMMEDIATE RELEASE

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, IN, INTO OR FROM CANADA OR JAPAN, OR ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OF SUCH JURISDICTION.

30 January 2009

RECOMMENDED CASH OFFER BY HENDERSON GROUP PLC FOR NEW STAR ASSET MANAGEMENT GROUP PLC

Summary

The boards of directors of Henderson Group plc (**'Henderson'**) and New Star Asset Management Group PLC (**'New Star'**) are pleased to announce the terms of Henderson's recommended acquisition of New Star (the **'Acquisition'**) which values New Star at a total enterprise value of £115 million. The Acquisition, which will take place following the implementation of the recently announced restructuring of New Star's issued and to be issued share capital as described in the shareholder circular published by New Star on 22 January 2009 (the **'New Star Restructuring'**), will comprise a cash offer for the entire issued and to be issued ordinary share capital of New Star (the **'Offer'**) and the acquisition of preference share capital to be issued on completion of the New Star Restructuring. Henderson will procure the repayment of the New Star Group's outstanding debt on completion of the New Star Restructuring. To part finance the Acquisition, Henderson is today conducting a fully underwritten placing of up to 72.3 million New Henderson Shares, representing approximately 9.9 per cent. of Henderson's existing issued ordinary shares, to institutional and other investors (the **'Placing'**).

- The Offer will be 2 pence in cash for each New Star Ordinary Share, which values the entire issued and to be issued ordinary share capital of New Star post-completion of the New Star Restructuring at approximately £21.6 million. Existing New Star Ordinary Shareholders will receive approximately £5.4 million in aggregate.
- Pursuant to the Preference Share Acquisition, New Star Preference Shareholders are expected to receive approximately 0.4 New Henderson Shares and up to 48.4 pence in cash for each New Star Preference Share. The Preference Share Acquisition is expected to value each New Star Preference Share at up to 73.4 pence and the then issued preference share capital of New Star at up to £73.4 million, based on the closing middle market price per Henderson Ordinary Share of 62 pence on 29 January 2009.
- The terms of the Preference Share Acquisition provide for the adjustment of the number of New Henderson Shares issued under the Preference Share Acquisition for the run-rate revenue impact of net fund flows experienced by New Star (**'Revenue Flows'**) between 26 January 2009 and the day prior to the Offer becoming wholly unconditional. To the extent that Revenue Flows have varied by 10% or more during this period, there will be an adjustment to the price of between £5 million (at a 10% movement) and £20 million, being the maximum adjustment for a variation of 20% or more. The price will be adjusted by varying the number of New Henderson Shares that may be issued under the Preference Share Acquisition. The terms also provide for the downward adjustment to the cash consideration payable under the Preference Share Acquisition if the closing cash balance of New Star on the day prior to the Offer becoming wholly unconditional is less than £20 million.
- The Henderson Board believes that the Acquisition will strengthen significantly the position of Henderson Global Investors (**'HGI'**) in the UK retail fund management market. HGI is expected to become the 5th largest UK retail fund manager with in excess of £15 billion of funds under management.³
- In particular, the key benefits for Henderson expected from the Acquisition include:
 - increased scale and distribution in the UK retail fund management market;

³ Source: Total Retail and Institutional Funds Under Management for November 2008 – Investment Management Association (UK)

- a broad range of mutual funds complementary to Henderson's own range;
- the opportunity to expand Henderson's direct property business into the retail investor market;
- increased presence in the US institutional market;
- strengthening Henderson's investment capabilities with addition of key talent;
- extracting cost efficiencies through headcount reduction and transferring New Star's business onto Henderson's operating platforms⁴; and
- significant earnings enhancement⁵ by 2010 by acquiring a business capable of being serviced at a marginal cost to income ratio of 40per cent. or better.

The Offer and the Preference Share Acquisition will be conditional on, *inter alia*:

- the approval of Henderson Shareholders at the Henderson General Meeting expected to be held in March 2009;
- the admission of the New Henderson Shares to be issued in connection with the Preference Share Acquisition to listing on the Official List and to trading on the London Stock Exchange's main market for listed securities and the granting of official quotation by the ASX to the New Henderson CHESS Depository Interests to be issued in connection with the Preference Share Acquisition;
- the cancellation of the admission of the New Star Ordinary Shares to listing on the Official List and to trading on the London Stock Exchange's market for listed securities (the '**Delisting**') having become effective;
- completion of the New Star Restructuring;
- acceptances by 90 per cent. or more of New Star Ordinary Shareholders being received under the Offer; and
- the approval of the FSA and certain other regulatory authorities.

The Henderson Board intends unanimously to recommend that Henderson Shareholders vote in favour of the Acquisition at the General Meeting. The New Star Board, which has been so advised by Jefferies, considers the terms of the Offer to be fair and reasonable. In providing advice to the New Star Board, Jefferies has taken into account the commercial assessments of the New Star Board. Accordingly, the New Star Board intends unanimously to recommend that New Star Ordinary Shareholders accept the Offer.

Irrevocable undertakings and letters of intent have been received from the following New Star stakeholders:

- By Henderson from the Banks, being the providers of the New Star Group's current banking facilities, who have undertaken to accept the Offer in respect of their holdings of New Star Ordinary Shares following the proposed New Star Restructuring (expected to be 75 per cent. of the then fully diluted issued ordinary share capital of New Star) immediately upon the New Star Restructuring becoming effective pursuant to the Implementation Agreement. The Banks have also agreed to sell all of their holding (representing 94 per cent.) of New Star Preference Shares to be issued under the proposed New Star Restructuring to Henderson under the Preference Share Acquisition. This undertaking may be terminated if the underwriting agreement relating to the Placing is terminated and Henderson does not find an alternative source of funding within 10 Business Days.
- By New Star and the Banks from the directors of New Star, who have irrevocably undertaken to vote in favour of the resolutions to be put to New Star Ordinary Shareholders at the

⁴ Statements of estimated cost savings and one-off costs for achieving them relate to future actions and circumstances which, by their nature, involve risks, uncertainties and other factors. Because of this, the cost savings referred to may not be achieved, or those achieved could be materially different from those estimated.

⁵ Statements that the Acquisition will be earnings enhancing are not and do not constitute a profit forecast and should not be interpreted to mean that the Henderson's earnings per share in the first full financial year following the Acquisition, or in any subsequent period, will necessarily match or be greater than the historical published earnings per share of Henderson or New Star.

general meeting of New Star to vote on the proposed Delisting (the '**Delisting General Meeting**') and the general meeting of New Star to vote on the New Star Restructuring (the '**Restructuring General Meeting**') in respect of all of the 28,305,499 New Star Ordinary Shares held by them, representing 12.12 per cent. of the votes capable of being cast at each of the Delisting General Meeting and the Restructuring General Meeting.

- By New Star and the Banks in respect of a further 20,418,307 New Star Ordinary Shares, representing 8.74 per cent. of the votes capable of being cast at each of the Delisting General Meeting and the Restructuring General Meeting, pursuant to which the relevant New Star Ordinary Shareholders have given irrevocable undertakings to vote in favour of the resolutions to be put to New Star Ordinary Shareholders at the Delisting General Meeting and the Restructuring General Meeting. These additional irrevocable undertakings have been given on the basis that the relevant New Star Ordinary Shareholders will vote or procure votes in respect of the New Star Ordinary Shares beneficially owned by them in favour of the resolutions to be proposed at the Delisting General Meeting and the Restructuring General Meeting to the extent that they continue to be beneficially interested in such New Star Ordinary Shares at the time of the relevant general meeting.
- By New Star in respect of a further 9,566,111 New Star Ordinary Shares, representing 4.10 per cent. of the votes capable of being cast at each of the Delisting General Meeting and the Restructuring General Meeting, pursuant to which the relevant New Star Ordinary Shareholder has given irrevocable undertakings to vote in favour of the resolutions to be put to New Star Ordinary Shareholders at the Delisting General Meeting and the Restructuring General Meeting. This additional irrevocable undertaking has been given on the basis that the relevant New Star Ordinary Shareholder will vote or procure votes in respect of the New Star Ordinary Shares beneficially owned by it in favour of the resolutions to be proposed at the Delisting General Meeting and the Restructuring General Meeting to the extent that it continues to be beneficially interested in such New Star Ordinary Shares at the time of the relevant general meeting.
- A letter of intent has been received by New Star in respect of a further 25,602,009 New Star Ordinary Shares, representing 10.96 per cent. of the votes capable of being cast at each of the Delisting General Meeting and the Restructuring General Meeting, pursuant to which the relevant New Star Ordinary Shareholder has indicated its current intention to vote in favour of the resolutions to be put to New Star Ordinary Shareholders at the Delisting General Meeting and the Restructuring General Meeting. The letter of intent is not legally binding.

The Offer and the Preference Share Acquisition are expected to complete by 31 March 2009.

Commenting on the Offer, Andrew Formica, Chief Executive of Henderson, said:

"Very rarely will you find an opportunity to significantly enhance your strategic position at compelling financial terms. New Star presents such an opportunity for Henderson and enables us to expand our footprint in our key markets notably the UK retail market. Our top priority is to provide security and stability to New Star's clients".

Commenting on the Offer, John Duffield, Executive Chairman of New Star, said:

"Henderson Group is an excellent partner for New Star offering strong support and certainty to New Star's clients and staff in these times. This deal will join together two managers with a similar culture and investment approach. I have always admired the integrity and brand values of the Henderson Group and am very pleased they will enable New Star to move to its next phase of growth".

This summary should be read in conjunction with and is subject to the full text of the attached Announcement (including the Appendices). The Offer, when made, will be subject to the Conditions and Further Terms set forth in Appendix 1 to this Announcement and the terms and conditions to be set forth in the Offer Document when issued.

The sources and bases of information contained in this Announcement are set forth in Appendix 2 to this Announcement and the definitions of certain expressions used in this Announcement are set forth in Appendix 4 to this Announcement.

