

Janus Capital Group Inc. Announces Second Quarter 2010 Results

Company Release - 7/22/2010 8:00 AM ET

Second quarter earnings of \$0.17 per diluted share

Long-term net outflows of \$1.3 billion for the quarter

60%, 80% and 85% of complex-wide mutual funds outperformed their Lipper peer group medians for 1-, 3- and 5-years¹

DENVER--(BUSINESS WIRE)-- Janus Capital Group Inc. ("JCG") (NYSE: JNS) today reported second quarter net income of \$30.2 million, or \$0.17 per diluted share, compared with net income of \$31.3 million, or \$0.17 per diluted share, in the first quarter 2010 and net income of \$15.8 million, or \$0.10 per diluted share, in the second quarter 2009.

The company's operating margin for the second quarter 2010 was 24.6% compared with 27.3% for the first quarter 2010 and 23.5% for the second quarter 2009.

"Facing a very challenging environment, Janus demonstrated resiliency and made progress against strategic priorities including improved relative performance at INTECH, strong flows at Perkins, significant growth in its fixed income business, capitalizing on its successful U.S. retail franchise and strengthening institutional results at Janus and Perkins," said CEO Dick Weil.

Flows and Assets Under Management

Average assets under management during the second quarter 2010 were \$160.2 billion compared with \$160.0 billion during the first quarter 2010 and \$126.7 billion during the second quarter 2009.

At June 30, 2010, the company's total assets under management were \$147.2 billion compared with \$165.5 billion at March 31, 2010 and \$132.6 billion at June 30, 2009. The decrease in complex-wide assets during the second quarter 2010 reflects \$17.0 billion of net market depreciation and long-term net outflows of \$1.3 billion. Mathematical equity and fundamental equity (includes growth/blend, global/international and value investment disciplines) long-term net outflows totaled \$1.5 billion and \$1.0 billion, respectively, while fixed income long-term net inflows totaled \$1.2 billion. Fundamental equity flows were impacted by one significant equity mandate loss totaling \$1.8 billion during the quarter.

Investment Performance

Relative long-term investment performance remained strong with 60%, 80% and 85% of complex-wide mutual funds in the top half of their Lipper categories on a one-, three- and five-year total-return basis, respectively, as of June 30, 2010.² In addition, 49% of complex-wide mutual funds have a 4- or 5-star Overall Morningstar Rating™ at June 30, 2010.³

Fundamental equity mutual funds continue to outperform the majority of peers with 65%, 82% and 89% of mutual funds ranking in the top half of their Lipper categories on a one-, three- and five-year total return basis, respectively, as of June 30, 2010.²

Fixed income mutual funds continued to generate strong long-term investment performance with 50%, 100% and 100% of mutual funds ranked in the top half of their Lipper categories on a one-, three- and five-year total return basis, respectively, for the same time period.²

Mathematical equity strategies have improved meaningfully, with 42%, 83% and 44% of strategies surpassing their respective benchmarks, net of fees, over the one-, three- and five-year periods, as of June 30, 2010.

Financial Discussion

Financial Highlights

(dollars in millions, except per share data or as noted)

	Three Months Ended		
	June 30, 2010	March 31, 2010	June 30, 2009
Average Assets (in billions)	\$ 160.2	\$ 160.0	\$ 126.7
Ending AUM (in billions)	\$ 147.2	\$ 165.5	\$ 132.6
Revenues	\$ 249.3	\$ 246.9	\$ 200.2
Operating Expenses	\$ 187.9	\$ 179.6	\$ 153.2
Operating Income	\$ 61.4	\$ 67.3	\$ 47.0
Operating Margin	24.6%	27.3%	23.5%
Net Income	\$ 30.2	\$ 31.3	\$ 15.8
Diluted Earnings per Share	\$ 0.17	\$ 0.17	\$ 0.10

Second quarter 2010 revenues of \$249.3 million and average assets under management increased slightly from the previous quarter. Operating expenses increased \$8.3 million, or 4.6%, primarily as a result of fund proxy costs incurred in the second quarter 2010 and higher long-term incentive compensation, partially offset by a decline in administrative expenses.

Capital and Liquidity

At June 30, 2010, JCG had stockholders' equity of \$1.1 billion, cash and investments of \$442 million and outstanding debt of \$796 million.

Second Quarter 2010 Earnings Call Information

JCG will discuss its results during a conference call on Thursday, July 22 at 10 a.m. Eastern Daylight Time. The call-in number will be (877)-301-7574. Anyone outside the U.S. or Canada should call (706)-643-3623. The slides used during the presentation will be available in the investor relations section of the Janus Capital Group Web site (www.janus.com/ir) approximately one hour prior to the call. For those unable to join the conference call at the scheduled time, an audio replay will be available on www.janus.com/ir.

About Janus Capital Group Inc.

