JUPITER INVESTMENT MANAGEMENT HOLDINGS LIMITED

DIRECTORS' REPORT AND GROUP FINANCIAL STATEMENTS

FOR THE PERIOD FROM 9 MARCH 2007 TO 31 DECEMBER 2007

REGISTRATION NUMBER

6150195

COMPANY INFORMATION

DIRECTORS

J F T Dundas (Chairman) # A R
E H Bonham Carter (Group Chief Executive) R
J H D Carey FCA (Group Executive Deputy Chairman) A
J H Chatfeild-Roberts
A J Creedy R
P K C Gibbs
R I Morris #
A G Nutt
C G Parkin # A
M A R Wilson # R

Non-executive
A Members of the Audit Committee
R Members of the Remuneration Committee

SECRETARY & REGISTERED OFFICE

Jupiter Asset Management Limited
1 Grosvenor Place
London SW1X 7JJ

BANKERS

The Royal Bank of Scotland plc
2½ Devonshire Square
London EC2M 4XJ

SOLICITORS

Clifford Chance
10 Upper Bank Street
London EC14 5JJ

AUDITORS

PricewaterhouseCoopers LLP
Hay's Galleria
1 Hay's Lane
London SE1 2RD

REGISTRATION NUMBER
6150195

DIRECTORS' REPORT

The directors present their report and the financial statements of Jupiter Investment Management Holdings Limited (the "company") and its subsidiaries (together, the "group") for the period from incorporation on 9 March 2007 to 31 December 2007

PRINCIPAL ACTIVITY

The group's principal activity is investment management The company was formed to become the ultimate parent of the Jupiter group of investment management companies following a management buy out of those companies in association with TA Associates The company's subsidiary, Jupiter Asset Management Group Limited acquired Comasman Limited (formerly Commerz Asset Management (UK) plc) on 19 June 2007 and hence acquired the trading subsidiaries of the Jupiter group The group operates across a range of asset management products Through its subsidiaries, the group acts as investment manager to authorised unit trusts, investment trust companies, pension funds, private clients, hedge funds and other specialist funds The group has overseas offices in Bermuda and Jersey

BUSINESS REVIEW

Acquisition
The cost of the acquisition was £740 million plus costs which was funded partly by bank borrowings of £500 million comprising a £75 million bridge loan and £425 million of senior debt with an eight year maximum term By the end of the period, the £75 million bridge loan and £50 million of the senior debt had been repaid such that gross debt stood at £375 million The group has put in place a swap arrangement to effectively fix the interest rate on an initial £300 million of the debt reducing over time The company raised £55 million from the issue of two classes of preference share The group also issued £207 million of preferred finance securities Goodwill arising on consolidation of the new group amounted to £527 million and is being amortised over twenty years

Operating Results
The profit after tax and minority interests for the period was £11,675,000 This reflects the operating activities of the group from 19 June 2007 to 31 December 2007 Over the calendar year, the underlying trading group recorded a 16 1% increase in turnover and a 33 6% increase in operating profit The directors do not propose an ordinary dividend

Future Prospects
At the end of the period, assets under management stood at £20 7 billion and the group remains confident of its medium term prospects

Principal Risks and Uncertainties
The management of the business and the execution of the group's strategy are subject to a number of risks The group has developed a risk assessment/management process that ensures all functions within the organisation identify and prioritise risks and that all significant risks are recorded and managed Each part of the business is responsible for developing and maintaining procedures and controls Operational activities that are outsourced to third party providers are monitored on a regular basis

The group operates in a competitive environment and the business is reliant on continuing demand for its investment products, which is influenced by several factors including investment performance and retention of key personnel The industry is sensitive to economic, political and market factors A large proportion of assets under management are invested in equities and therefore the group's profits are sensitive to fluctuations in equity markets The group's secured borrowings have the effect of increasing the financial risks to equity shareholders

Taxation, legal and regulatory factors also influence the markets in which we operate The industry is highly regulated and change in laws and regulations governing the industry could have an adverse affect on the group

Financial Risk Management
The group's operations expose it to a variety of financial risks including market price risk, foreign exchange risk, interest rate cash flow risk and credit risk The group operates systems and controls to mitigate any adverse effects across the range of risks

Market price risk
The group has direct exposure to market price risk through its portfolio of investments An Investment Committee monitors the exposures within the portfolio

DIRECTORS' REPORT (continued)
Financial Risk Management (continued)

Foreign exchange risk
The group earns fees in foreign currencies from several overseas clients The group's policy is to hold only a minimum of currency to cover operational needs and therefore to convert foreign currency on receipt Direct exposure is therefore limited to the operational cash held in overseas subsidiaries and short-term outstanding currency fee debts at any time The group does not normally hedge this risk

Interest rate cash flow risk
The group has £375 million of long-term borrowings which are subject to floating rate interest As explained further in Note 14 to the financial statements, the group has entered into a swap arrangement to effectively fix the interest rate payable on £300 million of this debt The group is also directly exposed to interest rate risk in the level of return it earns on its cash deposits The group's policy is to place deposits only with counterparties with a Fitch IBCA credit rating of at least F1+ / AA- A Treasury Committee monitors the group's counterparty exposures

Credit risk
The group has implemented policies that require appropriate credit checks on customers

DIRECTORS

The current directors are shown on page 3 Changes in directors over the period since incorporation were as follows

J F T Dundas (appointed 30 January 2008)
E H Bonham Carter (appointed 12 March 2007)
J H D Carey (appointed 12 March 2007)
J H Chatfeild Roberts (appointed 19 June 2007)
A J Creedy (appointed 12 March 2007)
P K C Gibbs (appointed 19 June 2007)
R T Hogg (appointed 12 March 2007, resigned 19 June 2007)
R I Morris (appointed 19 June 2007)
A G Nutt (appointed 19 June 2007)
C G Parkin (appointed 19 June 2007)
M A R Wilson (appointed 19 June 2007)
Lucienne James Limited (appointed 9 March 2007, resigned 12 March 2007)

