
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2010

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 001-15253



**JANUS CAPITAL
Group**

Janus Capital Group Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

43-1804048

(I.R.S. Employer Identification No.)

151 Detroit Street, Denver, Colorado

(Address of principal executive offices)

80206

(Zip Code)

(303) 333-3863

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of Each Class</u>	<u>Name of Each Exchange on Which Registered</u>
Common Stock, \$ 0.01 Per Share Par Value	New York Stock Exchange
Preferred Stock Purchase Rights	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Company was required to file such reports), and (2) has been subject to the filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§209 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy of information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of June 30, 2010, the aggregate market value of common equity held by non-affiliates was \$1,630,949,773. As of February 18, 2011, there were 186,084,404 shares of the Company's common stock, \$0.01 par value per share, issued and outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the following documents are incorporated herein by reference into Part of the Form 10-K as indicated:

Document

Part of Form 10-K into Which Incorporated

Company's Definitive Proxy Statement for the 2011 Annual Meeting of Stockholders

Part III

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2010 FORM 10-K ANNUAL REPORT
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PART I

FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. In addition, Janus Capital Group Inc. and its subsidiaries (collectively, "JCG" or the "Company") may make other written and oral communications from time to time (including, without limitation, in the Company's 2010 Annual Report to Stockholders) that contain such statements. Forward-looking statements include statements as to industry trends, future expectations of the Company and other matters that do not relate strictly to historical facts and are based on certain assumptions by management. These statements are often identified by the use of words such as "may," "will," "expect," "believe," "anticipate," "intend," "could," "should," "estimate" or "continue," and similar expressions or variations. These statements are based on the beliefs and assumptions of Company management based on information currently available to management. Such forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from future results expressed or implied by such forward-looking statements. Important factors that could cause actual results to differ materially from the forward-looking statements include, among others, the risks described in Part I, Item 1A, Risk Factors, and elsewhere in this report and other documents filed or furnished by JCG from time to time with the Securities and Exchange Commission. JCG cautions readers to carefully consider such factors. Furthermore, such forward-looking statements speak only as of the date on which such statements are made. Except to the extent required by applicable law, JCG undertakes no obligation to update any forward-looking statements to reflect events or circumstances after the date of such statements.

ITEM 1. BUSINESS

Janus Capital Group Inc. and its subsidiaries (collectively, "JCG" or the "Company") provide investment management, administration, distribution and related services to individual and institutional investors through mutual funds, other pooled investment vehicles, separate accounts and subadvised relationships (collectively referred to as "investment products") in both domestic and international markets. Over the last several years, JCG has expanded its business to become a more diversified manager with increased investment product offerings and distribution capabilities. JCG provides investment advisory services through its primary subsidiaries, Janus Capital Management LLC ("Janus"), INTECH Investment Management LLC ("INTECH") and Perkins Investment Management LLC ("Perkins"). Each of JCG's three primary subsidiaries specializes in specific investment styles and disciplines. JCG's investment products are distributed through three channels: retail intermediary, institutional and international. Each distribution channel focuses on specific investor groups and the unique requirements of each group. As of December 31, 2010, JCG managed \$169.5 billion of assets for shareholders, clients and institutions around the globe.

Revenues are generally based upon a percentage of the market value of assets under management and are calculated as a percentage of the daily average asset balance in accordance with contractual agreements with the Company's investment products or clients. Certain investment products are also subject to performance fees which vary based on a product's relative performance as compared to a benchmark index and the level of assets subject to such fees. Assets under management primarily consist of domestic and international equity and debt securities. Accordingly, fluctuations in domestic and international financial markets, relative investment performance, sales and redemptions of investment products, and changes in the composition of assets under management are all factors that have a direct effect on JCG's operating results.

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Subsidiaries

Janus

Janus considers itself a leader in U.S. and global equity investing, beginning with the launch of the Janus Fund approximately 40 years ago. Janus offers growth and core equity, global and international equity, as well as balanced, fixed income and retail money market investment products. Janus' investment teams seek to identify strong businesses with sustainable competitive advantages or improving returns on capital that sell at a discount to what the teams believe they are worth. Janus believes its depth of research, experienced portfolio managers and analysts, willingness to make concentrated investments when Janus believes it has a research edge and commitment to delivering strong long-term results for its investors differentiate Janus from its competitors. At December 31, 2010, Janus managed \$104.1 billion of long-term assets and \$1.5 billion of money market assets, or 62% of total Company assets under management.

INTECH

INTECH has managed institutional portfolios since 1987, establishing one of the industry's longest continuous performance records of mathematical equity investment strategies. INTECH's unique investment process is based on a mathematical theorem that seeks to add value for clients by capitalizing on the volatility in stock price movements. INTECH's goal is to achieve long-term returns that outperform a specified benchmark index while controlling risks and trading costs. At December 31, 2010, INTECH managed \$44.1 billion, or 26% of total Company assets under management.

Perkins

Perkins has managed value-disciplined investment products since 1980. With its fundamental research and careful consideration for risk, Perkins has established a reputation as a leading value manager. Perkins offers value-disciplined investment products, including small, mid and large cap and global value investment products. At December 31, 2010, Perkins managed \$19.8 billion, or 12% of total Company assets under management.

Distribution Channels

Retail Intermediary Channel

The retail intermediary channel serves financial intermediaries and retirement platforms, which include asset managers, banks and trusts, broker-dealers, independent planners, third-party 401(k) administrators and insurance companies. In addition, this channel serves existing individual investors who access JCG's investment products through mutual fund supermarkets.

Effective July 6, 2009, JCG merged two of its domestic mutual fund trusts, Janus Investment Fund ("JIF") and Janus Advisor Series ("JAD"), into a single trust. The merger was designed to simplify JCG's product offerings and provide mutual fund investors with access to a broader and more tenured range of Janus investment strategies. Subsequent to the merger, new investors are no longer able to invest directly with Janus. The Janus investment products are exclusively available through third-party intermediaries as described above.

Assets in the advisory subchannel, a component of the retail intermediary channel, have more than tripled since 2004 and totaled \$29.7 billion at December 31, 2010. Significant investments have been made in strengthening the Company's presence in the advisory subchannel over the last several years, doubling the number of external and internal wholesalers, focusing on technology and building out robust home office coverage, including a dedicated analyst relations team. Overall assets in the retail intermediary channel totaled \$115.8 billion, or 68% of total Company assets under management, at December 31, 2010.

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Institutional Channel

The institutional channel serves corporations, endowments, foundations, Taft-Hartley funds and public fund clients and focuses on distribution direct to the plan sponsor and through consulting relationships. Investors in the institutional channel often rely on advice from third-party consultants. Accordingly, JCG has assembled a consultant relations team dedicated to providing information and services to institutional consultants. Although the current asset base in this channel is weighted heavily toward INTECH's mathematical products, the Company is striving for increased penetration of Janus equity and fixed income strategies as well as Perkins products. Assets in the institutional channel totaled \$40.4 billion, or 24% of total Company assets under management, at December 31, 2010.

International Channel

The international channel serves professional investors outside of the United States, including central and local government pension plans, corporate pension plans, multi-managers, insurance companies and private banks. International products are offered through separate accounts, subadvisory relationships and Janus Capital Funds Plc, a Dublin-domiciled trust. Assets in the international channel totaled \$13.3 billion, or 8% of total Company assets under management, at December 31, 2010.

COMPETITION

The investment management industry is relatively mature and saturated with competitors that provide services similar to JCG. As such, JCG encounters significant competition in all areas of its business. JCG competes with other investment managers, mutual fund advisers, brokerage and investment banking firms, insurance companies, hedge funds, venture capitalists, banks and other financial institutions, many of which are larger, have proprietary access to distribution, have a broader range of product choices and investment capabilities, and have greater capital resources. Additionally, the marketplace for investment products is rapidly changing; investors are becoming more sophisticated; the demand for and access to investment advice and information are becoming more widespread; and more investors are demanding investment vehicles that are customized to their personal requirements.

JCG believes its ability to successfully compete in the investment management industry will be based on its ability to achieve consistently strong investment performance, provide exceptional client service, build upon its distribution relationships and continue to create new ones, develop new investment products well-suited for its distribution channels and attractive to underlying clients and investors, offer a diverse platform of investment choices and vehicles, provide effective shareholder servicing, retain and strengthen the confidence of its clients, and attract and retain talented investment and sales personnel.

REGULATION

The U.S. Securities and Exchange Commission (the "SEC") is the federal agency generally responsible for administering the U.S. federal securities laws. The investment management industry is subject to extensive federal, state and international laws and regulations intended to benefit or protect the shareholders of investment products such as those managed by JCG's subsidiaries and advisory clients of JCG subsidiaries. The costs of complying with such laws and regulations have significantly increased and may continue to contribute significantly to the costs of doing business as an investment adviser. These laws and regulations generally grant supervisory agencies broad administrative powers, including the power to limit or restrict the conduct of businesses such as JCG's, and to impose sanctions for failure to comply with the laws and regulations. Possible consequences or sanctions for such failure to comply include, but are not limited to, voiding of investment advisory and subadvisory agreements; the suspension of individual employees (particularly investment management and sales personnel); limitations on engaging in certain lines of business for specified periods of time; revocation of registrations; disgorgement of profits; and censures and fines. Further, such laws and regulations may provide the basis for litigation that may also result in significant costs and reputational harm to covered entities such as JCG.

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The Investment Advisers Act of 1940

Certain subsidiaries of JCG are registered investment advisers under the Investment Advisers Act of 1940, as amended (the "Investment Advisers Act") and, as such, are regulated by the SEC. The Investment Advisers Act requires registered investment advisers to comply with numerous and pervasive obligations, including, among others, recordkeeping requirements, operational procedures, registration and reporting, and disclosure obligations. Certain subsidiaries of JCG are also registered with regulatory authorities in various states, and thus are subject to the oversight and regulation by such states' regulatory agencies.

The Investment Company Act of 1940

Certain of JCG's subsidiaries act as adviser or subadviser to both proprietary and nonproprietary mutual funds, which are registered with the SEC pursuant to the Investment Company Act of 1940, as amended (the "1940 Act"). Certain of JCG's subsidiaries also serve as adviser or subadviser to investment products that are not required to be registered under the 1940 Act. As an adviser or subadviser to a registered investment company, these subsidiaries must comply with the requirements of the 1940 Act and related regulations including, among others, requirements relating to operations, fees charged, sales, accounting, recordkeeping, disclosure and governance. In addition, the adviser or subadviser to a registered investment company generally has obligations with respect to the qualification of the registered investment company under the Internal Revenue Code of 1986, as amended (the "Code").

Broker-Dealer Regulations

JCG's limited purpose broker-dealer subsidiary, Janus Distributors LLC ("JD"), is registered with the SEC under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and is a member of the Financial Industry Regulatory Authority ("FINRA"), the securities industry's domestic self-regulatory organization. JD is the general distributor and agent of the sale and distribution of shares of certain mutual funds that are directly advised or serviced by certain of JCG's subsidiaries. The SEC imposes various requirements on JD's operations including disclosure, recordkeeping and accounting. FINRA has established conduct rules for all securities transactions among broker-dealers and private investors, trading rules for the over-the-counter markets and operational rules for its member firms. The SEC and FINRA also impose net capital requirements on registered broker-dealers.

JD is also subject to regulation under state law. The federal securities laws prohibit states from imposing substantive requirements on broker-dealers that exceed those under federal law. This does not preclude the states from imposing registration requirements on broker-dealers that operate within their jurisdiction or from sanctioning these broker-dealers and their employees for engaging in misconduct.

ERISA

Certain JCG subsidiaries are also subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and related regulations to the extent they are considered "fiduciaries" under ERISA with respect to some of their clients. ERISA, related provisions of the Code and regulations issued by the U.S. Department of Labor impose duties on persons who are fiduciaries under ERISA and prohibit some transactions involving the assets of each ERISA plan that is a client of a JCG subsidiary as well as some transactions by the fiduciaries (and several other related parties) to such plans.

Dodd-Frank Act

On July 21 2010, the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") was signed into law. The Dodd-Frank Act enacted numerous legal and regulatory changes for the financial services industry. Many provisions of the Dodd-Frank Act are subject to rulemaking by the

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SEC and other agencies and will take effect over several years. New regulations affect, among other things, corporate governance, including proxy access by shareholders and "say-on-pay" with respect to executive compensation. The Company is currently assessing additional disclosure requirements, proxy process changes and the potential overall impact of the Dodd-Frank Act on JCG and its subsidiaries.

International Regulations

Certain JCG subsidiaries are authorized to conduct investment business in international markets and are subject to foreign regulation. JCG's international subsidiaries are subject to the regulatory supervision and requirements of various agencies, including the Financial Services Authority in the United Kingdom, the Central Bank of Ireland, the Securities and Futures Commission of Hong Kong, the Monetary Authority of Singapore, the Financial Services Agency of Japan, the Commissione Nazionale per le Società e la Borsa in Italy, the Federal Financial Supervisory Authority of Germany, the Australian Securities and Investments Commission, and the Canadian Provincial Securities Commissions. These regulatory agencies have broad supervisory and disciplinary powers, including, among others, the power to temporarily or permanently revoke the authorization to conduct regulated business, the suspension of registered employees, and censures and fines for both regulated businesses and their registered employees.

Many of the non-U.S. securities exchanges and regulatory authorities have imposed rules (and others may impose rules) relating to capital requirements applicable to JCG's foreign subsidiaries. These rules, which specify minimum capital requirements, are designed to measure general financial integrity and liquidity, and require that a minimum amount of assets be kept in relatively liquid form.

EMPLOYEES

As of December 31, 2010, JCG had 1,119 full-time employees. None of these employees is represented by a labor union.

AVAILABLE INFORMATION

Copies of JCG's filings with the SEC can be obtained from the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. Information can be obtained about the operation of the Public Reference Room by calling the SEC at (800) SEC-0330. The SEC also maintains an Internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC at <http://www.sec.gov>.

JCG makes available free of charge its annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K and amendments thereto as soon as reasonably practical after such filing has been made with the SEC. Reports may be obtained through the Investor Relations section of JCG's website (<http://ir.janus.com>) or by contacting JCG at (888) 834-2536. The contents of JCG's website are not incorporated herein for any purpose.

JCG's Officer Code of Ethics for Principal Executive Officer and Senior Financial Officers (including its chief executive officer, chief financial officer and controller) (the "Officer Code"); Corporate Code of Business Conduct and Ethics for all employees; corporate governance guidelines; and the charters of key committees of the board of directors (including the Audit, Compensation, Nominating and Corporate Governance, and Planning and Strategy committees) are available on its website (<http://ir.janus.com/documents.cfm>), and printed copies are available to any shareholder upon request by calling JCG at (888) 834-2536. Any future amendments to or waivers of the Officer Code will be posted to the Investor Relations section of JCG's website.

ADDITIONAL FINANCIAL INFORMATION

See additional financial information about segments and geographical areas in Part II, Item 8, Financial Statements and Supplementary Data, Note 20 — Segment and Geographic Information, of this Annual Report on Form 10-K.

ITEM 1A. RISK FACTORS

JCG's revenues and profits are primarily dependent on the value, composition and relative investment performance of its investment products.

Any decrease in the value or amount of assets under management will cause a decline in revenues and operating results. Assets under management may decline for various reasons, many of which are not under JCG's control.

Factors that could cause assets under management and revenues to decline include the following:

- *Declines in equity markets.* JCG's assets under management are concentrated in the U.S. equity markets and, to a lesser extent, in the international equity markets. As such, declines in the financial markets or the market segments in which JCG's investment products are concentrated will cause assets under management to decrease.
- *Declines in fixed income markets.* In the case of fixed income investment products, which invest in high-quality short-term instruments as well as other fixed income securities, the value of the assets may decline as a result of changes in interest rates, available liquidity in the markets in which a security trades, an issuer's actual or perceived creditworthiness, or an issuer's ability to meet its obligations.
- *Redemptions and other withdrawals.* Investors (in response to adverse market conditions, inconsistent investment performance, the pursuit of other investment opportunities or other factors) may reduce their investments in specific JCG investment products or in the market segments in which JCG's investment products are concentrated.
- *Operations in international markets.* The investment products managed by JCG may have significant investments in international markets that are subject to risk of loss from political or diplomatic developments, government policies, civil unrest, currency fluctuations and changes in legislation related to foreign ownership. International markets, particularly emerging markets, which are often smaller, may not have the liquidity of established markets, may lack established regulations and may experience significantly more volatility than established markets.
- *Relative investment performance.* JCG's investment products are often judged on their performance as compared to benchmark indices, peer groups or on an absolute return basis. Any period of underperformance of investment products may result in the loss of existing assets and impact JCG's ability to attract new assets. In addition, approximately 22% of the Company's assets under management at December 31, 2010, are subject to performance fees. As approved by mutual fund shareholders in 2010, additional mutual funds representing approximately 25% of assets under management as of December 31, 2010, will become subject to performance fees over the next 12 months, with the first fee adjustment for the impacted funds calculated in the second quarter 2011. Performance fees are based on each product's investment performance as compared to an established benchmark index over a specified period of time. If investment products subject to performance fees underperform their respective benchmark index for a defined period, JCG's revenues and thus results of operations may be adversely impacted. In addition, performance fees subject JCG's revenues to increased volatility.

JCG's results are dependent on its ability to attract and retain key personnel.

The investment management business is highly dependent on the ability to attract, retain and motivate highly skilled, and often highly specialized, technical, executive, sales and investment management personnel. The market for investment and sales professionals is extremely competitive and is increasingly characterized by the frequent movement of portfolio managers, analysts and salespersons among different firms. Any changes to management structure, shifts in corporate culture, changes to corporate governance authority, or adjustments or reductions to compensation could impact JCG's

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ability to retain key personnel and could result in legal claims. If JCG is unable to retain key personnel, it could have an adverse effect on JCG's results of operations and financial condition.

JCG is dependent upon third-party distribution channels to access clients and potential clients.

JCG's ability to market and distribute its investment products is significantly dependent on access to the client base of insurance companies, defined contribution plan administrators, securities firms, broker-dealers, banks and other distribution channels. These companies generally offer their clients various investment products in addition to, and in competition with, JCG. Further, the private account business uses referrals from financial planners, investment advisers and other professionals. JCG cannot be certain that it will continue to have access to these third-party distribution channels or have an opportunity to offer some or all of its investment products through these channels. In addition, JCG's existing relationships with third-party distributors and access to new distributors could be adversely impacted by recent consolidation within the financial services industry. Consolidation may result in increased distribution costs, a reduction in the number of third parties distributing JCG's investment products or increased competition to access third-party distribution channels. The inability to access clients through third-party distribution channels could have a material adverse effect on JCG's ability to maintain or increase assets under management, its financial condition, results of operations or business prospects.

INTECH's investment process is highly dependent on key employees and proprietary software.

INTECH's investment process is based on complex and proprietary mathematical models that seek to outperform various indices by capitalizing on the volatility in stock price movements while controlling trading costs and overall risk relative to the index. The maintenance of such models for current products and the development of new products are highly dependent on certain key INTECH employees. If INTECH is unable to retain key personnel, properly transition key personnel responsibilities to others, or if the mathematical investment strategies fail to produce the intended results, INTECH may not be able to maintain the historical level of investment performance and clients may redeem assets, which could have an adverse effect on JCG's results of operations and financial condition.

The regulatory environment in which JCG operates has changed and may continue to change.

JCG may be adversely affected as a result of new or revised legislation or regulations, or by changes in the interpretation or enforcement of existing laws and regulations. The costs and burdens of compliance with these and other new reporting and operational requirements and regulations have increased significantly and may continue to increase the cost of operating mutual funds and other investment products, which could have an adverse effect on JCG's results of operations and financial condition. (See Part I, Item 1, Business — Regulation, of this Annual Report on Form 10-K.)

JCG's business may be vulnerable to failures or breaches in support systems and customer service functions.

The ability to consistently and reliably obtain securities pricing information, process shareowner transactions and provide reports and other customer service to the shareowners of funds and other investment products managed by JCG as well as the protection of confidential information maintained by it is essential to JCG's operations. Any delays, errors or inaccuracies in obtaining pricing information, JCG's ability to price illiquid or thinly traded securities without readily obtainable market quotes, processing shareowner transactions or providing reports, and any other inadequacies in other customer service functions could alienate customers and potentially give rise to claims against JCG. If this were to occur, it could have an adverse effect on JCG's results of operations and financial condition.

JCG's customer service capabilities as well as JCG's ability to obtain prompt and accurate securities pricing information and to process shareowner transactions and reports are dependent on communication and information systems and services provided by third-party vendors. Although JCG has established disaster recovery plans, these systems could suffer failures or interruptions due to

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various natural or man-made causes, and the backup procedures and capabilities may not be adequate to avoid extended interruptions. Additionally, JCG places significant reliance on its automated systems, thereby increasing the related risks if such systems were to fail. A failure of these systems could have an adverse effect on JCG's results of operations and financial condition.

In addition, JCG maintains confidential information relating to its clients and business operations. JCG systems could be infiltrated by unauthorized users or damaged by computer viruses or other malicious software code, or authorized persons could inadvertently or intentionally release confidential or proprietary information. Such disclosure could be detrimental to JCG's reputation and lead to legal claims, regulatory action, increased costs or loss of revenue, among other things.

JCG's business is dependent on investment advisory agreements that are subject to termination, non-renewal or reductions in fees.

JCG derives revenue from investment advisory agreements with mutual funds and other investment products. The termination of, or failure to renew, one or more of these agreements or the reduction of the fee rates applicable to such agreements could have a material adverse effect on revenues and profits. With respect to investment advisory agreements with mutual funds, these agreements may be terminated by either party with notice, or terminated in the event of an "assignment" (as defined in the 1940 Act), and must be approved and renewed annually by the independent members of each fund's board of directors or trustees, or its shareowners, as required by law. In addition, the board of directors or trustees of certain funds and separate accounts generally may terminate these investment advisory agreements upon written notice for any reason and without penalty.

JCG's indebtedness could adversely affect its financial condition and results of operations.

JCG has a significant amount of indebtedness, which could limit its ability to obtain additional financing for working capital, capital expenditures, acquisitions, debt servicing requirements or other purposes. Debt servicing requirements will increase JCG's vulnerability to adverse economic, market and industry conditions; limit JCG's flexibility in planning for, or reacting to, changes in business operations or to the asset management industry overall; and place JCG at a disadvantage in relation to competitors that have lower debt levels. In addition, all of JCG's outstanding debt, excluding its convertible debt, is subject to an increase in interest rates in the event of a credit rating downgrade by either Standard & Poor's ("S&P") Rating Service or Moody's Investors Service, Inc. ("Moody's"). Certain of JCG's indebtedness is also subject to repurchase at 101% of the principal balance if the Company experiences a change of control and in connection therewith the applicable notes become rated below investment grade. (See Part II, Item 8, Financial Statements and Supplementary Data, Note 8 — Debt, of this Annual Report on Form 10-K.) Any or all of the above events and/or factors have and could continue to adversely affect JCG's results of operations and financial condition.

JCG may incur losses as a result of providing support to money market funds advised by the Company.

JCG's money market funds (the "Money Funds") seek to provide current income and limit exposure to losses by investing in high-quality, investment-grade securities with short-term durations. Adverse events or circumstances related to individual securities or the market in which the securities trade may cause other-than-temporary declines in value. In these situations, JCG may elect to support the Money Funds in a variety of means, including but not limited to, purchasing securities held by the Money Funds, reimbursing for any losses incurred or providing a letter of credit. JCG is not contractually or legally obligated to support the Money Funds. JCG has, however, provided financial support to certain Money Funds in the past and may do so in the future.

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JCG is named as a defendant in class action lawsuits and other related litigation and is subject to regulatory or governmental examinations and/or investigations.

JCG and an affiliate of JCG are named as defendants in class action lawsuits and other litigation. (See Part II, Item 8, Financial Statements and Supplemental Data, Note 17 — Litigation and Other Regulatory Matters, of this Annual Report on Form 10-K.) These lawsuits seek specified or unspecified compensatory and punitive damages. JCG is unable to estimate the range of potential losses that would be incurred if the plaintiffs in any of these actions were to prevail, or to determine the total potential effect that they may have on JCG's results of operations, financial position and cash flows. Any settlement or judgment on the merits of these or future actions could have a material adverse effect on JCG's liquidity, results of operations and financial condition.

Additionally, JCG has and may in the future receive requests for information in connection with certain investigations or proceedings from various governmental and regulatory authorities. These requests may result in increased costs, or reputational harm to the Company which may cause lower sales and increased redemptions.

JCG operates in a highly competitive environment and its current fee structure may be reduced.

The investment management business is highly competitive and has relatively low barriers to entry. JCG's current fee structure may be subject to downward pressure due to these factors. Moreover, in recent years there has been a trend toward lower fees in the investment management industry. Fee reductions on existing or future new business as well as changes in regulations pertaining to its fee structure could have an adverse effect on JCG's revenues and results of operations.

JCG has a significant level of goodwill and intangible assets that are subject to annual impairment review.

Goodwill and intangible assets totaled \$1.8 billion at December 31, 2010. The value of these assets may not be realized for a variety of reasons, including, but not limited to, significant redemptions and unfavorable economic conditions. JCG has recorded goodwill and intangible asset impairments in the past and could incur similar charges in the future. JCG reviews the carrying value of intangible assets not subject to amortization on an annual basis, or more frequently if indications exist suggesting that the fair value of its intangible assets may be below their carrying value. JCG evaluates intangible assets subject to amortization whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Should a review indicate impairment, a write-down of the carrying value of the intangible asset could occur, resulting in a non-cash charge which would adversely affect JCG's results of operations for the period.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

JCG's headquarters are located in Denver, Colorado. JCG leases office space from non-affiliated companies for administrative, investment and shareowner servicing operations in Denver and Aurora, Colorado; Chicago, Illinois; Princeton, New Jersey; West Palm Beach, Florida; London; Milan; Munich; Singapore; Hong Kong; Tokyo; and Melbourne.

In the opinion of management, the space and equipment owned or leased by the Company are adequate for existing operating needs.

ITEM 3. LEGAL PROCEEDINGS

The information set forth in response to Item 103 of Regulation S-K under "Legal Proceedings" is incorporated by reference from Part II, Item 8, Financial Statements and Supplemental Data, Note 17 — Litigation and Other Regulatory Matters, of this Annual Report on Form 10-K.

