



Sale of Towry Law UK

21 December 2005

Henderson Group today announces that it has entered into an agreement to sell Towry Law UK (Towry Law) to JS&P Holdings Limited (JS&P), subject to UK regulatory approval. Towry Law is a standalone independent financial adviser and general insurance broker. Henderson Group will retain Towry Law International, which is no longer actively trading.

On completion of the sale (anticipated in March 2006) Henderson Group will receive £37m in cash. At 30 June 2005, Towry Law was held at £25.2m in the Henderson Group accounts, comprising goodwill of £21.5m and net tangible assets of £3.7m. In the first half of 2005, Towry Law recorded a profit before tax of £1.6m.

Part of the sale proceeds will be contributed to the Henderson Group Defined Benefit Pension Scheme, which will retain the defined benefit pension liabilities of the past and present Towry Law employees accrued to the date of completion. The balance of the proceeds will be added to the net liquid resources of Henderson Group. An update on Henderson Group capital will be provided to the market on 28 February 2006, when the Group announces its full-year 2005 results.

Towry Law operated as a standalone business in Henderson Group and its contribution to Group profits was not material. This sale will have no material impact on the continuing operations of Henderson Group.

All Towry Law staff, apart from John Simmonds (Managing Director of Towry Law), will transfer with the business on completion of the sale.

Commenting on the sale, Henderson Group Chief Executive, Roger Yates, said: 'Having succeeded in developing Towry Law into an effective standalone business, we evaluated a number of options together with the management team of Towry Law. Our conclusion is that Towry Law will be better supported by a parent with a greater strategic interest in developing the business further. Towry Law management have done an excellent job of returning the business to profit in a relatively short space of time.'

JS&P Executive Chairman, Andrew Fisher, said: 'The combined strength of Towry Law and JS&P will create a significant and powerful force in the professional financial services advice sector. We are very excited about the transaction and the prospects for the larger group.'

Mr Yates added: 'We stated at the time of listing in December 2003 that the strategic focus of Henderson Group would be the development of Henderson Global Investors as a leading international investment management business. This sale delivers value to Henderson Group shareholders and will allow us to become, once again, a pure independent fund manager.'

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Outlook for the full year 2005

We have made steady progress in Henderson Global Investors (Henderson) in the second half of 2005. Henderson continues to benefit from the sale of higher margin products, which is expected to offset revenue lost from lower total assets under management during 2005, and it remains on track to achieve an annualised cost-to-income ratio target of 75% in the short-term.

As we have indicated previously, total assets under management for Henderson are expected to be slightly lower at 31 December 2005 compared to 30 June 2005, due to expected client outflows associated with the run-off of Pearl Group funds and Henderson's institutional business.

Corporate costs are anticipated to be lower in the second half compared to the first half of 2005, as a result of lower shareholder servicing and staff costs. In addition, due to higher returns on corporate cash, Corporate is expected to approximately breakeven for the year.

In summary, Henderson Group is performing in line with the Board's expectations and is currently on track to meet its published targets for the full year 2005.

Notes to editors

Information on Towry Law

Towry Law comprises an independent financial advisory business and insurance broking business, offering products and services to individuals and corporate clients in the UK. It has continued to show a steady improvement in performance throughout 2004 and 2005, recording a £1.6m profit in the first half of 2005 compared with a £0.1m loss in the first half of 2004.

Information on Towry Law International

In May 2004 Henderson Group announced the closure of the operations of Towry Law International to new business. Towry Law International (including Towry Law (Asia) HK Limited, which will remain a subsidiary of Henderson Group) continues to work with the Hong Kong Securities and Futures Commission and other relevant regulators to ensure that all legacy product issues are dealt with appropriately.

Information on JS&P

JS&P is a privately owned wealth manager offering independent financial advice, investment management and employee benefits consulting to clients on a national basis. It was established in 1964 and acquired in 2003 by private equity funds managed by Palamon Capital Partners, LP, a firm investing across Europe. JS&P is based in Marlow UK, with offices in the City of London, Bristol, Edinburgh, Glasgow and Aberdeen.

Further information

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Fenchurch Advisory Partners Limited (Fenchurch)

Fenchurch is acting as sole financial adviser to Henderson Group in relation to the transaction.