Janus Capital Group Inc. (JCG) is a global investment firm offering strategies from three individual investment boutiques: Janus Capital Management LLC (Janus), INTECH Investment Management LLC (INTECH) and Perkins Investment Management LLC (Perkins). Each manager employs a research-intensive approach that is distinct within its respective asset class. This multi-boutique approach enables the firm to provide style-specific expertise across an array of strategies, including growth, value and risk-managed equities, fixed income and alternatives through one common distribution platform.

At the end of June 2010, JCG managed \$147.2 billion in assets for shareholders, clients and institutions around the globe. Based in Denver, JCG also has offices in London, Milan, Munich, Singapore, Hong Kong, Tokyo and Melbourne.

¹ Relative performance analysis is based on rankings for the share class with the longest performance history, Class T, S or I Shares in the Janus retail fund ("JIF") trust, and Janus Aspen Series ("JAS") Institutional Shares. See www.janus.com for complete Lipper rankings based on total returns.

² Relative performance analysis is based on rankings for the share class with the longest performance history, Class T, S or I Shares in the Janus retail fund ("JIF") trust, and Janus Aspen Series ("JAS") Institutional Shares. See www.janus.com for complete Lipper rankings based on total returns.

³ Funds included in the analysis reflect the share class with the longest performance history, and include Janus Retail ("JIF") Class T, S and I Shares and Janus Aspen Series ("JAS") Institutional Shares. See www.janus.com for Morningstar ratings based on risk-adjusted returns.

Please consider the charges, risks, expenses and investment objectives carefully before investing. For a prospectus containing this and other information, please call JCG at (800) 525-3713 or download the file from www.janus.com. Read it carefully before you invest or send money.

This presentation should not be considered sales material and is not an offer or a solicitation for any securities.

Data presented reflects past performance, which is no guarantee of future results. Rankings referenced exclude money markets.

The Overall Morningstar Rating™ for a fund is derived from a weighted average of the performance figures associated with its three-, five- and ten-year (if applicable) Morningstar Rating™ metrics.

Funds distributed by Janus Distributors LLC.

Certain statements in this press release constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Statements preceded by, followed by or that otherwise include the words "believes," "expects," "anticipates," "intends," "projects," "estimates," "plans," "may increase," "may fluctuate," "forecast" and similar expressions or future or conditional verbs such as "will," "should," "would," "may" and "could" are generally forward-looking in nature and not historical facts. Any statements that refer to expectations or other characterizations of future events, circumstances or results are forward-looking statements. These statements are based on the beliefs and assumptions of Company management based on information currently available to management.

Various risks, uncertainties, assumptions and factors that could cause future results to differ materially from those expressed by the forward-looking statements included in this press release include, but are not limited to, risks specified in the Company's Annual Report on Form 10-K for the year ended December 31, 2009 included under headings such as "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and in other filings and furnishings made by the Company with the SEC from time to time. In light of these risks, uncertainties, assumptions and factors, the forward-looking events discussed in this press release may not occur. Many of these factors are beyond the control of the Company and its management. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date stated, or if no date is stated, as of the date of this press release. Except for the Company's ongoing obligations to disclose material information under the federal securities laws, the Company undertakes no obligation to release publicly any revisions to any forward-looking statements, to report events or to report the occurrence of unanticipated events unless required by law.

JANUS CAPITAL GROUP INC.

UNAUDITED

CONSOLIDATED STATEMENTS OF INCOME

(dollars in millions, except per share data or as noted)

	Three Months Ended		
	June 30, 2010	March 31, 2010	June 30, 2009
Revenues:			
Investment management fees	\$ 207.8	\$ 205.8	\$ 159.8
Performance fees	4.3	4.7	6.5
Shareowner servicing fees and other	37.2	36.4	33.9
Total	249.3	246.9	200.2
Operating Expenses:			
Employee compensation and benefits	79.4	79.6	66.2
Long-term incentive compensation	20.5	18.6	14.0
Marketing and advertising	15.2	6.8	8.2
Distribution	35.6	35.1	25.4
Depreciation and amortization	9.9	9.9	8.0
General, administrative and occupancy	27.3	29.6	31.4
Total	187.9	179.6	153.2
Operating income	61.4	67.3	47.0
Interest expense	(15.8)	(15.6)	(19.7)
Investment gains (losses), net	3.2	0.7	0.3
Other income, net	0.7	0.2	0.4
Income tax provision	(18.1)	(19.2)	(8.8)
Net income	31.4	33.4	19.2
Noncontrolling interests	(1.2)	(2.1)	(3.4)
Net income attributable to JCG	\$ 30.2	\$ 31.3	\$ 15.8
Diluted weighted average shares outstanding (in millions)	182.5	181.9	159.0
Diluted earnings per share attributable to JCG common shareholders:	\$ 0.17	\$ 0.17	\$ 0.10
Average Assets Under Management (in billions)	\$ 160.2	\$ 160.0	\$ 126.7

JANUS CAPITAL GROUP INC.