ITEM 4. REMOVED AND RESERVED

PART II

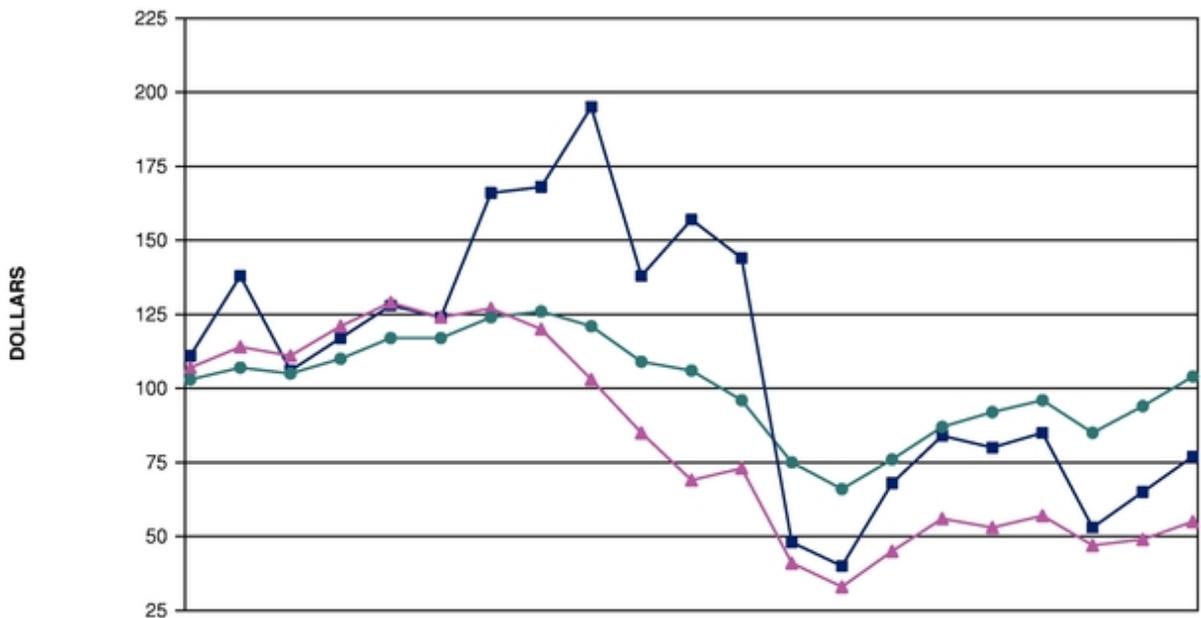
ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

JCG Common Stock

JCG's common stock is traded on the New York Stock Exchange ("NYSE") (symbol: JNS). The following table sets forth the high and low sale prices as reported on the NYSE composite tape for each completed quarter since January 1, 2009.

Quarter	2010		2009	
	High	Low	High	Low
First	\$ 15.00	\$ 11.66	\$ 9.66	\$ 3.95
Second	\$ 15.72	\$ 8.88	\$ 12.37	\$ 6.56
Third	\$ 11.08	\$ 8.81	\$ 14.90	\$ 9.84
Fourth	\$ 13.11	\$ 10.44	\$ 15.82	\$ 12.60

The following graph illustrates the cumulative total shareholder return (rounded to the nearest whole dollar) of JCG's common stock over the five-year period ending December 31, 2010, the last trading day of 2010, and compares it to the cumulative total return on the S&P 500 Index and the S&P Diversified Financials Index. The comparison assumes a \$100 investment on December 31, 2005, in JCG's common stock and in each of the foregoing indices and assumes reinvestment of dividends, if any. This table is not intended to forecast future performance of JCG's common stock.



	Dec 05	Mar 06	Jun 06	Sep 06	Dec 06	Mar 07	Jun 07	Sep 07	Dec 07	Mar 08	Jun 08	Sep 08	Dec 08	Mar 09	Jun 09	Sep 09	Dec 09	Mar 10	Jun 10	Sep 10	Dec 10
Janus Capital Group Inc. (JNS)	111	138	106	117	128	124	166	168	195	138	157	144	48	40	68	84	80	85	53	65	77
S&P 500 / Diversified Financials SUBIND (SP637)	107	114	111	121	129	124	127	120	103	85	69	73	41	33	45	56	53	57	47	49	55
S&P 500 Index (SPX)	103	107	105	110	117	117	124	126	121	109	106	96	75	66	76	87	92	96	85	94	104

On December 31, 2010, there were approximately 3,015 holders of record of JCG's outstanding common stock.

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JCG declared an annual \$0.04 per share dividend in the second quarter 2010, 2009 and 2008. The payment of cash dividends is within the discretion of JCG's Board of Directors and will depend on many factors, including, but not limited to, JCG's results of operations, financial condition, capital requirements, restrictions imposed by financing arrangements, general business conditions and legal requirements.

Common Stock Repurchases

On July 22, 2008, JCG's Board of Directors authorized a \$500 million stock repurchase program with no expiration date to take effect when the current authorization is utilized. The amount that may yet be repurchased under current unexpired authorizations as of December 31, 2010, is \$521.2 million. There were no share repurchases for the 12 months ended December 31, 2010, under the current authorization or from employees as part of a share withholding program (established under Rule 10b5-1 of the Exchange Act). JCG currently no longer repurchases shares from employees under a share withholding program. Tax withholdings on vesting employee stock-based compensation are satisfied by selling shares on the open market.

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ITEM 6. SELECTED FINANCIAL DATA

The selected financial data below should be read in conjunction with Part II, Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations, of this Annual Report on Form 10-K and Part II, Item 8, Financial Statements and Supplementary Data, of this Annual Report on Form 10-K.

	Year Ended December 31,				
	2010	2009	2008	2007	2006
(dollars in millions, except operating data and per share data)					
Income Statement:					
Revenues ⁽¹⁾	\$ 1,015.7	\$ 848.7	\$ 1,037.9	\$ 1,117.0	\$ 935.8
Operating expenses ⁽²⁾	734.1	1,526.2	704.8	767.7	696.9
Operating income (loss)	281.6	(677.5)	333.1	349.3	238.9
Interest expense ⁽³⁾	(63.2)	(74.0)	(75.5)	(58.8)	(32.3)
Other, net ⁽⁴⁾	26.6	(4.7)	(50.8)	32.4	37.0
Gain on early extinguishment of debt ⁽⁵⁾	—	5.8	—	—	—
Income tax provision	(76.4)	6.3	(68.8)	(116.4)	(90.1)
Equity in earnings of unconsolidated affiliates	—	—	9.0	7.2	7.1
Income (loss) from continuing operations	168.6	(744.1)	147.0	213.7	160.6
Discontinued operations ⁽⁶⁾	—	—	(1.5)	(75.7)	(5.3)
Net income (loss)	168.6	(744.1)	145.5	138.0	155.3
Noncontrolling interests	(8.7)	(13.0)	(8.6)	(21.7)	(21.7)
Net income (loss) attributable to JCG	\$ 159.9	\$ (757.1)	\$ 136.9	\$ 116.3	\$ 133.6
Basic earnings (loss) per share attributable to JCG common shareholders ⁽⁷⁾					
Income (loss) from continuing operations	\$ 0.89	\$ (4.55)	\$ 0.87	\$ 1.09	\$ 0.69
Discontinued operations	—	—	(0.01)	(0.43)	(0.03)
Net income (loss)	\$ 0.89	\$ (4.55)	\$ 0.86	\$ 0.66	\$ 0.66
Diluted earnings (loss) per share attributable to JCG common shareholders ⁽⁷⁾					
Income (loss) from continuing operations	\$ 0.88	\$ (4.55)	\$ 0.86	\$ 1.07	\$ 0.68
Discontinued operations	—	—	(0.01)	(0.42)	(0.03)
Net income (loss)	\$ 0.88	\$ (4.55)	\$ 0.85	\$ 0.65	\$ 0.66
Dividends Declared per Share	\$ 0.04	\$ 0.04	\$ 0.04	\$ 0.04	\$ 0.04
Balance Sheet (as of December 31):					
Total assets	\$ 2,726.8	\$ 2,530.3	\$ 3,336.7	\$ 3,564.1	\$ 3,537.9
Long-term debt obligations	\$ 586.7	\$ 792.0	\$ 1,106.0	\$ 1,127.7	\$ 537.2
Other long-term liabilities	\$ 453.3	\$ 438.5	\$ 450.5	\$ 470.0	\$ 490.9
Redeemable noncontrolling interests	\$ 82.8	\$ 101.1	\$ 106.8	\$ 245.8	\$ 329.0
Operating Data (in billions):					
Year-end assets under management	\$ 169.5	\$ 159.7	\$ 123.5	\$ 206.7	\$ 167.7
Average assets under management	\$ 160.7	\$ 134.5	\$ 174.2	\$ 190.4	\$ 156.7
Long-term net flows ⁽⁸⁾	\$ (10.8)	\$ 0.9	\$ (0.6)	\$ 9.8	\$ 2.3

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- (1) *Revenues generally vary with average assets under management. However, revenues also include performance fees, which vary with relative investment performance and the amount of assets subject to such fees. Beginning in 2007, certain mutual funds became subject to performance fees. JCG earned \$11.0 million and \$16.5 million of performance fees from mutual funds during the years ended December 31, 2010 and 2009, respectively, and \$11.2 million of performance fees from mutual funds during each of the years ended December 31, 2008 and 2007.*
- (2) *Operating expenses include impairments, restructuring, legal fees and settlement costs (net of insurance recoveries). Impairment charges are related to goodwill, terminated investment management relationships with assigned intangible values and facility closures. Restructuring and impairment charges totaled \$856.7 million and \$11.0 million in 2009 and 2006, respectively. Legal fees and settlement costs (net of insurance recoveries), totaled \$31.4 million and \$(14.1) million in 2009 and 2006, respectively.*
- (3) *In July 2009, JCG completed concurrent common stock and convertible senior notes offerings ("July 2009 issuance of convertible senior notes"). In August 2009, the combined proceeds of the common stock and convertible senior notes offerings, together with available cash, were used to repurchase \$443.3 million aggregate principal amount of the Company's outstanding 2011, 2012 and 2017 senior notes in a tender offer ("August 2009 tender offer"). Interest expense for 2010 declined primarily as a result of the August 2009 tender offer, partially offset by interest expense associated with the July 2009 issuance of convertible senior notes. During the fourth quarter 2010, JCG exercised its call right on the \$120.9 million carrying value of the 6.250% Senior Notes and retired the notes in January 2011. Interest expense for 2007 increased from 2006 as a result of issuing \$748.4 million of additional debt in 2007.*
- (4) *During 2007, JCG classified certain investment securities as trading. Net gains/ (losses) on trading securities of \$7.1 million, \$10.6 million, \$(41.1) million and \$17.6 million were recognized in earnings for 2010, 2009, 2008 and 2007, respectively. Net investment gains in 2010 include the \$14.3 million cumulative effect of correcting the accounting for JCG's hedge on mutual fund share awards. In addition, JCG recognized impairment charges of \$5.2 million on available-for-sale securities in 2009 and \$21.0 million and \$18.2 million in 2008 and 2007, respectively, associated with structured investment vehicle ("SIV") securities acquired from money market funds advised by Janus in 2007. In the fourth quarter 2010, JCG sold the SIV securities and recognized a \$5.8 million net gain.*
- (5) *During 2009, JCG recognized a \$5.8 million net gain on early extinguishment of debt related to the repurchase of a portion of the Company's outstanding 2011, 2012 and 2017 senior notes in a tender offer.*
- (6) *During the third quarter 2007, JCG initiated a plan to dispose of Rapid Solutions Group ("RSG"), previously reported as the Printing and Fulfillment segment. Prior periods have been reclassified to separately present the results of continuing and discontinued operations. The results of discontinued operations for 2007 include impairment charges totaling \$67.1 million (net of a \$6.2 million tax benefit) to write down the carrying value of RSG to estimated fair value less costs to sell.*
- (7) *Each component of earnings per share presented has been individually rounded.*
- (8) *Money market flows have been excluded due to the short-term nature of such investments.*

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

2010 SUMMARY

JCG finished 2010 with assets under management of \$169.5 billion, an increase of 6.1% from 2009, as market conditions continued to improve. Long-term net outflows for 2010 of \$10.8 billion were driven by three significant mandate losses within fundamental equity and continued mathematical equity redemptions.

Long-term investment performance for fundamental equity and fixed income strategies remained strong while mathematical equity long-term investment performance continued to be challenged. However, short-term investment performance for mathematical equity strategies significantly improved while short-term investment performance for certain key fundamental equity strategies declined.

Net income attributable to JCG and diluted earnings per share for 2010 totaled \$159.9 million and \$0.88 per diluted share, respectively.

During 2010, JCG executed on a number of strategic priorities, including:

- Expanded the fixed income franchise, with fixed income assets under management increasing 49% from the end of 2009.
- Strengthened the balance sheet by exercising JCG's call right on \$120.9 million of debt, replacing the secured credit facility with a new unsecured, \$100 million, 364-day credit facility and regaining the Company's investment grade rating from S&P in January 2011.
- Achieved full-year operating margin of 27.7% and fourth quarter 2010 operating margin of 34.7%.
- Continued to strategically expand global product offerings with the launch of the Global High Yield, Global Investment Grade, Global Bond and Emerging Market strategies.

INVESTMENT PERFORMANCE

Investment products are generally evaluated based on their investment performance relative to other investment products with similar disciplines and strategies or benchmark indices.

As a result of underperformance in key fundamental equity strategies, the percentage of mutual fund assets in the top half of their Lipper categories on a one-year basis fell to 33% as of December 31, 2010, compared to 78% as of December 31, 2009. However, long-term investment performance remained strong, with 64% and 92% of complex-wide mutual fund assets in the top half of their Lipper categories on a three- and five-year total return basis, respectively, as of December 31, 2010.

- 34%, 62% and 92% of fundamental equity mutual fund assets ranked in the top half of their Lipper categories on a one-, three- and five-year total return basis, respectively, as of December 31, 2010.
- 26%, 100% and 100% of fixed income mutual fund assets ranked in the top half of their Lipper categories on a one-, three- and five-year total return basis, respectively, as of December 31, 2010.

Short-term investment performance for mathematical equity strategies has significantly improved, with the percentage of strategies surpassing their respective benchmarks, net of fees, over the one-year basis increasing to 75% as of December 31, 2010, compared to 0% as of December 31, 2009. As a result of underperformance in key investment strategies since late 2007, long-term investment performance for mathematical equity strategies has declined, with 38% and 36% of strategies surpassing their respective benchmarks, net of fees, over the three- and five-year periods, as of December 31, 2010.

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Assets Under Management

Valuation

The value of assets under management is derived from the cash and investment securities underlying JCG's investment products. Investment security values are determined using unadjusted or adjusted quoted market prices and independent third-party price quotes in active markets. For debt securities with maturities of 60 days or less, the amortized cost method is used to determine the value. Securities for which market prices are not readily available or are considered unreliable are internally valued using appropriate methodologies for each security type or by engaging third-party specialists. The value of the majority of the securities underlying JCG's investment products is derived from readily available and reliable market price quotations.

The pricing policies for mutual funds advised by JCG's subsidiaries (the "Funds") are established by the Funds' Independent Board of Trustees and are designed to test and validate fair value measurements. Responsibility for pricing securities held within separate and subadvised accounts may be delegated by the separate or subadvised client to JCG or another party.

Assets Under Management and Flows

Total Company assets under management increased \$9.8 billion, or 6.1%, from 2009. The increase was primarily driven by net market appreciation of \$20.8 billion, partially offset by long-term net outflows of \$10.8 billion.

Fundamental equity long-term net outflows were \$4.3 billion in 2010 compared with long-term net inflows of \$3.1 billion in 2009, primarily as a result of three significant mandate losses. Fundamental equity outflows reflect current investor preference for fixed income and passive investment products over actively managed equity products.

JCG continued to gain traction in the fixed income markets with long-term net inflows of \$4.0 billion in 2010 compared with \$3.4 billion in 2009.

Mathematical equity long-term net outflows of \$10.5 billion and \$5.6 billion in 2010 and 2009, respectively, reflect a lack of search activity in U.S. large cap equities as domestic plan sponsors generally allocated to passive mandates, alternative investments, and global and international strategies.

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The following table presents the components of JCG's assets under management (*in billions*):

	Year Ended December 31,		
	2010	2009	2008
Beginning of period assets	\$ 159.7	\$ 123.5	\$ 206.7
Long-term sales			
Fundamental equity	26.1	21.9	34.0
Fixed income	8.5	5.7	2.2
Mathematical equity	4.4	5.8	12.3
Long-term redemptions			
Fundamental equity	(30.4)	(18.8)	(31.4)
Fixed income	(4.5)	(2.3)	(3.7)
Mathematical equity	(14.9)	(11.4)	(14.0)
Long-term net flows*			
Fundamental equity	(4.3)	3.1	2.6
Fixed income	4.0	3.4	(1.5)
Mathematical equity	(10.5)	(5.6)	(1.7)
Total long-term net flows	(10.8)	0.9	(0.6)
Net money market flows	(0.2)	(6.2)	(5.0)
Market/fund performance	20.8	41.5	(77.6)
End of period assets	<u>\$ 169.5</u>	<u>\$ 159.7</u>	<u>\$ 123.5</u>
Average assets under management			
Fundamental equity	\$ 102.1	\$ 80.5	\$ 99.7
Fixed income	12.9	7.5	6.1
Mathematical equity	44.1	43.9	57.4
Money market	1.6	2.6	11.0
Total	<u>\$ 160.7</u>	<u>\$ 134.5</u>	<u>\$ 174.2</u>

* Excludes money market flows. Sales and redemptions are presented net on a separate line due to the short-term nature of the investments.

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Assets and Flows by Investment Discipline

JCG, through its primary subsidiaries, offers investment products based on a diversified set of investment disciplines. Janus offers growth and core equity, global and international equity, as well as balanced, fixed income and retail money market investment products. INTECH offers mathematical-based investment products and Perkins offers value-disciplined investments. Assets and flows by investment discipline are as follows (*in billions*):

	Years ended December 31,		
	2010	2009	2008
Growth/Core ⁽¹⁾			
Beginning of period assets	\$ 60.9	\$ 44.5	\$ 75.6
Sales	12.4	10.6	22.5
Redemptions	18.6	11.5	20.0
Net sales (redemptions)	(6.2)	(0.9)	2.5
Market / fund performance	6.2	17.3	(33.6)
End of period assets	<u>\$ 60.9</u>	<u>\$ 60.9</u>	<u>\$ 44.5</u>
Global/International			
Beginning of period assets	\$ 23.8	\$ 14.1	\$ 30.7
Sales	6.0	4.7	5.2
Redemptions	6.3	3.3	7.4
Net sales (redemptions)	(0.3)	1.4	(2.2)
Market / fund performance	4.4	8.3	(14.4)
End of period assets	<u>\$ 27.9</u>	<u>\$ 23.8</u>	<u>\$ 14.1</u>
Mathematical Equity			
Beginning of period assets	\$ 48.0	\$ 42.4	\$ 69.7
Sales	4.4	5.8	12.3
Redemptions	14.9	11.4	14.0
Net redemptions	(10.5)	(5.6)	(1.7)
Market / fund performance	6.6	11.2	(25.6)
End of period assets	<u>\$ 44.1</u>	<u>\$ 48.0</u>	<u>\$ 42.4</u>
Fixed Income ⁽¹⁾			
Beginning of period assets	\$ 10.3	\$ 5.5	\$ 7.7
Sales	8.5	5.7	2.2
Redemptions	4.5	2.3	3.7
Net sales (redemptions)	4.0	3.4	(1.5)
Market / fund performance	1.0	1.4	(0.7)
End of period assets	<u>\$ 15.3</u>	<u>\$ 10.3</u>	<u>\$ 5.5</u>
Value			
Beginning of period assets	\$ 15.0	\$ 9.1	\$ 10.1
Sales	7.7	6.6	6.3
Redemptions	5.5	4.0	4.0
Net sales	2.2	2.6	2.3
Market / fund performance	2.6	3.3	(3.3)
End of period assets	<u>\$ 19.8</u>	<u>\$ 15.0</u>	<u>\$ 9.1</u>

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	Years ended December 31,		
	2010	2009	2008
Money Market			
Beginning of period assets	\$ 1.7	\$ 7.9	\$ 12.9
Sales	0.8	3.6	91.7
Redemptions	1.0	9.8	96.7
Net redemptions	(0.2)	(6.2)	(5.0)
Market / fund performance	—	—	—
End of period assets	<u>\$ 1.5</u>	<u>\$ 1.7</u>	<u>\$ 7.9</u>

- (1) Growth/core and fixed income assets have been reclassified to reflect a 50%/50% split of the Janus Balanced Fund between the two categories.

Revenues

Revenues are generally based upon a percentage of the market value of assets under management and are calculated as a percentage of the daily average asset balance in accordance with contractual agreements with the Company's investment products or clients. Certain investment products are also subject to performance fees which vary based on a product's relative performance as compared to an established benchmark index over a specified period of time and the level of assets subject to such fees. Assets under management primarily consist of domestic and international equity and debt securities. Accordingly, fluctuations in domestic and international financial markets, relative investment performance, sales and redemptions of investment products, and changes in the composition of assets under management are all factors that have a direct effect on JCG's operating results. The following graph depicts the direct relationship between average assets under management and investment management revenues:

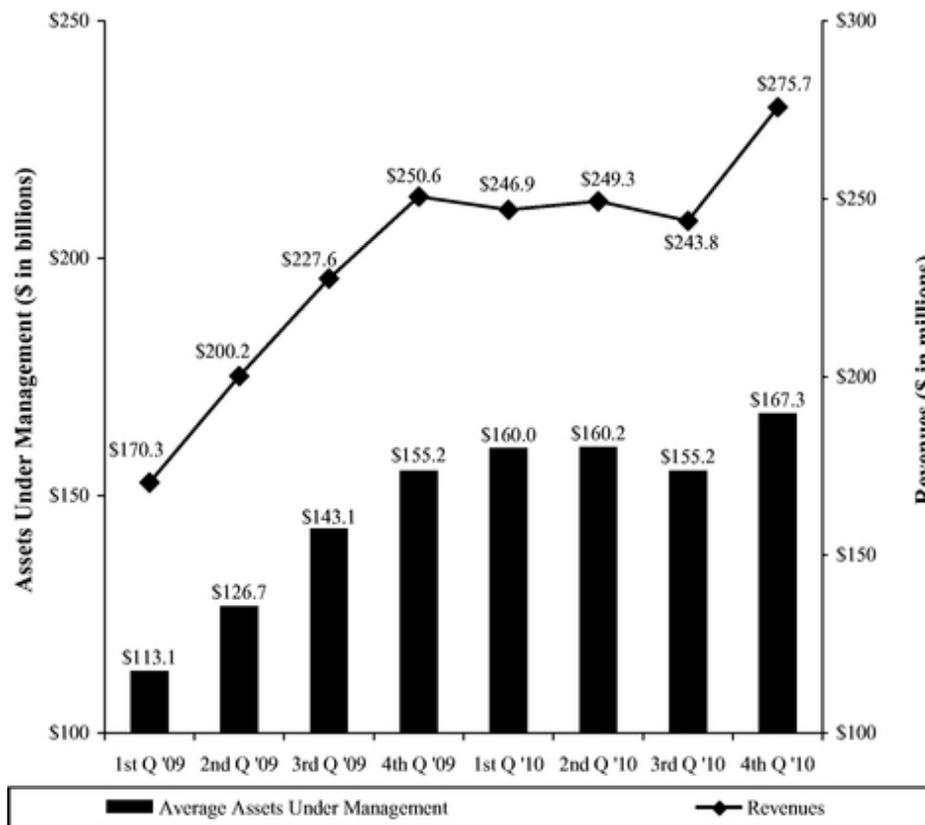


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Results of Operations

2010 Compared to 2009

Investment management fees increased \$150.6 million, or 22.0%, primarily as a result of the 19.5% increase in average assets under management driven by improved market conditions.

Performance fee revenue is derived from certain mutual funds and separate accounts. The increase of \$3.7 million, or 12.8%, in performance fee revenue was primarily due to an increase of \$9.2 million in separate account performance fees, partially offset by a \$5.5 million decline in fees earned on mutual funds. JCG recognized \$17.1 million in 2010 from a separate account client, which terminated in late 2010.

At December 31, 2010, \$29.5 billion and \$7.2 billion of mutual fund and private account assets, respectively, were subject to performance fees. As approved by mutual fund shareholders, additional mutual funds representing \$43.2 billion, or approximately 25% of assets under management at December 31, 2010, will become subject to performance fees over the next 12 months, with the first fee adjustment for the impacted funds calculated in the second quarter 2011.

Shareowner servicing fees and other revenue increased \$12.7 million, or 9.4%, over the prior year primarily from higher transfer agent fees. Transfer agent fees are based on average assets under management distributed directly to investors by Janus, excluding money market assets, which increased 21.4% over the prior year.

Employee compensation and benefits increased \$17.9 million, or 6.0%, principally due to higher investment team incentive compensation. The investment team compensation plan is linked to individual long-term investment performance, but also ties the aggregate level of compensation to revenue, which increased year over year.

Long-term incentive compensation increased \$22.1 million, or 36.2%, primarily as a result of awards granted in 2010 and from a higher valuation of the Perkins senior profit interest awards based on 2011 performance. The Perkins senior profit interest awards have a formula-driven terminal value based on revenue growth and relative investment performance of investment products managed by Perkins.

Also included in long-term incentive compensation in 2010 is a \$2.7 million mark-to-market adjustment for changes in fair value of mutual fund share awards. During the fourth quarter 2010, JCG concluded that the accounting for the mutual fund share awards and the associated hedge was incorrect. Accordingly, for financial accounting purposes, the hedging relationship was terminated and mark-to-market adjustments on the awards and associated hedge, previously recognized as increases or decreases in the mutual fund share award liability, were recorded in earnings in the fourth quarter 2010. See discussion of net investment gains below for the impact of recording investment gains in earnings. JCG assessed the significance of the incorrect accounting and concluded that recognizing a cumulative adjustment in the fourth quarter 2010 was not material either to JCG's financial statements for any reported prior period or on a cumulative basis to 2010.

Going forward, mark-to-market adjustments on mutual fund share awards will create volatility within long-term incentive compensation. The level of volatility will depend upon the amount of mutual fund share awards and the market/investment performance of products to which the awards are indexed.