Audit Committee
The members of the Audit Committee are shown on page 3 The committee regularly updates the Board about its activities, which include

- Reviewing the effectiveness of the company's internal control systems,
- Reviewing the annual report and financial statements prior to referral to the Board,
- Considering the appointment and terms of engagement of the auditor and receiving verbal and written reports from the auditors, and
- Reviewing the effectiveness of the compliance and operational risk functions

Remuneration Committee
The members of the Remuneration Committee are shown on page 3 The committee is responsible for the introduction of or variation to, any share, bonus or other incentive scheme The remuneration of certain senior employees is determined by the committee

CONTRIBUTIONS FOR POLITICAL AND CHARITABLE PURPOSES

The group made contributions of £62,000 during the period for charitable purposes and none for political purposes

SUPPLIER POLICY

It is the group's payment policy to obtain the best terms for all business and therefore there is no consistent policy as to the terms used In general, the group agrees with its suppliers the terms on which business will take place and it is our policy to abide by these terms Unit trust creditors are settled within four working days

DIRECTORS' REPORT (continued)

OWN SHARES

The group has a holding via an employee benefit trust of £614,000 of the company's own non-cumulative non-redeemable Tier 1 preference shares, which are classified as equity, £298,000 B ordinary shares and £475,000 10% cumulative redeemable Tier 2 preference shares, which are classified as liabilities

EMPLOYEES

Employee involvement

The company's subsidiaries run several committees aimed at increasing the involvement of employees in the group's affairs All staff are kept informed of business developments by periodic meetings and circulars and are encouraged to contribute through an employee suggestion scheme Employees are able to participate in the group's performance through a share scheme and bonus scheme

Disabled persons

The group gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person Where existing employees become disabled, it is the group's policy wherever practicable to provide continuing employment under normal terms and conditions The group provides training, career development and promotion to disabled employees wherever appropriate

ENVIRONMENTAL POLICY

Jupiter Investment Management Holdings Limited is, through its subsidiaries, recognised as a leader in the field of Socially Responsible Investment and believes that environmental responsibility and commercial successes are compatible The group is committed, wherever possible, to environmental best practice throughout its activities and has formulated an environmental policy and defined responsibility for environmental issues at both Board and operational levels The group believes it is also important to consider the group's own carbon footprint and Jupiter recently announced its commitment to become carbon neutral

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period

The directors consider that in preparing the financial statements appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates have been applied and that applicable accounting standards have been followed The financial statements have been prepared on a going concern basis

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985 They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

AUDIT INFORMATION

The directors are not aware of any relevant audit information of which the company's auditors are unaware The directors also confirm that they have taken all the steps required of a company director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

AUDITORS

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office

BY ORDER OF THE BOARD

Jupiter Asset Management Limited
Secretary
22 April 2008

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF JUPITER INVESTMENT MANAGEMENT HOLDINGS LIMITED

We have audited the group and parent company financial statements ("the financial statements") of Jupiter Investment Management Holdings Limited for the period from incorporation on 9 March 2007 to 31 December 2007 which comprise the Group Profit and Loss Account, the Group and Company Balance Sheets, the Group Cash Flow Statement, the Statement of Group Total Recognised Gains and Losses and the related notes These financial statements have been prepared under the accounting policies set out therein

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors' responsibilities for preparing the Directors' Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland) This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985 We also report to you whether, in our opinion, the information given in the Directors' Report is consistent with the financial statements

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board An audit includes examination, on a test basis of evidence relevant to the amounts and disclosures in the financial statements It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements

OPINION

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and the parent company's affairs as at 31 December 2007 and of the group's profit and cash flows for the period then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London
22 April 2008

JUPITER INVESTMENT MANAGEMENT HOLDINGS LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT
For the period from 9 March 2007 to 31 December 2007

		2007 £'000
Note 2	**Turnover**	**132,340**
Note 3	Operating expenses	(79,349)
	Other operating income	2,688
	Group operating profit	55,679
	Movement in provision for associated undertakings	(378)
	Total operating profit	55,301
	Income from investments	74
Note 4	Interest receivable	4,571
	Loss on sale of investments	(2,184)
	Movement in provision for fixed asset investments	(108)
Note 5	Finance costs	(43,450)
	Profit on ordinary activities before taxation	14,204
Note 6	Taxation	(2,488)
	Profit on ordinary activities after taxation	11,716
	Minority interests	(41)
Note 18	**Profit for the period**	11,675

There is no difference between the reported profit and the historical cost profit in the period

All items dealt with in arriving at operating profit for the period relate to continuing activities

STATEMENT OF GROUP TOTAL RECOGNISED GAINS AND LOSSES
For the period from 9 March 2007 to 31 December 2007

	2007 £'000
Profit for the period	11,675
Translation differences on foreign currency net investments offset in reserves	2,176
Total recognised gains and losses for the period	13,851

The notes on pages 12 to 27 form part of these financial statements

JUPITER INVESTMENT MANAGEMENT HOLDINGS LIMITED
CONSOLIDATED BALANCE SHEET
At 31 December 2007

		2007 £'000
	FIXED ASSETS	
Note 9	Intangible assets	512,988
Note 10	Tangible assets	7,048
Note 11	Investments	62,642
Note 11	Investments in associated undertakings	11,002
		593,680
	CURRENT ASSETS	
Note 15	Investments	3,172
	Stock of units	1,642
Note 12	Debtors amounts falling due within one year	53,212
Note 12	Debtors amounts falling due after more than one year	6,882
	Cash and short term deposits	176,277
		241,185
Note 13	**CREDITORS: amounts falling due within one year**	(154,082)
	NET CURRENT ASSETS	87,103
	TOTAL ASSETS LESS CURRENT LIABILITIES	680,783
Note 14	**CREDITORS: amounts falling due after more than one year**	(612,532)
Note 16	**PROVISIONS FOR LIABILITIES**	(1,176)
		67,075
	CAPITAL AND RESERVES	
Note 17	Called up share capital	32,250
Note 18	Other reserves	2,176
Note 18	Profit and loss account	11,061
Note 19	**SHAREHOLDERS' FUNDS**	45,487
	MINORITY INTERESTS	21,588
		67,075