Market briefings will be held on 30 January 2009 at 2.00pm (Sydney time) and again at 8.00am (London time). You can listen to a live audiocast of the briefing via the Henderson website. Go to www.hendersongroupplc.com and click on the relevant link on the homepage.

Enquiries

For further information, contact:

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Kevin Pakenham

JPMorgan Cazenove, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively for Henderson and no one else in connection with the matters set forth in this Announcement and will not be responsible to anyone other than Henderson for providing the protections afforded to clients of JPMorgan Cazenove or for providing advice in relation to the matters set forth in this Announcement, the contents of this Announcement, or any matter referred to herein.

UBS, is acting as financial adviser to New Star and is not acting for any other person in relation to the matters referred to in this Announcement. UBS will not be responsible to anyone other than New Star for providing the protections afforded to its clients or for providing advice in relation to the matters set forth in this Announcement, the contents of this Announcement, or any matter referred to herein.

Jefferies, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively for New Star and no one else in connection with the matters set forth in this Announcement and will not be responsible to anyone other than New Star for providing the protections afforded to clients of Jefferies or for providing advice in relation to the matters set forth in this Announcement, the contents of this Announcement, or any matter referred to herein.

This Announcement does not constitute, or form part of, any offer for or invitation to sell or purchase any securities, or any solicitation of any offer for, securities in any jurisdiction. Any acceptance or other response to the Offer should be made only on the basis of information contained in or referred to in the Offer Document which Henderson intends to despatch in due course to New Star Ordinary Shareholders. Such documents will contain important information, including the full terms and conditions of the Offer and how it may be accepted, which New Star Ordinary Shareholders are urged to read carefully.

The Offer is not being made in or into, and is not capable of acceptance in or from, Canada or Japan. Custodians, nominees and trustees should observe these restrictions and should not send or distribute documents in or into Canada or Japan.

Notice to US holders of New Star Ordinary Shares

The Offer is being made for the securities of a UK company and is subject to UK disclosure requirements, which are different from those of the United States. The financial information included in this Announcement has been prepared in accordance with International Financial Reporting Standards and thus may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States. The Offer will be made in the United States pursuant to applicable US tender offer rules and otherwise in accordance with the requirements of the City Code. Accordingly, the Offer will be subject to disclosure and other procedural requirements, including with respect to withdrawal rights, offer timetable, settlement procedures and timing of payments that are different from those applicable under US domestic tender offer procedures and law.

It may be difficult for US holders of New Star Ordinary Shares to enforce their rights and any claim arising out of the US federal securities laws, since Henderson and New Star are located in a non-US jurisdiction, and some or all of their officers and directors may be residents of a non-US jurisdiction. US holders of New Star Ordinary Shares may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.

The receipt of cash pursuant to the Offer by New Star Ordinary Shareholders who are US taxpayers may be a taxable transaction for US federal income tax purposes and under applicable US state and local, as well as foreign and other tax laws. Each holder of New Star Ordinary Shares is urged to consult his independent professional adviser immediately regarding the tax consequences of acceptance of the Offer.

In accordance with normal UK practice and pursuant to Rule 14e-5(b) of the US Exchange Act, Henderson or its nominees, or its brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, New Star Ordinary Shares outside the United States, other than pursuant to the Offer, before or during the period in which the Offer remains open for acceptance. Also, in accordance with Rule 14e-5(b) of the US Exchange Act, JPMorgan Cazenove and UBS will continue to act as an exempt market maker in New Star Ordinary Shares on the London Stock Exchange. These purchases may occur either in the open market at prevailing prices or in

private transactions at negotiated prices. Any information about such purchases will be disclosed as required in the UK, will be reported to a Regulatory Information Service of the UK Listing Authority and will be available on the London Stock Exchange website, www.londonstockexchange.com.

Forward-looking statements

This Announcement, including information included or incorporated by reference, may contain a number of forward-looking statements relating to Henderson and New Star with respect to, among others, the following: financial condition; results of operation; the businesses of Henderson and New Star; future benefits of the transaction; and management plans and objectives. Henderson and New Star consider any statements that are not historical facts to be "forward-looking statements". These forward-looking statements involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by them. Important factors that could cause actual results to differ materially from estimates or forecasts contained in the forward-looking statements include, among others, the following possibilities: future revenues are lower than expected; costs or difficulties relating to the combination of the businesses of Henderson and New Star, or of other future acquisitions, are greater than expected; expected cost savings from the transaction or from other future acquisitions are not fully realised or not realised within the expected time frame; competitive pressures in the industry increase; general economic conditions or conditions affecting the relevant industries, whether internationally or in the places Henderson and New Star do business are less favourable than expected, and/or conditions in the securities market are less favourable than expected.

The estimated operational cost savings and financial synergies have been calculated on the basis of the existing cost and operating structures of the companies and by reference to current prices and the current regulatory environment. These statements of estimated cost savings relate to future actions and circumstances which, by their nature, involve risk, uncertainties and other factors. Because of this, the cost savings and financial synergies referred to may not be achieved, or those achieved could be materially different from those estimated. These statements should not be interpreted to mean that the earnings per share in the first full financial year following the Acquisition, or in any subsequent period, would necessarily match or be greater than those for the relevant preceding financial period.

Dealing Disclosure Requirements

Under the provisions of Rule 8.3 of the City Code, if any person is, or becomes, "interested" (directly or indirectly) in 1 per cent. or more of any class of "relevant securities" of Henderson or of New Star, all "dealings" in any "relevant securities" of that company (including by means of an option in respect of, or a derivative referenced to, any such "relevant securities") must be publicly disclosed by no later than 3.30 pm (London time) on the Business Day following the date of the relevant transaction. This requirement will continue until the date on which the offer becomes, or is declared, unconditional as to acceptances, lapses or is withdrawn or until the "offer period" otherwise ends. If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire an "interest" in "relevant securities" of Henderson or New Star, they will be deemed to be a single person for the purpose of Rule 8.3.

Under the provisions of Rule 8.1 of the City Code, all "dealings" in "relevant securities" of Henderson or of New Star by Henderson or New Star, or by any of their respective "associates", must be disclosed by no later than 12.00 noon (London time) on the Business Day following the date of the relevant transaction.

A disclosure table, giving details of the companies in whose "relevant securities" "dealings" should be disclosed, and the number of such securities in issue, can be found on the Takeover Panel's website at www.thetakeoverpanel.org.uk.

"Interests in securities" arise, in summary, when a person has long economic exposure, whether conditional or absolute, to changes in the price of securities. In particular, a person will be treated as having an "interest" by virtue of the ownership or control of securities, or by virtue of any option in respect of, or derivative referenced to, securities.

Terms in quotation marks are defined in the City Code, which can also be found on the Panel's website. If you are in any doubt as to whether or not you are required to disclose a "dealing" under Rule 8, you should consult the Panel.

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30 January 2009

RECOMMENDED CASH OFFER BY HENDERSON GROUP PLC FOR NEW STAR ASSET MANAGEMENT GROUP PLC

1. Introduction

The boards of directors of Henderson Group plc (**'Henderson'**) and New Star Asset Management Group PLC (**'New Star'**) are pleased to announce the terms of Henderson's recommended acquisition of New Star (the "**Acquisition**") which values New Star at a total enterprise value of £115 million. The Acquisition, which will take place following the implementation of the recently announced restructuring of New Star's issued and to be issued share capital as described in the shareholder circular published by New Star on 22 January 2009 (the **'New Star Restructuring'**), will comprise a cash offer for the entire issued and to be issued ordinary share capital of New Star (the **'Offer'**) and the acquisition of preference share capital to be issued on completion of the New Star Restructuring. Henderson will procure the repayment of the New Star Group's outstanding debt on completion of the New Star Restructuring. To part finance the Acquisition, Henderson is today conducting a fully underwritten placing of up to 72.3 million New Henderson Shares, representing approximately 9.9 per cent. of Henderson's existing issued ordinary shares, to institutional and other investors (the **'Placing'**).

2. Terms of the Acquisition

The Offer, which will be subject to the Conditions and Further Terms set forth in Appendix 1 to this Announcement, and to the terms and conditions to be set forth in the Offer Document and Form of Acceptance, will be made on the following basis:

- The Offer will be 2 pence in cash for each New Star Ordinary Share, which values the entire issued and to be issued ordinary share capital of New Star post-completion of the New Star Restructuring at approximately £21.6 million. Existing New Star Ordinary Shareholders will receive approximately £5.4 million in aggregate.

The Preference Share Acquisition, which will be subject to the terms of the Implementation Agreement, will be made on the following basis:

- Pursuant to the Preference Share Acquisition, New Star Preference Shareholders are expected to receive approximately 0.4 New Henderson Shares and up to 48.4 pence in cash for each New Star Preference Share. The Preference Share Acquisition is expected to value each New Star Preference Share at up to 73.4 pence and the then issued preference share capital of New Star at up to £73.4 million, based on the closing middle market price per Henderson Ordinary Share of 62 pence on 29 January 2009.
- The terms of the Preference Share Acquisition provide for the adjustment of the number of New Henderson Shares issued under the Preference Share Acquisition for the run-rate revenue impact of net fund flows experienced by New Star (**'Revenue Flows'**) between 26 January 2009 and the day prior to the Offer becoming wholly unconditional. To the extent that Revenue Flows have varied by 10% or more during this period, there will be an adjustment to the price of between £5 million (at a 10% movement) and £20 million, being the maximum adjustment for a variation of 20% or more. The price will be adjusted by varying the number of New Henderson Shares that may be issued under the Preference Share Acquisition. The terms also provide for the downward adjustment to the cash consideration payable under the Preference Share Acquisition if the closing cash balance of New Star on the day prior to the Offer becoming wholly unconditional is less than £20 million.