Long-term incentive awards granted during 2010 totaled \$66.8 million and will be recognized ratably over a four-year period. In addition to these awards, JCG granted a \$10.0 million restricted stock award to the chief executive officer on February 5, 2010. This award vested 50% on December 31, 2010, and will vest 25% on January 1, 2012, and 25% on January 1, 2013. INTECH also granted \$5.1 million of ownership interests, which generally vest and will be recognized ratably over a four-year period. Future long-term incentive amortization will also be impacted by the 2011 annual grant totaling \$58.4 million, which will be recognized ratably over a four-year period.

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Marketing and advertising increased \$8.0 million, or 28.8%, primarily due to \$9.1 million of fund proxy costs for the election of the mutual fund trustees for JCG's domestic mutual funds in 2010.

Distribution expenses increased \$32.5 million, or 30.2%, as a result of a similar increase in assets under management subject to third-party concessions. Distribution fees are calculated based on a contractual percentage of the market value of assets under management distributed through third-party intermediaries.

Depreciation and amortization expense increased \$3.2 million, or 8.9%, primarily as a result of higher amortization of deferred commissions from an increase in sales of certain mutual fund shares.

General, administrative and occupancy expense decreased \$19.1 million, or 13.6%, primarily as a result of lower legal expenses due to litigation settlements and an unfavorable judgment totaling \$31.4 million in 2009. The decrease was partially offset by \$7.1 million of client reimbursements related to two significant fund administrative errors, net of insurance recoveries. JCG does not expect further insurance recoveries related to these errors.

Interest expense declined \$10.8 million, or 14.6%, primarily as a result of the August 2009 tender offer, partially offset by \$7.7 million of interest expense associated with the July 2009 issuance of convertible senior notes. During the fourth quarter 2010, JCG exercised its call right on the \$120.9 million carrying value of the 6.250% Senior Notes and retired the notes in January 2011. Under the terms of the call, JCG is required to pay the present value of the interest that would have been paid if the debt remained outstanding through maturity. As a result, JCG will recognize a \$9.9 million net loss on early extinguishment of debt in the first quarter 2011.

Net investment gains totaling \$24.7 million include a \$14.3 million gain from mark-to-market adjustments on the mutual fund share award hedge which were recorded in earnings in the fourth quarter 2010. Also included in net investments gains for 2010 is a \$5.8 million gain from the sale of structured investment vehicle securities originally acquired in 2007 from money market funds advised by Janus.

Mark-to-market gains on trading securities for the year ended December 31, 2010 were partially offset by losses generated by a hedging strategy implemented in late 2008, covering the majority of seed capital. The hedging strategy utilizes futures contracts to mitigate a portion of the earnings volatility created by the mark-to-market accounting of seed capital investments. Net investment losses of \$5.6 million for the year ended December 31, 2009, include impairment charges totaling \$6.6 million, which were primarily related to securities classified as available-for-sale.

JCG's income tax provision includes the reversal of \$24.4 million of income tax contingency reserves in 2010 as a result of the expiration of statutes of limitations, creating a net tax benefit of \$15.7 million.

Noncontrolling interest decreased \$4.3 million, or 33.1%, primarily due to JCG's acquisition of an additional 3% in INTECH combined with lower INTECH earnings and assets under management.

2009 Compared to 2008

Investment management fees declined \$142.7 million, or 17.3%, primarily as a result of the 22.8% decrease in average assets under management. Revenue declined at a lower rate than average assets under management as a result of the impact of the consolidation of Perkins beginning January 1, 2009, and a decrease in lower yielding money market assets. The equity method of accounting was used for Perkins prior to December 31, 2008, as JCG had significant influence but did not have the ability to exercise control. The decline in money market assets reflects JCG's exiting of its institutional money market business in early 2009.

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The increase in performance fee revenue of \$1.3 million, or 4.7%, was primarily due to a \$5.3 million increase in fees earned on mutual funds from improved performance. The increase was partially offset by a decline of \$3.8 million on INTECH private accounts as a result of investment underperformance.

Shareowner servicing fees and other revenue decreased \$47.8 million, or 26.0%, over the prior year primarily from lower transfer agent fees and money market administration fees. Assets subject to transfer agent fees decreased 22.0% over the prior year. Money market administration fees declined as a result of lower money market assets due to JCG exiting the institutional money market business in early 2009.

Employee compensation and benefits decreased \$21.3 million, or 6.7%, principally due to lower incentive compensation, base salaries and commissions, partially offset by the consolidation of Perkins. Investment team compensation decreased \$11.3 million primarily as a result of lower revenue. Base salaries declined \$4.9 million primarily as a result of the workforce reduction in the fourth quarter 2008. Commission expense decreased \$4.7 million, reflecting lower sales volumes across all channels.

Long-term incentive compensation increased \$17.5 million, or 40.2%, primarily from new awards granted in 2009 and the \$5.3 million departure-related acceleration of the former chief executive officer's awards, partially offset by the accelerated vesting of awards granted in prior years.

Marketing and advertising declined \$5.3 million, or 16.0%, primarily from cost-reduction measures implemented in the fourth quarter 2008, partially offset by costs associated with JCG's merging of its two domestic mutual fund trusts effective July 6, 2009.

Distribution expenses decreased \$27.3 million, or 20.2%, as a result of a similar decrease in assets under management subject to third-party concessions.

Depreciation and amortization expense decreased \$4.3 million, or 10.7%, primarily as a result of lower amortization of deferred commissions from a decline in sales of certain mutual fund shares.

General, administrative and occupancy expense increased \$5.4 million, or 4.0%, primarily from litigation settlements and an unfavorable judgment totaling \$31.4 million, partially offset by the impact of cost-reduction measures implemented in the fourth quarter 2008.

JCG recognized goodwill and intangible asset impairment charges of \$747.0 million and \$109.7 million, respectively, as of March 31, 2009. JCG revised its operating forecast downward as a result of continued deterioration in global market conditions, assets under management and revenues during the first quarter 2009. These conditions, combined with JCG's net book value exceeding its market value capitalization, caused management to assess goodwill and intangible assets for impairment as of March 31, 2009. Based on these assessments, JCG partially impaired goodwill and mutual fund advisory contracts associated with the 2001 contractual obligations to buy out Janus' founder. The goodwill impairment charge was not deductible for income tax purposes. A tax benefit of \$40.6 million was recognized as a result of the impairment of mutual fund advisory contracts.

Net investment losses totaling \$5.6 million include other-than-temporary impairment charges of \$5.2 million on available-for-sale securities for the year ended December 31, 2009. Mark-to-market gains on trading securities for 2009 were largely offset by losses generated by a hedging strategy implemented in late 2008, covering the majority of seed capital, to mitigate a portion of the earnings volatility created by the mark-to-market accounting of seed capital investments.

Other income, net, decreased \$8.7 million, or 90.6%, from a decline in interest and dividend income earned on corporate cash and investments.

JCG recognized a \$5.8 million net gain on early extinguishment of debt as a result of the retirement of \$443.3 million of outstanding debt in August 2009.

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JCG's statutory tax rate decreased by approximately 1.25% effective January 1, 2009, as a result of a legislative change in Colorado state taxes enacted during the second quarter 2008. JCG's effective tax rate differs from the statutory tax rate primarily due to the goodwill impairment charge in the first quarter 2009 not being tax-deductible.

Noncontrolling interest increased \$4.4 million, or 51.2%, primarily from the consolidation of Perkins' noncontrolling interest beginning January 1, 2009, and \$1.1 million of gains associated with the noncontrolling interest in consolidated investment products. This increase was partially offset by a decline in INTECH earnings associated with lower performance fees earned on separate accounts and lower average assets under management in the relevant investment products.

DISCONTINUED OPERATIONS

During the second quarter 2008, JCG disposed of its Printing and Fulfillment operations for \$14.5 million.

LIQUIDITY AND CAPITAL RESOURCES

Cash Flows

A summary of cash flow data from continuing operations for the years ended December 31 is as follows (*in millions*):

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Cash flows provided by (used for):			
Operating activities	\$ 246.6	\$ 176.5	\$ 238.2
Investing activities	(148.0)	(9.6)	(148.8)
Financing activities	(50.1)	(124.8)	(287.5)
Net increase (decrease) in cash and cash equivalents	48.5	42.1	(198.1)
Balance at beginning of year	324.7	282.6	480.7
Balance at end of year	<u>\$ 373.2</u>	<u>\$ 324.7</u>	<u>\$ 282.6</u>

2010 Cash Flows

On an annual basis, JCG's cash flow from operations historically has been positive and sufficient to fund ordinary operations and capital requirements. Fluctuations in operating cash flows are attributable to changes in net income and working capital items, which can vary from period to period based on the amount and timing of cash receipts and payments. The increase in cash flow from operations from the prior year was driven by higher revenues as a result of the increase in average assets under management.

Cash used for investing activities in 2010 primarily represents \$137.8 million for the net purchase of investments, including an aggregate total of \$92.8 million of U.S. Treasury notes purchased in the second quarter 2010 which mature in August 2011. Other purchases and sales of investments are related to seed capital as well as the economic hedging and the vesting of mutual fund share awards.

Cash used for financing activities in 2010 primarily represents \$31.4 million for the purchase of an additional 3% interest in INTECH combined with \$12.5 million of distributions to noncontrolling interests and \$7.4 million of dividends paid to stockholders.

2009 Cash Flows

Operating cash flows in 2009 decreased \$61.7 million to \$176.5 million due to lower revenues as a result of the decline in average assets under management.

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Cash used for investing activities in 2009 primarily represents \$9.0 million for the purchase of property and equipment.

Cash used for financing activities in 2009 primarily represents the repurchase of \$443.3 million and the repayment of \$22.0 million of long-term debt, partially offset by the issuance of \$218.1 million and \$170.0 million of common stock and convertible debt, respectively. Cash used for financing activities in 2009 also includes acquisitions of noncontrolling interests of \$28.5 million and \$6.5 million of dividends paid to stockholders.

2008 Cash Flows

Operating cash flows in 2008 decreased \$52.6 million to \$238.2 million due to lower revenues in the second half of 2008 as a result of the deterioration in global market conditions.

Net cash used for investing activities in 2008 primarily represents \$67.7 million for the purchase of an additional 3% interest in INTECH and \$90.0 million for an additional 50% interest in Perkins.

Cash used for financing activities in 2008 primarily represents stock buybacks of \$291.7 million.

Common Stock and Convertible Senior Notes Offerings, and Tender Offer for Certain Outstanding Senior Notes

In July 2009, JCG completed concurrent common stock and convertible senior notes offerings. Proceeds, net of issuance costs from the common stock and convertible senior notes offerings, totaled approximately \$218.1 million and \$164.3 million, respectively. On August 13, 2009, the combined proceeds of the common stock and convertible senior notes offerings, together with available cash, were used to repurchase \$443.3 million aggregate principal amount of the Company's outstanding 2011, 2012 and 2017 senior notes in a tender offer. JCG recognized a \$5.8 million net gain on early extinguishment of debt related to the tender of these notes.

Money Market Funds Advised by Janus

Janus advises Money Funds that seek to provide capital preservation and liquidity, with current income as a secondary objective. JCG attempts to limit the Money Funds' exposure to losses by investing in high-quality securities with short-term durations that present minimal credit risk. Adverse events or circumstances related to individual securities or the market in which the securities trade may cause other-than-temporary declines in value. JCG continuously evaluates the securities held by the Money Funds to determine if any holdings are distressed or may become distressed in the near future. In such circumstances, JCG would consider whether taking any action, including, but not limited to, a potential election by JCG to provide support to the Money Funds that could result in additional impairments and financial losses, would be appropriate. Under certain situations, JCG may elect to support one or more of the Money Funds to enable them to maintain a net asset value equal to one dollar through a variety of means, including but not limited to, purchasing securities held by the Money Funds, reimbursing for any losses incurred or providing a letter of credit. However, JCG is not contractually or legally obligated to provide support to the Money Funds. As a result of JCG's exiting its institutional money market business in early 2009, JCG's money market assets have declined to \$1.5 billion at December 31, 2010.

JCG's decision whether to provide support to the Money Funds is based on the facts and circumstances at the time a holding in the Money Funds becomes or is expected to become distressed. A holding is considered distressed when there is significant doubt regarding the issuer's ability to pay required amounts when due, often resulting in a decline in the securities' credit ratings. If a security falls below the minimum rating required by investment restrictions, the Money Funds must dispose of the investment unless the Money Funds' Board of Trustees determines that such disposition is not in the

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best interests of the Money Funds. In determining whether to take any action in response to a distressed condition or a downgrade affecting securities held by the Money Funds, JCG considers many factors, which may include the potential financial and reputational impact to the Money Funds and JCG, the regulatory and operational restrictions, the size of a holding, a security's expected time to maturity and likelihood of payment at maturity, general market conditions, discussions with the Money Funds' Board of Trustees and JCG's Board of Directors, and JCG's liquidity and financial condition. No single factor is determinative and there is no predetermined threshold with respect to each factor that would lead JCG to consider providing support to the Money Funds.

Short-Term Liquidity and Capital Requirements

The Company has cash and investment securities of \$669.3 million at December 31, 2010. JCG believes that existing cash and cash from operations should be sufficient to satisfy its short-term capital requirements. Expected short-term uses of cash include ordinary operations, capital expenditures, income tax payments and interest and principal payments on outstanding debt.

Common Stock Repurchase Program

JCG's Board of Directors authorized five separate \$500 million share repurchase programs beginning in July 2004 with the most recent authorization in July 2008. There were no share repurchases for the 12 months ended December 31, 2010 or 2009. As of December 31, 2010, \$521.2 million is available under the current authorizations.

Long-Term Liquidity and Capital Requirements

Expected long-term commitments at December 31, 2010, include the following (*in millions*):

	<u>Current</u>	<u>2 to 3 Years</u>	<u>4 to 5 Years</u>	<u>After 5 Years</u>
Debt	\$ 213.1	\$ —	\$ 252.4	\$ 368.6
Interest payments	41.7	70.5	57.4	37.0
Debt extinguishment costs	9.6	—	—	—
Capital leases	1.2	0.6	0.3	—
Operating leases	16.3	29.0	23.6	44.7
Total	<u>\$ 281.9</u>	<u>\$ 100.1</u>	<u>\$ 333.7</u>	<u>\$ 450.3</u>

The information presented above does not include operating related liabilities or capital expenditures that will be committed to in the normal course of business. JCG expects to fund its long-term commitments over the next three years from existing cash and cash generated from normal operations. For commitments beyond three years, JCG anticipates using cash generated from normal operations, refinancing debt or accessing capital and credit markets as necessary.

Operating lease obligations are presented net of estimated sublease income of \$3.0 million.

Debt extinguishment costs represent JCG's net loss on the early extinguishment of debt associated with the 6.250% Senior Notes and are presented net of \$0.3 million of previously capitalized debt issue costs.

INTECH Noncontrolling Interests

On February 19, 2010, pursuant to contractual obligations, JCG acquired an additional interest in INTECH for \$31.4 million, reducing the two founders' aggregate ownership interest to approximately 2% of INTECH. Each founder is entitled to retain his remaining INTECH shares outstanding until his death unless he is terminated for cause or leaves voluntarily while not in good standing. An INTECH

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founder will be considered to be in good standing if he voluntarily leaves after providing 12 months' prior notice and cooperates with the transition. Each of the two INTECH founding members has the option to require JCG to purchase from him his remaining ownership interest of INTECH at fair value. Total INTECH interests held by the two founders have an estimated value of approximately \$16.0 million as of December 31, 2010.

Ownership interests held by other INTECH employees subject to put rights have an estimated value of approximately \$3.1 million as of December 31, 2010.

Perkins Noncontrolling Interests

On December 31, 2008 ("closing"), JCG increased its ownership of Perkins to approximately 80% with the purchase of an additional 50% ownership interest for \$90.0 million in cash. Upon closing the transaction, Perkins granted senior profit interest awards designed to retain and incentivize key employees to grow the business. These awards vest on the fifth anniversary of grant and are generally entitled to a total of 5% of Perkins' annual taxable income. In addition, these awards have a formula-driven terminal value based on revenue growth and relative investment performance of products managed by Perkins. JCG can call and terminate any or all of the awards on the fifth, seventh or each subsequent anniversary of grant or prior to the fifth anniversary of grant if the formula yields a terminal value of \$40.0 million. Participants can require JCG to terminate the awards in exchange for the then-applicable formula price on the sixth anniversary of grant. The senior profit interest awards are also subject to termination at premiums or discounts to the formula at the option of JCG or the relevant employee, as applicable, upon certain corporate or employment-related events affecting Perkins or the relevant employee.

During the first quarter 2009, the issuance of Perkins LLC Interests that vest ratably over four years to its chief executive officer resulted in a decrease of JCG's ownership in Perkins by 2.2%.

JCG also has the option to acquire the majority of the remaining 22.2% interest of Perkins at fair value on the third, fifth, seventh or each subsequent anniversary of the closing. The noncontrolling owners of Perkins have the option to require JCG to purchase any or all of their remaining interests on the fourth or sixth anniversary of closing at fair value. The total Perkins noncontrolling interest subject to put rights has an estimated fair value of approximately \$63.0 million as of December 31, 2010, based on a contractual formula driven by revenue and investment performance of products managed by Perkins. The formula is intended to represent fair value.

Other Sources of Liquidity

Shelf Registration

The Company has an effective Shelf Registration Statement with the SEC that allows it to register the sale of an indeterminate amount of preferred stock and additional common stock and debt securities.

Long-Term Incentive Stock Plans

On May 10, 2005, JCG shareholders approved the 2005 Long-Term Incentive Stock Plan ("2005 Plan"), which allowed the Board of Directors to grant up to 15.0 million shares of equity-based awards, including stock options and restricted stock. The 2010 annual grant in February utilized the majority of the remaining shares under the 2005 Plan. On April 29, 2010 JCG shareholders approved the 2010 Long-Term Incentive Stock Plan ("2010 Plan"), which allows JCG to grant up to 4.4 million shares of equity-based awards, including stock options and restricted stock. Subsequent to the 2011 annual grant in February, approximately 2.6 million shares of equity-based awards are available to be granted under the 2010 Plan.

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Credit Facility

On October 4, 2010, JCG entered into a 364-day \$100 million, unsecured, revolving credit facility (the "new Credit Facility") with JPMorgan Chase Bank, N.A., as administrative agent and swingline lender. Concurrently with entering into the new Credit Facility, JCG terminated its \$125 million secured revolving credit facility. Under the new Credit Facility, the financing leverage ratio cannot exceed 4.00 and the interest coverage ratio must equal or exceed 3.50. In addition, long-term assets under management must exceed \$100.0 billion. At December 31, 2010, JCG was in compliance with all covenants and there were no borrowings under the new Credit Facility.

The covenants and the calculations of the ratios, as defined in the new Credit Facility, are as follows (*in millions*):

	Last Four Quarters Ended December 31, 2010
Net income attributable to JCG	\$ 159.9
Add back:	
Interest expense	63.2
Income tax provision	76.4
Depreciation and amortization	39.1
Noncash amortization of long-term incentive compensation	83.1
Unrealized gains or losses on investments	(4.1)
Other nonrecurring cash charges	9.8
Noncash gain on sale of SIV securities	(5.8)
Cash paid for deferred commissions and mutual fund share awards	(52.5)
Adjusted net income	<u>\$ 369.1</u>
Debt (including capital leases and letters of credit)	<u>\$ 801.1</u>
Leverage Ratio (Debt divided by adjusted net income)	<u>2.17</u>
Cannot exceed 4.00	
Interest Coverage Ratio	
(Adjusted net income divided by last four quarters interest expense)	<u>5.8</u>
Must equal or exceed 3.50	
Minimum long-term assets under management	
Ending long-term assets under management (in billions)	<u>\$ 168.0</u>
Must exceed \$100.0 billion	

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

JCG's consolidated financial statements and accompanying notes have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting periods.

JCG continually evaluates the accounting policies and estimates used to prepare the consolidated financial statements. In general, management's estimates are based on historical experience,

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information from third-party professionals and various other assumptions that are believed to be reasonable under current facts and circumstances. Actual results could differ from those estimates made by management. JCG's critical accounting policies and estimates include income taxes, goodwill and intangible assets, investment securities and equity compensation.

Accounting for Goodwill and Intangible Assets

Goodwill and intangible assets comprise \$1.8 billion, or 65%, of total assets at December 31, 2010. Goodwill and intangible assets require significant management estimates and judgment, including the valuation and expected life determination in connection with the initial purchase price allocation and the ongoing evaluation for impairment. JCG separately tests goodwill and indefinite-lived intangible assets for impairment annually or more frequently if events or changes in circumstances indicate that the asset may be impaired.

In connection with the purchase price allocation of acquisitions in which a majority interest is obtained, JCG will rely on in-house financial expertise or utilize a third-party expert, if considered necessary. Valuations generally rely on management's estimates and judgments as to growth rates and operating margins over a range of possible assumptions for various products, distribution channels and business strategies.

Goodwill represents the excess of cost over the fair value of the identifiable net assets of acquired companies and is not amortized. Goodwill is tested for impairment by comparing the fair value of the "reporting unit" associated with the goodwill to the reporting unit's recorded value. If the fair value of the reporting unit is less than its recorded value, a process similar to a purchase price allocation is undertaken to determine the amount, if any, of the goodwill impairment. All assets, including previously unrecognized intangible assets and liabilities are fair-valued and any unallocated value is assigned to goodwill. Because the allocation of fair value includes intangible assets not previously recognized, the amount of the goodwill impairment charge may significantly exceed the difference between the fair value of the reporting unit and its recorded value. For purposes of testing goodwill for impairment, JCG has identified one reporting unit.

Indefinite-lived intangible assets primarily represent mutual fund advisory contracts, brand name and trademark. The assignment of indefinite lives to mutual fund advisory contracts, brand name and trademark is based on the assumption that they are expected to generate cash flows indefinitely. Indefinite-lived intangible assets are tested for impairment by comparing the fair value of the asset to its recorded value.

To complete the tests for potential impairment of goodwill and indefinite-lived intangible assets, JCG uses a discounted cash flow analysis that requires assumptions regarding projected future earnings and discount rates. In projecting future earnings, JCG considers the following: equity market performance, performance compared to peers, significant changes in the underlying business and products, material and ongoing negative industry or economic trends, and/or other factors that may influence future earnings. Changes in the assumptions underlying the discounted cash flow analysis could materially affect JCG's impairment conclusion. Due to the significance of the identified indefinite-lived goodwill and intangible assets to JCG's consolidated balance sheet, any impairment charge could have a material adverse effect on the Company's consolidated financial condition and results of operations.

Definite-lived intangible assets represent client relationships, which are amortized over their estimated lives of seven to 25 years using the straight-line method. Definite-lived intangible assets are tested only when there are indications of impairment. To complete the tests for potential impairment of definite-lived intangible assets, JCG uses a two-step process. The first step compares the fair value of the asset, based on undiscounted cash flows, to the recorded value of the asset. If the recorded value of the asset exceeds the fair value, a second step must be performed. The second step compares the fair value of the asset, based on discounted cash flows, to the carrying value of the asset.

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JCG recognized impairment charges of \$109.7 million and \$747.0 million on mutual fund advisory contracts and goodwill, respectively, in the first quarter 2009. The partially impaired assets were originally recognized in 2001 in connection with the contractual obligation to buy out Janus Capital Management LLC's founder. The October 2010 and 2009 tests of indefinite-lived goodwill and intangible assets indicated that estimated fair values exceeded their respective book values, and no additional impairment charges have been recognized.

Accounting for Income Taxes

Significant management judgment is required in developing JCG's provision for income taxes, including the valuation allowances that might be required against deferred tax assets and the evaluation of various income tax contingencies.

Valuation Allowance

JCG has not recorded a valuation allowance on its deferred tax assets as of December 31, 2010, based on management's belief that future income will more likely than not be sufficient to realize the benefit of the Company's deferred tax assets over time. In the event that actual results differ from these estimates, or if JCG's historical trend of positive income changes, JCG may be required to record a valuation allowance on deferred tax assets, which could have a material adverse effect on the Company's consolidated financial condition and results of operations.

Income Tax Contingencies

At December 31, 2010, JCG had an accrued liability of \$14.2 million related to tax contingencies for issues which may be raised by various taxing authorities. JCG decreased its income tax contingency reserves in 2010 by \$24.4 million as a result of the expiration of statutes of limitations, creating a net tax benefit of \$15.7 million. At any one time, tax returns filed in previous years are subject to audit by various taxing authorities. As a result of these audits and negotiations, additional tax assessments may be proposed or tax contingencies recorded in prior years may be reversed.

Valuation of Investment Securities

JCG records investment securities classified as trading and available-for-sale at fair value and investment securities classified as held-to-maturity at amortized cost. Fair value is generally determined using observable market data based on recent trading activity. Where observable market data is unavailable due to a lack of trading activity, JCG uses internally developed models to estimate fair value and independent third parties to validate assumptions, when appropriate. Estimating fair value requires significant management judgment, including benchmarking to similar instruments with observable market data and applying appropriate discounts that reflect differences between the securities that JCG is valuing and the selected benchmark. Depending on the type of securities owned by JCG, other valuation methodologies may be required. Any variation in the assumptions used to approximate fair value could have a material adverse effect on the Company's consolidated financial condition and results of operations.

JCG periodically evaluates the carrying value of available-for-sale and held-to-maturity investment securities for potential impairment. In determining if an impairment exists, JCG considers the duration, extent and circumstances of any decline in fair value. If the decline in value is determined to be other-than-temporary, the carrying value of the security is written down to fair value with the loss recognized currently in earnings. No impairment charges were recognized during the years ended December 31, 2010 or 2008. Other-than-temporary impairment charges of \$5.2 million were recognized on available-for-sale securities during the year ended December 31, 2009.

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Equity Compensation

JCG uses the Black-Scholes option pricing model to estimate the fair value of stock options for recording compensation expense. The Black-Scholes model requires management to estimate certain variables, including the lives of options from grant date to exercise date, the volatility of the underlying shares and future dividend rates. The two most significant estimates in the Black-Scholes model are volatility and expected life. An increase in the volatility rate increases the value of stock options and a decrease causes a decline in value. JCG estimated expected volatility using an average of JCG's historical volatility and industry and market averages, as appropriate. For expected lives, an increase in the expected life of an option increases its value. JCG factored in employee termination rates combined with vesting periods to determine the average expected life used in the model.

JCG records equity compensation net of estimated forfeitures over the vesting term. Determining the forfeiture estimate requires significant judgment about the number of actual awards that will ultimately vest over the term of the award. The estimate is reviewed quarterly and any change in actual forfeitures in comparison to estimates may cause an increase or decrease in the ultimate expense recognized in that period and future periods.