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS

(dollars in millions)

	June 30, 2010	December 31, 2009
Assets		
Cash and cash equivalents	\$ 259.5	\$ 324.7
Investment securities	89.4	106.8
Other assets	379.4	276.8
Property and equipment, net	46.3	48.4
Intangibles and goodwill, net	1,767.7	1,773.6
Total Assets	\$ 2,542.3	\$ 2,530.3
Liabilities and Stockholders' Equity		
Debt	\$ 795.8	\$ 792.0
Other liabilities	295.9	336.6
Deferred income taxes	395.3	390.1
Stockholders' equity	1,055.3	1,011.6
Total Liabilities and Stockholders' Equity	\$ 2,542.3	\$ 2,530.3

UNAUDITED CONDENSED CASH FLOW INFORMATION

(dollars in millions)

	Three Months Ended		
	June 30, 2010	March 31, 2010	June 30, 2009
Cash provided by (used in):			
Operating activities	\$ 88.2	\$ (4.8)	\$ 47.4
Investing activities	(79.6)	(19.3)	(27.6)
Financing activities	(18.1)	(31.6)	(33.2)
Net change during period	\$ (9.5)	\$ (65.7)	\$ (13.4)

JANUS CAPITAL GROUP INC.

ASSETS & FLOWS BY INVESTMENT DISCIPLINE

(dollars in billions)

	Three Months Ended		
	June 30, 2010	March 31, 2010	June 30, 2009
Growth/Blend			
Beginning of period assets	\$ 71.2	\$ 67.9	\$ 46.3
Sales	4.1	3.6	3.3
Redemptions	6.0	3.4	2.7
Net sales (redemptions)	(1.9)	0.2	0.6
Market / fund performance	(8.5)	3.1	9.0
End of period assets	\$ 60.8	\$ 71.2	\$ 55.9
Global/International			
Beginning of period assets	\$ 22.2	\$ 20.4	\$ 11.4
Sales	1.5	1.4	1.2
Redemptions	1.5	1.0	0.5
Net sales (redemptions)	-	0.4	0.7
Market / fund performance	(2.5)	1.4	3.4
End of period assets	\$ 19.7	\$ 22.2	\$ 15.5
Mathematical Equity (1)			
Beginning of period assets	\$ 45.9	\$ 48.0	\$ 38.3
Sales	2.0	0.5	1.6
Redemptions	3.5	4.3	1.8
Net sales (redemptions)	(1.5)	(4.3)	(0.2)
Market / fund performance	(4.6)	2.2	5.7
End of period assets	\$ 39.8	\$ 45.9	\$ 43.8
Fixed Income			
Beginning of period assets	\$ 7.8	\$ 6.8	\$ 3.7
Sales	2.0	1.7	0.9
Redemptions	0.8	0.8	0.5
Net sales (redemptions)	1.2	0.9	0.4
Market / fund performance	0.2	0.1	0.3
End of period assets	\$ 9.2	\$ 7.8	\$ 4.4
Value (2)			
Beginning of period assets	\$ 16.8	\$ 14.9	\$ 8.6
Sales	2.2	2.3	1.4
Redemptions	1.3	1.3	0.6
Net sales (redemptions)	0.9	1.0	0.8
Market / fund performance	(1.6)	0.9	1.6
End of period assets	\$ 16.1	\$ 16.8	\$ 11.0
Money Market			
Beginning of period assets	\$ 1.6	\$ 1.7	\$ 2.6
Sales	0.3	0.1	0.2
Redemptions	0.3	0.2	0.8
Net sales (redemptions)	-	(0.1)	(0.6)
Market / fund performance	-	-	-
End of period assets	\$ 1.6	\$ 1.6	\$ 2.0
Total Company			
Beginning of period assets	\$ 165.5	\$ 159.7	\$ 110.9
Sales	12.1	9.5	8.6
Redemptions	13.4	11.5	6.9
Net sales (redemptions)	(1.3)	(2.0)	1.7
Market / fund performance	(17.0)	7.8	20.0
End of period assets	\$ 147.2	\$ 165.5	\$ 132.6
Total Excluding Money Market			
Beginning of period assets	\$ 163.9	\$ 158.0	\$ 108.3
Sales	11.8	9.4	8.4
Redemptions	13.1	11.3	6.1
Net sales (redemptions)	(1.3)	(1.9)	2.3
Market / fund performance	(17.0)	7.8	20.0
End of period assets	\$ 145.6	\$ 163.9	\$ 130.6

Notes:

(1) Represents all assets managed by INTECH Investment Management LLC.

(2) Represents all assets managed by Perkins Investment Management LLC.

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