On completion of the Offer and the Preference Share Acquisition, Henderson will procure the repayment of the New Star Group's outstanding debt, which post-completion of the New Star Restructuring is expected to be approximately £20 million.

The Banks, together being the providers of the New Star Group's current banking facilities, have agreed the terms of a new three year £25 million revolving credit facility for Henderson, conditional on completion of the Acquisition.

Applications will be made for the New Henderson Shares to be issued pursuant to the Preference Share Acquisition to be admitted to listing on the Official List, and to be admitted to trading on the London Stock Exchange market for listed securities. Application for quotation on the financial market operated by ASX will also be made for the New Henderson CHESS Depository Interests representing the New Henderson Shares to be issued in Australia.

The New Henderson Shares to be issued to the New Star Preference Shareholders will, when issued, be credited as fully paid and be free from any pledge, lien, mortgage, security interest, claim or equity or similar rights or pre-emptive rights and will rank *pari passu* with the existing Henderson Ordinary Shares from the date of issue. The New Henderson Shares will therefore qualify for the final dividend in respect of 2008 of 4.25 pence per share which the Henderson Board proposes to recommend to shareholders.

When made, the Offer will be subject to the conditions and further terms set forth in Appendix 1 to this Announcement and to the further terms and conditions to be set forth in the Offer Document and Form of Acceptance including, *inter alia*:

- the approval of Henderson Shareholders at the Henderson General Meeting expected to be held in March 2009;
- the admission of the New Henderson Shares to be issued in connection with the Preference Share Acquisition to listing on the Official List and to trading on the London Stock Exchange's main market for listed securities and the granting of official quotation by the ASX to the New Henderson CHESS Depository Interests to be issued in connection with the Preference Share Acquisition;
- the cancellation of the admission of the New Star Ordinary Shares to listing on the Official List and to trading on the London Stock Exchange's market for listed securities (the 'Delisting') having become effective;
- completion of the New Star Restructuring;
- acceptances by 90 per cent. or more of New Star Ordinary Shareholders being received under the Offer; and
- the approval of the FSA and certain other regulatory authorities.

Further details of the bases and sources of certain information set forth in this Announcement are contained in Appendix 2 to this Announcement.

3. New Star Share Scheme

The Offer will extend to any New Star Ordinary Shares which are unconditionally allotted or issued before the date on which the Offer closes as a result of the exercise of options granted under the New Star Share Scheme.

To the extent that such options are not exercised, and if the Offer becomes or is declared unconditional in all respects, it is intended that such options will lapse.

4. Background to and Reasons for the Offer

The Henderson Board believes that the Acquisition will strengthen significantly the position of HGI in the UK retail fund management market. HGI is expected to become the 5th largest UK retail fund manager with in excess of £15 billion of funds under management⁶. In particular, the key benefits for Henderson expected from the Acquisition include:

- increased scale and distribution in the UK retail fund management market;

⁶ Source: Total Retail and Institutional Funds Under Management for November 2008 — Investment Management Association (UK)

- a broad range of mutual funds complementary to Henderson's own range;
- the opportunity to expand Henderson's direct property business into the retail investor market;
- increased presence in the US institutional market;
- strengthening Henderson's investment capabilities with addition of key talent;
- extracting cost efficiencies through headcount reduction and transferring New Star's business onto Henderson's operating platforms⁷; and
- significant earnings enhancement by 2010⁸ by acquiring a business capable of being serviced at a marginal cost to income ratio of 40per cent. or better.

New Star is a highly recognised UK retail fund management group, with a strong distribution network and a broad portfolio of products, funds, clients and investment capabilities. Henderson plans to take advantage of the strength of the New Star brand by co-branding relevant funds where appropriate. New Star also has a strong presence in UK mutual funds which will complement Henderson's existing offering. In addition, New Star has a range of institutional mandates and hedge funds which, when combined with Henderson's existing capabilities in these areas, further strengthens both businesses.

Approximate AUM by product category:

£bn	Henderson Closing AUM	New Star AUM*	AUM
	31 Dec 08	Pro forma	Pro forma
Investment Trusts	2.7	0.2	2.9
Offshore Mutual funds	2.3	0.1	2.4
UK Wholesale	3.1	5.2	8.3
US Wholesale	2.3	-	2.3
Hedge funds	0.8	0.3	1.1
Global Property	9.3	0.5	9.8
Private Equity	1.2	-	1.2
Structured Products	2.2	-	2.2
Institutional	14.1	3.5	17.6
Pearl	11.5	-	11.5
Private clients	-	0.2	0.2
Total AUM	49.5	10.0	59.5

* Based on AUM at 26 January 2009, excluding the Family Assurance management contract of approximately £1.3 billion.

5. Integration and financial benefits of the Acquisition

New Star has pro forma AUM of approximately £10 billion, after allowing for the loss of the Family Assurance management contract, with associated run-rate net revenues of approximately £66 million per annum. Whilst New Star's AUM have significantly reduced during 2008 as a result of market movements and client redemptions, the Henderson Board believes that, under Henderson's ownership, this portfolio of funds and mandates should stabilise by removing the corporate uncertainty that is currently affecting New Star's business. Over the medium term, the combination is expected to enhance substantially the growth potential of Henderson's retail and institutional businesses.

Henderson intends to migrate New Star's business onto Henderson's operating platforms. The total one-off costs of integration are expected to be approximately £31 million after tax. New Star will be

⁷ Statements of estimated cost savings and one-off costs for achieving them relate to future actions and circumstances which, by their nature, involve risks, uncertainties and other factors. Because of this, the cost savings referred to may not be achieved, or those achieved could be materially different from those estimated.

⁸ The statements that the Acquisition will be earnings enhancing do not constitute a profit forecast and should not be interpreted to mean that the earnings per share in the first full financial year following the Acquisition, or in any subsequent period, would necessarily match or be greater than those for the relevant preceding financial year.

acquired on a debt-free basis and is expected to have not less than £20 million of cash on completion to settle certain liabilities in New Star post completion.

Following the full integration of the businesses, the Henderson Board expects that the New Star AUM are capable of being serviced at a marginal cost to income ratio of 40per cent. or better. On the basis of conservative assumptions around fund flows, the Henderson Board expects the Acquisition to be substantially earnings accretive by 2010⁹.

6. Background to and reasons for the Recommendation from the New Star Board

On 22 January 2009, New Star posted to the New Star Ordinary Shareholders a circular relating to a proposal for the Delisting (the '**Delisting Circular**'). The Delisting is the first stage in the New Star Restructuring. The Delisting Circular provides background information in relation to the Delisting and the New Star Restructuring, and contains notice of the Delisting General Meeting.

As the credit crisis has deepened over the last year, a number of New Star's clients have signalled their concerns about its level of debt in the face of a possibly prolonged economic downturn. The New Star Restructuring is intended to address the negative impact of New Star's debt on its business.

Despite the proposed New Star Restructuring, the uncertain nature of the financial markets generally and continuing redemptions have led to a significant decline in New Star's assets under management and associated revenues. This has served to magnify concerns about the New Star Group's viability among its clients and other business partners. As a result, New Star has sought to identify an acquirer, with a view to addressing its operational challenges and preserving the value of the New Star Group's business for all stakeholders.

This has resulted in the Offer from Henderson, which is conditional upon, *inter alia*, the Delisting having become effective and completion of the New Star Restructuring. The Offer is conditional upon completion of the New Star Restructuring, given the significant current liabilities of the New Star Group. Unless New Star Ordinary Shareholders approve the Delisting at the Delisting General Meeting, the Offer will not be made and unless New Star Ordinary Shareholders approve the New Star Restructuring at the Restructuring General Meeting, the Offer will not be capable of becoming unconditional and New Star Ordinary Shareholders will not receive the benefit of the Offer.

If the Delisting and the New Star Restructuring are not approved, the Restructuring Agreements which New Star has entered into with the Banks will terminate, the New Star Restructuring will not proceed and the Offer either will not be made or will be incapable of becoming unconditional. In such circumstances, New Star would be unable to comply with its obligations to the Banks under its various borrowing facilities, unless varied, and New Star would immediately enter into further discussions with its lenders. There can be no certainty or confidence as to the timing of any outcome of those discussions with the lenders, or that the outcome would be positive, and the New Star Board therefore believe that, in the circumstances where agreement cannot be reached, New Star would be unlikely to be able to continue to trade, although the New Star Board currently expects that the New Star Group's fund management subsidiaries would continue to trade. In such circumstances it is highly unlikely that the New Star Ordinary Shares would have any value.

Since the announcement of the New Star Restructuring, the New Star Group has focussed on its client service and retention. However, New Star has continued to experience outflows of assets. There can be no certainty that after the New Star Restructuring, New Star will quickly be returned to profitability, on a stand-alone basis.

The Offer provides certainty for New Star's clients, business partners and employees and provides some return to New Star Ordinary Shareholders and the Banks.

The New Star Board, which has been so advised by Jefferies, considers the terms of the Offer to be fair and reasonable. In providing advice to the New Star Board, Jefferies has taken into account the commercial assessments of the New Star Board. Accordingly, the New Star Board intends unanimously to recommend that New Star Ordinary Shareholders accept the Offer.

⁹ The statements that the Acquisition will be earnings enhancing do not constitute a profit forecast and should not be interpreted to mean that the earnings per share in the first full financial year following the Acquisition, or in any subsequent period, would necessarily match or be greater than those for the relevant preceding financial year.

7. Information on New Star

Founded in 2000 by John Duffield, the New Star Group is a highly recognised UK retail fund management group with a strong distribution network and a broad portfolio of products, funds, clients and investment capabilities. The business grew rapidly in its early years and made three separate acquisitions in 2003 which added an additional 43 funds. Since its foundation, New Star has distinguished itself by the effectiveness of its sales, marketing and client services.

New Star has been listed on the main market of the London Stock Exchange since June 2007, having first been admitted to trading on AIM in November 2005.