Recent Accounting Pronouncements

Information regarding accounting pronouncements that have been issued but not yet adopted by the Company is incorporated by reference from Part II, Item 8, Financial Statements and Supplemental Data, Note 3 — Recent Accounting Pronouncements, of this Annual Report on Form 10-K.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The following information, together with information included in other parts of this Management's Discussion and Analysis of Financial Condition and Results of Operations, describes the key aspects of certain financial instruments that have market risk to JCG.

Investment Management Fees

Revenues are generally based upon a percentage of the market value of assets under management and are calculated as a percentage of the daily average asset balance in accordance with contractual agreements with the Company's investment products or clients. Accordingly, fluctuations in the financial markets have a direct effect on JCG's operating results. In addition, fluctuations in interest rates may affect the value of assets under management in the money market and other fixed income investment products. The graph in Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations — Revenues, presents the historical direct relationship between revenue and average assets under management.

Performance Fees

Performance fee revenue is derived from certain Janus and INTECH private accounts and from certain Janus, INTECH and Perkins mutual funds. JCG recognized performance fees of \$32.6 million, \$28.9 million and \$27.6 million in 2010, 2009 and 2008, respectively.

Private account performance fees are specified in client contracts and are based on investment performance as compared to an established benchmark index over a specified period of time. Performance fees are recognized at the end of the contractual period if the stated performance criteria are achieved. At December 31, 2010, \$7.2 billion of assets under management were subject to private account performance fees.

Mutual fund performance fees began in the first quarter 2007. The investment management fee paid by each fund is the base management fee plus or minus a performance fee adjustment as determined by

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the relative investment performance of each fund compared to a specified benchmark index. The performance fee adjustment is up to 15 basis points, calculated using each fund's daily net average assets over the performance period. The measurement period begins as a trailing 12-month period and each subsequent month will be added to each successive measurement period until a 36-month period is achieved. At that point, the measurement period will become a rolling 36-month period. At December 31, 2010, \$29.5 billion of assets under management were subject to mutual fund performance fees. As approved by mutual fund shareholders in 2010, additional mutual funds representing \$43.2 billion, or approximately 25% of assets under management as of December 31, 2010, will become subject to performance fees over the next 12 months, with the first fee adjustment for the impacted funds calculated in the second quarter 2011. As a result, JCG's revenues will be subjected to increased volatility.

Trading Securities

At December 31, 2010, trading securities totaled \$190.1 million, representing \$26.0 million of securities held in separately managed accounts, \$76.1 million of securities held in the portfolios of funds advised by the Company and \$88.0 million of investments related to mutual fund share awards.

Trading securities are carried on JCG's Consolidated Balance Sheets at fair value, with changes in value recognized in investment gains (losses), net on the Consolidated Statements of Income. JCG recognized net gains (losses) of \$7.1 million, \$10.6 million and \$(41.1) million in earnings on securities classified as trading for the years ended December 31, 2010, 2009 and 2008, respectively.

JCG implemented an economic hedge strategy in December 2008 covering the majority of trading securities related to initial cash investments in seeded products. The hedge strategy is designed to mitigate a portion of the net income volatility created by the mark-to-market accounting of these capital investments. The strategy utilizes futures contracts on various market indices to minimize volatility in earnings. These instruments are settled daily, with settlement amounts recognized in investment gains (losses), net on the Consolidated Statements of Income. JCG recognized losses of \$5.1 million, \$9.8 million and \$1.8 million on hedged seed capital investments for the years ended December 31, 2010, 2009 and 2008, respectively.

Available-for-Sale Securities

At December 31, 2010, available-for-sale securities totaled \$12.9 million, representing investments in advised funds. Investments in advised funds are carried on JCG's Consolidated Balance Sheets at fair value, with changes in value recognized as gains and losses in other comprehensive income (loss) on the Consolidated Statements of Changes in Stockholders' Equity. Accumulated gains and losses are reclassified to earnings when the securities are sold. JCG periodically reviews the carrying value of investments in advised funds for impairment by evaluating the nature, duration and extent of any decline in fair value. If the decline is determined to be other-than-temporary, the carrying value of the security is written down to fair value through earnings. No impairment charges were recognized during the years ended December 31, 2010 or 2008. Other-than-temporary impairment charges of \$5.2 million were recognized during the year ended December 31, 2009. JCG recognized impairment charges relating to JCG's SIV securities of \$21.0 million during the year ended December 31, 2008.

Held-to-Maturity Securities

At December 31, 2010, held-to-maturity securities totaled \$93.1 million, primarily representing U.S. Treasury notes purchased in the second quarter 2010 which mature in August 2011. Held-to-maturity securities are carried on JCG's Consolidated Balance Sheets at amortized cost, with corresponding interest income reflected as other income, net on JCG's Consolidated Statements of Income.

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Perkins Senior Profit Interest Awards

On December 31, 2008, Perkins granted senior profit interest awards designed to retain and incentivize key employees to grow the business. These awards vest on the fifth anniversary of grant and are generally entitled to a total of 5% of Perkins' annual taxable income. In addition, these awards have a formula-driven terminal value based on revenue growth and relative investment performance of products managed by Perkins. Long-term incentive compensation expense related to the Perkins senior profit interest awards is subject to market risk volatility, both currently and in the future, due to the revenue growth and investment performance components of the terminal value calculation. Long-term incentive compensation expense related to the Perkins senior profit interest awards totaled \$17.8 million and \$2.3 million for the years ended December 31, 2010 and 2009, respectively.

Mutual Fund Share Awards

During 2010, 2009 and 2008, JCG granted \$43.2 million, \$36.6 million and \$33.9 million, respectively, in awards that are indexed to certain mutual funds managed by the Company. Upon vesting, participants receive the value of the award adjusted for earnings or losses attributable to the mutual funds to which the award was indexed, subject to tax withholding. Mark-to-market adjustments on mutual fund share awards create volatility within long-term incentive compensation expense on JCG's Consolidated Statements of Income. The level of volatility will depend upon the amount of mutual fund share awards and the market/investment performance of products to which the awards are indexed.

Foreign Currency Exchange Sensitivity

JCG has international subsidiaries that conduct business within other foreign countries. With respect to these operations, matters arise as to financial accounting and reporting for foreign currency transactions and for translating foreign currency financial statements into U.S. dollars. The exposure to foreign currency fluctuations is not material as the majority of the revenue earned and associated expenses incurred by international subsidiaries are denominated in U.S. dollars.

Interest Rate Risk on Long-Term Debt

JCG is not exposed to interest rate risk other than from the potential change in interest rates on the Company's debt in the event of a change in credit ratings by Moody's or S&P. All of JCG's senior notes, excluding the convertible senior notes, are subject to an interest rate adjustment covenant that provides that the interest rate payable will increase by 25 basis points for each level that the Company's debt rating is decreased by Moody's from Baa3 or by S&P from BBB-, up to a maximum increase of 200 basis points. If at any time after the interest has been adjusted upward either Moody's or S&P increases its rating, then for each level of such increase in the rating, the interest payable will be decreased by 25 basis points, but in no event to a rate less than the interest rate payable on the date of their issuance. For each 25 basis point increase or decrease, JCG's interest expense will increase or decrease by approximately \$1.3 million on an annualized basis. The interest rate adjustment covenant will permanently terminate if the Company's debt ratings increase to Baa2 (or higher) by Moody's and BBB (or higher) by S&P, with a stable or positive outlook regardless of any subsequent decrease in the ratings by either or both rating agencies. On February 23, 2009, S&P lowered JCG's credit rating to BB+, which resulted in a 25 basis point increase in the interest rates payable on all of JCG's senior notes, excluding its convertible senior notes. S&P subsequently increased JCG's credit rating to BBB- on January 10, 2011, resulting in a 25 basis point decrease in the interest rates payable on all of JCG's senior notes, excluding the convertible senior notes.

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ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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Financial Statement Schedules:

All schedules are omitted because they are not applicable or are insignificant, or the required information is shown in the consolidated financial statements or notes thereto.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Janus Capital Group Inc.

We have audited the accompanying consolidated balance sheets of Janus Capital Group Inc. and subsidiaries (the "Company") as of December 31, 2010 and 2009, and the related consolidated statements of income, stockholders' equity and cash flows for each of the three years in the period ended December 31, 2010. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2010 and 2009, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2010, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company's internal control over financial reporting as of December 31, 2010, based on the criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated February 24, 2011, expressed an unqualified opinion on the Company's internal control over financial reporting.

/s/ Deloitte & Touche LLP

Denver, CO
February 24, 2011

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Janus Capital Group Inc.

We have audited the internal control over financial reporting of Janus Capital Group Inc. and subsidiaries (the "Company") as of December 31, 2010, based on criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed by, or under the supervision of, the company's principal executive and principal financial officers, or persons performing similar functions, and effected by the company's board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2010, based on the criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the accompanying consolidated financial statements as of and for the year ended December 31, 2010, of the Company, and our report dated February 24, 2011, expressed an unqualified opinion on those financial statements.

/s/ Deloitte & Touche LLP

Denver, CO
February 24, 2011

MANAGEMENT REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Janus Capital Group Inc. ("JCG") management is responsible for establishing and maintaining adequate internal control over JCG's financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. JCG's internal control system was designed to provide reasonable assurance to JCG's management and board of directors regarding the preparation and fair presentation of published financial statements. There are inherent limitations in the effectiveness of any internal control, including the possibility of human error and the circumvention or overriding of controls. Accordingly, even effective internal controls can provide only reasonable assurances with respect to financial statement preparation. Further, because of changes in conditions, the effectiveness of internal controls may vary over time.

JCG has assessed the effectiveness of JCG's internal controls over financial reporting as of December 31, 2010. In making this assessment, JCG used the criteria set forth in the Committee of Sponsoring Organizations of the Treadway Commission in *Internal Control — Integrated Framework*.

Based on the assessment using those criteria, JCG believes that as of December 31, 2010, internal control over financial reporting is effective.

JCG's independent registered public accounting firm audited the financial statements included in the Annual Report on Form 10-K and has issued an audit report on management's assessment of JCG's internal control over financial reporting. This report appears on page 35 of this Annual Report on Form 10-K.

February 24, 2011

JANUS CAPITAL GROUP INC.

CONSOLIDATED BALANCE SHEETS
(Dollars in Millions, Except Share Data)

	December 31,	
	2010	2009
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 373.2	\$ 324.7
Investment securities	296.1	168.9
Accounts receivable	167.0	122.3
Income taxes receivable	10.9	4.5
Other current assets	46.1	47.4
Total current assets	893.3	667.8
Other assets:		
Property and equipment, net	44.1	48.4
Intangibles, net	1,273.6	1,285.4
Goodwill	488.2	488.2
Other assets	27.6	40.5
Total assets	<u>\$ 2,726.8</u>	<u>\$ 2,530.3</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 5.8	\$ 8.4
Accrued compensation and benefits	116.0	98.2
Current portion of long-term debt	213.1	—
Other accrued liabilities	85.9	80.5
Total current liabilities	420.8	187.1
Other liabilities:		
Long-term debt	586.7	792.0
Deferred income taxes	410.3	390.1
Other liabilities	43.0	48.4
Total liabilities	<u>1,460.8</u>	<u>1,417.6</u>
Commitments and contingencies		
Redeemable noncontrolling interests	82.8	101.1
STOCKHOLDERS' EQUITY		
Preferred stock (\$1.00 par, 10,000,000 shares authorized, none issued)	—	—
Common stock (\$.01 par, 1,000,000,000 shares authorized; 265,500,708 and 265,500,708 shares issued, respectively; 184,100,855 and 182,024,431 shares outstanding, respectively)	1.8	1.8
Retained earnings	1,168.1	998.3
Accumulated other comprehensive income	1.6	1.0
Total JCG stockholders' equity	1,171.5	1,001.1
Noncontrolling interests	11.7	10.5
Total stockholders' equity	1,183.2	1,011.6
Total liabilities and stockholders' equity	<u>\$ 2,726.8</u>	<u>\$ 2,530.3</u>

The accompanying notes are an integral part of these consolidated financial statements.

JANUS CAPITAL GROUP INC.

CONSOLIDATED STATEMENTS OF INCOME
(Dollars in Millions, Except Per Share Data)

	For the year ended December 31,		
	2010	2009	2008
Revenues:			
Investment management fees	\$ 834.6	\$ 684.0	\$ 826.7
Performance fees	32.6	28.9	27.6
Shareowner servicing fees and other	148.5	135.8	183.6
Total	<u>1,015.7</u>	<u>848.7</u>	<u>1,037.9</u>
Operating expenses:			
Employee compensation and benefits	314.5	296.6	317.9
Long-term incentive compensation	83.1	61.0	43.5
Marketing and advertising	35.8	27.8	33.1
Distribution	140.1	107.6	134.9
Depreciation and amortization	39.1	35.9	40.2
General, administrative and occupancy	121.5	140.6	135.2
Goodwill and intangible asset impairments	—	856.7	—
Total	<u>734.1</u>	<u>1,526.2</u>	<u>704.8</u>
Operating income (loss)	281.6	(677.5)	333.1
Interest expense	(63.2)	(74.0)	(75.5)
Investment gains (losses), net	24.7	(5.6)	(60.4)
Other income, net	1.9	0.9	9.6
Gain on early extinguishment of debt	—	5.8	—
Income (loss) before taxes and equity earnings	245.0	(750.4)	206.8
Income tax provision	(76.4)	6.3	(68.8)
Equity in earnings of unconsolidated affiliate	—	—	9.0
Income (loss) from continuing operations	168.6	(744.1)	147.0
Loss from discontinued operations	—	—	(1.5)
Net income (loss)	168.6	(744.1)	145.5
Noncontrolling interests	(8.7)	(13.0)	(8.6)
Net income (loss) attributable to JCG	\$ 159.9	\$ (757.1)	\$ 136.9
Basic earnings (loss) per share			
attributable to JCG common shareholders:			
Income (loss) from continuing operations	\$ 0.89	\$ (4.55)	\$ 0.87
Loss from discontinued operations	—	—	(0.01)
Net income (loss)	<u>\$ 0.89</u>	<u>\$ (4.55)</u>	<u>\$ 0.86</u>
Diluted earnings (loss) per share			
attributable to JCG common shareholders:			
Income (loss) from continuing operations	\$ 0.88	\$ (4.55)	\$ 0.86
Loss from discontinued operations	—	—	(0.01)
Net income (loss)	<u>\$ 0.88</u>	<u>\$ (4.55)</u>	<u>\$ 0.85</u>
Amounts attributable to JCG common shareholders:			
Income (loss) from continuing operations	\$ 159.9	\$ (757.1)	\$ 138.4
Loss from discontinued operations	—	—	(1.5)
Net income (loss)	<u>\$ 159.9</u>	<u>\$ (757.1)</u>	<u>\$ 136.9</u>

The accompanying notes are an integral part of these consolidated financial statements.

JANUS CAPITAL GROUP INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(Dollars in Millions)

	For the year ended December 31,		
	2010	2009	2008
CASH FLOWS PROVIDED BY (USED FOR):			
Continuing Operations			
Operating Activities:			
Net income (loss)	\$ 168.6	\$ (744.1)	\$ 147.0
Adjustments to net income:			
Depreciation and amortization	39.1	35.9	40.2
Deferred income taxes	29.1	(11.9)	(29.0)
Amortization of stock-based compensation	56.0	41.0	31.1
Investment (gains) losses, net	(24.7)	5.6	60.4
Goodwill and intangible asset impairments	—	856.7	—
Gain on early extinguishment of debt	—	(5.8)	—
Amortization of debt discounts and deferred issuance costs	12.1	6.9	0.3
Payment of deferred commissions, net	(8.3)	(8.0)	(0.7)
Other, net	1.1	0.6	5.3
Changes in working capital items:			
Accounts receivable	(12.4)	(21.2)	66.3
Other current assets	(13.7)	3.7	(4.7)
Accounts payable and accrued compensation payable	13.3	15.1	(49.0)
Other liabilities	(13.6)	2.0	(29.0)
Net operating	<u>246.6</u>	<u>176.5</u>	<u>238.2</u>
Investing Activities:			
Purchase of property and equipment	(10.2)	(9.0)	(20.1)
Acquisitions	—	(1.3)	(161.4)
Distribution of cash from discontinued operations	—	—	13.5
Purchase of investment securities	(219.0)	(57.4)	(72.3)
Proceeds from sales and maturities of investment securities	81.2	58.1	91.5
Net investing	<u>(148.0)</u>	<u>(9.6)</u>	<u>(148.8)</u>
Financing Activities:			
Proceeds from issuance of long-term debt	—	170.0	—
Debt issuance costs	(0.7)	(8.5)	—
Repayment of long-term debt	—	(456.0)	—
Issuance of common stock	—	218.1	—
Purchase of noncontrolling interests	(36.4)	(28.5)	—
Proceeds from stock plans	4.4	1.2	21.6
Excess tax benefit from equity-based compensation	3.5	0.4	4.4
Repurchase of common stock	—	—	(291.7)
Distributions to noncontrolling interests	(12.5)	(14.4)	(15.3)
Principal payments under capital lease obligations	(1.0)	(0.6)	—
Dividends paid to shareholders	(7.4)	(6.5)	(6.5)
Net financing	<u>(50.1)</u>	<u>(124.8)</u>	<u>(287.5)</u>
Cash and Cash Equivalents:			
Net increase (decrease)	48.5	42.1	(198.1)
At beginning of period	324.7	282.6	480.7
At end of period	<u>\$ 373.2</u>	<u>\$ 324.7</u>	<u>\$ 282.6</u>
Discontinued Operations			
Operating activities	\$ (0.4)	\$ —	\$ (6.7)
Investing activities	—	—	2.8
Cash and Cash Equivalents:			
Net decrease	(0.4)	—	(3.9)
At beginning of period	0.4	0.4	4.3
At end of period	<u>\$ —</u>	<u>\$ 0.4</u>	<u>\$ 0.4</u>
Supplemental Cash Flow Information:			
Cash paid for interest	\$ 49.8	\$ 66.9	\$ 71.8
Cash paid for income taxes	\$ 80.3	\$ 0.7	\$ 99.9

The accompanying notes are an integral part of these consolidated financial statements.

JANUS CAPITAL GROUP INC.

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(Amounts in Millions, Except Per Share Data)

	Shares	Common Stock	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Nonredeemable Noncontrolling Interests in Subsidiary	Total Stockholders' Equity
Balance at December 31, 2007	166.3	\$ 1.7	\$ 1,480.3	\$ 4.8	\$ 7.1	\$ 1,493.9
Net income attributable to JCG			136.9		2.4	139.3
Net unrealized loss on available-for-sale securities				(3.8)		(3.8)
Amortization of net loss on cash flow hedge				0.5		0.5
Reclassification for gains included in net income				(0.9)		(0.9)
Foreign currency translation adjustment				(5.9)		(5.9)
<i>Comprehensive income</i>						129.2
Amortization of stock-based compensation			29.3		2.1	31.4
Issuance and forfeitures of restricted stock awards	1.6					—
Tax impact of stock-based compensation			3.4			3.4
Stock option exercises and employee stock purchases	1.1		21.6			21.6
Repurchase of common stock	(11.1)	(0.1)	(291.6)			(291.7)
Distributions to noncontrolling interests					(2.5)	(2.5)
Purchase of noncontrolling interests					(0.3)	(0.3)
Noncontrolling interest in consolidated investment products					1.1	1.1
Change in value of redeemable noncontrolling interest			137.2			137.2
Common stock dividends (\$0.04 per share)			(6.5)			(6.5)
Balance at December 31, 2008	157.9	1.6	1,510.6	(5.3)	9.9	1,516.8
Net loss attributable to JCG			(757.1)		3.0	(754.1)
Net unrealized gain on available-for-sale securities				2.4		2.4
Amortization of net loss on cash flow hedge				1.2		1.2
Reclassification for net gains included in net income				(0.4)		(0.4)
Impairment of available-for-sale securities				3.3		3.3
Foreign currency translation adjustment				(0.2)		(0.2)
<i>Comprehensive income</i>						(747.8)
Common stock issuance	20.9	0.2	217.9			218.1
Convertible debt issuance			26.4			26.4
Amortization of stock-based compensation			34.7		4.0	38.7
Issuance and forfeitures of restricted stock awards	3.2					—
Tax impact of stock-based compensation			(6.1)			(6.1)
Employee stock purchases			1.2			1.2
Noncontrolling interest in consolidated investment products					(0.9)	(0.9)
Purchase of noncontrolling interests					(2.3)	(2.3)
Distributions to noncontrolling interests					(3.2)	(3.2)
Change in value of redeemable noncontrolling interest			(22.8)			(22.8)
Common stock dividends (\$0.04 per share)			(6.5)			(6.5)
Balance at December 31, 2009	182.0	1.8	998.3	1.0	10.5	1,011.6
Net income attributable to JCG			159.9		2.5	162.4
Net unrealized gain on available-for-sale securities				0.7		0.7
Amortization of net loss on cash flow hedge				0.2		0.2
Reclassification for net gains included in net income				(1.4)		(1.4)
Foreign currency translation adjustment				1.1		1.1
<i>Comprehensive income</i>						163.0
Amortization of stock-based compensation			33.4		4.8	38.2
Issuance and forfeitures of restricted stock awards, net	1.4					—
Tax impact of stock-based compensation			(5.1)			(5.1)
Stock option exercises and employee stock purchases	0.7		4.4			4.4
Noncontrolling interests in consolidated investment products					3.3	3.3
Purchase of noncontrolling interests					(5.0)	(5.0)
Distributions to noncontrolling interests					(3.2)	(3.2)
Change in value of redeemable noncontrolling interests			(16.6)			(16.6)
Vesting of Perkins LLC interests			1.2		(1.2)	—
Common stock dividends (\$0.04 per share)			(7.4)			(7.4)
Balance at December 31, 2010	184.1	\$ 1.8	\$ 1,168.1	\$ 1.6	\$ 11.7	\$ 1,183.2

The accompanying notes are an integral part of these consolidated financial statements.

JANUS CAPITAL GROUP INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 — DESCRIPTION OF THE BUSINESS

Janus Capital Group Inc. and its subsidiaries (collectively, "JCG" or the "Company") derive revenue and net income from providing investment management, administration, distribution and related services to individual and institutional investors through mutual funds, separate accounts and subadvised relationships (collectively referred to as "investment products") in both domestic and international markets. Revenues are generally based upon a percentage of the market value of assets under management and are calculated as a percentage of the daily average asset balance in accordance with contractual agreements with the Company's investment products or clients. Certain investment products are also subject to performance fees which vary based on a product's relative performance as compared to a benchmark index and the level of assets subject to such fees. Assets under management primarily consist of domestic and international equity and debt securities. Accordingly, fluctuations in domestic and international financial markets, relative investment performance, sales and redemptions of investment products, and changes in the composition of assets under management are all factors that have a direct effect on JCG's operating results. A significant portion of JCG's revenue is derived from contracts to manage mutual funds, which are subject to annual review and approval by each fund's Board of Trustees and/or its shareholders.

JCG's significant subsidiaries at December 31, 2010, include:

- *Janus Capital Management LLC ("Janus")*, (wholly-owned subsidiary). Janus offers growth and core equity, global and international equity, as well as balanced, fixed income and retail money market investment products.
- *INTECH Investment Management LLC ("INTECH")*, (approximate 95% owned subsidiary). INTECH offers risk-managed investment products that are based on a mathematical theorem that seeks to add value for clients by capitalizing on the volatility in stock price movements. INTECH's goal is to achieve long-term returns that outperform a specified benchmark index, while controlling risks and trading costs. INTECH manages institutional and private accounts and subadvises certain Janus mutual funds.
- *Perkins Investment Management LLC ("Perkins")*, (approximate 78% owned subsidiary). Perkins offers value-disciplined investment products, including small, mid and large cap and global value investment products.

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements include all majority-owned subsidiaries, and all intercompany accounts and transactions have been eliminated in consolidation. Events subsequent to the balance sheet date have been evaluated for inclusion in the accompanying financial statements through the issuance date.

As discussed in Note 13, JCG has corrected its accounting for mutual share awards and related hedging instruments in the fourth quarter 2010.

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation. Specifically, on the Consolidated Statements of Cash Flows, amortization of stock-based compensation now includes the expense related to the Perkins senior profit interest awards. Additionally, the amortization of debt discounts and deferred issuance costs have been combined for financial statement purposes.

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On the Consolidated Balance Sheets, JCG's investments in advised funds related to mutual fund share awards (see Note 13) have been reclassified from other current assets and other assets to investment securities.

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and the differences could be material. JCG's significant estimates relate to income taxes, goodwill and intangible assets, investment securities and equity compensation.

Segment Information

The Company operates one business segment, its Investment Management operations.

Cash and Cash Equivalents

Short-term liquid investments with an initial maturity of generally three months or less when purchased, including investments in money market funds, are considered cash equivalents.

Property and Equipment

Property and equipment is recorded at cost. Depreciation and amortization is recorded using the straight-line method over the estimated useful life of the related assets (or the lease term, if shorter). Depreciation and amortization expense totaled \$15.0 million, \$15.6 million and \$15.9 million for the years ended December 31, 2010, 2009 and 2008, respectively. Property and equipment is summarized as follows (*in millions*):

	<u>Depreciation and Amortization Period</u>	<u>December 31,</u>	
		<u>2010</u>	<u>2009</u>
Furniture, fixtures and equipment, including computer equipment and systems	3-7 years	\$ 175.7	\$ 165.2
Leasehold improvements	3-24 years	36.7	36.5
Subtotal		212.4	201.7
Less accumulated depreciation		(168.3)	(153.3)
Property and equipment, net		<u>\$ 44.1</u>	<u>\$ 48.4</u>

JCG evaluates its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The evaluation is based on an estimate of the future cash flows expected to result from the use of the asset and its eventual disposition. If expected future undiscounted cash flows are less than the carrying amount of the asset, an impairment loss is recognized in an amount equal to the excess of the carrying amount of the asset over the fair value of the asset. There were no impairments of long-lived assets for the years ended December 31, 2010 or 2009.

Software

Purchased software is recorded at cost and amortized over its estimated useful life. Computer software and development costs incurred in the preliminary project stage as well as training and maintenance costs are expensed as incurred. Direct and indirect costs associated with the application development stage of internal use software are capitalized until such time that the software is substantially complete

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and ready for its intended use. Capitalized costs are amortized on a straight-line basis over the estimated useful life of the software. Capitalized software costs totaled \$11.8 million and \$12.6 million at December 31, 2010 and 2009, respectively, and are presented within property and equipment, net.