The financial statements on pages 8 to 27 were approved by the board of directors on 22 April 2008 and were signed on its behalf by

E H Bonham Carter} Directors
J H D Carey }

The notes on pages 12 to 27 form part of these financial statements

JUPITER INVESTMENT MANAGEMENT HOLDINGS LIMITED
COMPANY BALANCE SHEET
At 31 December 2007

		2007 £'000
	FIXED ASSETS	
Note 11	Investments in subsidiary undertakings	**60,000**
		60,000
Note 13	**CREDITORS: amounts falling due within one year**	**(1,289)**
	NET CURRENT LIABILITIES	**(1,289)**
	TOTAL ASSETS LESS CURRENT LIABILITIES	**58,711**
Note 14	**CREDITORS amounts falling due after more than one year**	**(27,750)**
		30,961
	CAPITAL AND RESERVES	
Note 17	Called up share capital	**32,250**
Note 18	Profit and loss account	**(1,289)**
	EQUITY SHAREHOLDERS' FUNDS	**30,961**

The financial statements on pages 8 to 27 were approved by the board of directors on 22 April 2008 and were signed on its behalf by

E H Bonham Carter} Directors
J H D Carey }

The notes on pages 12 to 27 form part of these financial statements

JUPITER INVESTMENT MANAGEMENT HOLDINGS LIMITED
CONSOLIDATED CASH FLOW STATEMENT
For the period from 9 March 2007 to 31 December 2007

		2007 £'000
Note 21	**Net cash inflow from operating activities**	**117,307**
	Returns on investments and servicing of finance	
	Interest received	**4,571**
	Income from investments	**74**
	Finance costs	**(28,148)**
	Net cash outflow from returns on investments and servicing of finance	**(23,503)**
	Taxation	**(4,953)**
	Capital expenditure and financial investment	
	Purchase of tangible fixed assets	**(1,376)**
	Purchase of intangible fixed assets	**(102)**
	Proceeds from sale of tangible fixed assets	**101**
	Purchase of investments	**(10,357)**
	Proceeds from sale of investments	**6,090**
	Net cash outflow from capital expenditure and financial investment	**(5,644)**
	Acquisitions	
Note 20	Purchase of subsidiary undertakings	**(757,066)**
Note 20	Cash acquired	**188,996**
	Cash in employee benefit trust at acquisition	**15,639**
	Net cash outflow from acquisitions	**(552,431)**
	Net cash outflow before financing	**(469,224)**
	Financing	
	Issue of A ordinary shares	**1,250**
	Issue of B ordinary shares	**3,452**
	Issue of non-cumulative non-redeemable Tier 1 preference shares	**30,386**
	Borrowings received	**500,000**
	Borrowings repaid	**(125,000)**
	Issue of preferred finance securities	**202,897**
	Issue of fixed 10% cumulative redeemable Tier 2 preference shares	**23,525**
	Issue of shares in subsidiaries to minority interests	**8,909**
	Net cash inflow from financing	**645,419**
	Increase in cash	**176,195**
	Reconciliation to net (debt)/cash	
	Increase in cash	**176,195**
	Movement in borrowings	**(375,000)**
	Movement in preferred finance securities	**(202,897)**
	Movement in fixed 10% cumulative redeemable preference shares	**(23,525)**
	Movement in B ordinary shares	**(3,452)**
	Exchange effects	**82**
	Net (debt)/cash at 31 December 2007	**(428,597)**

NOTES TO THE FINANCIAL STATEMENTS

1) ACCOUNTING POLICIES

a) Accounting convention

These financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with United Kingdom Generally Accepted Accounting Practice

b) Basis of consolidation

These consolidated financial statements include the financial statements of the company from 9 March 2007 (the "date of incorporation") and each of its subsidiaries (together, the "group") from 19 June 2007, being the date of acquisition Entities, other than subsidiary undertakings, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence are treated as associates and are accounted for using the equity method

c) Income recognition

Investment management fees are accrued as earned Management fees are calculated as a percentage of net fund assets managed in accordance with individual management agreements and are paid in accordance with the terms of the agreements Performance fees are recognised when receivable Unit trust management fees are calculated in accordance with trust scheme particulars and are accrued on a monthly basis Sales of unit trusts are accounted for on the day of receipt of a completed application form

d) Finance costs of debt

Interest payable on bank loans is charged on an accruals basis Gains or losses on interest rate swap arrangements are recognised on an accruals basis Fixed 10% cumulative non-redeemable preference share dividends are included in finance costs and are charged on an accruals basis Debt issue costs relating to the raising of short term bridge finance are charged immediately to profit and loss account Where the company has the ability to prepay term debt voluntarily at unknown times in the future, debt issue costs are charged immediately to profit and loss account Finance costs include ancillary facility charges for commitment fees, non-utilisation fees and margin reduction fees

e) Goodwill arising on consolidation

Goodwill arising on consolidation is calculated as the difference between the consideration paid including transaction costs and the fair value of net assets acquired at the date of acquisition Goodwill is capitalised and amortised on a straight-line basis over twenty years, being the period over which economic benefits are expected to accrue from the business acquired

f) Intangible fixed assets

Acquired intangible fixed assets are capitalised and amortised over the period during which economic benefits are expected to accrue from the asset In respect of individual management contracts acquired this is currently assessed as a maximum of seven years

g) Tangible fixed assets

Tangible fixed assets are depreciated on a straight line basis calculated to write off the cost of such assets over their anticipated useful lives The following depreciation periods are used

i) Motor vehicles 4 years

ii) Office equipment, furniture and computer systems 3-5 years

iii) Leasehold property improvements over the shorter of 10 years and the remaining period of the lease until the first break clause