New Star has a strong presence in UK mutual funds and also has a range of institutional mandates and hedge funds. AUM span a range of investment classes, including equities, fixed income and property.

New Star's principal place of business is London, and the firm has offices in Dublin, Bermuda, Hong Kong, Zurich, Madrid and Milan.

In 2007, New Star reported net revenues of approximately £173 million, operating earnings of £98 million and profits before taxation of £63 million. New Star had gross assets of approximately £147 million and net liabilities of approximately £200 million as at 30 June 2008.

8. Information on Henderson

Henderson is the holding company of the investment management group HGI. Henderson is headquartered in London and since December 2003 has been listed on the London Stock Exchange and ASX - appearing in the FTSE 250 and ASX 200 indices. Henderson has approximately 125,000 shareholders worldwide. Since 31 October 2008, the Henderson Group has been incorporated in Jersey and tax-resident in the Republic of Ireland.

Established in 1934 to administer the estates of Alexander Henderson, the first Lord Faringdon, HGI is a leading independent global asset management firm. The company provides its institutional, retail and high net-worth clients with access to skilled investment professionals representing a broad range of asset classes, including equities, fixed income, property and private equity. Headquartered in London, HGI is one of Europe's largest investment managers, with £49.5 billion assets under management (as at 31 December 2008) and employs around 890 people worldwide.

In 2007, Henderson earned profits before tax and non-recurring items of £106.7 million. Henderson had net assets of £271.4 million as at 30 June 2008.

9. Current Trading and Prospects

Henderson

Henderson is updating the market today on its operational performance for the period from 1 October 2008 to 31 December 2008 ('the period') as well as its current outlook for the business.

- Profit before tax and non-recurring items for 2008 is expected to be approximately £80 million.
- AUM of £49.5 billion at 31 December 2008, 3per cent. lower than at 30 September 2008.
- Net fund inflows (excluding Pearl) of £0.3 billion in the period, bringing net fund inflows (excluding Pearl) to £2.9 billion for the year.
- 2008 operating expenses expected to be approximately 25per cent. below 2007, with a cost to income ratio for Henderson of approximately 63per cent..
- Net assets of approximately £300 million, including cash balances of £152 million at 31 December 2008.
- The Henderson Board intends to recommend a final dividend of 4.25 pence per Henderson Ordinary Share to give a total dividend of 6.1 pence per Henderson Ordinary Share for 2008, equivalent to the total dividend paid in respect of 2007.

New Star

New Star continues to be adversely affected by difficult market conditions. As a result, the New Star Group's AUM have fallen to approximately £10 billion as at 26 January 2009, after allowing for the

loss of the Family Assurance management contract which has been announced by New Star previously, down from approximately £13 billion on 13 November 2008, the day before New Star published its latest interim management statement. This fall in AUM is mainly a result of net outflows in that period. The value of funds redeemed from the New Star Group's UK retail funds since 1 January 2009 is below the value of funds redeemed in each of November 2008 and December 2008.

10. Dividend Policy

The Henderson Board expects that Henderson profit before tax and non-recurring items for the 12 months ended 31 December 2008 will be approximately £80 million. In light of this result, the Henderson Board intends to recommend a final dividend for 2008 of 4.25 pence per Henderson Ordinary Share, bringing the total dividend for 2008 to 6.1 pence per Henderson Ordinary Share, equivalent to the total dividend paid in respect of 2007.

The New Henderson Shares will qualify for the recommended final dividend to be paid in respect of the year ended 31 December 2008.

11. Management and Employees

Henderson attaches great importance to the skills and experience of the existing management and employees of New Star and believes that they will benefit from greater opportunities within the Henderson Group.

Mr Duffield, Mr Covington and the New Star Group's non-executive directors intend to leave New Star once the Offer is declared wholly unconditional. The other directors of New Star intend to remain with the enlarged Henderson Group following the completion of the Acquisition, at least for a transitional period. In addition, Henderson will work with the New Star Group during the transitional period to ensure retention of key employees.

12. Financing

The Acquisition (including the Offer and the Preference Share Acquisition) will be funded from a mixture of the Henderson Group's internal cash resources, the cash proceeds of a placing of New Henderson Shares and the issue of New Henderson Shares to the New Star Preference Shareholders. The funding comprises:

- Internal cash resources of approximately £50 million;
- Cash raised from the placing of New Henderson Shares of approximately £40 million; and
- The issue of approximately 40.3 million New Henderson Shares, valued at £25 million, to the New Star Preference Shareholders pursuant to the Preference Share Acquisition, assuming no price adjustment.

13. Cash Confirmation

JPMorgan Cazenove is satisfied that the necessary financial resources are available to Henderson to satisfy acceptance of the cash consideration of the Offer in full.

14. Offer Document

The Offer will be subject to the applicable requirements of the City Code. The Offer Document, setting out the details of the Offer and enclosing the Form of Acceptance, will be despatched to New Star Ordinary Shareholders at the same time as the Restructuring Circular is despatched to them, which (Henderson having received the consent of the Panel and Jefferies in this respect) is expected to be on or about 11 March 2009.

15. New Henderson Shares

The New Henderson Shares will be issued pursuant to the Preference Share Acquisition fully paid and free from any pledge, lien, mortgage, security interest, claim or equity or similar rights or pre-emptive rights and will rank pari passu with the existing Henderson Ordinary Shares from the date of their issue.

Applications will be made for the New Henderson Shares to be admitted to the Official List maintained by the UK Listing Authority, and to be admitted to trading by the London Stock Exchange on its market for listed securities. Application for quotation on the financial market operated by ASX will also be made for the New Henderson CHES Depository Interests representing the New Henderson Shares.

16. General Meeting of Henderson

The Acquisition is conditional upon, *inter alia*, Henderson Shareholders approving the Acquisition. A shareholder circular, including a notice convening the Henderson General Meeting, will be sent to Henderson Shareholders for this purpose in due course.

The Henderson Board intends unanimously to recommend that Henderson Shareholders vote in favour of the resolutions to be proposed at the Henderson General Meeting as the directors of Henderson intend to do in respect of their own beneficial holdings of Henderson Ordinary Shares which represent approximately 0.3 per cent. of Henderson's existing issued share capital.

17. Overseas Shareholders

The availability of the Offer to persons not resident in the United Kingdom may be affected by the laws of the relevant jurisdiction where they are resident. New Star Ordinary Shareholders who are not resident in the United Kingdom should inform themselves about, and observe, any applicable requirements.

18. Disclosure of Interests in New Star Relevant Securities and Irrevocable Undertakings and Letters of Intent

Irrevocable undertakings and letters of intent have been received from the following New Star stakeholders:

- by Henderson from the Banks, being the providers of the New Star Group's current banking facilities, who have undertaken to accept the Offer in respect of their holdings of New Star Ordinary Shares following the proposed New Star Restructuring (expected to be 75 per cent. of the then fully diluted issued ordinary share capital of New Star) immediately upon the New Star Restructuring becoming effective pursuant to the Implementation Agreement. The Banks have also agreed to sell all of their holding (representing 94 per cent.) of New Star Preference Shares to be issued under the proposed New Star Restructuring to Henderson under the Preference Share Acquisition. This undertaking may be terminated if the underwriting agreement relating to the Placing is terminated and Henderson does not find an alternative source of funding within 10 Business Days.
- by New Star and the Banks from the directors of New Star who have irrevocably undertaken to vote in favour of the resolutions to be put to New Star Ordinary Shareholders at the general meeting of New Star to vote on the proposed Delisting (the "**Delisting General Meeting**") and the general meeting of New Star to vote on the New Star Restructuring (the "**Restructuring General Meeting**") in respect of all of the 28,305,499 New Star Ordinary Shares held by them, representing 12.12 per cent. of the votes capable of being cast at each of the Delisting General Meeting and the Restructuring General Meeting.
- by New Star and the Banks in respect of a further 20,418,307 New Star Ordinary Shares, representing 8.74 per cent. of the votes capable of being cast at each of the Delisting General Meeting and the Restructuring General Meeting, pursuant to which the relevant New Star Ordinary Shareholders have given irrevocable undertakings to vote in favour of the resolutions to be put to New Star Ordinary Shareholders at the Delisting General Meeting and the Restructuring General Meeting. These additional irrevocable undertakings have been given on the basis that the relevant New Star Ordinary Shareholders will vote or procure votes in respect of the New Star Ordinary Shares beneficially owned by them in favour of the resolutions to be proposed at the Delisting General Meeting and the Restructuring General Meeting to the extent that they continue to be beneficially interested in such New Star Ordinary Shares at the time of the relevant general meeting.
- By New Star in respect of a further 9,566,111 New Star Ordinary Shares, representing 4.10 per cent. of the votes capable of being cast at each of the Delisting General Meeting and the Restructuring General Meeting, pursuant to which the relevant New Star Ordinary Shareholder has given irrevocable undertakings to vote in favour of the resolutions to be put to New Star Ordinary Shareholders at the Delisting General Meeting and the Restructuring General Meeting. This additional irrevocable undertaking has been given on the basis that the relevant New Star Ordinary Shareholder will vote or procure votes in respect of the New Star Ordinary Shares beneficially owned by it in favour of the resolutions to be proposed at the Delisting General Meeting and the Restructuring General Meeting to the extent that it continues to be beneficially interested in such New Star Ordinary Shares at the time of the relevant general meeting.

- A letter of intent has been received by New Star in respect of a further 25,602,009 New Star Ordinary Shares, representing 10.96 per cent. of the votes capable of being cast at each of the Delisting General Meeting and the Restructuring General Meeting, pursuant to which the relevant New Star Ordinary Shareholder has indicated its current intention to vote in favour of the resolutions to be put to New Star Ordinary Shareholders at the Delisting General Meeting and the Restructuring General Meeting. The letter of intent is not legally binding.

Further details of these irrevocable undertakings and letters of intent are set forth in Appendix 3 to this Announcement.