Deferred Commissions

Sales commissions paid to financial intermediaries on sales of certain mutual fund shares are deferred and amortized over various periods, not exceeding four years, based on the estimated recoverability of the asset through distribution fee payments or contingent deferred sales charges. Contingent deferred sales charges received from early withdrawal charges reduce the unamortized deferred commissions balance. Amortization expense for the years ended December 31, 2010, 2009 and 2008, totaled \$12.3 million, \$7.8 million and \$11.4 million, respectively. Deferred commissions, which are recorded as components of other assets, are summarized as follows (*in millions*):

	<u>December 31,</u>	
	<u>2010</u>	<u>2009</u>
Deferred commissions — current	\$ 4.9	\$ 8.2
Deferred commissions — long term	2.0	2.7
Total	<u>\$ 6.9</u>	<u>\$ 10.9</u>

Investment Securities

JCG classifies investment securities as trading, available-for-sale or held-to-maturity at the time of purchase and periodically re-evaluates such classifications. Trading securities are carried at fair value and consist primarily of investments related to mutual fund share awards, and investments in equity and debt securities held in the portfolios of consolidated advised funds and separate accounts. Changes in fair value are reflected as a component of investment gains (losses), net on the Consolidated Statements of Income.

Investment securities classified as available-for-sale consist of investments in advised funds and are carried at fair value. Changes in fair value are reflected as a component of accumulated other comprehensive income (loss) on the Consolidated Statements of Changes in Stockholders' Equity until realized. Realized gains, losses and declines in fair value that are judged to be other-than-temporary are reflected as a component of investment gains (losses), net on the Consolidated Statements of Income. Realized gains and losses are determined using the first-in, first-out cost method.

Fair value of trading and available-for-sale securities is determined using observable market data based on recent trading activity. Where observable market data is unavailable due to a lack of trading activity, JCG utilizes internally developed models to estimate fair value and independent third parties to validate assumptions when appropriate. Estimating fair value requires significant management judgment, including benchmarking to similar instruments with observable market data and applying appropriate discounts that reflect differences between the securities that JCG is valuing and the selected benchmark. Depending on the type of securities owned by JCG, other valuation methodologies may be required.

Investment securities are classified as held-to-maturity when JCG has the intent and ability to hold the securities to maturity. Held-to-maturity securities are stated at cost with corresponding interest income reflected as other income, net on JCG's Consolidated Statements of Income. Realized gains and losses, and declines in fair value that are judged to be other-than-temporary, are reflected as a component of investment gains (losses), net on the Consolidated Statements of Income.

JCG periodically evaluates the carrying value of investment securities classified as available-for-sale or held-to-maturity for potential impairment. In determining if an impairment exists, JCG considers the duration, extent and circumstances of any decline in fair value. If the decline in value is determined to

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be other-than-temporary, the carrying value of the security is written down to fair value with the loss recognized currently in earnings. There were no impairments of investment securities for the year ended December 31, 2010. Impairment charges for the year ended December 31, 2009 totaled \$6.6 million and were primarily related to securities classified as available-for-sale.

Income Taxes

Deferred income tax assets and liabilities are recorded for the temporary differences between the financial statement and income tax bases of assets and liabilities as measured by the enacted income tax rates that may be in effect when these differences reverse. The effect of changes in tax rates on deferred tax assets and liabilities is recognized in the period that includes the enactment date. Significant management judgment is required in developing JCG's provision for income taxes, including the valuation allowances that might be required against deferred tax assets and the evaluation of various income tax contingencies.

Goodwill and Intangible Assets

Goodwill represents the excess of cost over the fair value of the identifiable net assets of acquired companies. JCG's identifiable intangible assets generally represent the cost of client relationships and mutual fund advisory contracts acquired as well as brand name and trademark. Goodwill and indefinite-lived intangible assets are tested for impairment annually or more frequently if events or circumstances indicate that the asset might be impaired. Intangibles subject to amortization are tested for impairment whenever events or circumstances indicate that the asset may be impaired. Goodwill and intangible assets require significant management estimates and judgment, including the valuation and expected life determination in connection with the initial purchase price allocation and the ongoing evaluation for impairment.

Noncontrolling Interests

Noncontrolling interests that are not subject to put rights are classified in permanent equity. Redeemable noncontrolling interests are classified in mezzanine equity and are measured at estimated fair value as of the balance sheet date. Earnings attributable to noncontrolling interests that are and are not subject to put rights are combined in the Consolidated Statements of Income. Acquisitions of entities where JCG holds an existing controlling interest are treated as a reduction of noncontrolling interests or redeemable noncontrolling interests in an amount equal to the purchase price. See Note 11 for further discussion of noncontrolling interests.

Revenue Recognition

Investment management and shareholder servicing fees are recognized as services are provided. These revenues are generally determined in accordance with contracts based upon a percentage of assets under management.

Performance fees are based on the performance of certain investment products as compared to an established benchmark over a specified period of time and are recognized at the end of the contractual period if the stated performance criteria are achieved.

Marketing

Marketing and promotional costs are expensed as incurred.

Stock-Based Compensation

Stock-based compensation cost is based on the grant date fair value of awards expected to vest at the end of the stated service period, comprised of the total value of the awards less an estimate for forfeitures. The grant date fair value of stock options is determined using the Black-Scholes option

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pricing model and the grant date fair value of restricted stock is determined from a quoted market price. The Black-Scholes model requires significant management estimates including volatility and expected life.

JCG estimates, at the time of grant, the amount of awards that are not expected to vest based on historical forfeiture rates and subsequently records adjustments, as appropriate.

Other Income, Net

The components of other income for the years ended December 31, 2010, 2009 and 2008, are as follows (*in millions*):

	2010	2009	2008
Dividend income	\$ 0.5	\$ 0.5	\$ 1.9
Interest income	0.7	0.4	5.4
Translation (losses) gains, net	(0.5)	(1.1)	2.3
Other, net	1.2	1.1	—
Total	<u>\$ 1.9</u>	<u>\$ 0.9</u>	<u>\$ 9.6</u>

Other Comprehensive Income

The components of other comprehensive income include the change in fair value of available-for-sale investments owned by JCG, amortization of a deferred loss on an interest rate swap as well as foreign currency translation adjustments, as follows (*in millions*):

<i>Year ended December 31, 2010</i>	Pre-tax amount	Tax (expense) benefit	Net amount
Net unrealized gain on available-for-sale securities	\$ 1.3	\$ (0.6)	\$ 0.7
Amortization of net loss on cash flow hedge	0.3	(0.1)	0.2
Reclassification for gains included in net income	(2.3)	0.9	(1.4)
Foreign currency translation adjustment	0.2	0.9	1.1
Total	<u>\$ (0.5)</u>	<u>\$ 1.1</u>	<u>\$ 0.6</u>

<i>Year ended December 31, 2009</i>	Pre-tax amount	Tax (expense) benefit	Net amount
Net unrealized gain on available-for-sale securities	\$ 3.8	\$ (1.4)	\$ 2.4
Amortization of net loss on cash flow hedge	1.9	(0.7)	1.2
Reclassification for gains included in net income	(0.6)	0.2	(0.4)
Impairment of available-for-sale securities	5.2	(1.9)	3.3
Foreign currency translation adjustment	1.0	(1.2)	(0.2)
Total	<u>\$ 11.3</u>	<u>\$ (5.0)</u>	<u>\$ 6.3</u>

<i>Year ended December 31, 2008</i>	Pre-tax amount	Tax (expense) benefit	Net amount
Net unrealized loss on available-for-sale securities	\$ (6.0)	\$ 2.2	\$ (3.8)
Amortization of net loss on cash flow hedge	0.9	(0.4)	0.5
Reclassification for gains included in net income	(1.5)	0.6	(0.9)
Foreign currency translation adjustment	(3.0)	(2.9)	(5.9)
Total	<u>\$ (9.6)</u>	<u>\$ (0.5)</u>	<u>\$ (10.1)</u>

NOTE 3 — RECENT ACCOUNTING PRONOUNCEMENTS

In June 2009, the Financial Accounting Standards Board ("FASB") issued new accounting guidance related to the consolidation of variable interest entities, which amends guidance for identifying the primary beneficiary in variable interest entities, requires ongoing assessments for purposes of identifying the primary beneficiary and eliminates the scope exception for qualifying special-purpose entities. In January 2010, the FASB deferred the provisions of this guidance primarily for entities with attributes of an investment company until the FASB and International Accounting Standards Board develop converged guidance on consolidation. This accounting guidance may otherwise have resulted in the consolidation of certain JCG investment products. The FASB is reconsidering the accounting guidance related to consolidation and an Exposure Draft is expected to be published during second quarter 2011.

In January 2010, the FASB amended the previously issued guidance on fair value measurements, which will change the current disclosure requirement of Level 3 measurement activity from a net basis to a gross basis. The effective date of this guidance is the Company's fiscal year beginning January 1, 2011. The application of these provisions will not impact JCG's fair value measurements.

NOTE 4 — ACQUISITIONS

INTECH

JCG increased its ownership of INTECH with the following purchases (*in millions, except ownership %*):

<u>Acquisition Date</u>	<u>Interest Acquired</u>	<u>Purchase Price</u>
February 19, 2010	3%	\$ 31.4
April 30, 2009	3%	\$ 25.3

The additional interest in INTECH acquired in 2010 and 2009 resulted in a reduction of redeemable noncontrolling interests on the Consolidated Balance Sheets in an amount equal to the purchase price.

NOTE 5 — INVESTMENT SECURITIES

JCG's investment securities at December 31, 2010 and 2009, are summarized as follows (*in millions*):

	<u>December 31, 2010</u>				<u>December 31, 2009</u>			
	<u>Cost Basis</u>	<u>Gross Unrealized Gains</u>	<u>Gross Unrealized Losses</u>	<u>Estimated Fair Value</u>	<u>Cost Basis</u>	<u>Gross Unrealized Gains</u>	<u>Gross Unrealized Losses</u>	<u>Estimated Fair Value</u>
Short-term investments:								
Trading securities (carried at fair value)	\$ 162.2	\$ 28.6	\$ (0.7)	\$ 190.1	\$ 112.7	\$ 13.0	\$ (6.7)	\$ 119.0
Available-for-sale securities (carried at fair value)								
Investments in advised funds	10.2	2.7	—	12.9	9.7	2.9	(0.1)	12.5
Other investment securities	—	—	—	—	37.4	—	—	37.4
Held-to-maturity securities (carried at amortized cost)								
	93.1	—	—	93.1	—	—	—	—
	<u>\$ 265.5</u>	<u>\$ 31.3</u>	<u>\$ (0.7)</u>	<u>\$ 296.1</u>	<u>\$ 159.8</u>	<u>\$ 15.9</u>	<u>\$ (6.8)</u>	<u>\$ 168.9</u>

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Proceeds and net gains (losses) from the redemption of investment securities were as follows (*in millions*):

	December 31,		
	2010	2009	2008
Proceeds from redemptions:			
Trading securities	\$ 47.4	\$ 19.2	\$ 31.2
Available-for-sale securities	6.8	4.4	6.8
Net gains (losses) from redemption of investment securities	(1.6)	1.0	1.7

Investment securities are classified as follows:

Trading Securities

JCG periodically adds new investment strategies to its investment product offerings by providing the initial cash investment, or "seeding," of these investment products. Seeded investment products are initially consolidated and the individual securities within the portfolio are accounted for as trading securities. JCG will consolidate such investment products as long as it holds a controlling interest, defined as greater than 50% ownership. Upon deconsolidation, JCG accounts for its investments as available-for-sale securities. JCG may redeem invested seed capital for a variety of reasons, including when third-party capital invested in the relevant product is sufficient to sustain the given investment strategy.

JCG also periodically invests in funds advised by the Company for purposes of economically hedging its mutual fund share awards (see Note 13 for further discussion). These investments are accounted for as trading securities.

At December 31, 2010, investments classified as trading securities totaled \$190.1 million, representing \$26.0 million of securities held in separately managed accounts, \$76.1 million of securities held in the portfolios of funds advised by the Company and \$88.0 million of investments related to mutual fund share awards. Trading securities are carried on JCG's Consolidated Balance Sheets at fair value, with changes in value recognized in investment gains (losses), net on the Consolidated Statements of Income.

JCG implemented an economic hedge strategy in December 2008 covering the majority of trading securities related to initial cash investments in seeded products. The hedge strategy is designed to mitigate a portion of the net income volatility created by the mark-to-market accounting of these investment securities. The strategy utilizes futures contracts on various market indices to minimize volatility in earnings. These instruments are settled daily, with settlement amounts recognized in investment gains (losses), net on the Consolidated Statements of Income.

JCG recognized the following net gains (losses) on hedged trading securities and associated futures contracts (*in millions*):

	December 31,		
	2010	2009	2008
Net gains (losses) in earnings:			
Trading securities	\$ 7.1	\$ 10.6	\$ (41.1)
Futures contracts	(5.1)	(9.8)	(1.8)
Total	<u>\$ 2.0</u>	<u>\$ 0.8</u>	<u>\$ (42.9)</u>

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Available-for-Sale Securities

Investments in Advised Funds

At December 31, 2010, investments in advised funds totaled \$12.9 million. Investments in advised funds are carried on JCG's Consolidated Balance Sheets at fair value, with changes in value recognized as gains and losses in other comprehensive income (loss). Accumulated gains and losses are reclassified to earnings when the securities are sold on a specific identification basis. JCG periodically reviews the carrying value of investments in advised funds for impairment by evaluating the nature, duration and extent of any decline in fair value. If the decline in value is determined to be other-than-temporary, the carrying value of the security is written down to fair value through earnings. No impairment charges were recognized during the years ended December 31, 2010 or 2008, for investments in advised funds. Other-than-temporary impairment charges of \$5.2 million were recognized during the year ended December 31, 2009.

Other Investment Securities

Other investment securities at December 31, 2009, primarily consisted of a structured investment vehicle ("SIV") investment representing securities originally issued by Stanfield Victoria Funding LLC ("Stanfield"). During the fourth quarter 2010, JCG sold the SIV securities for \$32.6 million, resulting in a gain of \$5.8 million. JCG recognized impairment charges relating to the original Stanfield securities of \$21.0 million and \$18.2 million during the years ended December 31, 2008 and 2007.

Held-to-Maturity Securities

At December 31, 2010, held-to-maturity securities totaled \$93.1 million, primarily representing U.S. Treasury notes purchased in the second quarter 2010 which mature in August 2011. Held-to-maturity securities are carried on JCG's Consolidated Balance Sheets at amortized cost, with corresponding interest income reflected as other income, net on JCG's Consolidated Statements of Income.

NOTE 6 — GOODWILL AND INTANGIBLE ASSETS

JCG's goodwill and intangible assets are summarized below (*in millions*):

	December 31, 2009	Additions	December 31, 2010
Indefinite-lived intangible assets:			
Mutual fund advisory contracts	\$ 918.6	\$ —	\$ 918.6
Brand name and trademark	270.5	—	270.5
Definite-lived intangible assets:			
Client relationships	163.7	—	163.7
Accumulated amortization	(67.4)	(11.8)	(79.2)
Net intangible assets	\$ 1,285.4	\$ (11.8)	\$ 1,273.6
Goodwill	\$ 488.2	\$ —	\$ 488.2

The majority of goodwill and intangible assets were generated from transactions in 2001 to buy out the noncontrolling interest of Janus and resulted in the recognition of \$803.8 million of goodwill and \$1,164.6 million of intangible assets, representing mutual fund advisory contracts, brand name, trademark and client relationships.

Acquisitions of interests in INTECH resulted in goodwill of \$228.7 million and intangible assets of \$133.1 million, representing client relationships. Acquisitions of interests in Perkins resulted in goodwill

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of \$50.4 million and intangible assets of \$86.4 million, representing mutual fund advisory contracts and client relationships.

During 2009, JCG finalized the purchase price allocation related to the 2008 acquisition of additional Perkins interests, which resulted in the recognition of \$85.2 million of indefinite-lived mutual fund advisory contracts, \$8.8 million of goodwill and \$1.2 million of definite-lived client relationships, which are being amortized over their estimated lives of 12 years.

Indefinite-lived intangible assets represent mutual fund advisory contracts, brand name and trademark.

Definite-lived intangible assets represent client relationships, which are amortized over their estimated lives of seven to 25 years using the straight-line method. Amortization expense was \$11.8 million, \$12.5 million and \$12.9 million for the years ended December 31, 2010, 2009 and 2008, respectively. Future amortization expense is expected to be \$11.8 million in 2011 through 2013, \$9.3 million in 2014, \$8.4 million in 2015 and \$31.4 million thereafter.

Impairment Testing

JCG conducts impairment analyses of goodwill and indefinite-lived intangible assets annually as of October 1 or more frequently if events or circumstances indicate that the carrying value may not be recoverable. Definite-lived intangible assets are evaluated for impairment when events or circumstances indicate that the carrying value may not be recoverable. The October 2010 tests of indefinite-lived goodwill and intangible assets indicated that estimated fair values exceeded their respective book values and no impairment charges were recognized.

JCG recognized goodwill and intangible asset impairment charges of \$747.0 million and \$109.7 million, respectively, as of March 31, 2009. The goodwill impairment charge was not deductible for income tax purposes. A tax benefit of \$40.6 million was recognized as a result of the impairment of mutual fund advisory contracts. The October 2009 tests of indefinite-lived goodwill and intangible assets indicated that estimated fair values exceeded their respective book values and no additional impairment charges were recognized.

NOTE 7 — FAIR VALUE MEASUREMENTS

Measurements of fair value are classified within a hierarchy based upon the transparency of inputs used in the valuation of an asset or liability. Classification within the hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The valuation hierarchy contains three levels:

- Level 1 — Valuation inputs are unadjusted quoted market prices for identical assets or liabilities in active markets.
- Level 2 — Valuation inputs are quoted market prices for identical assets or liabilities in markets that are not active, quoted market prices for similar assets and liabilities in active markets, and other observable inputs directly or indirectly related to the asset or liability being measured.
- Level 3 — Valuation inputs are unobservable and significant to the fair value measurement.

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The following table presents the assets and liabilities carried at fair value as of December 31, 2010 (*in millions*):

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>	<u>Investment Securities Not Held at Fair Value</u>
Trading securities	\$ 150.9	\$ 39.2	\$ —	\$ 190.1	\$ —
Available-for-sale securities					
Investments in advised funds	11.5	1.4	—	12.9	—
Held-to-maturity securities	—	—	—	—	93.1
Total investment securities	<u>162.4</u>	<u>40.6</u>	<u>—</u>	<u>203.0</u>	<u>93.1</u>
Other assets					
Deferred compensation hedge asset	23.5	—	—	23.5	—
Other long-term investments	—	—	5.5	5.5	—
Total assets	<u>\$ 185.9</u>	<u>\$ 40.6</u>	<u>\$ 5.5</u>	<u>\$ 232.0</u>	<u>\$ —</u>
Redeemable noncontrolling interests	\$ —	\$ —	\$ 82.8	\$ 82.8	\$ —
Total liabilities	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 82.8</u>	<u>\$ 82.8</u>	<u>\$ —</u>

The following table presents the assets and liabilities carried at fair value as of December 31, 2009 (*in millions*):

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Trading securities	\$ 91.7	\$ 27.3	\$ —	\$ 119.0
Available-for-sale securities				
Investments in advised funds	6.6	5.9	—	12.5
Structured investment vehicle security	—	—	37.4	37.4
Held-to-maturity securities	—	—	—	—
Total investment securities	<u>98.3</u>	<u>33.2</u>	<u>37.4</u>	<u>168.9</u>
Other assets				
Deferred compensation hedge asset	20.6	—	—	20.6
Other long-term investments	—	—	5.8	5.8
Total assets	<u>\$ 118.9</u>	<u>\$ 33.2</u>	<u>\$ 43.2</u>	<u>\$ 195.3</u>
Redeemable noncontrolling interests	\$ —	\$ —	\$ 101.1	\$ 101.1
Total liabilities	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 101.1</u>	<u>\$ 101.1</u>

JCG's Level 1 and Level 2 fair value measurements consist of exchange-traded equity and debt securities underlying separate accounts and consolidated mutual funds, shares of unconsolidated mutual funds and U.S. Treasury notes. The underlying securities of mutual funds and separate accounts can be denominated in a foreign currency. The closing price of such securities may be adjusted to capture the effects of any post-closing activity impacting the markets in which they trade. These adjustments result in the securities being classified as Level 2 and can also create significant movements between securities classified as Level 1 and Level 2. For the 12 months ended December 31, 2010, there were no transfers out of Level 1 to Level 2 and \$5.0 million of net transfers out of Level 2 to Level 1. Transfers from Level 2 to Level 1 primarily represented foreign securities whose quoted market prices at December 31, 2009 required the additional consideration of subsequent fluctuations in active markets where no such consideration was necessary at December 31, 2010 due to less market volatility.

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JCG's Level 3 recurring fair value measurements primarily represent redeemable noncontrolling interests. Redeemable noncontrolling interests in INTECH are measured at fair value using a discounted cash flow methodology. Significant inputs to the discounted cash flow analysis include forecasted operating results, discount rate and terminal multiple of cash flows. Redeemable noncontrolling interests in Perkins are measured by a contractual formula intended to yield an amount representative of fair value. See Note 11 for further discussion of redeemable noncontrolling interests. Other long-term investments are measured using internal models and other available data.

At December 31, 2009, JCG's Level 3 fair value measurements included SIV securities. JCG received distributions totaling \$10.6 million during 2010, which reduced the carrying value of the SIV securities to \$26.8 million. During the fourth quarter 2010, JCG sold the SIV securities for \$32.6 million, resulting in a gain of \$5.8 million.

The changes in fair value of JCG's recurring Level 3 fair value measurements are as follows (*in millions*):

	Other Investment Securities	Redeemable Noncontrolling Interests
Fair value at January 1, 2009	\$ 59.4	\$ 106.8
Distributions	(14.8)	(11.2)
Current earnings	—	8.9
Purchase of noncontrolling interest	—	(26.2)
Impairment of investments	(1.4)	—
Change in fair value	—	22.8
Fair value at December 31, 2009	43.2	101.1
Distributions	(10.6)	(9.3)
Current earnings	—	5.8
Purchase of noncontrolling interest	—	(31.4)
Purchase of investments	0.4	—
Sale of investments	(26.9)	—
Impairment of investments	(0.6)	—
Change in fair value	—	16.6
Fair value at December 31, 2010	<u>\$ 5.5</u>	<u>\$ 82.8</u>

Nonrecurring Level 3 fair value measurements include goodwill and intangible assets. JCG measures the fair value of goodwill and intangible assets using a discounted cash flow model. Significant inputs to the discounted cash flow analysis include JCG's forecasted operating results, discount rate and terminal multiple of cash flows. Because of the significance of the unobservable inputs in the fair value measurements of these assets and liabilities, such measurements have been classified as Level 3.

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NOTE 8 — DEBT

Debt at December 31, 2010 and 2009, consisted of the following (*in millions*):

	2010		2009	
	Carrying Value	Fair Value	Carrying Value	Fair Value
5.875% Senior Notes due 2011	\$ 92.2	\$ 94.7	\$ 92.2	\$ 92.5
6.250% Senior Notes due 2012	120.9	126.7	120.8	121.2
6.119% Senior Notes due 2014	82.3	86.5	82.3	80.7
3.250% Convertible Senior Notes due 2014	136.5	202.3	128.9	206.7
6.700% Senior Notes due 2017	367.9	386.3	367.8	357.5
Total	799.8	896.5	792.0	858.6
Less: current maturities	(213.1)	(221.4)	—	—
Total long-term debt	<u>\$ 586.7</u>	<u>\$ 675.1</u>	<u>\$ 792.0</u>	<u>\$ 858.6</u>

Fair Value of Debt

The fair value of debt was determined using broker quotes and recent trading activity for each of the notes listed above.

Tender Offer for Certain Outstanding Senior Notes

On August 13, 2009, the combined proceeds of the July 2009 common stock issuance (see Note 12) and convertible senior notes offering, together with available cash, were used to repurchase \$443.3 million aggregate principal amount of the Company's outstanding 2011, 2012 and 2017 senior notes in a tender offer with a focus on the 2011 and 2012 senior notes. JCG recognized a \$5.8 million net gain on early extinguishment of debt related to the repurchase of these notes. Results of the tender offer were as follows (*in millions*):

	Aggregate Principal Outstanding	Principal Amount Tendered	Tender Offer Consideration	Gross Gain on Debt Tender	Deferred Costs	Tender Costs	Net Gain / (Loss) on Debt Tender
5.875% Senior Notes due 2011	\$ 275.0	\$ 182.8	\$ 182.8	\$ —	\$ 1.8	\$ 1.0	\$ (2.8)
6.250% Senior Notes due 2012	300.0	179.1	175.5	3.6	0.9	1.0	1.7
6.700% Senior Notes due 2017	450.0	81.4	73.3	8.1	0.8	0.4	6.9
Total	<u>\$ 1,025.0</u>	<u>\$ 443.3</u>	<u>\$ 431.6</u>	<u>\$ 11.7</u>	<u>\$ 3.5</u>	<u>\$ 2.4</u>	<u>\$ 5.8</u>

Deferred costs include the write-off of previously capitalized bond discounts, issue costs and a deferred loss on interest rate swap.

5.875% Senior Notes Due 2011

On September 18, 2006, JCG issued \$275.0 million of 5.875% Senior Notes that are due September 15, 2011, and are not callable by JCG or redeemable at the option of the holders prior to maturity. Interest is paid semiannually on March 15 and September 15 of each year.

6.250% Senior Notes Due June 15, 2012, and 6.700% Senior Notes Due June 15, 2017

On June 14, 2007, JCG issued \$300.0 million of 6.250% Senior Notes that are due June 15, 2012, and \$450.0 million of 6.700% Senior Notes that are due June 15, 2017 (collectively, the "2007 Senior Notes") and are callable by JCG. Interest is paid semiannually on June 15 and December 15 of each year. The proceeds from the 2007 Senior Note issuances were \$748.4 million. On June 26, 2007,

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approximately \$160.0 million of the total proceeds were used to repay the 7.875% Senior Notes due 2032 plus accrued and unpaid interest as of the redemption date. The remaining proceeds were used for acquisitions, the repurchase of JCG's common stock and general corporate purposes.

During the fourth quarter 2010, JCG exercised its call right on the \$120.9 million carrying value of the 6.250% Senior Notes and retired the notes on January 14, 2011. Under the terms of the call, JCG is required to pay the present value of the interest that would have been paid if the debt remained outstanding through maturity. As a result, JCG will recognize a \$9.9 million net loss on early extinguishment of debt in the first quarter 2011.