NOTES TO THE FINANCIAL STATEMENTS (continued)
1) ACCOUNTING POLICIES (continued)

h) Investments

Fixed and current asset investments are stated at the lower of cost and market value The market value for listed investments is the last available quoted price Unlisted investments are valued by the directors on the basis of all information, such as the financial position and operating results relating to these investments, that is available to them at the time of the valuation Investments in subsidiary undertakings are held at cost, unless there has been an impairment in value

The profit or loss on disposal of investments reflects the difference between the net sale proceeds and the net carrying amount, of historical cost less provision

i) Employee Benefit Trust

There is an employee benefit trust for group employees Payments made to the trust in respect of retention bonuses for certain employees are recognised as assets and liabilities of the group in accordance with UITF 32 and 38, until such assets vest unconditionally to the identified beneficiaries

The trust's assets include B ordinary shares, non-cumulative non-redeemable Tier 1 preference shares and 10% cumulative redeemable Tier 2 preference shares issued by the company, and preferred finance securities issued by a subsidiary company The Tier 1 preference shares are classified as an equity instrument (own shares) and therefore the own shares held by the trust, which are consolidated in these accounts, are shown as a deduction from reserves In the case of the B ordinary shares, the Tier 2 preference shares and the preferred finance securities, which are classified as liabilities, the trust holdings are offset against those liabilities in the consolidated financial statements

j) Foreign currency

Foreign currency transactions are translated at the rates of exchange applicable at the dates of the transactions Foreign currency balances outstanding at the balance sheet date are translated at the rates of exchange ruling on that date Realised gains and losses are reflected in the profit and loss account

Assets and liabilities of subsidiaries denominated in foreign currencies are translated at the rates of exchange ruling at the balance sheet date Revenue and expense items of such subsidiaries are translated at the average monthly exchange rate during the year Exchange differences resulting from the translation of foreign currency subsidiaries are taken directly to reserves

k) Taxation

Full provision is made for deferred tax arising from timing differences between the recognition of gains and losses in the financial statements and their recognition in a tax computation

Deferred tax assets are recognised to the extent that they are regarded as recoverable, where it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted Deferred tax assets and liabilities are not discounted

l) Stock of units

Units in unit trusts are valued at the lower of cost and net realisable value, with any impairment in value being charged to the profit and loss account

m) Pensions

The group operates a number of defined contribution pension schemes Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the schemes

n) Lease commitments

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the term of the lease In accordance with FRS 12, provision is made for the unavoidable costs associated with any onerous contracts on leasehold properties not in business use, discounted at a risk free rate

NOTES TO THE FINANCIAL STATEMENTS (continued)
1) ACCOUNTING POLICIES (continued)

o) Dividends

Dividend distributions to shareholders are recognised in the period in which they are paid or approved by the company's shareholders

p) Capital Instruments

The company's capital instruments are classified in the balance sheet as a financial instrument or an equity instrument having regard to the rights and obligations attaching to each class of share Where such an instrument has a contractual obligation to deliver cash or another financial asset to the holder, these are disclosed as long term financial liabilities in accordance with FRS 25 'Financial Instruments Disclosure and Presentation'

2) TURNOVER AND SEGMENTAL ANALYSIS

a) Turnover which is stated exclusive of value added tax comprises:

	2007 £'000
Management, administration fees and unit trust sales	2,316,471
Cost of sales of unit trusts	(2,202,031)
	114,440
Client commissions	1,085
Performance fees	16,815
	132,340

Unit trust sales include the gross value of sales and liquidations of units in unit trusts

b) Segmental analysis

The group has only one area of activity – investment management

	Turnover (by origin) 2007 £'000	**Turnover (by destination) 2007 £'000**
Geographical analysis		
Europe	112,797	124,343
Bermuda	19,543	7,398
Rest of the world	-	599
	132,340	132,340

	Profit/(loss) on ordinary activities before taxation 2007 £'000	**Net assets of equity shareholders 2007 £'000**
Geographical analysis		
Europe	11,517	36,801
Bermuda	2,698	8,695
Rest of the world	(11)	(9)
	14,204	45,487

NOTES TO THE FINANCIAL STATEMENTS (continued)

3) PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2007 £'000
Profit/(loss) before taxation is stated after charging/(crediting):	
Auditors' remuneration – statutory audit *	263
Auditors' remuneration – other audit related to regulatory reporting	19
Auditors' remuneration – tax advisory services	52
Auditors' remuneration – other services	83
Amortisation of intangible assets	6
Amortisation of goodwill	14,141
Depreciation of tangible fixed assets	1,492
Operating lease rentals	
Land and buildings	2,065
(Profit)/loss on disposal of tangible fixed assets	(32)

* The cost of auditing this company is borne by subsidiaries

In addition to the auditors remuneration noted above, a further £1,178,000 of fees relating to the acquisition were paid to the auditors and have been capitalised into goodwill

Exceptional item·
The costs to the group of raising the senior debt amounting to £10,913,000 have been written-off immediately within finance costs rather than amortised over the term of the debt This treatment was adopted due to the fact that the group has the right to voluntarily prepay the debt at any time such that an appropriate amortisation period for the debt issue costs is indeterminable

4) INTEREST RECEIVABLE

	2007 £'000
Interest on bank deposits	4,546
Interest on staff loans	25
	4,571

5) FINANCE COSTS

	2007 £'000
Interest payable on bank loans	18,095
Bridge loan issue costs written-off	1,151
Interest on preferred finance securities	11,116
Dividends on fixed 10% cumulative redeemable Tier 2 preference shares	1,289
Bank facility fees	873
Other finance costs adjacent to interest	13
	32,537
Exceptional finance costs	
Write-off of senior debt issue costs	10,913
	43,450

The group has entered into a swap arrangement which effectively fixes the interest rate on £300 million of the debt at a cost of 8 3725% (see note 14) Interest payable on the remaining £75 million of bank loans is calculated on a floating rate currently linked to 3 month LIBOR and a margin of 2 125%

Interest is payable on the preferred finance securities at the rate of 10% per annum from the date of issue on 19 June 2007 Interest is due to be paid to the holders on 31 March each year For the first 8 years (until 31 March 2015) interest payments may be rolled up