Except for the irrevocable undertakings summarised above, neither Henderson nor, so far as the Henderson Board are aware, any person acting in concert with it owns or controls or has borrowed or lent (save for any borrowed shares which have been either on-lent or sold) any New Star Ordinary Shares or any securities convertible or exchangeable into New Star Ordinary Shares or any rights to subscribe for or purchase the same, or holds any options (including traded options) in respect of, or has any option to acquire, any New Star Ordinary Shares or has entered into any derivatives referenced to New Star Ordinary Shares which remain outstanding, nor does any such person hold any long exposure or short positions in relation to New Star Ordinary Shares (whether conditional or absolute and whether in the money or otherwise) including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery, nor does any such person have any arrangement in relation to New Star Ordinary Shares. In view of the requirement for confidentiality, Henderson has not made any enquiries in this respect of certain parties who may be deemed by the Panel to be acting in concert with it for the purposes of the Offer.

For these purposes, "arrangement" includes any indemnity or option arrangement, any agreement or understanding, formal or informal, of whatever nature, relating to New Star Ordinary Shares which may be an inducement to deal or refrain from dealing in such shares.

19. Implementation Agreement

Henderson, New Star and the Banks have entered into the Implementation Agreement which provides, amongst other things, for the implementation of the Preference Share Acquisition, and contains certain assurances and confirmations between the parties, including in relation to:

- using reasonable efforts to ensure the implementation of the Offer; and
- undertakings being given in relation to the acceptance by the Banks of the Offer.

In particular, the Implementation Agreement contains the principal provisions set forth below.

Adjustment provisions

The Implementation Agreement sets forth certain provisions whereby the consideration due to the New Star Preference Shareholders under the Preference Share Acquisition may be adjusted by reference to New Star's level of cash on the day prior to the Offer becoming wholly unconditional and to the level of net change in New Star's annualised revenues arising from net sales and redemptions from 26 January 2009 to the day prior to the Offer becoming wholly unconditional.

20. General

The Offer Document will be despatched to New Star Ordinary Shareholders at the same time as the Restructuring Circular is despatched to them, which (Henderson having received the consent of the Panel and Jefferies in this respect) is expected to be on or about 11 March 2009. The Offer will be subject to the conditions set forth in Appendix 1.

The bases and sources of certain financial information contained in this Announcement are set forth in Appendix 2 to this Announcement. Certain terms used in this Announcement are defined in Appendix 3 to this Announcement.

ENQUIRIES

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Note:

1. The statements that the Acquisition will be earnings enhancing do not constitute a profit forecast and should not be interpreted to mean that the earnings per share in the first full financial year following the Acquisition, or in any subsequent period, would necessarily match or be greater than those for the relevant preceding financial year.

JPMorgan Cazenove, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively for Henderson and no one else in connection with the matters set forth in this Announcement and will not be responsible to anyone other than Henderson for providing the protections afforded to clients of JPMorgan Cazenove or for providing advice in relation to the matters set forth in this Announcement, the contents of this Announcement, or any matter referred to herein.

UBS, is acting as financial adviser to New Star and is not acting for any other person in relation to the matters referred to in this Announcement. UBS will not be responsible to anyone other than New Star for providing the protections afforded to its clients or for providing advice in relation to the matters set forth in this Announcement, the contents of this Announcement, or any matter referred to herein.

Jefferies, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively for New Star and no one else in connection with the matters set forth in this Announcement and will not be responsible to anyone other than New Star for providing the protections afforded to clients of Jefferies or for providing advice in relation to the matters set forth in this Announcement, the contents of this Announcement, or any matter referred to herein.

The Offer is not being made in or into, and is not capable of acceptance in or from, Canada or Japan. Custodians, nominees and trustees should observe these restrictions and should not send or distribute documents in or into Canada or Japan.

Notice to US holders of New Star Ordinary Shares

The Offer is being made for the securities of a UK company and is subject to UK disclosure requirements, which are different from those of the United States. The financial information included in this Announcement has been prepared in accordance with International Financial Reporting Standards and thus may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States. The Offer will be made in the United States pursuant to applicable US tender offer rules and otherwise in accordance with the requirements of the City Code. Accordingly, the Offer will be subject to disclosure and other procedural requirements, including with respect to withdrawal rights, offer timetable, settlement procedures and timing of payments that are different from those applicable under US domestic tender offer procedures and law.

It may be difficult for US holders of New Star Ordinary Shares to enforce their rights and any claim arising out of the US federal securities laws, since Henderson and New Star are located in a non-US jurisdiction, and some or all of their officers and directors may be residents of a non-US jurisdiction. US holders of New Star Ordinary Shares may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.

The receipt of cash pursuant to the Offer by New Star Ordinary Shareholders who are US taxpayers may be a taxable transaction for US federal income tax purposes and under applicable US state and local, as well as foreign and other tax laws. Each holder of New Star Ordinary Shares is urged to consult his independent professional adviser immediately regarding the tax consequences of acceptance of the Offer.

In accordance with normal UK practice and pursuant to Rule 14e-5(b) of the US Exchange Act, Henderson or its nominees, or its brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, New Star Ordinary Shares outside the United States, other than pursuant to the Offer, before or during the period in which the Offer remains open for acceptance. Also, in accordance with Rule 14e-5(b) of the US Exchange Act, JPMorgan Cazenove and UBS will continue to act as an exempt market maker in New Star Ordinary Shares on the London Stock Exchange. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases will be disclosed as

required in the UK, will be reported to a Regulatory Information Service of the UK Listing Authority and will be available on the London Stock Exchange website, www.londonstockexchange.com.

Forward-looking statements

This Announcement, including information included or incorporated by reference, may contain a number of forward-looking statements relating to Henderson and New Star with respect to, among others, the following: financial condition; results of operation; the businesses of Henderson and New Star; future benefits of the transaction; and management plans and objectives. Henderson and New Star consider any statements that are not historical facts to be "forward-looking statements". These forward-looking statements involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by them. Important factors that could cause actual results to differ materially from estimates or forecasts contained in the forward-looking statements include, among others, the following possibilities: future revenues are lower than expected; costs or difficulties relating to the combination of the businesses of Henderson and New Star, or of other future acquisitions, are greater than expected; expected cost savings from the transaction or from other future acquisitions are not fully realised or not realised within the expected time frame; competitive pressures in the industry increase; general economic conditions or conditions affecting the relevant industries, whether internationally or in the places Henderson and New Star do business are less favourable than expected, and/or conditions in the securities market are less favourable than expected.

The estimated operational cost savings and financial synergies have been calculated on the basis of the existing cost and operating structures of the companies and by reference to current prices and the current regulatory environment. These statements of estimated cost savings relate to future actions and circumstances which, by their nature, involve risk, uncertainties and other factors. Because of this, the cost savings and financial synergies referred to may not be achieved, or those achieved could be materially different from those estimated. These statements should not be interpreted to mean that the earnings per share in the first full financial year following the Acquisition, or in any subsequent period, would necessarily match or be greater than those for the relevant preceding financial period.

Dealing Disclosure Requirements

Under the provisions of Rule 8.3 of the City Code, if any person is, or becomes, "interested" (directly or indirectly) in 1 per cent. or more of any class of "relevant securities" of Henderson or of New Star, all "dealings" in any "relevant securities" of that company (including by means of an option in respect of, or a derivative referenced to, any such "relevant securities") must be publicly disclosed by no later than 3.30 pm (London time) on the Business Day following the date of the relevant transaction. This requirement will continue until the date on which the offer becomes, or is declared, unconditional as to acceptances, lapses or is withdrawn or until the "offer period" otherwise ends. If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire an "interest" in "relevant securities" of Henderson or New Star, they will be deemed to be a single person for the purpose of Rule 8.3.

Under the provisions of Rule 8.1 of the City Code, all "dealings" in "relevant securities" of Henderson or of New Star by Henderson or New Star, or by any of their respective "associates", must be disclosed by no later than 12.00 noon (London time) on the Business Day following the date of the relevant transaction.

A disclosure table, giving details of the companies in whose "relevant securities" "dealings" should be disclosed, and the number of such securities in issue, can be found on the Takeover Panel's website at www.thetakeoverpanel.org.uk.

"Interests in securities" arise, in summary, when a person has long economic exposure, whether conditional or absolute, to changes in the price of securities. In particular, a person will be treated as having an "interest" by virtue of the ownership or control of securities, or by virtue of any option in respect of, or derivative referenced to, securities.

Terms in quotation marks are defined in the City Code, which can also be found on the Panel's website. If you are in any doubt as to whether or not you are required to disclose a "dealing" under Rule 8, you should consult the Panel.