6.119% Senior Notes Due 2014

On April 26, 2004, JCG issued \$527.4 million of 6.119% Senior Notes that are due April 15, 2014 and are not callable by JCG or redeemable at the option of the holders prior to maturity, in exchange for \$465.1 million of Senior Notes (comprised of \$286.9 million of 7.000% Senior Notes and \$178.2 million of 7.750% Senior Notes). Interest is paid semiannually on April 15 and October 15 of each year. On May 19, 2004, JCG exercised its right to repurchase \$445.0 million aggregate principal amount of the 6.119% Senior Notes.

Convertible Senior Notes Offerings

In July 2009, JCG issued \$170.0 million of 3.250% convertible senior notes ("convertible senior notes"), which pay interest semiannually on July 15 and January 15 of each year and mature on July 15, 2014, unless earlier converted, and are not callable by JCG or redeemable at the option of the holders prior to maturity. The convertible senior notes are convertible under certain circumstances into cash, shares of JCG common stock, or a combination of cash and shares of JCG common stock, at JCG's election. Such a conversion would be at an initial conversion rate of 71.3 shares of JCG common stock per \$1,000 principal amount of convertible senior notes, which is equivalent to an initial conversion price of approximately \$14.03 per share of common stock, subject to adjustment in certain circumstances.

Holder may convert their notes at their option prior to the close of business on the business day immediately preceding April 15, 2014, only under the following circumstances: (1) during any calendar quarter commencing after September 30, 2009, if the last reported sale price of the common stock for at least 20 trading days (whether or not consecutive) during a period of 30 consecutive trading days ending on the last trading day of the preceding calendar quarter is greater than or equal to 130% of the applicable conversion price on each applicable trading day; or (2) upon the occurrence of specified corporate events.

Because the convertible senior notes may be wholly or partially settled in cash, the proceeds are required to be bifurcated into debt and equity components. The \$125.7 million initial debt component was determined by discounting future contractual cash flows at a 10.0% rate, which is consistent with the estimated market rate for similar senior notes with no conversion option. The debt component will accrete up to the face value over the five-year expected term through interest expense. The unamortized discount at December 31, 2010 is \$33.5 million and will be amortized over the remaining period of 3.5 years. The \$44.3 million (or \$27.9 million, net of deferred taxes) initial equity component was determined using the difference between the proceeds and the debt component. The fair value of the convertible senior notes in the above table is based on the outstanding principal balance while the carrying value represents the outstanding principal balance exclusive of the unamortized discounts. Interest expense related to the convertible senior notes includes interest on the outstanding principal balance as well as amortization of capitalized issuance costs and totaled \$13.9 million for the year ended December 31, 2010.

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Change of Control and Rating Downgrade Covenant

If the Company experiences a change of control and in connection therewith the 2007 Senior Notes and 5.875% Senior Notes become rated below investment grade by Standard & Poor's ("S&P") Rating Service and Moody's Investors Service, Inc. ("Moody's"), JCG must offer to repurchase all of the 2007 Senior Notes and 5.875% Senior Notes at a price equal to 101% of the principal amount plus accrued and unpaid interest to the repurchase date.

Interest Rate Adjustment Covenant

All of JCG's senior notes, excluding the convertible senior notes, are subject to an interest rate adjustment covenant that provides that the interest rate payable will increase by 25 basis points for each level that the Company's debt rating is decreased by Moody's from Baa3 or by S&P from BBB-, up to a maximum increase of 200 basis points. If at any time after the interest has been adjusted upward either Moody's or S&P increases its rating, then for each level of such increase in the rating, the interest payable will be decreased by 25 basis points, but in no event to a rate less than the interest rate payable on the date of their issuance. The interest rate adjustment covenant will permanently terminate if the Company's debt ratings increase to Baa2 (or higher) by Moody's and BBB (or higher) by S&P, with a stable or positive outlook regardless of any subsequent decrease in the ratings by either or both rating agencies. On February 23, 2009, S&P lowered JCG's credit rating to BB+, which resulted in a 25 basis point increase in the interest rates payable on all of JCG's senior notes, excluding its convertible senior notes. S&P subsequently increased JCG's credit rating to BBB- on January 10, 2011, resulting in a 25 basis point decrease in the interest rates payable on all of JCG's senior notes, excluding the convertible senior notes.

Credit Facility

On October 4, 2010, JCG entered into a 364-day \$100 million, unsecured, revolving credit facility (the "new Credit Facility") with JPMorgan Chase Bank, N.A., as administrative agent and swingline lender. Concurrently with entering into the new Credit Facility, JCG terminated its \$125 million secured revolving credit facility. Under the new Credit Facility, the financing leverage ratio cannot exceed 4.00 and the interest coverage ratio must equal or exceed 3.50. In addition, long-term assets under management must exceed \$100.0 billion. At December 31, 2010, JCG was in compliance with all covenants and there were no borrowings under the new Credit Facility.

Aggregate Maturities of Indebtedness

The aggregate amounts of debt maturing or called in the next five years are as follow (*in millions*):

2011	\$	213.1
2012		—
2013		—
2014		252.4
2015		—
Thereafter		368.6
Total	\$	<u>834.1</u>

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NOTE 9 — INCOME TAXES

JCG's components of income (loss) before taxes and equity earnings are as follows (*in millions*):

	December 31,		
	2010	2009	2008
Domestic	\$ 235.3	\$ (759.7)	\$ 186.9
International	9.7	9.3	19.9
Total	<u>\$ 245.0</u>	<u>\$ (750.4)</u>	<u>\$ 206.8</u>

JCG's provision for income taxes is summarized as follows (*in millions*):

	December 31,		
	2010	2009	2008
Current:			
Federal	\$ 52.1	\$ 6.2	\$ 76.2
State and local	(8.5)	(2.4)	11.9
International	3.7	1.7	11.7
Total current	<u>47.3</u>	<u>5.5</u>	<u>99.8</u>
Deferred:			
Federal	27.1	(14.5)	(10.1)
State and local	2.3	2.8	(20.9)
International	(0.3)	(0.1)	—
Total deferred	<u>29.1</u>	<u>(11.8)</u>	<u>(31.0)</u>
Total income tax provision	<u>\$ 76.4</u>	<u>\$ (6.3)</u>	<u>\$ 68.8</u>

JCG's deferred income tax liabilities (assets) are summarized as follows (*in millions*):

	December 31,	
	2010	2009
Income tax liabilities:		
Intangible assets	\$ 438.7	\$ 429.4
Investments	19.7	11.8
Debt discounts and issue costs	11.7	8.1
Other	16.9	13.6
Deferred tax liabilities	<u>487.0</u>	<u>462.9</u>
Income tax assets:		
Compensation and benefits	(61.4)	(55.9)
Accrued liabilities	(7.2)	(17.3)
Other	(18.0)	(18.1)
Deferred tax assets	<u>(86.6)</u>	<u>(91.3)</u>
Net deferred income tax liabilities	<u>\$ 400.4</u>	<u>\$ 371.6</u>

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The current deferred income tax amounts at December 31, 2010 and 2009, are included within other current assets. Deferred tax assets and liabilities are reflected on the balance sheet as follows (*in millions*):

	December 31,	
	2010	2009
Current deferred income tax asset	\$ (9.9)	\$ (18.5)
Long-term deferred income tax liability	410.3	390.1
Net deferred income tax liabilities	<u>\$ 400.4</u>	<u>\$ 371.6</u>

JCG's effective income tax rate differs from the statutory federal income tax rate as follows:

	December 31,		
	2010	2009	2008
Federal statutory rate	35.0%	35.0%	35.0%
State and local tax rate, net of federal benefit	2.3%	2.0%	3.3%
Noncontrolling interests	-1.3%	0.6%	-2.2%
Effect of state rate change	—	-0.3%	-5.9%
Impairment of goodwill	—	-36.8%	—
Tax adjustments	-6.1%	0.5%	0.8%
Other	1.3%	-0.2%	0.4%
Total effective income tax rate	<u>31.2%</u>	<u>0.8%</u>	<u>31.4%</u>

The accounting guidance for uncertainty in income taxes sets forth a specific method for the financial statement recognition and measurement of a tax position taken or expected to be taken on a tax return. The tax contingencies liability relates primarily to general state tax items and has been recorded in other long-term liabilities and other current liabilities, as appropriate. A reconciliation of the beginning and ending liability is as follows (*in millions*):

	December 31,		
	2010	2009	2008
Beginning of period	\$ 36.9	\$ 37.0	\$ 34.7
Additions for tax positions of current year	0.7	0.7	0.6
Additions for tax positions of prior years	—	1.4	0.8
Reduction due to statute expirations	(24.4)	(2.1)	(0.3)
Reduction due to settlement of audits	—	(2.4)	(0.7)
Accrued interest	1.0	2.3	1.9
End of period	<u>\$ 14.2</u>	<u>\$ 36.9</u>	<u>\$ 37.0</u>

A deferred tax asset of \$5.0 million is associated with the tax contingencies liability at December 31, 2010. If the tax contingencies liability and related deferred tax asset are reversed in future periods, the income tax provision would be favorably impacted by \$9.2 million. As of December 31, 2010, JCG had \$14.2 million of accrued reserves for income tax contingencies, including interest. JCG decreased its income tax contingency reserves in 2010 by \$24.4 million as a result of the expiration of statutes of limitations, creating a net tax benefit of \$15.7 million. JCG anticipates that its income tax contingency reserves will decrease by approximately \$6.7 million in the next 12 months primarily from the expiration of statutes of limitations and the resolution of audits. Accrued reserves for income tax contingencies are presented in other accrued liabilities on the Consolidated Balance Sheets.

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Tax returns filed in previous years are subject to audit by various federal, state and international taxing authorities, and as a result of such audits, additional tax assessments may be proposed. As of December 31, 2010, the majority of tax years from 1996 and forward remain subject to audit.

Taxing authorities generally charge interest and may assess penalties in the event that a tax position taken is subsequently reversed upon examination. JCG has accrued interest on its uncertain tax provisions based on the rates specified by the applicable taxing authorities and has recorded the interest as a component of the tax provision. At December 31, 2010 and 2009, \$4.9 million and \$13.1 million, respectively, of accrued interest are included in the liability for tax contingencies. Any potential penalties associated with a tax contingency will also be included as a component of the tax provision in the period in which the assessment of a penalty becomes likely. JCG does not believe that it is subject to any penalties related to its tax contingencies and, therefore, has not accrued a liability for tax penalties.

In the event of an overpayment of income taxes, taxing authorities generally pay interest from the date of the overpayment through the date on which an amended return is filed. JCG records interest income from taxing authorities as a component of the tax provision.

NOTE 10 — OTHER BALANCE SHEET CAPTIONS

Other current assets are composed of the following (*in millions*):

	<u>December 31,</u>	
	<u>2010</u>	<u>2009</u>
Deferred commissions	\$ 4.9	\$ 8.2
Deferred income taxes	9.9	18.5
Other current assets	31.3	20.7
Total	<u>\$ 46.1</u>	<u>\$ 47.4</u>

Other current accrued liabilities are composed of the following (*in millions*):

	<u>December 31,</u>	
	<u>2010</u>	<u>2009</u>
Accrued marketing and distribution	\$ 17.8	\$ 14.1
Income tax contingencies	6.7	24.5
Deferred compensation liability	38.0	17.5
Interest payable	6.8	6.8
Other accrued liabilities	16.6	17.6
Total	<u>\$ 85.9</u>	<u>\$ 80.5</u>

NOTE 11 — NONCONTROLLING INTERESTS

Noncontrolling interests that are not subject to put rights are classified to permanent equity. Redeemable noncontrolling interests remain classified in mezzanine equity and are measured at estimated fair value as of the balance sheet date. Earnings attributable to noncontrolling interests that are and are not subject to put rights have been combined in the Consolidated Statements of Income. Acquisitions of entities where JCG holds an existing controlling interest are treated as a reduction of noncontrolling interests in an amount equal to the purchase price.

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Noncontrolling Interests That Are Not Subject to Put Rights

Noncontrolling interests that are not subject to put rights consist of undistributed earnings related to third-party investors in consolidated investment products and certain INTECH and Perkins ownership interests granted to employees. Undistributed earnings attributable to INTECH and Perkins ownership interests totaled \$4.7 million at December 31, 2010. Certain of the INTECH and Perkins ownership interests granted to employees become subject to put rights upon vesting at which time such interests are reclassified to redeemable noncontrolling interests.

In June 2010, INTECH purchased ownership interests held by INTECH employees for \$5.0 million. These ownership interests represent less than 1% of total INTECH ownership interests and were not subject to put rights.

Redeemable Noncontrolling Interests

Redeemable noncontrolling interests consist of INTECH and Perkins interests that are currently puttable to JCG or will become puttable at certain future dates, and undistributed earnings of \$0.9 million attributable to such interests as of December 31, 2010. Changes in fair value of redeemable noncontrolling interests are recognized as increases or decreases to redeemable noncontrolling interests with an offsetting charge to retained earnings.

INTECH

On February 19, 2010, pursuant to contractual obligations, JCG acquired an additional 3% interest in INTECH from the two founding members for \$31.4 million. This transaction reduced the two founders' aggregate ownership interest to approximately 2% of INTECH. Each founder is entitled to retain his remaining INTECH shares outstanding until his death unless he is terminated for cause or leaves voluntarily while not in good standing. An INTECH founder will be considered to be in good standing if he voluntarily leaves after providing 12 months' prior notice and cooperates with the transition. Each of the two INTECH founding members has the option annually to require JCG to purchase from him his remaining ownership interest of INTECH at fair value. The following table discloses the effect on equity as a result of JCG's acquisition of the additional 3% interest in INTECH (*in millions*):

	For the year ended December 31,		
	2010	2009	2008
Net income attributable to controlling interest	\$ 70.5	\$ 73.8	\$ 101.7
Decrease in JCG retained earnings from acquisition of noncontrolling interest	(29.1)	(23.0)	(57.5)
Change from net income (controlling interest) and acquisitions of noncontrolling interest	<u>\$ 41.4</u>	<u>\$ 50.8</u>	<u>\$ 44.2</u>

Total INTECH ownership interests held by the two founders have an estimated value of approximately \$16.0 million as of December 31, 2010. Ownership interests held by other INTECH employees subject to put rights have an estimated value of approximately \$3.1 million as of December 31, 2010.

Perkins

On December 31, 2008 ("closing"), JCG increased its ownership of Perkins to approximately 80% with the purchase of an additional 50% ownership interest for \$90.0 million in cash. Upon closing the transaction, Perkins granted senior profit interest awards designed to retain and incentivize key employees to grow the business. These awards vest on the fifth anniversary of grant and are generally entitled to a total of 5% of Perkins' annual taxable income. In addition, these awards have a formula-driven terminal value based on revenue growth and relative investment performance of products

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managed by Perkins. JCG can call and terminate any or all of the awards on the fifth, seventh or each subsequent anniversary of grant or prior to the fifth anniversary of grant if the formula yields a terminal value of \$40.0 million. Participants can require JCG to terminate the awards in exchange for the then-applicable formula price on the sixth anniversary of grant. The senior profit interest awards are also subject to termination at premiums or discounts to the formula at the option of JCG or the relevant employee, as applicable, upon certain corporate or employment-related events affecting Perkins or the relevant employee.

During the first quarter 2009, the issuance of Perkins LLC Interests that vest ratably over four years to its chief executive officer, resulted in a decrease of JCG's ownership in Perkins by 2.2%.

JCG also has the option to acquire the majority of the remaining 22.2% interest of Perkins at fair value on the third, fifth, seventh or each subsequent anniversary of the closing. The noncontrolling owners of Perkins have the option to require JCG to purchase any or all of their remaining interests on the fourth or sixth anniversary of closing at fair value. The total Perkins noncontrolling interest subject to put rights has an estimated value of approximately \$63.0 million as of December 31, 2010, based on a contractual formula driven by revenue and investment performance of products managed by Perkins. The formula is intended to represent fair value.

NOTE 12 — COMMON STOCK ISSUANCE

In July 2009, JCG issued 20.9 million shares of common stock, par value \$0.01, at \$11.00 per share in an underwritten common stock offering for net proceeds of approximately \$218.1 million. The common stock issuance was under JCG's effective Shelf Registration which allows it to register the sale of an indeterminate amount of preferred stock and additional common stock and debt securities.

NOTE 13 — LONG-TERM INCENTIVE COMPENSATION

The components of JCG's long-term incentive compensation expense are summarized as follows (*in millions*):

	December 31,		
	2010	2009	2008
Stock options	\$ 10.2	\$ 12.1	\$ 8.3
Restricted stock awards	26.6	24.8	20.7
Mutual fund share awards	28.3	21.6	14.3
Perkins senior profit interests	17.8	2.3	—
Employee stock purchase plan	0.2	0.2	0.2
Total long-term incentive compensation	<u>\$ 83.1</u>	<u>\$ 61.0</u>	<u>\$ 43.5</u>

Compensation cost associated with restricted stock includes \$3.9 million, \$2.9 million and \$2.2 million of amortization of INTECH interests granted to certain key employees of INTECH for the years ended December 31, 2010, 2009 and 2008, respectively. Compensation cost classified within restricted stock also includes \$1.2 million of amortization of Perkins interests granted to a Perkins employee for each of the years ended December 31, 2010 and 2009.

Historical long-term incentive awards have been granted with ratable vesting schedules of between three and five years. The awards granted in 2010 were granted with a four-year ratable vesting schedule and are not subject to accelerated vesting. In addition to these awards, JCG granted a \$10.0 million restricted stock award to its chief executive officer on February 5, 2010. The award vested 50% on December 31, 2010, and will vest 25% on January 1, 2012, and 25% on January 1, 2013. INTECH also granted \$5.1 million of ownership interests to its employees which generally vest and will be recognized over a four-year period. This award represents less than 1% of total INTECH ownership interests. The

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JCG awards granted in 2009 were granted with a four-year ratable vesting schedule and were not subject to accelerated vesting. In addition to the 2009 awards, Perkins granted \$5.0 million of interests with a four-year ratable vesting schedule, and INTECH granted \$5.5 million of interests which vest over 10 years. The JCG awards granted in 2008 were granted with a three-year ratable vesting schedule and were not subject to accelerated vesting. At December 31, 2010, unrecognized compensation, net of estimated forfeitures, and the weighted-average number of years over which the compensation cost will be recognized are summarized as follows (*in millions*):

	Unrecognized Compensation	Weighted - Average Years
Stock options	\$ 16.1	2.5
Restricted stock awards	41.0	3.7
Mutual fund share awards	62.4	2.7
Total	<u>\$ 119.5</u>	<u>3.0</u>

Unrecognized INTECH interests included in restricted stock awards in the table above totaled \$15.3 million and will be recognized over a weighted-average period of 6.3 years. Restricted stock included in the table above also includes unrecognized Perkins interests totaling \$2.5 million and will be recognized over a weighted-average period of 2.0 years.

JCG generally grants annual long-term incentive awards in February of each year. The 2011 annual grant, not included in the table above, totaled \$58.4 million and will be recognized ratably over a four-year period. The 2011 annual grant is not subject to performance-based accelerated vesting.

Stock Options

The fair value of stock options granted to JCG employees was estimated on the date of each grant using the Black-Scholes option pricing model with the following assumptions:

	2010	2009	2008
Dividend yield	0.34 %	0.75 %	0.13 %
Expected volatility	65 %	54 %	32 %
Risk-free interest rate	2.29 %	1.85 %	2.81 %
Expected life	5 years	5 years	5 years

Expected volatility was determined using an average of JCG's historical volatility and industry and market averages, as appropriate. Expected life was determined using employee termination rates and vesting periods of each grant. The risk-free interest rate for periods within the contractual life of the options is based on the U.S. Treasury yield curve in effect at the time of each grant. Stock options granted prior to February 2006 have a maximum contractual term of 10 years and options granted thereafter have a maximum contractual term of seven years.

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The table below summarizes JCG's outstanding options:

	2010		2009		2008	
	Shares	Weighted-Average Exercise Price	Shares	Weighted-Average Exercise Price	Shares	Weighted-Average Exercise Price
Outstanding at January 1	16,957,307	\$ 15.99	11,704,879	\$ 21.91	11,085,975	\$ 20.54
Granted	2,120,832	11.76	6,283,643	5.32	2,083,761	27.23
Exercised	(626,373)	5.46	—	—	(1,118,411)	18.02
Forfeited	(513,644)	8.40	(811,139)	15.10	(157,494)	23.66
Expired	(1,781,718)	32.05	(220,076)	28.97	(188,952)	20.94
Outstanding at December 31	<u>16,156,404</u>	\$ 14.32	<u>16,957,307</u>	\$ 15.99	<u>11,704,879</u>	\$ 21.91
Exercisable	<u>1,143,547</u>	\$ 5.51	<u>359,871</u>	\$ 6.21	<u>—</u>	\$ —
Vested or expected to vest	<u>15,015,370</u>	\$ 14.87	<u>15,520,200</u>	\$ 16.44	<u>11,265,777</u>	\$ 21.89
Weighted average fair value of options granted during the year	<u>\$ 6.39</u>		<u>\$ 2.41</u>		<u>\$ 9.92</u>	
Intrinsic value of options at December 31 (<i>in millions</i>):						
Exercised	<u>\$ 4.4</u>		<u>\$ —</u>		<u>\$ 11.0</u>	
Outstanding	<u>\$ 40.5</u>		<u>\$ 48.4</u>		<u>\$ —</u>	
Exercisable	<u>\$ 8.5</u>		<u>\$ 2.6</u>		<u>\$ —</u>	

The following table summarizes the information about stock options that were outstanding at December 31, 2010:

Range of Exercise Prices	Outstanding			Exercisable		
	Number Outstanding	Weighted-Average Remaining Contractual Life (years)	Weighted-Average Exercise Price	Number Exercisable	Weighted-Average Remaining Contractual Life (years)	Weighted-Average Exercise Price
\$5 to \$20	11,626,049	4.45	\$ 10.45	1,143,547	5.04	\$ 5.51
\$20 to \$30	4,445,952	3.00	24.02	—	—	—
\$30 to \$44	84,403	0.27	35.70	—	—	—
\$5 to \$44	<u>16,156,404</u>	<u>4.03</u>	<u>\$ 14.32</u>	<u>1,143,547</u>	<u>5.04</u>	<u>\$ 5.51</u>

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Restricted Stock Awards

The table below summarizes unvested restricted stock awards for the years ended December 31, 2010, 2009 and 2008:

	2010		2009		2008	
	Shares	Weighted-Average Grant-Date Fair Value	Shares	Weighted-Average Grant-Date Fair Value	Shares	Weighted-Average Grant-Date Fair Value
Unvested at January 1	4,302,285	\$ 10.79	1,947,189	\$ 25.89	1,534,921	\$ 18.52
Granted	1,677,758	11.95	3,748,536	5.76	1,735,176	27.88
Vested	(1,986,825)	13.66	(1,053,436)	19.67	(1,216,882)	21.76
Forfeited	(282,426)	12.36	(340,004)	14.18	(106,026)	24.82
Unvested at December 31	<u>3,710,792</u>	<u>\$ 9.64</u>	<u>4,302,285</u>	<u>\$ 10.79</u>	<u>1,947,189</u>	<u>\$ 25.89</u>

The total fair value of restricted stock that vested during the years ended December 31, 2010, 2009 and 2008, was \$24.8 million, \$9.5 million and \$32.6 million, respectively.

Mutual Fund Share Awards

During 2010, 2009 and 2008, JCG granted \$43.2 million, \$36.6 million and \$33.9 million, respectively, in awards to employees that are indexed to certain mutual funds managed by the Company. Upon vesting, participants receive the value of the award adjusted for earnings or losses attributable to the mutual funds to which the award was indexed, subject to tax withholding.

Historically, the Company has entered into fair value hedges to protect against the market variability of the mutual funds to which the awards were indexed by making investments equal to the amount of the awards in the mutual funds selected by the participants. Rather than recording subsequent changes in market value currently within earnings, such changes were recorded as offsetting increases and/or decreases to the Company's hedge assets and mutual fund share award liability.

Incremental changes in the fair value of the mutual fund share awards, along with the mutual fund share awards themselves, are subject to vesting considerations. Changes in the fair value of the Company's investments in mutual funds are not, however, subject to vesting considerations. The vesting considerations related to the mutual fund share awards generate ineffectiveness within the fair value hedges that had not been recognized in earnings prior to the fourth quarter 2010. Accounting guidance defines ineffectiveness as the amount by which changes in the fair value of the hedged item during a given accounting period is not perfectly offset by changes in the hedge instrument during that same period.

During the fourth quarter 2010, JCG concluded that the historical accounting treatment for the mutual fund share awards and the associated hedge instrument was incorrect due to the ineffectiveness discussed above. Accordingly, for financial accounting purposes, the hedging relationship was terminated and mark-to-market adjustments on the awards and associated hedge, previously recognized as increases or decreases in the mutual fund share award liability, were recorded in earnings in the fourth quarter 2010. Going forward, JCG will account for the mutual fund share award liability and the related investments in mutual funds as separate instruments, with their respective changes in fair value recognized in earnings each reporting period.

JCG recognized \$2.7 million of long-term incentive compensation expense related to mark-to-market adjustments of mutual fund share awards in the fourth quarter 2010. These adjustments included expenses of \$3.1 million related to the fourth quarter 2010 and \$1.1 million related to prior quarters of 2010, offset by a \$1.5 million gain for mark-to-market adjustments for years 2009 and prior.

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JCG also recognized \$14.3 million of net investment gains related to mark-to-market adjustments for previously unrecognized changes in fair value of mutual fund share award investments in the fourth quarter 2010. These adjustments included net gains of \$4.8 million related to the fourth quarter 2010, \$5.1 million related to prior quarters of 2010 and \$4.3 million for the years 2009 and prior.

JCG assessed the significance of the incorrect accounting and concluded that recognizing a cumulative adjustment in the fourth quarter 2010 was not material either to JCG's financial statements for any reported prior period or on a cumulative basis to 2010.

At December 31, 2010, the cost basis of unvested awards totaled \$69.1 million.

Long-Term Incentive Stock Plans

On May 10, 2005, JCG shareholders approved the 2005 Long-Term Incentive Stock Plan ("2005 Plan"), which allowed the Board of Directors to grant up to 15.0 million shares of equity-based awards, including stock options and restricted stock. The 2010 annual grant in February utilized the majority of the remaining shares under the 2005 Plan. On April 29, 2010, JCG shareholders approved the 2010 Long-Term Incentive Stock Plan, which allows JCG to grant up to 4.4 million shares of equity-based awards, including stock options and restricted stock. Subsequent to the 2011 annual grant in February, approximately 2.6 million shares of equity-based awards are available to be granted under the 2010 Plan.