The Tier 2 preference shares carry the right to a fixed preferential dividend at a rate of 10% of the issue price per share (£1) accruing daily from the date of issue and payable annually on 31 March The Tier 1 preference shares only carry a discretionary dividend and no dividend was declared or paid in the period The first preference dividend pay date will be 31 March 2008 for the period from the date of issue of Tier 2 preference shares to 31 December 2007 The company is entitled to satisfy a preference dividend by passing an ordinary resolution and issuing Tier 1 preference shares to Tier 1 preference shareholders and Tier 2 preference shares to Tier 2 preference shareholders with an aggregate nominal value equal to the amount of the relevant preference dividend not satisfied by cash

NOTES TO THE FINANCIAL STATEMENTS (continued)

6) TAX ON PROFIT ON ORDINARY ACTIVITIES

	2007 £'000
The tax charge is made up as follows:	
UK corporation tax at 30%	5,665
Adjustments in respect of prior years for subsidiaries	322
Current period tax charge	5,987
Deferred tax (credit)/charge	(3,499)
	2,488
Reconciliation of tax charge:	
Profit on ordinary activities before taxation	14,204
Effect of:	
UK corporation tax on profit before tax at 30%	4,261
Non-taxable results	(240)
Expenses not deductible for tax purposes	3,813
Amortisation of intangible assets	4,424
Indexation on fixed asset disposals	(698)
Statutory deduction for employee share issues	(8,070)
Unrealised UK capital (gains)/losses on investments	105
Movement in timing differences	2,070
Adjustments in respect of prior years for subsidiaries	322
Current period tax charge	5,987

Movement in deferred tax asset is as follows

	On acquisition £'000	Addition during the period £'000	At 31 December 2007 £'000
Short term timing differences	7,837	3,499	11,336

Factors that may affect future tax charges

The standard rate of UK corporation tax changes to 28% with effect from 1 April 2008

There is an unrecognised deferred tax asset of £7,435,000 relating to capital tax losses in the group carried forward The deferred tax asset would only be recovered if the group were to generate sufficient taxable capital profits in the future to utilise these losses This is considered too uncertain and therefore no deferred tax asset has been recognised in respect of these losses

NOTES TO THE FINANCIAL STATEMENTS (continued)

7) EMPLOYEE INFORMATION

a) Group employment costs, including executive directors:

	2007 £'000
Wages and salaries	38,654
Social security costs	4,715
Other pension costs	1,826
	45,195

Wages and salaries include employee incentive arrangements of £25,237,000

	2007
b) The average number of persons employed by the group, including executive directors during the period from 19 June 2007 to 31 December 2007	485

All employees are involved in the investment management business of the group

c) Pension arrangements

The group contributes to a number of defined contribution pension schemes for the benefit of its employees Mainly, the contributions in respect of the UK employees (at the rate of 15% of gross salary) are made into the Jupiter Pension Scheme whose financial statements are available from the trustees at the Registered Office of the company No liability is included in the balance sheet as no obligations were outstanding at the balance sheet date

8) DIRECTORS' EMOLUMENTS

a) Directors' emoluments, including pension contributions, comprise:

	2007 £'000
Aggregate amounts (excluding shares) receivable under long-term incentive schemes	-
Other emoluments including bonuses	4,390
Pension contributions	36
	4,426

Pension contributions were made to defined contribution pension schemes during the period on behalf of two directors

b) Emoluments of the highest paid director

	2007 £'000
Emoluments including amounts (excluding shares) receivable under long-term incentive arrangements	2,758
Pension contributions	-
	2,758

NOTES TO THE FINANCIAL STATEMENTS (continued)

9) INTANGIBLE ASSETS

GROUP	£'000
a) Goodwill arising on consolidation	
Arising on acquisition of Comasman Limited (note 20)	527,034
Amortisation for the period	(14,141)
At 31 December 2007	512,893

Goodwill arising on consolidation is being amortised on a straight-line basis over twenty years
See note 1(e)

b) Other intangible assets	
Cost	
Additions	102
Foreign exchange movement	(1)
At 31 December 2007	101
Amortisation	
Charge for the period	6
At 31 December 2007	6
Net book amount at 31 December 2007	95

Other intangible assets relate to the acquisition of investment management contracts in respect of funds acquired from Peninsular Investment Management Limited

10) TANGIBLE ASSETS

	Motor vehicles £'000	Leasehold property/ improvements £'000	Office furniture & equipment £'000	Total £'000
GROUP				
Cost				
Acquisitions (note 20)	539	1,950	4,744	7,233
Additions	131	70	1,175	1,376
Disposals	(69)	-	-	(69)
At 31 December 2007	601	2,020	5,919	8,540
Depreciation				
Charge for the period	149	417	926	1,492
Disposals	-	-	-	-
At 31 December 2007	149	417	926	1,492
Net book amount at 31 December 2007	452	1,603	4,993	7,048

Leasehold properties occupied by the group have unexpired terms of less than 50 years

NOTES TO THE FINANCIAL STATEMENTS (continued)

11) FIXED ASSET INVESTMENTS

a) Investments

	Listed Overseas £'000	Listed UK £'000	Unlisted UK £'000	Total £'000
GROUP				
Cost				
Acquisition (note 20)	47,214	2,254	13,204	**62,672**
Purchases	4,739	2,214	-	**6,953**
Disposals	(9,662)	(1,065)	-	**(10,727)**
Foreign exchange movement	3,852	-	-	**3,852**
At 31 December 2007	46,143	3,403	13,204	**62,750**
Amounts provided for				
Charge for the period	10	98	-	**108**
At 31 December 2007	10	98	-	**108**
Carrying value at 31 December 2007	**46,133**	**3,305**	**13,204**	**62,642**
Market value at 31 December 2007	49,123	3,355		