APPENDIX 1
CONDITIONS AND CERTAIN FURTHER TERMS
OF THE OFFER

1. CONDITIONS OF THE OFFER

The Offer will be subject to the following conditions:

- (a) valid acceptances being received (and not, where permitted, withdrawn) by 3.00 p.m (London time) on the first closing date of the Offer (or such later time(s) and/or date(s) as Henderson may, with the consent of the Panel or subject to the rules of the City Code, decide) in respect of not less than 90 per cent. (or such lesser percentage as Henderson may decide) in nominal value of the New Star Ordinary Shares to which the Offer relates and not less than 90 per cent. (or such lesser percentage as Henderson may decide) of the voting rights carried by the New Star Ordinary Shares to which the Offer relates, provided that this condition will not be satisfied unless Henderson (and/or any of its wholly-owned subsidiaries) shall have acquired, or agreed to acquire, whether pursuant to the Offer or otherwise, New Star Ordinary Shares carrying, in aggregate, more than 50 per cent. of the voting rights normally exercisable at general meetings of New Star, including for this purpose (to the extent, if any, required by the Panel) any voting rights attributable to or attaching to any New Star Ordinary Shares which are unconditionally allotted or issued before the Offer becomes or is declared unconditional as to acceptances, whether pursuant to the exercise of conversion or subscription rights or otherwise, and for the purposes of this condition:
 - (i) New Star Ordinary Shares which have been unconditionally allotted but not issued before the Offer becomes or is declared unconditional as to acceptances, whether pursuant to the exercise of any outstanding subscription or conversion rights or otherwise, shall be deemed to carry the voting rights they will carry on issue; and
 - (ii) the expression " New Star Ordinary Shares to which the Offer relates" shall be construed in accordance with section 977 of the Companies Act 2006;
- (b) the resolution to approve the Delisting having been passed at the Delisting General Meeting or at any adjournment thereof, provided that such adjourned meeting is held within three Business Days following 10 February 2009, or by such later date as Henderson may agree;
- (c) the Delisting having become effective by 11 March 2009, or by such later date as Henderson may agree;
- (d) the Restructuring Agreements having become effective by 28 March 2009 (or such other date as Henderson may agree) as described in the Restructuring Circular, and the Banks and the relevant directors and employees of the New Star Group having been allotted and issued the New Star Ordinary Shares and New Star Preference Shares due to them pursuant to the terms of the Restructuring Agreements;
- (e) the Henderson Shareholders having passed a resolution (requiring the approval of a majority of shareholders present and voting) at the Henderson General Meeting approving (i) the making of the Offer and the Preference Share Acquisition pursuant to LR 10.5.1 (3) of the Listing Rules and (ii) the issue of more than 15 per cent of its ordinary share capital in any 12 month period pursuant to ASX Listing Rule 7.1;
- (f) the admission of the New Henderson Shares to be issued in connection with the Preference Share Acquisition to listing on the Official List and to trading on the London Stock Exchange's main market for listed securities;
- (g) the granting of official quotation by the ASX to the Henderson CHESS Depository Interests to be issued in connection with the Preference Share Acquisition;

- (h) The Office of Fair Trading having either: (1) declined jurisdiction over the transaction; or (2) indicated, in terms satisfactory to Henderson, that it is not the intention of the Office of Fair Trading to make a referral to the Competition Commission in connection with the Offer, or any matters arising from or relating to the Offer;
- (i) either of the following events occurring:
 - (i) the FSA having notified Henderson in writing in terms satisfactory to Henderson (acting reasonably in assessing whether such terms are satisfactory) that it is granting approval to Henderson (and any of its subsidiaries, as necessary) for the acquisition of control over each Regulated Subsidiary in accordance with section 183 of FSMA; or
 - (ii) the FSA being deemed to have granted approval to Henderson for the acquisition of control over each Regulated Subsidiary in accordance with section 184(2) of FSMA;
- (j) the Irish Financial Services Regulatory Authority granting approval to Henderson (and any of its subsidiaries, as necessary) in writing in terms satisfactory to Henderson (Henderson acting reasonably in assessing whether such terms are satisfactory) to become qualifying shareholders of New Star Investment Funds (Ireland) Limited as required by Irish law;
- (k) no government or governmental, quasi-governmental, supranational, statutory or regulatory body, institution, association or agency (including any trade agency) or any court or other body (including any professional or environmental body) or person in any relevant jurisdiction (each a "Relevant Authority") having given written notice of a decision to take, institute, implement or threaten any action, proceeding, suit, investigation or enquiry or having required any action to be taken or otherwise having enacted, made or proposed any statute, regulation, order or decision that would or might be reasonably expected to:
 - (i) make the Offer or its implementation or the acquisition or the proposed acquisition of any shares in, or control of, New Star by any member of the Wider Henderson Group void, unenforceable or illegal under the laws of any relevant jurisdiction or directly or indirectly prohibit or otherwise materially restrict, prevent or delay or interfere with the implementation of, or impose additional material conditions or obligations with respect to, or otherwise in a material way challenge, the Offer or the acquisition of any shares in, or control of, New Star by any member of the Wider Henderson Group;
 - (ii) require or prevent the divestiture (or alter the terms of any proposed divestiture) by any member of the Henderson Group or any member of the New Star Group of all or any material part of their respective businesses, assets or properties or impose any material limitation on their ability to conduct all or any part of their respective businesses and to own or control any of their respective businesses, assets or properties, in each case to an extent which is material in the context of the Henderson Group taken as a whole or, as the case may be, the New Star Group taken as a whole;
 - (iii) impose any material limitation on or result in any material delay in the ability of any member of the Henderson Group to acquire or hold or to exercise effectively, directly or indirectly, all rights of ownership of shares or other securities (or the equivalent) in New Star in any respect which is material in the context of the New Star Group, or to exercise management control over New Star;
 - (iv) except pursuant to Part 28 of the Companies Act 2006 or the Offer, require any member of the Henderson Group to acquire or offer to acquire any shares or other securities (or the equivalent) in any member of the New Star Group; or
 - (v) result in any member of the New Star Group ceasing to be able to carry on business under any name under which it presently does so, where such a result would be material and adverse in the context of the Wider New Star Group taken as a whole,

and all applicable waiting and other time periods during which any such Relevant Authority could institute, or threaten any such action, proceeding, suit, investigation, enquiry or reference or otherwise intervene having expired, lapsed or been terminated;

- (l) all necessary material filings having been made in connection with the Offer and all appropriate waiting periods (including extensions of such periods) under any applicable legislation or regulation of any relevant jurisdiction having expired, lapsed or been terminated, in each case in respect of the Offer and the acquisition of any shares in, or control of, New Star by Henderson and all material authorisations, orders, grants, recognitions, confirmations, licences, consents, clearances, permissions and approvals (“authorisations”) reasonably necessary in any relevant jurisdiction for or in respect of the Offer and the proposed acquisition of any shares in, or control of, New Star by Henderson being obtained in terms reasonably satisfactory to Henderson, from appropriate Relevant Authorities and such authorisations together with all material authorisations necessary for the New Star Group to carry on its business remaining in full force and effect (in each case where the absence of such authorisation would have a material adverse effect on the New Star Group taken as a whole) and there being no intimation of any intention to revoke, withdraw, suspend, restrict, withhold or modify or not to renew any of them having been made under the laws or regulations of any relevant jurisdiction which in any such case is reasonably likely to have a material adverse effect in the context of the New Star Group taken as a whole;
- (m) since the Accounts Date and except as Disclosed, there being no provision of any material arrangement, agreement, licence, permit, lease or other instrument to which any member of the New Star Group is a party or by or to which any such member or any of its material assets may be bound or be subject which, as a result of the making or implementation of the Offer or the acquisition or proposed acquisition by any member of the Henderson Group of any shares in New Star or because of a change in the control or management of any member of the New Star Group or otherwise, would or might reasonably be expected to result in (in each case to an extent which is material and adverse in the context of the Wider New Star Group taken as a whole):
 - (i) any material amount of monies borrowed by or any material indebtedness (actual or contingent) of, or grant available to, the New Star Group becoming repayable or capable of being declared repayable immediately or earlier than the stated repayment date or the ability of any member of the New Star Group to borrow monies or incur any material indebtedness being withdrawn or materially inhibited;
 - (ii) the creation or enforcement of any mortgage, charge or other security interest over the whole or any substantial part of the business, property or assets of any member of the New Star Group or any such security interest (whenever arising or having arisen) becoming enforceable;
 - (iii) any such arrangement, agreement, licence, permit, lease or other instrument, being terminated or materially and adversely modified or affected or any onerous obligation arising or any material adverse action being taken or arising thereunder;
 - (iv) any material interest or material business of any member of the New Star Group in or with any other person, firm or company (or any arrangements relating to such interest or business) being terminated or materially and adversely affected;
 - (v) any member of the New Star Group ceasing to be able to carry on business under any name under which it presently does so; or
 - (vi) any material assets or interest of any member of the New Star Group being or falling to be disposed of or charged or any right arising under which any such asset or interest could be required to be disposed of or charged otherwise than in the ordinary course of business,

and no event having occurred which, under any provision of any arrangement, agreement, licence, permit, lease or other instrument to which any member of the Wider New Star Group is a party or by or to which any such member or any of its assets may be bound, entitled or subject, could result in any events or circumstances as are referred to in sub-paragraphs (i)

to (vi) of this paragraph (m) in any case where such result would be material and adverse in the context of the Wider New Star Group taken as a whole;

- (n) since the Accounts Date and except as Disclosed, no member of the New Star Group having, to an extent which is material in the context of the Wider New Star Group taken as a whole:
- (i) issued or agreed to issue or authorised or proposed the issue of additional shares of any class, or securities convertible into, or rights, warrants or options to subscribe for or acquire, any such shares or convertible securities or transferred or sold or agreed to transfer or sell New Star Ordinary Shares out of treasury, save as between New Star and other members of the Wider New Star Group;
 - (iii) recommended, declared, paid or made any bonus, dividend or other distribution, whether payable in cash or otherwise, other than a distribution by any wholly-owned subsidiary of New Star;
 - (iii) save as between New Star and its wholly-owned subsidiaries or between such wholly-owned subsidiaries, implemented or authorised any merger or demerger with any body corporate or, otherwise than in the ordinary course of business, acquired or disposed of, or transferred, mortgaged or charged or created any other security interest over, any assets or any right, title or interest in any asset (including shares);
 - (iv) redeemed, purchased or reduced any of its own shares or made or authorised any change in its share or loan capital;
 - (v) issued or authorised the issue of any debentures or, other than in the ordinary course of business and other than between members of the Wider New Star Group, incurred or increased any indebtedness or contingent liability which in any such case is material;
 - (vi) entered into, varied or terminated any arrangement, contract or commitment (whether in respect of capital expenditure or otherwise), other than in the ordinary course of business, which is of a long term, onerous or unusual nature or magnitude or which involves or could reasonably be expected to involve an obligation of an unusual nature or magnitude;
 - (vii) entered into or varied the terms of, or made any offer (which remains open for acceptance) to enter into or vary the terms of, any service contract or other agreement with any director or senior executive of New Star save to the extent requested in writing by Henderson;
 - (viii) save as between members of the Wider New Star Group, entered into any contract, transaction, reconstruction, amalgamation, commitment, scheme or other arrangement otherwise than in the ordinary course of business;
 - (ix) other than by way of a solvent winding-up in respect of any member of the New Star Group which is dormant at the relevant time, taken any corporate action for its winding-up, dissolution or reorganisation or for the appointment of a receiver, manager, administrator, administrative receiver, trustee, provisional liquidator, liquidator or similar officer in respect of all or any of its assets and revenues or any analogous proceedings or steps having been taken by any member of the New Star Group in any relevant jurisdiction;
 - (x) waived or compromised any claim, other than in the ordinary course of business, and which is material in the context of the Wider New Star Group taken as a whole;
 - (xi) made or agreed or consented to any significant change to the terms of the trust deeds constituting the pension schemes established for its directors and/or employees and/or their dependants or to the benefits which accrue, or to the pensions which are payable under such schemes, or to the basis on which qualification for or accrual or entitlement to such benefits or pensions are calculated or determined or to the basis upon which the liabilities (including pensions) of such

pension schemes are funded, or made or agreed or consented to any change to the trustees;