NOTE 14 — EMPLOYEE BENEFIT PLANS

Substantially all full-time employees of JCG are eligible to participate in a company-sponsored 401(k), Employee Stock Ownership Plan ("ESOP") and profit-sharing plan (collectively, the "401(k) Plan"). Historically, JCG has matched a maximum of 3% of employee compensation in the 401(k) Plan. During 2009, JCG decreased the company match to the 401(k) Plan to \$0.50 per dollar up to 3% of employee compensation. JCG reinstated the previous 401(k) Plan company match of a maximum of 3% of employee compensation in 2010. Contributions to the ESOP and the profit-sharing components of the 401(k) Plan are made at the discretion of the Board of Directors' Compensation Committee. Participants vest ratably in the ESOP and profit-sharing contributions over a five-year period. Expenses related to the 401(k) Plan were \$8.7 million, \$7.2 million and \$10.8 million in 2010, 2009 and 2008, respectively.

The Company also has a deferred compensation plan for certain highly compensated employees. Eligible participants may defer a portion of their compensation and have the ability to earn a return by indexing their deferrals to mutual funds managed by the Company. The Company makes no contributions to the plan. To protect against market variability of the liability, the Company creates a fair value hedge by investing in mutual funds that are consistent with the deferred amounts and mutual fund elections of the participants. Changes in market value increase or decrease the investment asset held by the Company with the offset recorded to the liability to the participants. Any hedge ineffectiveness will result in increases or decreases in employee compensation and benefits expense. Hedge effectiveness is assessed quarterly and has been 100% effective since inception and, therefore, no gain or loss has been recognized. At December 31, 2010, the notional amount of the fair value hedge is \$6.4 million and represents total payroll deferrals.

NOTE 15 — EARNINGS PER SHARE

Basic earnings per common share is calculated by dividing net income by the weighted-average number of common shares outstanding during the period. Diluted earnings per common share adjusts the weighted-average shares outstanding by the dilutive impact of shares underlying stock options and

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unvested restricted stock awards. The following is a summary of the earnings per share calculation (*in millions, except per share data*):

	For the year ended December 31,		
	2010	2009	2008
Amounts attributable to JCG common shareholders			
Income (loss) from continuing operations	\$ 159.9	\$ (757.1)	\$ 138.4
Loss from discontinued operations	—	—	(1.5)
Net income (loss)	\$ 159.9	\$ (757.1)	\$ 136.9
Basic earnings (loss) per share attributable to JCG common shareholders:			
Weighted-average common shares outstanding	179.8	166.5	159.1
Income (loss) from continuing operations	\$ 0.89	\$ (4.55)	\$ 0.87
Loss from discontinued operations	—	—	(0.01)
Basic earnings (loss) per share	\$ 0.89	\$ (4.55)	\$ 0.86
Diluted earnings (loss) per share attributable to JCG common shareholders:			
Weighted-average common shares outstanding	179.8	166.5	159.1
Dilutive effect of stock options and unvested restricted stock using the treasury stock method	2.2	—	1.6
Weighted-average diluted common shares outstanding	182.0	166.5	160.7
Income (loss) from continuing operations	\$ 0.88	\$ (4.55)	\$ 0.86
Loss from discontinued operations	—	—	(0.01)
Diluted earnings (loss) per share	\$ 0.88	\$ (4.55)	\$ 0.85

The following stock options and unvested restricted stock are anti-dilutive and have not been included in the weighted-average diluted shares outstanding calculation (*in millions*):

	For the year ended December 31,		
	2010	2009	2008
Stock options	11.2	17.0	4.0
Unvested restricted stock	1.5	4.2	1.4

All shares held in the JCG ESOP are treated as outstanding for purposes of computing basic earnings per share. The computation of diluted earnings per share does not include the impact of the convertible senior notes because the effect would be anti-dilutive as the conversion criteria have not been satisfied. As a result of JCG's net loss for the year ended December 31, 2009, all stock options and unvested restricted stock in 2009 were anti-dilutive.

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NOTE 16 — COMMITMENTS AND CONTINGENCIES

Operating Leases

JCG rents office space and equipment under the terms of various operating lease agreements. As of December 31, 2010, future minimum rental commitments under non-cancelable operating and capital leases are as follows (*in millions*):

2011	\$	17.5
2012		16.6
2013		13.0
2014		12.2
2015		11.7
Thereafter		44.7
Total	\$	<u>115.7</u>

Rent expense was \$16.5 million, \$20.2 million and \$19.3 million in 2010, 2009 and 2008, respectively.

Capital Leases

JCG's capital lease obligations represent leased computer equipment. The carrying value of the obligations at December 31, 2010, totaled \$1.3 million and is included in accrued liabilities and other liabilities on the Consolidated Balance Sheets. The related lease terms extend through 2012.

Investment Management Contracts

Most of JCG's revenues are derived pursuant to investment advisory agreements with its investment advisory clients. Investment advisory agreements with mutual funds may be terminated by either party with notice, or terminated in the event of an "assignment" (as defined in the Investment Company Act of 1940 as amended (the "1940 Act")), and must be approved and renewed annually by the disinterested members of each fund's trustees, or its shareowners, as required by law. Generally, any change in control of JCG would constitute an assignment under the 1940 Act. In addition, a mutual fund's trustees or directors may terminate these investment advisory agreements upon written notice for any reason.

NOTE 17 — LITIGATION AND OTHER REGULATORY MATTERS

JCG is subject to various legal proceedings and other regulatory matters arising from normal business operations. Although there can be no assurances, based on information currently available, management believes that it is probable that the ultimate outcome of each of the actions described below will not have a material adverse effect on JCG's consolidated financial condition. However, an adverse outcome in any of the actions could have a material adverse effect on the Company's financial position or results of operations for the period in which it is recorded. JCG has established a \$2.0 million litigation accrual for the claims described below. Management believes these claims have little or no merit and intends to defend against them.

Market Timing Litigation

Following the market timing investigations by the New York Attorney General and the SEC in 2003, JCG and certain affiliates were named as defendants in a consolidated lawsuit in the U.S. District Court in Baltimore, Maryland (*Case No. MDL No. 1586, 04-MD-15863*). Five amended complaints were originally filed in these coordinated proceedings, two of which still remain including (i) claims by a putative class of JCG shareholders asserting claims on behalf of the shareholders (*First Derivative Traders, et al. v. Janus Capital Group Inc., et al., U.S. District Court, District of Maryland, MDL 1586,*

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formerly referred to as *Wiggins, et al. v. Janus Capital Group Inc., et al.*, U.S. District Court, District of Maryland, Case No. 04-CV-00818); and (ii) derivative claims by investors in certain Janus funds ostensibly on behalf of such funds (*Steinberg et al. v. Janus Capital Management, LLC et al.*, U.S. District Court, District of Maryland, Case No. 04-CV-00518).

In the *First Derivative Traders* matter, the U.S. District Court entered an order dismissing all claims. Plaintiffs, however, appealed that dismissal to the Fourth Circuit Court of Appeals for the Fourth Circuit. In May 2009, the Fourth Circuit reversed the order of dismissal and remanded the case back to the U.S. District Court for further proceedings. In June 2010, the U.S. Supreme Court agreed to review the Fourth Circuit's decision and a hearing was held in December 2010. A decision is expected by mid-2011. In addition to the *First Derivative Traders* case, on January 20, 2010, the U.S. District Court entered orders dismissing the remaining claims asserted against JCG and its affiliates by fund investors in the *Steinberg* matter; however, plaintiffs appealed the decision in February 2010. JCG expects a decision from the Fourth Circuit Court of Appeals in 2011. As a result of these events, JCG and its affiliates are the remaining defendants, in some capacity, in the actions described in the preceding paragraph.

Other Regulatory Matters

As previously disclosed on JCG's Form 8-K dated November 23, 2010, JCG received a governmental inquiry regarding an insider trading investigation. JCG intends to cooperate fully with that inquiry. JCG has not been accused of any wrong doing and the government confirmed that JCG is not a target of its investigation into potential insider trading.

NOTE 18 — RELATED PARTY TRANSACTIONS

JCG earns fees from the various registered investment companies for which it acts as investment adviser. Accounts receivable include amounts due from these investment companies. The table below presents this related party activity as of and for the years ended December 31 (*in millions*):

	Investment Management and Shareowner Servicing Fees	Accounts Receivable from Registered Investment Companies	12b-1 Plan Fees Earned
2010	\$ 820.0	\$ 81.7	\$ 8.5
2009	\$ 662.7	\$ 73.0	\$ 6.3
2008	\$ 808.6	\$ 54.0	\$ 6.8

NOTE 19 — SHAREHOLDER RIGHTS PLAN

JCG does not currently have a Shareholder Rights Plan ("Rights Plan") in place, as JCG's Board of Directors let the previous Rights Plan expire by its terms in June 2010. The Board of Directors reserves the right to implement a new Rights Plan at any time.

NOTE 20 — SEGMENT AND GEOGRAPHIC INFORMATION

The Company operates in one business segment, its Investment Management operations.

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The following summary provides information concerning JCG's principal geographic areas as of and for the years ended December 31, 2010, 2009 and 2008 (*in millions*):

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Revenues:			
United States	\$ 903.2	\$ 757.1	\$ 930.5
International	112.5	91.6	107.4
Total	<u>\$ 1,015.7</u>	<u>\$ 848.7</u>	<u>\$ 1,037.9</u>
Long-lived assets:			
United States	\$ 1,792.9	\$ 1,789.2	\$ 2,626.1
International	6.9	8.1	11.6
Total	<u>\$ 1,799.8</u>	<u>\$ 1,797.3</u>	<u>\$ 2,637.7</u>

International revenues and assets are attributed to countries based on the location in which revenues are earned, primarily the United Kingdom.

NOTE 21 — QUARTERLY FINANCIAL DATA (UNAUDITED)

<u>(in millions, except per share amounts)</u>	<u>2010</u>				
	<u>First Quarter</u>	<u>Second Quarter</u>	<u>Third Quarter</u>	<u>Fourth Quarter</u>	<u>Full Year</u>
Total revenue	\$ 246.9	\$ 249.3	\$ 243.8	\$ 275.7	\$ 1,015.7
Operating income	67.3	61.4	57.1	95.8	281.6
Net income	33.4	31.4	35.4	68.4	168.6
Noncontrolling interests	(2.1)	(1.2)	(2.9)	(2.5)	(8.7)
Net income attributable to JCG	31.3	30.2	32.5	65.9	159.9
Basic earnings per share attributable to JCG common shareholders	\$ 0.17	\$ 0.17	\$ 0.18	\$ 0.37	\$ 0.89
Diluted earnings per share attributable to JCG common shareholders	\$ 0.17	\$ 0.17	\$ 0.18	\$ 0.36	\$ 0.88

<u>(in millions, except per share amounts)</u>	<u>2009</u>				
	<u>First Quarter</u>	<u>Second Quarter</u>	<u>Third Quarter</u>	<u>Fourth Quarter</u>	<u>Full Year</u>
Total revenue	\$ 170.3	\$ 200.2	\$ 227.6	\$ 250.6	\$ 848.7
Operating income (loss)	(829.8)	47.0	29.6	75.7	(677.5)
Net income (loss)	(815.6)	19.2	11.8	40.5	(744.1)
Noncontrolling interests	(2.5)	(3.4)	(3.6)	(3.5)	(13.0)
Net income (loss) attributable to JCG	(818.1)	15.8	8.2	37.0	(757.1)
Basic earnings (loss) per share attributable to JCG common shareholders	\$ (5.22)	\$ 0.10	\$ 0.05	\$ 0.21	\$ (4.55)
Diluted earnings (loss) per share attributable to JCG common shareholders	\$ (5.22)	\$ 0.10	\$ 0.05	\$ 0.20	\$ (4.55)

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ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

EVALUATION OF CONTROLS AND PROCEDURES

As of December 31, 2010, JCG's management evaluated the effectiveness of the design and operation of its disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). Disclosure controls and procedures are designed by the Company to seek to ensure that it records, processes, summarizes and reports in a timely manner the information it must disclose in reports that it files with or submits to the Securities and Exchange Commission. Richard M. Weil, Chief Executive Officer, and Gregory A. Frost, Executive Vice President and Chief Financial Officer, reviewed and participated in management's evaluation of the disclosure controls and procedures. Based on this evaluation, Messrs. Weil and Frost concluded that as of the date of their evaluation, JCG's disclosure controls and procedures were effective.

There has been no change in JCG's internal controls over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the fourth quarter 2010 that has materially affected, or is reasonably likely to materially affect, JCG's internal controls over financial reporting.

JCG's Management Report on Internal Control over Financial Reporting and Deloitte & Touche LLP's Report of Independent Registered Public Accounting Firm, which contains its attestation on JCG's internal control over financial reporting, are incorporated by reference from Part II, Item 8, Financial Statements and Supplementary Data, of this Annual Report on Form 10-K.

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEMS 10, 11, 12, 13 AND 14.

The Company's Proxy Statement for its 2011 Annual Meeting of Stockholders, which, when filed pursuant to Regulation 14A under the Securities Exchange Act of 1934, will be incorporated by reference in this Annual Report on Form 10-K pursuant to General Instruction G(3) of Form 10-K, provides the information required under Part III (Items 10, 11, 12, 13 and 14).

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) List of Documents Filed as Part of This Report

(1) Financial Statements

The financial statements and related notes, together with the report of Deloitte & Touche LLP dated February 24, 2011, appear in Part II, Item 8, Financial Statements and Supplementary Data, of this Annual Report on Form 10-K.

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(2) Financial Statement Schedules

The schedules and exhibits for which provision is made in the applicable accounting regulation of the Securities and Exchange Commission appear in Part II, Item 8, Financial Statements and Supplementary Data, under the Index to Financial Statements of this Annual Report on Form 10-K.

(3) List of Exhibits

(b) Exhibits

The Company has incorporated by reference herein certain exhibits as specified below pursuant to Rule 12b-32 under the Exchange Act.

(3) Articles of Incorporation and Bylaws

- 3.1.1 Delaware Certificate of Incorporation as Amended and Restated on June 14, 2000, is hereby incorporated by reference from Exhibit 3.1.1 to JCG's Registration Statement on Form 10 declared effective on June 15, 2000 (File No. 001-15253)
- 3.1.2 Certificate of Designation dated June 15, 2000, establishing Series A Preferred Stock, is hereby incorporated by reference from Exhibit 3.1.2 to JCG's Registration Statement on Form 10 declared effective on June 15, 2000 (File No. 001-15253)
- 3.2 Bylaws of Janus Capital Group Inc. as Amended and Restated on October 21, 2008, is hereby incorporated by reference from Exhibit 3.1 to JCG's Form 10-Q for the quarterly period ended September 30, 2008 (File No. 001-15253)
- 3.3 Certificate of Ownership and Merger, merging Janus Capital Corporation with and into Stilwell Financial Inc., is hereby incorporated by reference from Exhibit 3.1 to JCG's Registration Statement on Form S-4 declared effective on February 11, 2003 (File No. 333-102783)

(4) Instruments Defining the Rights of Security Holders, Including Indentures

- 4.1 Form of Certificate representing Common Stock is hereby incorporated by reference from Exhibit 4.1 to JCG's Registration Statement on Form 10 declared effective on June 15, 2000 (File No. 001-15253)
- 4.2.1 Stockholders' Rights Agreement, dated as of June 14, 2000, between Janus Capital Group Inc. and UMB Bank, N.A., as Rights Agent is hereby incorporated by reference from Exhibit 4.2.1 to JCG's Registration Statement on Form 10 declared effective on June 15, 2000 (File No. 001-15253)
- 4.2.2 Certificate of Designation establishing Series A Preferred Stock set forth on Exhibit 3.1.2 above, is hereby incorporated by reference
- 4.2.3 Amendment No. 1 to Rights Agreement between Janus Capital Group Inc. and UMB Bank N.A., as Rights Agent, dated February 23, 2005, is hereby incorporated by reference from Exhibit 4.1 to JCG's Current Report on Form 8-K, dated February 28, 2005 (File No. 001-15253)
- 4.2.4 Amendment No. 2 to Rights Agreement between Janus Capital Group Inc. and Wells Fargo Bank N.A., as successor Rights Agent, dated October 2, 2006, is hereby incorporated by reference from Exhibit 4.1 to JCG's Annual Report on Form 10-K for the year ended December 31, 2006 (File No. 001-15253)
- 4.3 Article FOURTH, Article FIFTH, Article SIXTH, Article SEVENTH and Article ELEVENTH of Exhibit 3.1.1 above are hereby incorporated by reference

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- 4.4 Article II; Article III, Section 2; and Article V of Exhibit 3.2 above are hereby incorporated by reference
- 4.5.1 7.00% Senior Notes due 2006 Indenture, dated as of November 6, 2001, between Janus Capital Group Inc. and The Chase Manhattan Bank, is hereby incorporated by reference from Exhibit 4.1 to JCG's Current Report on Form 8-K, dated November 6, 2001
- 4.5.2 Officers' Certificate pursuant to the Indenture (as per Exhibit 4.5.1 above) is hereby incorporated by reference from Exhibit 4.2 to JCG's Current Report on Form 8-K, dated November 6, 2001 (File No. 001-15253)
- 4.5.3 Officers' Certificate pursuant to the Indenture (as per Exhibit 4.5.1 above) is hereby incorporated by reference from Exhibit 4.1 to JCG's Current Report on Form 8-K, dated April 5, 2002 (File No. 001-15253)
- 4.5.4 Officers' Certificate pursuant to the Indenture (as per Exhibit 4.5.1 above) is hereby incorporated by reference from Exhibit 4.1 to JCG's Current Report on Form 8-K, dated July 2, 2002 (File No. 001-15253)
- 4.5.5 Second Supplemental Indenture, dated July 21, 2009, between Janus Capital Group Inc. and The Bank of New York Mellon Trust Company, N.A., is hereby incorporated by reference from Exhibit 4.2 to JCG's Current Report on Form 8-K, dated July 23, 2009 (File No. 001-15253)
- 4.5.6 Form of 3.25% Convertible Senior Notes due 2014, is hereby incorporated by reference from Exhibit 4.3 to JCG's Current Report on Form 8-K, dated July 23, 2009 (File No. 001-15253)
- 4.6 7.75% Notes Due 2009 Prospectus Supplement (to Prospectus dated April 25, 2002) is hereby incorporated by reference from Form 424B2, filed June 28, 2002 (File No. 333-86606)
- 4.7 6.119% Senior Notes Due 2014 Indenture, dated as of April 26, 2004, between Janus Capital Group Inc. and JPMorgan Chase Bank, as Trustee is hereby incorporated by reference from Exhibit 4.2 to JCG's Form 10-Q for the quarterly period ended March 31, 2004 (File No. 001-15253)
- 4.8 5.875% Senior Notes Due 2011 Prospectus Supplement (to Prospectus dated April 25, 2002) is hereby incorporated by reference from Form 424B5, filed September 15, 2006 (File No. 333-86606)
- 4.9 \$325,000,000 Shelf Registration Statement is hereby incorporated by reference from Form S-3ASR, filed June 5, 2007 (File No. 333-143510)
- 4.10 6.250% Senior Notes Due 2012 and 6.700% Senior Notes Due 2017 Prospectus Supplement (to Prospectus dated June 5, 2007) is hereby incorporated by reference from Form 424B5, filed June 11, 2007 (File No. 333-143510)
- 4.5.5 Officers' Certificate pursuant to the Indenture establishing the terms of the 2012 Notes (as per Exhibit 4.10 above) is hereby incorporated by reference from Exhibit 4.1 to JCG's Current Report on Form 8-K, dated June 14, 2007 (File No. 001-15253)
- 4.5.6 Officers' Certificate pursuant to the Indenture establishing the terms of the 2017 Notes (as per Exhibit 4.10 above) is hereby incorporated by reference from Exhibit 4.2 to JCG's Current Report on Form 8-K, dated June 14, 2007 (File No. 001-15253)

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- 4.11 First Supplemental Indenture to the 2001 Indenture, dated as of June 14, 2007, between the Company and The Bank of New York Trust Company, N.A. (as successor to the Chase Manhattan Bank), is hereby incorporated by reference from Exhibit 4.5 to JCG's Current Report on Form 8-K, dated June 14, 2007 (File No. 001-15253)
- 4.12 First Supplemental Indenture to the 2004 Indenture, dated as of June 14, 2007, between the Company and The Bank of New York Trust Company, N.A. (as successor to JPMorgan Chase Bank), is hereby incorporated by reference from Exhibit 4.6 to JCG's Current Report on Form 8-K, dated June 14, 2007 (File No. 001-15253)
- 4.13 Notes Underwriting Agreement, dated July 15, 2009, between Janus Capital Group, Inc., and J.P. Morgan Securities Inc, and Goldman, Sachs & Co., as representatives and several underwriters, is hereby incorporated by reference from Exhibit 1.1 to JCG's Current Report on Form 8-K, dated July 17, 2009 (File No. 001-15253)
- 4.14 Common Stock Underwriting Agreement, dated July 15, 2009, between Janus Capital Group, Inc., and J.P. Morgan Securities Inc., and Goldman, Sachs & Co., as representatives and several underwriters, is hereby incorporated by reference from Exhibit 1.1 to JCG's Current Report on Form 8-K, dated July 17, 2009 (File No. 001-15253)

(10) Material Contracts

- 10.1 Representative Director Indemnification Agreement is hereby incorporated by reference from Exhibit 10.1 to JCG's Registration Statement on Form 10 declared effective on June 15, 2000 (File No. 001-15253)
- 10.2 Intercompany Agreement, dated as of August 16, 1999, between Kansas City Southern Industries, Inc. and Janus Capital Group Inc., is hereby incorporated by reference from Exhibit 10.3 to JCG's Registration Statement on Form 10 declared effective on June 15, 2000 (File No. 001-15253)
- 10.3 Tax Disaffiliation Agreement, dated as of August 16, 1999, between Kansas City Southern Industries, Inc. and Janus Capital Group Inc., is hereby incorporated by reference from Exhibit 10.4 to JCG's Registration Statement on Form 10 declared effective on June 15, 2000 (File No. 001-15253)
- 10.4 \$125 million Amended Competitive Advance and Revolving Credit Facility Agreement, dated as of June 12, 2009, with Citibank, N.A., as administrative agent and JPMorgan Chase Bank, N.A., as syndication agent for the lenders, is hereby incorporated by reference from Exhibit 10.1 to JCG's Form 10-Q for the quarterly period ended September 30, 2009 (File No. 001-15253)
- 10.4.1 \$100 million 364-Day Competitive Advance and Revolving Credit Facility Agreement, dated as of October 4, 2010, with JPMorgan Chase Bank, N.A., as administrative agent and swingline lender, is hereby incorporated by reference from Exhibit 10.1 to JCG's Form 8-K dated October 4, 2010 (File No. 001-15253)
- 10.5 Share Exchange Agreement with DST Systems, Inc., dated August 25, 2003, is hereby incorporated by reference from Exhibit 99.A to JCG's SC 13D/A, dated August 25, 2003 (File No. 001-15253)
- 10.6 Amended and Restated Limited Liability Company Agreement of Janus Capital Management LLC, dated as of March 13, 2002, is hereby incorporated by reference to JCG's Annual Report on Form 10-K for the year ended December 31, 2002 (File No. 001-15253)

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- 10.7 Assignment and Assumption Agreement, dated March 16, 2004, between Janus Capital Group Inc. and Capital Group Partners, Inc. is hereby incorporated by reference from Exhibit 10.3 to JCG's quarterly report on Form 10-Q, dated May 6, 2004 (File No. 001-15253)
- 10.8 Amended and Restated Janus Capital Group Inc. 1998 Long Term Incentive Stock Plan, effective as of January 22, 2008, is hereby incorporated by reference from Exhibit 10.8 to JCG's Annual Report on Form 10-K for the year ended December 31, 2008 (File No. 001-15253)*
- 10.9 Janus Capital Group Inc. Employee Stock Purchase Plan, as Amended and Restated Effective October 23, 2006, is hereby incorporated by reference from Exhibit 10.1 to JCG's Form 10-Q for the quarterly period ended September 30, 2006 (File No. 001-15253)*
- 10.10 Stilwell Financial Inc. Savings-Related Share Option Scheme, dated March 1, 2001, is hereby incorporated by reference from Exhibit 4.1 on Form S-8 dated April 27, 2001 (File No. 333-59636) *
- 10.11 Janus Capital Group Inc. Amended and Restated 2004 Employment Inducement Award Plan, effective as of January 22, 2008, is hereby incorporated by reference from Exhibit 10.2 to JCG's Form 10-Q for the quarterly period ended September 30, 2008 (File No. 001-15253)*
- 10.12 Janus Capital Group Inc. Amended and Restated Mutual Fund Share Investment Plan, effective January 22, 2008, is hereby incorporated by reference from Exhibit 10.1 to JCG's Annual Report on Form 10-K for the year ended December 31, 2007 (File No. 001-15253)*
- 10.13 Janus Capital Group Inc. Management Incentive Compensation Plan, effective January 1, 2008, is hereby incorporated by reference from Appendix D to JCG's 2008 Proxy Statement on Schedule 14A (File No. 001-15253)*
- 10.14 Janus Capital Group Inc. 401(k), Profit Sharing and Employee Stock Ownership Plan ("Janus 401(k) Plan"), as amended and restated effective January 1, 2009, is hereby incorporated by reference from Exhibit 10.14 to JCG's Annual Report on Form 10-K for the year ended December 31, 2008 (File No. 001-15253)*
- 10.14.1 Amendment No. 1 to Janus Capital Group Inc. 401(k) Plan, effective December 30, 2009, is hereby incorporated by reference from Exhibit 10.14.1 to JCG's Annual Report on Form 10-K for the year ended December 31, 2009 (File No. 001-15253)*
- 10.14.2 Amendment No. 2 to Janus Capital Group Inc. 401(k) Plan, effective July 19, 2010, is hereby incorporated by reference from Exhibit 10.3 to JCG's 10-Q for the quarterly period ended June 30, 2010 (File No. 001-15253)*
- 10.15 Janus Capital Group Inc. Amended and Restated Income Deferral Program, effective as of January 22, 2008, is hereby incorporated by reference from Exhibit 10.1 to JCG's Form 10-Q for the quarterly period ended September 30, 2008 (File No. 001-15253)*
- 10.15.1 Amendment No. 1 to the Janus Capital Group Inc. Amended and Restated Income Deferral Program, effective July 19, 2010, is hereby incorporated by reference from Exhibit 10.4 to JCG's 10-Q for the quarterly period ended June 30, 2010 (File No. 001-15253)*
- 10.16 Janus Capital Group Inc. Amended and Restated Directors' Deferred Fee Plan, effective as of October 20, 2008, is hereby incorporated by reference from Exhibit 10.3 to JCG's Form 10-Q for the quarterly period ended September 30, 2008 (File No. 001-15253)*