Included within unlisted investments of the group is an investment in Cofunds Holdings Limited, a company registered in England and Wales As at 31 December 2007, the company owned 12 89% of the 'A' Ordinary shares

b) Investments in associated undertakings

	£'000
GROUP	
Cost	
Acquired (note 20)	**11,148**
Additions	**232**
At 31 December 2007	**11,380**
Provisions	
Amounts provided for	378
At 31 December 2007	378
Carrying value at 31 December 2007	**11,002**

Investments in associated undertakings - details

Name	Cost £'000	Provision £'000	Carrying value £'000
Alon Technology Ventures	1,976	75	**1,901**
Jupiter European Income Trust	3,403	55	**3,348**
Jupiter Global Fund SICAV – European Growth	232	18	**214**
Jupiter Asia Pacific Hedge Fund	5,769	230	**5,539**
At 31 December 2007	**11,380**	**378**	**11,002**

NOTES TO THE FINANCIAL STATEMENTS (continued)
11) FIXED ASSET INVESTMENTS (continued)

c) Investments in subsidiary undertakings

	Company £'000
Cost	
Acquisition of Jupiter Fund Management Group Limited	60,000
Carrying value at 31 December 2007	60,000

The basis on which the fixed asset investments are stated in these financial statements is detailed in note 1(h)

d) The following information relates to the company's principal operating subsidiaries and associates

Subsidiaries	**Country of incorporation & operation**	**Percentage of issued shares held by subsidiary companies**	**Principal activities**
Jupiter Fund Management Group Limited*	England	-	Investment holding company
Jupiter Asset Management Group Limited	England	100	Investment holding company
Comasman Limited	England	100	Investment holding company
Jupiter Investment Management Group Limited	England	100	Investment holding company
Jupiter Asset Management Limited	England	100	Investment management
Jupiter Unit Trust Managers Limited	England	100	Unit trust activities
Jupiter Administration Services Limited	England	100	Corporate
Jupiter Asset Management (Bermuda) Limited	Bermuda	100	Investment management
Jupiter Asset Management (Asia) Limited	Hong Kong	100	Investment management
Jupiter Asset Managers (Jersey) Limited	Jersey	100	Investment management
Jupiter Adria Management Limited	Bermuda	100	Investment management
Jupiter Global Fund SICAV	Luxembourg		Investment company
- Jupiter Asia Pacific		56 6	Sub-portfolio
- Jupiter European Opportunities		53 3	Sub-portfolio
Associates			
Alon Technology Ventures	British Virgin Islands	40 1	Investment company
Jupiter European Income Trust	England	25 7	Unit trust
Jupiter Global Fund SICAV	Luxembourg		Investment company
- Jupiter European Growth		21 3	Sub-portfolio
Jupiter Asia Pacific Hedge Fund	Bermuda	37 3	Hedge Fund

* Wholly owned by the company

NOTES TO THE FINANCIAL STATEMENTS (continued)

12) DEBTORS

	Group 2007 £'000
Debtors: amounts falling due within one year	
Trade debtors	29,010
Other debtors	10,494
Other loans to employees	97
Deferred tax asset	4,811
Prepayments and accrued income	8,800
	53,212
Debtors: amounts falling due after more than one year	
Other loans to employees	357
Deferred tax asset	6,525
	6,882

Other long-term loans to employees are interest bearing

Deferred tax asset relates to short term timing differences (see note 6)

Analysis of deferred tax:

	2007 £'000
Utilisable within one year	4,811
Utilisable after more than one year	6,525
	11,336
Deferred tax comprises	
Capital allowances	238
Other timing differences	11,098
	11,336

13) CREDITORS: amounts falling due within one year

	Group 2007 £'000	Company 2007 £'000
Trade creditors	44,384	-
Other creditors	42,251	-
Corporation tax	2,164	-
Social security costs	8,128	-
Accrued debt interest	2,884	-
Accrued interest on preferred finance securities	11,116	-
Accrued preference dividends	1,289	1,289
Accruals and deferred income	41,866	-
	154,082	1,289

NOTES TO THE FINANCIAL STATEMENTS (continued)

14) CREDITORS amounts falling due after more than one year

	Group 2007 £'000	Company 2007 £'000
Bank loan	375,000	-
10% preferred finance securities 2106	202,897	-
10% cumulative redeemable Tier 2 preference shares	23,525	24,000
B ordinary shares	3,452	3,750
Other creditors	7,658	-
	612,532	27,750

The group has a syndicated loan, which is repayable by Jupiter Asset Management Group Limited on or before 19 June 2015 There are no penalties for voluntary prepayments by the group The loan is secured by a charge over the group's assets, and in particular, the shares in its subsidiary Comasman Limited Interest is payable over interest periods as agreed with the Facility Agent (The Royal Bank of Scotland PLC) at a rate of LIBOR plus a margin of 2 125%

The group holds an Amortising Interest Rate Swap arrangement with The Royal Bank of Scotland PLC Under the terms of the agreement, the group has agreed to pay a fixed interest rate of 6 2475% on notional amounts as follows, settling quarterly

Period to 26 August 2008	300,000,000
Period to 26 November 2008	275,000,000
Period to 26 February 2009	250,000,000
Period to 26 May 2009	225,000,000
Period to 26 August 2010	212,500,000

Under the Facilities Agreement the company has access to a Revolver Facility of £10 million which is unutilised

On 19 June 2007 Jupiter Fund Management Group Limited issued 207,000,000 cumulative redeemable preferred finance securities which are non-voting and carry the right to receive fixed cumulative interest of 10% p a These preferred finance securities can be redeemed by the group any time but the group shall redeem any outstanding securities in issue on 18 June 2106 Interest is due to be paid to the holders on 31 March each year At 31 December 2007, the group held £4,103,000 of these securities through an employee benefit trust which have been offset against the liability

For the first 8 years (until 31 March 2015) interest payments may be rolled up Subject to investor consent, investors may be issued with payment-in-kind (PIK) preferred finance securities (PFS) (£1 issue price of PIK PFS for each £1 of interest due) in full or part satisfaction of any accrued interest payable In the eighth year after the issue date (2015) and every year after, interest shall be paid in cash on 31 March until redemption (the first payment being 31 March 2015)