- (xii) made any material amendment to its memorandum or articles of association;
 - (xiii) entered into any contract, transaction or arrangement which is or may be materially restrictive on the business of any member of the Wider New Star Group other than of a nature and to an extent which is not unusual in the context of the business concerned; or
 - (xiv) entered into any contract, commitment or arrangement or passed any resolution in general meeting with respect to, or proposed or announced any intention to effect or propose, any of the transactions, matters or events referred to in this paragraph (n);
- (o) since the Accounts Date and except as Disclosed:
- (i) no adverse change in the business, assets, financial or trading position or profits or prospects of any member of the Wider New Star Group having occurred which is material in the context of the Wider New Star Group taken as a whole; and
 - (ii) no litigation, arbitration, prosecution or other legal proceedings having been threatened, announced, instituted or become pending or remaining outstanding by, against or in respect of any member of the New Star Group or to which any member of the New Star Group is or may be a party (whether as plaintiff or defendant or otherwise) and other than as a result of the Offer no investigation by any Relevant Authority or other investigative body against or in respect of any member of the New Star Group having been threatened, announced, implemented, instituted or become pending or remaining outstanding by, against or in respect of any member of the New Star Group and which in any such case is material and adverse in the context of the Wider New Star Group taken as a whole; and
- (p) Henderson not having discovered that:
- (i) save as Disclosed, any financial, business or other information concerning the New Star Group which is material in the context of the Offer and which has been publicly disclosed at any time by any member of the New Star Group is materially misleading, contains a misrepresentation of fact or omits to state a fact necessary to make such information not materially misleading which in any case is material and adverse in the context of the New Star Group taken as a whole and which was not corrected by a subsequent announcement to a Regulatory Information Service by or on behalf of any member of the Wider New Star Group and which information is material in the context of the Wider New Star Group taken as a whole; or
 - (ii) any member of the New Star Group is subject to any liability, contingent or otherwise, which has not been Disclosed and which is material in the context of the New Star Group taken as a whole.

Subject to the requirements of the Panel, Henderson reserves the right to waive all or any of conditions (k) to (p) (inclusive), in whole or in part. The Offer will lapse unless all the above conditions are fulfilled or (if capable of waiver) waived or, where appropriate, determined by Henderson to have been or remain satisfied by midnight on the day which is 21 days after the later of the first closing date of the Offer and the date on which the Offer becomes or is declared unconditional as to acceptances (or such later date as Henderson may, with the consent of the Panel, decide). Henderson shall be under no obligation to waive or treat as fulfilled any of conditions (k) to (p) (inclusive) by a date earlier than the date specified above for the fulfilment of such conditions notwithstanding that the other conditions of the Offer may at such earlier date have been waived or fulfilled and that there are at such earlier date no circumstances indicating that any of such conditions may not be capable of fulfilment.

If Henderson is required by the Panel to make an offer or offers for any New Star Ordinary Shares under Rule 9 of the City Code, Henderson may make such alterations to the above conditions as are necessary to comply with that Rule.

The Offer will lapse (unless the Panel otherwise consents) if, before the first closing date of the Offer or the date when the Offer becomes or is declared unconditional as to acceptances (whichever is the later), the Offer or any matter arising from or relating to the Offer is referred to the Competition Commission. If the Offer does so lapse, not only will the Offer cease to be capable of further acceptance but also New Star Ordinary Shareholders and Henderson will thereafter cease to be bound by prior acceptances.

2. CERTAIN FURTHER TERMS OF THE OFFER

New Star Ordinary Shares will be acquired by Henderson fully paid and free from all liens, equitable interests, charges, encumbrances and other third party rights of any nature whatsoever and together with all rights attaching to them, including the right to receive and retain all dividends and distributions (if any) declared, made or payable after the date of this Announcement.

The Offer will be on the terms and will be subject, inter alia, to the conditions which are set forth in part 1 of Appendix 1 and those terms which will be set forth in the Offer Document and such further terms as may be required to comply with the Listing Rules, the ASX Listing Rules and the provisions of the City Code. The Offer and any acceptances thereunder will be governed by English law.

The availability of the Offer to persons not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions. Persons who are not resident in the United Kingdom should inform themselves about and observe any applicable requirements.

APPENDIX 2

BASES AND SOURCES

- (a) The value attributed to the existing issued share capital of New Star is based upon the 268,580,859 New Star Ordinary Shares in issue on 29 January 2009 and the 1,153,389 New Star Ordinary Shares which are the subject of options granted under the New Star Share Scheme (being options which the New Star Group's employee benefit trusts have not agreed to satisfy out of New Star Ordinary Shares held by them).
- (b) For the purposes of the financial comparisons contained in this Announcement, no account has been taken of any liability to taxation or the treatment of fractions under the Offer.
- (c) Unless otherwise stated, the financial information on Henderson is extracted from Henderson's Annual Report and Accounts for the year ended 31 December 2007, from the Announcement of Henderson's interim results for the six months ended 30 June 2008 and from Henderson's internal records.
- (d) Unless otherwise stated, the financial information on New Star is extracted from New Star's Annual Report and Accounts for the year ended 31 December 2007, from the Announcement of New Star's interim results for the year ended 30 June 2008 and from New Star's internal records.
- (e) Earnings per share figures are stated exclusive of exceptional and extraordinary items where these have been disclosed.
- (f) Enterprise value is the aggregation of the value of New Star's ordinary equity, preference share capital and debt arising on completion of the New Star Restructuring.

APPENDIX 3
DETAILS OF IRREVOCABLE UNDERTAKINGS
AND LETTERS OF INTENT

The following holders of New Star Ordinary Shares have given irrevocable undertakings:

	Name	Number of New Star Ordinary Shares	Percentage of available votes¹⁰
1	John Duffield	13,680,000	5.86
2	Howard Covington	2,800,000	1.20
3	John Jay	428,571	0.18
4	Mark Skinner	992,928	0.43
5	Michael Astor	804,000	0.34
6	Richard Pease	4,800,000	2.05
7	Rupert Ruvigny	4,800,000	2.05
8	Rectory Farm Settlement – Children's Fund (being a connected person of Michael Astor)	264,672	0.11
9	M Astor's 1995 Discretionary Fund (being a connected person of Michael Astor)	192,000	0.08
10	Fun-Direct Limited	1,173,333	0.5
11	NS Limited	11,190,506	4.79
12	Lansdowne Partners Limited Partnership	9,566,111	4.10

¹⁰ The percentages in this column are based on the total New Star Ordinary Shares carrying voting rights as at the date of this Announcement. The 35,000,000 shares which have been issued under the New Star Shared Ownership Plan cannot be voted.

	Name	Number of New Star Ordinary Shares	Percentage of available votes¹⁰
13	Judi Bevan (Spouse John Jay)	51,428	0.02
14	Gregor Logan	626,592	0.27
15	John Mould	240,000	0.10
16	Mark Beale	951,840	0.41
17	Richard Lewis	952,000	0.41
18	Roger Dossett	528,000	0.23
19	Tim Steer	1,440,000	0.62
20	Toby Thompson	2,320,000	0.99
21	Greg Jones	487,936	0.21
	TOTAL	58,289,917	24.95

Notes:

1. The terms of the irrevocable undertakings given by the persons listed at lines 1 to 7 (inclusive) above (the '**Director Shareholders**') provide that each Director Shareholder is entitled to dispose of all or any part of their holding of New Star Ordinary Shares, subject to the person to whom the disposal is made having entered into an undertaking in favour of New Star and the Banks on terms no less favourable than the undertaking given by the Director Shareholder. Each Director Shareholder is entitled to give an irrevocable undertaking to accept an offer to acquire the entire issued share capital of New Star and to dispose of interests in all or any shares pursuant to any scheme of arrangement proposed pursuant to the Companies Act 2006. The undertakings given by the Director Shareholders terminate on the earlier of: (a) completion of the New Star Restructuring; (b) the date in the Implementation Agreement by which the New Star Restructuring must have occurred; and (c) 30 April 2009. Nothing in the undertaking requires a Director Shareholder to act contrary to his fiduciary duties in the event of a competing bid for New Star.
2. The terms of the irrevocable undertakings given by the entities listed at lines 8 to 12 (inclusive) above (the '**Corporate Shareholders**') provide that each Corporate Shareholder (except for the Corporate Shareholder listed at line 12 above) is entitled to sell any part of their holding of New Star Ordinary Share pursuant to a bona fide transaction on arms length terms with a third party who is not a connected person of such Corporate Shareholder. The undertakings given by the Corporate Shareholders terminate if the New Star Restructuring has not been completed by 30 June 2009.