The rights and entitlements of the B ordinary shares and the Tier 2 preference shares are detailed in note 17 At 31 December 2007, the group held £298,000 of B ordinary shares and £475,000 of Tier 2 preference shares through an employee benefit trust which have been offset against the liabilities

15) EMPLOYEE BENEFIT TRUST

Jupiter Investment Management Group Limited sponsors an employee benefit trust ("EBT") for group employees Included within creditors are retention bonuses and other amounts held for the benefit of employees £8,877,000 is included within other creditors due within one year and £6,762,000 of retention bonuses are due after more than one year The corresponding assets of £15,639,000 are shown as follows £298,000 of B ordinary shares, £475,000 of Tier 2 preference shares and £4,103,000 of preferred finance securities offset against liabilities in creditors due after more than one year, £614,000 of own Tier 1 equity preference shares deducted from equity, £3,172,000 current asset investments (market value £3,382,000), and cash of £6,977,000 These assets held by the EBT are restricted in their use by the group

NOTES TO THE FINANCIAL STATEMENTS (continued)

16) PROVISIONS FOR LIABILITIES

	GROUP				
	On acquisition (note 20) £'000	Utilised in the period £'000	Release during the period £'000	Amortisation of discount £'000	At 31 December 2007 £'000
Provision for onerous leases	1,432	(268)	(1)	13	1,176

The group has provided for onerous leases in accordance with the requirements of FRS 12 The future cost of office space not used for business purposes has been discounted to present value See note 1(n)

The provision relates to Grosvenor Place and is calculated based on the expected deficiency of rent receivable below rent payable up to lease termination in April 2016 On acquisition, there was also a provision for the lease in relation to Bucklersbury House, which expired during the subsequent period

17) CALLED UP SHARE CAPITAL

	2007 Number 000s	2007 £'000
Authorised		
A ordinary shares of £1 each	1,250	1,250
Non-cumulative non-redeemable Tier 1 preference shares of £1 each	31,000	31,000
	32,250	32,250
Issued, allotted and fully paid		
A ordinary shares of £1 each	1,250	1,250
Non-cumulative non-redeemable Tier 1 preference shares of £1 each	31,000	31,000
	32,250	32,250

The company was incorporated with authorised share capital of £100 comprising 100 shares of £1 each On 9 March 2007 one £1 share was issued at par to the subscriber Lucienne James Limited By a special resolution passed on 19 June 2007, the existing issued and unissued shares of £1 each were redesignated as A ordinary shares of £1 The authorised share capital was increased from £100 to £60,000,000 by the creation of

(i) 1,249,900 A ordinary shares of £1 each,
(ii) 3,750,000 B ordinary shares of £1 each,
(iii) 31,000,000 non-cumulative non-redeemable Tier 1 preference shares of £1 each, and
(iv) 24,000,000 fixed 10% cumulative redeemable Tier 2 preference shares of £1 each

On 19 June 2007, all outstanding shares of all classes were issued at par for cash consideration

The A and B ordinary shares rank pari passu except that the B ordinary shares have certain performance conditions Additionally, there is a mechanism for the lead investor, TA Associates, on behalf of A ordinary shareholders to request a sale at any time after 19 June 2015 subject to certain conditions having been met The A and B ordinary shares are subject to restrictions on transfers The payment of dividends to the A and B ordinary shareholders can only be made in restricted circumstances after satisfaction of the preference dividends, repayment of preferred finance securities and subject to regulatory capital adequacy

The conditions attaching to the B shares may, in some circumstances, require the company to repurchase the shares at the original cost of issue Therefore, the B shares, whilst legally equity, are classified as liabilities and are included in creditors in note 14

The Tier 1 and Tier 2 preference shares have no voting rights and no rights to receive notice of, or attend, any general meeting The Tier 2 preference shares carry the right to a fixed preferential dividend at a rate of 10% of the issue price per share (£1) accruing daily from the date of issue and payable annually on 31 March The company may then at its discretion pay a dividend on the Tier 1 preference shares The first preference dividend pay date will be 31 March 2008 for the period from the date of issue of Tier 2 preference shares to 31 December 2007 The company is entitled to satisfy a preference dividend by passing an ordinary resolution and issuing Tier 1 preference shares to Tier 1 preference shareholders and Tier 2 preference shares to Tier 2 preference shareholders with an aggregate nominal value equal to the amount of the relevant preference dividend not satisfied by cash

NOTES TO THE FINANCIAL STATEMENTS (continued)
17) CALLED UP SHARE CAPITAL (continued)

Tier 2 preference shares may be redeemed by the company at any time after the fifth anniversary of issue On a winding-up, after payment of liabilities including the preferred finance securities issued by the group, surplus assets would be paid as follows firstly to Tier 2 preference shares at the issue price, secondly to Tier 2 preference shareholders in respect of unpaid dividends and catch-up amounts, thirdly to Tier 1 preference shares an amount equal to the issue price and dividend catch-up amount in respect of dividends, fourthly to A and B ordinary shares pari passu in respect of declared but unpaid dividends, and fifthly to A and B ordinary shares pari passu Where applicable, the Tier 1 and Tier 2 catch-up amounts comprise the difference between a compound rate of return of 10% per annum from the date of issue less any dividends actually paid

The Tier 2 preference shares are classified as debt and are included as creditors in note 14

18) RESERVES

a) Other reserves

GROUP	£'000
Arising on translation of subsidiary undertakings denominated in foreign currencies	2,176
At 31 December 2007	2,176

b) Profit and loss account

	GROUP £'000	COMPANY £'000
Retained profit/(loss) for the period	11,675	(1,289)
Own shares acquired	(614)	-
At 31 December 2007	11,061	(1,289)

As permitted by section 230 of the Companies Act 1985 a separate profit and loss account has not been presented for the company The loss after tax for the period in the company was £1,289,000

19) RECONCILIATION OF MOVEMENTS IN GROUP SHAREHOLDERS' FUNDS

	2007 £'000
Retained profit after taxation for the period	11,675
Own shares acquired	(614)
Other recognised gains and losses	2,176
New share capital subscribed	32,250
Net addition to shareholders' funds	45,487
Shareholders' funds at beginning of the period	-
Shareholders' funds at the end of the period	45,487

Whilst the B ordinary shares are classified as liabilities in these financial statements, they are legally equity shares and rank pari passu with the A ordinary shares in their entitlement to share in the surplus assets of the company

NOTES TO THE FINANCIAL STATEMENTS (continued)

20) ACQUISITION OF COMASMAN LIMITED

On 19 June 2007, the company's subsidiary Jupiter Asset Management Group Limited acquired the entire share capital of Commerz Asset Management (UK) plc (now renamed Comasman Limited), the holding company of the Jupiter group of investment management companies Details of the acquisition are as follows

	Book value £'000	Revaluation £'000	Other adjustments £'000	Fair value £'000
Intangible assets	1,883	-	(1,883)	-
Tangible fixed assets	7,233	-	-	**7,233**
Investments	57,150	5,522	-	**62,672**
Investments in associated undertakings	10,241	907	-	**11,148**
Negative goodwill	(96)	-	96	-
Stock of units	1,518	-	-	**1,518**
Debtors	123,592	-	-	**123,592**
Cash	188,996	-	-	**188,996**
Creditors	(152,814)	-	-	**(152,814)**
Provisions	(1,452)	-	20	**(1,432)**
Minority interests	(10,881)	-	-	**(10,881)**
Net assets acquired	**225,370**	**6,429**	**(1,767)**	**230,032**
Goodwill				**527,034**
Cost of acquisition – cash consideration (including capitalised costs of £17,066,000)				**757,066**

The book values of the assets and liabilities have been taken from the management accounts of Comasman Limited and its subsidiaries at 18 June 2007 Listed investments have been revalued to market values The book values of unlisted investments were reviewed and revaluation was not considered necessary The fair value of intangible assets were adjusted to zero as the assets were not separately identifiable from the goodwill attaching to the business as a whole

Prior to the acquisition, the company had no business and hence the operating results of the group for the period since acquisition are derived from the group of companies acquired

21) CASH FLOW FROM OPERATING ACTIVITIES

Reconciliation of operating profit to net cash inflow from operating activities

	£'000
Operating profit	**55,679**
Depreciation	**1,492**
Amortisation of intangibles	**6**
Amortisation of goodwill	**14,141**
Movement in provisions	**(269)**
Increase in stock of units	**(124)**
Decrease in debtors	**69,450**
Decrease in creditors	**(23,036)**
Profits on disposals of tangible fixed assets	**(32)**
Net cash inflow from operating activities	**117,307**

NOTES TO THE FINANCIAL STATEMENTS (continued)

22) FINANCIAL COMMITMENTS AND CONTINGENCIES

The commitment in respect of non-cancellable operating leases due in the next year is as follows

	Land & buildings 2007
GROUP	**£'000**
Date of lease termination	
Within one year	-
Within two years to five years	2,944
After five years	772
	3,716

As a result of a ruling by the European Court of Justice, HM Revenue and Customs (HMRC) has recently accepted that VAT should no longer be applied to investment management fees charged to investment trust companies The group has submitted claims to HMRC in respect of periods prior to the change in application of the law, which amount to £9 9m These reclaims, which are expected to lead to matching payments on to the investment trust companies managed by the group, are subject to negotiation and no assets or liabilities have been recognised in these financial statements

The group has a contingent liability in respect of deferred consideration on the acquisition of Comasman Limited Under the sale and purchase agreement, in the event of an exit event as defined in the agreement within three years of the acquisition on 19 June 2007, Commerzbank AG would be entitled to further consideration On an exit within two years of the acquisition, Commerzbank AG would be entitled to share in any uplift over acquisition value On a realisation in the third year, Commerzbank AG would be entitled to a fixed payment of £3 million at the start of the year falling to £1 million at the end of the year The directors consider the occurrence of an exit within three years to be unlikely and therefore have not provided for the deferred consideration

The group has issued a guarantee to a former group undertaking, Real Estate Holdings Limited, in respect of a conditional commitment by that company to provide US$32m of development funding to a joint venture project in the Philippines Under the terms of a sale and purchase agreement between the group and Commerzbank AG in relation to Commerz Asset Management (UK) plc, Commerzbank AG agreed to fully indemnify the subsidiary company against this guarantee At 31 December 2007, the conditions attaching to the provision of the development finance by Real Estate Holdings Limited have not been satisfied by the joint venture partner

23) RELATED PARTIES

The company manages, through its subsidiaries, a number of investment trusts, unit trusts and overseas funds The subsidiary companies receive management fees from these entities for managing the assets, and in some instances performance fees The precise fee arrangements for the different entities are disclosed within the financial statements of each entity or within other information which is publicly available

The group acts as manager for 31 authorised unit trusts Each unit trust is jointly controlled with the trustees, The Royal Bank of Scotland plc The aggregate total value of transactions for the period was £950,001,000 for unit trust creations and £462,987,000 for unit trust liquidations The actual aggregate amount due to the trustees at the end of the accounting period in respect of transactions awaiting settlement was £20,035,000

The amounts received in respect of gross management and registration charges were £122,055,000 At the end of the period there were no amounts outstanding for annual management fees or registration fees

The majority of the directors of the investment trusts are independent of the Jupiter group

Included within listed investments in note 11 and current asset investments are investments in investment funds managed by the group

NOTES TO THE FINANCIAL STATEMENTS (continued)

23) RELATED PARTIES (continued)

Seven directors and six employees deemed to be key management (as defined under Financial Reporting Standard 8 "Related Party Disclosures"), subscribed for £109,550 of A ordinary shares, £1,698,750 of B ordinary shares, £2,355,467 of Tier 1 Preference shares, £1,823,586 of Tier 2 Preference shares and £15,728,455 of Preferred Finance Securities on 19 June 2007, as part of the management buy out of the Jupiter group of companies