3. The terms of the irrevocable undertakings given by the non-director individual employee shareholders listed at lines 13 to 21 (inclusive) above (the 'Individual Shareholders') provide that each Individual Shareholder is entitled to sell any part of their holding of New Star Ordinary Share pursuant to a bona fide transaction on arms length terms with a third party who is not a connected person of such Individual Shareholder. The undertakings given by the Individual Shareholders terminate if the New Star Restructuring has not been completed by 30 June 2009.

The following holders of New Star Ordinary Shares have given non-binding letters of intent:

Name	Number of New Star Ordinary Shares	Percentage of available votes¹¹
1 Franklin Templeton Investments	25,602,009	10.96
TOTAL	25,602,009	10.96

The letter of intent set forth in the above table is non-binding.

¹¹ The percentages in this column are based on the total New Star Ordinary Shares carrying voting rights as at the date of this Announcement. The 35,000,000 shares which have been issued under the New Star Shared Ownership Plan cannot be voted.

APPENDIX 4
DEFINITIONS

The following definitions apply throughout this Announcement unless the context requires otherwise.

“Accounts Date”	means 31 December 2007;
“Associate”	has the meaning given in section 988 of the Companies Act 2006;
“ASX”	means the Australian Securities Exchange;
“ASX Listing Rules”	means the listing rules of ASX;
“AUM”	means assets under management;
“Australia”	means the Commonwealth of Australia, its territories and possessions;
“Banks”	means Bank of Scotland plc, The Royal Bank of Scotland plc, Lloyds TSB Bank plc, HSBC Bank plc and National Australia Bank Limited, London Branch;
“Business Day”	means a day other than a Saturday or Sunday or public holiday in England and Wales on which banks are open in London for general commercial business;
“Canada”	means Canada, its provinces and territories and all areas under its jurisdiction and political sub-divisions thereof;
“City Code”	means The City Code on Takeovers and Mergers;
“Companies Act 2006”	means the Companies Act 2006 (as amended from time to time);
“Conditions”	means the conditions to the implementation of the Offer, as set forth in Appendix 1 of this Announcement and to be set forth in the Offer Document;
“Delisting”	means the cancellation of the admission of the New Star Ordinary Shares to the Official List and to trading on the London Stock Exchange’s market for listed securities;
“Delisting General Meeting”	means the general meeting of New Star convened for 10 February 2009 at which a resolution will be proposed to New Star Ordinary Shareholders to approve the Delisting;

“Disclosed”	<p>means:</p> <ul style="list-style-type: none"> (i) as disclosed in the audited consolidated report and accounts of New Star for the period ended 31 December 2007; (ii) as disclosed in the interim report of New Star for the six months ended 30 June 2008; (iii) as publicly announced by New Star (through a Regulatory Information Service) prior to the date of this Announcement; (iv) as disclosed in this Announcement; (v) as disclosed in the circular to New Star Ordinary Shareholders dated 22 January 2009 in relation to the Delisting; (vi) as disclosed in the prospectus issued by New Star on 20 April 2007; (vii) as disclosed in the circular to New Star Ordinary Shareholders issued by New Star on 4 June 2008; and (viii) all matters fairly disclosed in the documents contained in the electronic data room made available to Henderson and its advisers as at midnight on 26 January 2009 and such other documents added to the electronic data room after such time as may be agreed in writing between Henderson and Nova;
“Form of Acceptance”	means the Form of Acceptance and authority relating to the Offer which will accompany the Offer Document;
“FSA”	means the Financial Services Authority;
“FSMA”	means the Financial Services and Markets Act 2000 (as amended from time to time);
“Henderson”	means Henderson Group plc;
“Henderson Board”	means the board of directors of Henderson
“Henderson General Meeting”	means the general meeting of Henderson approving (i) the making of the Offer and the Preference Share Acquisition pursuant to LR 10.5.1 (3) of the Listing Rules and (ii) the issue of more than 15 per cent of its ordinary share capital in any 12 month period pursuant to ASX Listing Rule 7.1;
“Henderson Group”	means Henderson and its subsidiary undertakings;
“Henderson Ordinary Shares”	means the ordinary shares of 12.5 pence each in the capital of Henderson;
“Henderson Shareholders”	means registered holders of Henderson Ordinary Shares from time to time;
“Implementation Agreement”	means the implementation agreement dated 30 January 2009 and entered into between Henderson, New Star and the Banks;

“Japan”	means Japan, its cities, prefectures, territories and possessions;
“Jefferies”	means Jefferies International Limited;
“Listing Rules”	means the listing rules of the UK Listing Authority;
“London Stock Exchange”	means London Stock Exchange plc;
“New Henderson CHES Depositary Interests”	means new CHES Depositary Interests, each representing one New Henderson Ordinary Share to be issued pursuant to the Preference Share Acquisition;
“New Henderson Shares”	means the new ordinary shares of 12.5 pence each in the capital of Henderson to be issued pursuant to the Preference Share Acquisition;
“New Star”	means New Star Asset Management Group PLC, a company incorporated in England and Wales with registered number 6047952;
“New Star Board”	means the board of directors of New Star;
“New Star Group”	means New Star and its subsidiary undertakings;
“New Star Ordinary Shares”	means, ordinary shares of 25 pence each in the capital of New Star prior to completion of the New Star Restructuring, and after completion of the New Star Restructuring, the A ordinary shares of 5 pence each in the capital of New Star and the B ordinary shares of 0.1 pence each in the capital of New Star;
“New Star Ordinary Shareholders”	means registered holders of New Star Ordinary Shares from time to time;
“New Star Preference Shareholders”	means registered holders of New Star Preference Shares from time to time;
“New Star Preference Shares”	means the convertible cumulative redeemable preference shares of £1.00 (in the case of the shares to be allotted to the Banks) and convertible cumulative redeemable preference shares of £0.001 each in the capital of New Star to be offered to certain directors and employees of New Star, to be issued pursuant to the Restructuring Agreements;
“New Star Relevant Securities”	means New Star Ordinary Shares and options granted under the New Star Share Scheme;
“New Star Share Scheme”	means the New Star 2007 Discretionary Share Option Scheme;
“New Star Ordinary Shareholders”	means registered holders of New Star Ordinary Shares from time to time;
“New Star Restructuring”	means the restructuring of New Star’s issued and to be issued share capital to be set forth in the Restructuring Circular;

“Offer”	means the proposed offer for the entire issued and to be issued ordinary share capital of New Star by Henderson to be implemented by way of a takeover offer (as defined in section 974 Companies Act 2006) on the terms and subject to the Conditions set forth in this Announcement and any subsequent revision, variation, extension or renewal thereof (such agreed terms and Conditions also to be set forth in the Offer Document);
“Offer Document”	means the document containing the Offer to be sent to New Star Ordinary Shareholders;
“Official List”	means the Official List of the UK Listing Authority;
“Panel”	means the Panel on Takeovers and Mergers;
“Preference Share Acquisition”	means the acquisition by Henderson of the New Star Preference Shares in accordance with the Implementation Agreement;
"Regulated Subsidiary"	means any of New Star Asset Management Limited, New Star Institutional Managers Limited, Worldinvest Management Limited and New Star Investment Funds Limited;
"Regulatory Information Service"	means any of the services approved by the London Stock Exchange for the distribution to the public of announcements and included within the list maintained on the London Stock Exchange's website, www.londonstockexchange.com ;
"Restructuring Agreements"	means a series of agreements between, inter alia, New Star and the Banks, setting forth the basis upon which the New Star Restructuring is to be effected, together with any amendments to such agreements as Henderson may have approved;
"Restructuring Circular"	means the circular to New Star Ordinary Shareholders to be issued by New Star on or about 11 March 2009 in relation to the New Star Restructuring;
“Restructuring General Meeting”	means the general meeting of New Star to be convened in due course on despatch of the Restructuring Circular at which resolutions will be proposed to New Star Ordinary Shareholders to approve the New Star Restructuring;
"subsidiary", "subsidiary undertaking", "associated undertaking" and "undertaking"	have the meanings respectively ascribed to them under the Companies Act 2006;
“UBS” or “UBS Investment Bank”	means UBS Limited;
“UK” or “United Kingdom”	means the United Kingdom of Great Britain and Northern Ireland;
"UK Listing Authority"	means the Financial Services Authority acting in its capacity as the competent authority for listing under the Financial Services and Markets Act 2000;

“United States of America” or “United States”	means the United States of America, its territories and possessions, any state of the United States and the District of Columbia;
“US Exchange Act”	means the United States Securities Exchange Act of 1934 as amended;
“US Securities Act”	means the United States Securities Act of 1933 and the rules and regulations promulgated thereunder (as amended);
"Wider Henderson Group"	means Henderson and its subsidiary undertakings, associated undertakings and any other undertakings in which Henderson and such undertakings (aggregating their interests) have a substantial interest and for these purposes, "substantial interest" means a direct or indirect interest in 20 per cent. or more of the equity capital of an undertaking; and
"Wider New Star Group"	means New Star and its subsidiary undertakings, associate undertakings and any other undertakings in which New Star and such undertakings (aggregating their interests) have a substantial interest and for these purposes "substantial interest" means a direct or indirect interest in 20 per cent. or more of the equity capital of an undertaking.

APPENDIX 3

Number of shares for Earnings Per Share (EPS) calculations

FY08(A)		FY08(A)	
Basic EPS calculation:	No. (millions)	Diluted EPS calculation:	No. (millions)
Issued share capital	725.0	Shares for Basic EPS calculation	660.6
Less: Treasury shares	(3.7)	Add back: Own shares (unconditional awards)	53.6
Less: Own shares (unconditional awards)	(53.6)	Add back: Share options	0.8
Less: Own shares (conditional – LTIP)	(7.1)		
Shares for Basic EPS calculation	660.6	Shares for Diluted EPS calculation	715.0