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- 10.17 Form of Long-Term Incentive Acceptance Form with Appendix A (Restricted Stock), Appendix B (Stock Options) and Appendix C (Mutual Fund Units), effective for awards granted in 2007, is hereby incorporated by reference from Exhibit 10.3 to JCG's Annual Report on Form 10-K for the year ended December 31, 2006 (File No. 001-15253)*
- 10.17.1 Form of Long-Term Incentive Acceptance Form with Appendix A (Restricted Stock), Appendix B (Stock Options) and Appendix C (Mutual Fund Units), effective for awards granted in 2008, is hereby incorporated by reference from Exhibit 10.3 to JCG's Annual Report on Form 10-K for the year ended December 31, 2007 (File No. 001-15253)*
- 10.17.2 Form of Long-Term Incentive Acceptance Form with Appendix A (Restricted Stock), Appendix B (Stock Options) and Appendix C (Mutual Fund Units), effective for awards granted in 2009, is hereby incorporated by reference from Exhibit 10.17.2 to JCG's Annual Report on Form 10-K for the year ended December 31, 2008 (File No. 001-15253)*
- 10.17.3 Form of Long-Term Incentive Acceptance Form with Appendix A (Restricted Stock), Appendix B (Stock Options) and Appendix C (Mutual Fund Units), effective for awards granted to executive officers in 2010, is hereby incorporated by reference from Exhibit 10.17.3 to JCG's Annual Report on Form 10-K for the year ended December 31, 2009 (File No. 001-15253)*
- 10.17.4 Form of Long-Term Incentive Acceptance Form for Restricted Stock and Mutual Fund Units, effective for awards granted in 2011, is attached to this Form 10-K as Exhibit 10.17.4*
- 10.17.5 Form of Long-Term Incentive Acceptance Form for Restricted Stock and Mutual Fund Units, effective for awards granted to executive officers in 2011, is attached to this Form 10-K as Exhibit 10.17.5*
- 10.18 Amended and Restated Janus Capital Group Inc. 2005 Long-Term Incentive Stock Plan, effective January 22, 2008, is hereby incorporated by reference from Exhibit 10.2 to JCG's Annual Report on Form 10-K for the year ended December 31, 2007 (File No. 001-15253)*
- 10.18.1 Registration Statement of additional common stock for JCG's 2005 Long-Term Incentive Stock Plan is hereby incorporated by reference from Form S-8, filed January 25, 2007 (File No. 333-140220)
- 10.18.2 Janus Capital Group Inc. 2010 Long-Term Incentive Stock Plan, effective April 29, 2010, is hereby incorporated by reference from Exhibit 10.1 to JCG's Form 10-Q for the quarterly period ended June 30, 2010 (File No. 001-15253)*
- 10.18.3 Janus Capital Group Inc. 2010 Long-Term Incentive Plan Prospectus, effective April 29, 2010, is hereby incorporated by reference from Exhibit 10.2 to JCG's Form 10-Q for the quarterly period ended June 30, 2010 (File No. 001-15253)*
- 10.19 Severance Rights Agreement by and between the Company and Gary D. Black, dated May 1, 2008, is hereby incorporated by reference from Exhibit 10.1 to JCG's Form 8-K, dated April 2, 2008 (File No. 001-15253)*
- 10.20 Amended and Restated Change in Control Agreement by and between the Company and Robin C. Beery, effective as of October 1, 2008, is hereby incorporated by reference from Exhibit 10.20 to JCG's Annual Report on Form 10-K for the year ended December 31, 2008 (File No. 001-15253)*
- 10.21 Change in Control Agreement by and between Janus Capital Group Inc. and Richard M. Weil, dated February 1, 2010, is hereby incorporated by reference from Exhibit 10.2 to JCG's Form 8-K, dated February 4, 2010 (File No. 001-15253)*

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- 10.22 Consulting and Separation Agreement by and between Janus Capital Group Inc. and Mark B. Whiston, dated as of April 20, 2004, is hereby incorporated by reference from Exhibit 10.1 to JCG's Form 10-Q for the quarterly period ended March 1, 2004 (File No. 001-15253)*
- 10.23 Amended and Restated Form of Change in Control Agreement by and between Janus Management Holdings Corporation and Gregory A. Frost ("Frost Change in Control Agreement"), dated October 1, 2008, is hereby incorporated by reference from Exhibit 10.24 to JCG's Annual Report on Form 10-K for the year ended December 31, 2008 (File No. 001-15253)*
- 10.24 Amendment No. 1 to Frost Change in Control Agreement, dated as of January 1, 2011, is attached to this Form 10-K as Exhibit 10.24*
- 10.25 Amended and Restated Form of Change in Control Agreement by and between Janus Management Holdings Corporation and each of the following: Jonathan D. Coleman and Richard Gibson Smith, dated October 1, 2008 ("CIO's Change in Control Agreements"), is hereby incorporated by reference from Exhibit 10.25.1 to JCG's Annual Report on Form 10-K for the year ended December 31, 2008 (File No. 001-15253)*
- 10.25.1 Amendment No. 1 to CIO's Change in Control Agreements, dated as of January 1, 2011, is attached to this Form 10-K as Exhibit 10.25.1*
- 10.25.2 Severance Rights Agreement by and between Janus Management Holdings Corporation and Jonathan D. Coleman, dated January 1, 2009, is hereby incorporated by reference from Exhibit 10.1 to JCG's Form 8-K, dated November 12, 2008 (File No. 001-15253)*
- 10.26 Severance Rights Agreement by and between Janus Management Holdings Corporation and Richard Gibson Smith, dated January 1, 2009, is hereby incorporated by reference from Exhibit 10.2 to JCG's Form 8-K, dated November 12, 2008 (File No. 001-15253)*
- 10.26.1 Amended and Restated Change in Control Agreement by and between Janus Management Holdings Corporation and James P. Goff ("Goff Change in Control Agreement"), dated October 1, 2008, is hereby incorporated by reference from Exhibit 10.26.2 to JCG's Annual Report on Form 10-K for the year ended December 31, 2008 (File No. 001-15253)*
- 10.26.2 Amendment No. 1 to Goff Change in Control Agreement, dated as of January 1, 2011, is attached to this Form 10-K as Exhibit 10.26.2*
- 10.26.3 Amended Severance Letter Agreement by and between Janus Management Holdings Corporation and James Goff, dated October 1, 2008, is hereby incorporated by reference from Exhibit 10.26.3 to JCG's Annual Report on Form 10-K for the year ended December 31, 2008 (File No. 001-15253)*
- 10.27 Summary of Janus Capital Group Inc. Outside Director Compensation Program effective May 1, 2008, is hereby incorporated by reference from Exhibit 10.28 to JCG's Annual Report on Form 10-K for the year ended December 31, 2008 (File No. 001-15253)*
- 10.29 Summary of the Compensation Arrangement for Timothy K. Armour is hereby incorporated by reference from Exhibit 10.1 to JCG's Form 10-Q for the quarterly period ended September 30, 2009 (File No. 001-15253)*
- 10.30 Offer letter for Richard M. Weil dated January 6, 2010, is hereby incorporated by reference from Exhibit 10.30 to JCG's Annual Report on Form 10-K for the year ended December 31, 2009 (File No. 001-15253)*

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- 10.31 Severance Rights Agreement by and between Janus Capital Group Inc. and Richard M. Weil, dated February 1, 2010, is hereby incorporated by reference from Exhibit 10.1 to JCG's Form 8-K, dated February 4, 2010 (File No. 001-15253)*

*Compensatory plan or agreement.

(12) Statements Re Computation of Ratios

- 12.1 The Computation of Ratio of Earnings to Fixed Charges prepared pursuant to Item 601(b)(12) of Regulation S-K is attached to this Annual Report on Form 10-K as Exhibit 12.1

(21) Subsidiaries of the Company

- 21.1 The List of the Subsidiaries of the Company prepared pursuant to Item 601(b)(21) of Regulation S-K is attached to this Annual Report on Form 10-K as Exhibit 21.1

(23) Consents of Experts and Counsel

- 23.1 The Consent of Independent Registered Public Accounting Firm prepared pursuant to Item 601(b)(23) of Regulation S-K is attached to this Annual Report on Form 10-K as Exhibit 23.1

(31) Rule 13a-14(a)/15d-14(a) Certifications

- 31.1 Certification of Richard M. Weil, Chief Executive Officer of Registrant

- 31.2 Certification of Gregory A. Frost, Executive Vice President and Chief Financial Officer of Registrant

(32) Section 1350 Certificates

- 32.1 Certification of Richard M. Weil, Chief Executive Officer of Registrant, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

- 32.2 Certification of Gregory A. Frost, Executive Vice President and Chief Financial Officer of Registrant, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

(100) XBRL Exhibits

- 101.INS XBRL Insurance Document
- 101.SCH XBRL Taxonomy Extension Schema Document
- 101.CAL XBRL Taxonomy Extension Calculation Linkbase Document
- 101.DEF XBRL Taxonomy Extension Definition Linkbase Document
- 101.LAB XBRL Taxonomy Extension Label Linkbase Document
- 101.PRE XBRL Taxonomy Extension Presentation Linkbase Document

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(c) Exhibits

**JANUS CAPITAL GROUP INC.
2010 FORM 10-K ANNUAL REPORT
INDEX TO EXHIBITS**

<u>Exhibit No.</u>	<u>Document</u>	<u>Regulation S-K Item 601(b) Exhibit No.</u>
10.17.4	Form of Long-Term Incentive Acceptance Form for Restricted Stock and Mutual Fund Units, effective for awards granted in 2011	10
10.17.5	Form of Long-Term Incentive Acceptance Form for Restricted Stock and Mutual Fund Units, effective for awards to executive officers granted in 2011	10
10.24	Amendment No. 1 to Frost Change in Control Agreement	10
10.25.1	Amendment No. 1 to CIO's Change in Control Agreement	10
10.26.2	Amendment No. 1 to Goff Change in Control Agreement	10
12.1	The Computation of Ratio of Earnings to Fixed Charges prepared pursuant to Item 601(b)(12) of Regulation S-K	12
21.1	The List of the Subsidiaries of the Company prepared pursuant to Item 601(b)(21) of Regulation S-K	21
23.1	The Consent of Independent Registered Public Accounting Firm — Deloitte & Touche LLP	23
31.1	Certification of Richard M. Weil, Chief Executive Officer of Registrant	31
31.2	Certification of Gregory A. Frost, Executive Vice President and Chief Financial Officer of Registrant	31
32.1	Certification of Richard M. Weil, Chief Executive Officer of Registrant, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	32
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101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document	101
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document	101
101.LAB	XBRL Taxonomy Extension Label Linkbase Document	101
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document	101

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<u>Signature</u>	<u>Title</u>
<hr/> <u>/s/ G. ANDREW COX</u> G. Andrew Cox	Director
<hr/> <u>/s/ JEFFREY J. DIERMEIER</u> Jeffrey J. Diermeier	Director
<hr/> <u>/s/ J. RICHARD FREDERICKS</u> J. Richard Fredericks	Director
<hr/> <u>/s/ DEBORAH R. GATZEK</u> Deborah R. Gatzek	Director
<hr/> <u>/s/ LAWRENCE E. KOCHARD</u> Lawrence E. Kochard	Director
<hr/> <u>/s/ ROBERT T. PARRY</u> Robert T. Parry	Director
<hr/> <u>/s/ JOCK PATTON</u> Jock Patton	Director
<hr/> <u>/s/ LANDON H. ROWLAND</u> Landon H. Rowland	Director
<hr/> <u>/s/ GLENN S. SCHAFER</u> Glenn S. Schafer	Director
<hr/> <u>/s/ ROBERT SKIDELSKY</u> Robert Skidelsky	Director

JANUS LONG TERM INCENTIVE AWARD ("LTI") ACCEPTANCE FORM

<PARTC_NAME>
 <PARTC_ADDR_1>
 <PARTC_ADDR_2>
 <PARTC_CITY>, <PARTC_STATE> <PARTC_ZIP>

The Company grants to <PARTC_NAME> ("you" or "Grantee"), effective <GRANT_DT> (the "Grant Date"), a Restricted Stock Award (the "LTI Award") as described below, subject to the attached Company Plan and the attached Appendix A.

Restricted Stock Award—see Terms of Restricted Stock Award attached as Appendix A

Number of Shares Granted: <OPTS_GRANTED>

a. Except as otherwise provided herein and/or in the Plan, the LTI Award will become vested and no longer subject to restriction on the vesting dates and in the amounts indicated below, provided that you have not experienced a Termination of Affiliation. However, in the event that a vesting date occurs on a day when the New York Stock Exchange is closed, then such vesting date will occur on the next business day.

<u>Vesting Date</u>	<u>Percentage Vesting</u>
February 1, 2012	25%
February 1, 2013	25%
February 1, 2014	25%
February 1, 2015	25%

b. Notwithstanding the provisions of (a) above, if there is a Change of Control, you have a Termination of Affiliation due to death or Disability, or upon Retirement (as defined in the Plan), the LTI Award shall vest in full. Except as provided above, in the event that you have a Termination of Affiliation, any portion of the LTI Award that is unvested, and any of your rights hereunder, shall be terminated, cancelled and forfeited effective immediately upon such Termination of Affiliation.

c. In accordance with the Plan, the Committee may, in its sole discretion, accelerate the vesting of all or a portion of the LTI Award or waive any or all of the terms and conditions applicable to this LTI Acceptance Form or the attached Appendix A. This LTI Acceptance Form or the attached Appendix A does not supersede, or otherwise amend or affect any other LTI awards, agreements, rights or restrictions that may exist between the parties.

d. Capitalized terms used but not defined in this LTI Acceptance Form have the meaning specified in the Plan and/or in the attached Appendix A.

By electronically accepting this LTI Award, you acknowledge receipt of, and agree to be bound by the terms and conditions set forth in the LTI Acceptance Form, Appendix A and the Company Plan, all of which are incorporated by reference herein and are an integral part of this LTI Award. In the event you fail to accept the LTI Award within sixty (60) days, the Company reserves the right to terminate and forfeit the LTI Award (including any rights provided for in this LTI Acceptance Form and Appendix A), or to suspend or forfeit all of any vesting event(s) arising from the LTI Award.

APPENDIX A—TERMS OF RESTRICTED STOCK AWARD

1. *Grant of Restricted Stock Award.*

Subject to the provisions of this Appendix, the LTI Acceptance Form and the Company's 2010 Long Term Incentive Stock Plan, as may be amended from time to time (the "Plan"), the Company hereby grants to the Grantee the number of restricted shares of common stock of the Company, par value \$.01 per share ("Common Stock") identified under the Restricted Stock Award section of the attached LTI Acceptance Form (the "Restricted Stock").

2. *No Right to Continued Employment.*

Nothing in this Appendix or the Plan shall confer upon Grantee any right to continue providing services to, or be in the employ of, the Company or any Subsidiary or interfere in any way with the right of the Company or any Subsidiary to terminate Grantee's association or employment at any time. For purposes of the LTI Acceptance Form and this Appendix, "Services" shall mean that the Grantee is providing services to the Company or any Subsidiary in the capacity as an employee, a member of the board of directors of the parent company, a trustee of a Janus-affiliated investment company trust, or a consultant pursuant to a written consulting agreement.

3. *Unfair Interference.*

During Grantee's employment with the Company or any Subsidiary and during the twelve months after Termination of Affiliation, Grantee shall not: (i) knowingly and directly solicit, hire or attempt to hire, or assist another in soliciting, hiring or attempting to hire, on behalf of any Competitive Business, any person who is an employee or contractor of the Company or any Subsidiary; or (ii) knowingly and directly divert, attempt to divert, or solicit, or assist another in diverting, attempting to divert or soliciting, the customer business of any Protected Client on behalf of a Competitive Business. For purposes of this section, "Competitive Business" means any business that provides investment advisory or investment management services or related services; and "Protected Client" shall mean any person or entity to whom the Company or any Subsidiary provided investment advisory or investment management services at any point during the six months preceding Grantee's Termination of Affiliation.

4. *Issuance of Shares.*

Subject to Section 10 (pertaining to the withholding of taxes), as soon as practicable after each vesting event under Subsection (a) of the LTI Acceptance Form, or if Grantee had a Termination of Affiliation pursuant to Subsection (b) of the LTI Acceptance Form, as soon as practicable after such termination (in each case, provided there has been no prior forfeiture of the Restricted Stock pursuant to the terms of this Appendix or the Plan), the Company shall issue (or cause to be delivered) to the Grantee one or more stock certificates or otherwise transfer shares with respect to the Restricted Stock vesting (or shall take other appropriate steps to reflect the Grantee's unrestricted ownership of all or a portion of the vested Restricted Stock that is subject to this Appendix).

5. *Nontransferability of the Restricted Stock.*

Any unvested shares of the Restricted Stock shall not be transferable by the Grantee by means of sale, assignment, exchange, encumbrance, pledge or otherwise.

6. *Rights as a Stockholder.*

Except as otherwise specifically provided in this Appendix, the Grantee shall have all the rights of a stockholder with respect to the Restricted Stock including, without limitation, the right to vote the

Restricted Stock and the right to receive dividend payments. Dividends and distributions other than regular cash dividends, if any, may result in an adjustment pursuant to Section 7.

7. *Adjustment in the Event of Change in Stock.*

In the event that the Committee determines that any dividend or other distribution (whether in the form of cash, Common Stock, other securities, or other property), recapitalization, stock split, reverse stock split, subdivision, consolidation or reduction of capital, reorganization, merger, scheme of arrangement, split-up, spin-off or combination involving the Company or repurchase or exchange of Common Stock or other rights to purchase Common Stock or other securities of the Company, or other similar corporate transaction or event that affects the Common Stock such that an adjustment is determined by the Committee to be appropriate to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan, then the Committee shall, in such manner as it may deem equitable, adjust the number and type of shares, or, if deemed appropriate, make provision for a cash payment to the Grantee or the substitution of other property for shares of Restricted Stock; provided, that the number of shares of Restricted Stock shall always be a whole number.

8. *Payment of Transfer Taxes, Fees and Other Expenses.*

The Company agrees to pay any and all original issue taxes and stock transfer taxes that may be imposed on the issuance of shares received by Grantee in connection with the Restricted Stock, together with any and all other fees and expenses necessarily incurred by the Company in connection therewith.

9. *Other Restrictions.*

The Restricted Stock shall be subject to the requirement that, if at any time the Committee shall determine that (i) the listing, registration or qualification of the shares of Common Stock subject or related thereto upon any securities exchange or under any state or federal law, or (ii) the consent or approval of any government regulatory body, or (iii) an agreement by the Grantee with respect to the disposition of shares of Common Stock is necessary or desirable as a condition of, or in connection with, the delivery or purchase of shares pursuant thereto, then in any such event, the grant and/or vesting of Restricted Stock shall not be effective unless such listing, registration, qualification, consent, approval or agreement shall have been effected or obtained free of any conditions not acceptable to the Committee.

10. *Taxes and Withholding.*

No later than the date as of which an amount first becomes includible in the gross income of the Grantee for federal income tax purposes with respect to any Restricted Stock, the Grantee shall pay all federal, state, local and foreign taxes that are required by applicable laws and regulations to be withheld by either: (i) participating in the Company's Share Withholding Program to have shares withheld and/or sold by the Company or its agent (provided that it will not result in adverse accounting consequences to the Company), or (ii) making other payment arrangements satisfactory to the Company. The obligations of the Company under this Appendix shall be conditioned on compliance by the Grantee with this Section 10. It is intended that the foregoing provisions of this Section 10 shall normally govern the payment of withholding taxes; however, if withholding is not accomplished under the preceding provisions of this Section 10, the Grantee agrees that the Company shall, to the extent permitted by law, have the right to deduct any such taxes from any payment otherwise due to the Grantee, including compensation or the delivery of the Restricted Stock that gives rise to the withholding requirement.

11. *Notices.*

Any notice to be given to the Company shall be addressed to the Company at its principal office, in care of its Assistant Corporate Secretary. Any notice to be given to Grantee shall be addressed to Grantee at the address listed in the Company's records. By a notice given pursuant to this section, either party may designate a different address for notices. Any notice shall have been deemed given (i) when actually delivered to the Company, or (ii) if to the Grantee, when actually delivered; when deposited in the U.S. Mail, postage prepaid and properly addressed to the Grantee; or when delivered by overnight courier.

12. *Binding Effect.*

Except as otherwise provided hereunder, this Appendix shall be binding upon and shall inure to the benefit of the heirs, executors or successors of the parties to this Appendix.

13. *Laws Applicable to Construction.*

The interpretation, performance and enforcement of this Appendix shall be governed by the laws of the State of Delaware without reference to principles of conflict of laws, as applied to contracts executed in and performed wholly within the State of Delaware. In addition to the terms and conditions set forth in this Appendix, the Restricted Stock is subject to the terms and conditions of the Plan, which is hereby incorporated by reference.

14. *Severability.*

The invalidity or enforceability of any provision of this Appendix shall not affect the validity or enforceability of any other provision of this Appendix.

15. *Conflicts and Interpretation.*

In the event of any conflict between this Appendix and the Plan, the Plan shall control. In the event of any ambiguity in this Appendix, or any matters as to which this Appendix is silent, the Plan shall govern including, without limitation, the provisions thereof pursuant to which the Committee has the power, among others, to (i) interpret the Plan, (ii) prescribe, amend and rescind rules and regulations relating to the Plan, and (iii) make all other determinations deemed necessary or advisable for the administration of the Plan.

16. *Amendment; Section 409A of the Code.*

Except as otherwise provided for in this Appendix, this Appendix may not be modified, amended or waived except by an instrument in writing approved by both parties hereto which specifically states that it is amending this Appendix. However, this Appendix is subject to the power of the Board or the Committee to amend the Plan as provided therein, except that no such amendment shall adversely affect your rights under the LTI Acceptance Form or this Appendix without your consent. The waiver by either party of compliance with any provision of this Appendix shall not operate or be construed as a waiver of any other provision of this Appendix, or of any subsequent breach by such party of a provision of this Appendix. Notwithstanding anything to the contrary contained in the Plan or in this Appendix, to the extent that the Company determines that the Restricted Stock is subject to Section 409A of the Code and fails to comply with the requirements of Section 409A of the Code, the Company reserves the right to amend, restructure, terminate or replace the Restricted Stock in order to cause the Restricted Stock to either not be subject to Section 409A of the Code or to comply with the applicable provisions of such section.

17. *Headings.*

The headings of Sections herein are included solely for convenience of reference and shall not affect the meaning or interpretation of any of the provisions of this Appendix.

JANUS LONG TERM INCENTIVE AWARD ("LTI") ACCEPTANCE FORM

[NAME]
[ADDRESS]
[CITY, STATE, ZIP]

The Company grants to [NAME] ("you" or "Participant"), effective as of February 4, 2011 (the "Grant Date"), a Mutual Fund Unit Award (the "LTI Award") as described below, subject to the attached Company Plan and the attached Appendix.

Mutual Fund Unit Award—see Terms of Mutual Fund Unit Award attached as Appendix A

Value on Grant Date: \$

a. Except as otherwise provided herein and/or in the Plan, the LTI Award will become vested and no longer subject to restriction on the vesting dates and in the amounts indicated below, provided that you have not experienced a Termination of Affiliation. However, in the event that a vesting date occurs on a day when the New York Stock Exchange is closed, then such vesting date will occur on the next business day.

<u>Date First Exercisable</u>	<u>Percentage Vesting</u>
February 1, 2012	25%
February 1, 2013	25%
February 1, 2014	25%
February 1, 2015	25%

b. Notwithstanding the provisions of (a) above, if there is a Change of Control, you have a Termination of Affiliation due to death or Disability, or upon Retirement (as defined in the Plan), the LTI Award shall vest in full. Except as provided above, in the event that you have a Termination of Affiliation, any portion of the LTI Award that is unvested, and any of your rights hereunder, shall be terminated, cancelled and forfeited effective immediately upon such Termination of Affiliation.

c. In accordance with the Plan, the Committee may, in its sole discretion, accelerate the vesting of all or a portion of the LTI Award or waive any or all of the terms and conditions applicable to this LTI Acceptance Form or the attached Appendix. This LTI Acceptance Form or the attached Appendix does not supersede, or otherwise amend or affect any other LTI awards, agreements, rights or restrictions that may exist between the parties.

d. Capitalized terms used but not defined in this LTI Acceptance Form have the meaning specified in the Plan and/or in the attached Appendix.

By executing this LTI Acceptance Form, you indicate your acceptance of the LTI Award set forth above and agree to be bound by the terms, conditions and provisions set forth in the LTI Acceptance Form, the attached Appendix A and the Company Plans, all of which are incorporated by reference herein and are an integral part of this LTI Acceptance Form. Please sign and return this LTI Acceptance Form to the Assistant Corporate Secretary's Office in the envelope provided within sixty (60) days after the Company's mailing of this LTI Acceptance Form to you. In the event you fail to return the executed original within sixty (60) days, the Company reserves the right to terminate and forfeit the LTI Award (including any rights provided for in this LTI Acceptance Form and the attached Appendix A), or to suspend or forfeit all or any vesting event(s) arising from the LTI Award. This LTI Acceptance Form may be executed in counterparts, which together shall constitute one and the same original. This LTI Acceptance Form may be executed by the exchange of facsimile signature pages, provided that by doing so the Participant agrees to provide an original signature as soon thereafter as possible.

ACCEPTED AND AGREED TO AS OF THE GRANT DATE:

PARTICIPANT:

[NAME]

JANUS CAPITAL GROUP INC.

By:

By: Curt R. Foust
Title: Assistant Corporate Secretary

APPENDIX A—TERMS OF MUTUAL FUND UNIT AWARD

1. *Grant of Mutual Fund Unit Award.*

Subject to the provisions of this Appendix, the LTI Acceptance Form and the Company's Mutual Fund Share Investment Plan, as may be amended from time to time (the "Plan"), the Company hereby grants to Participant a phantom mutual fund award (the "Mutual Fund Award") as identified in the Mutual Fund Unit Award section of the attached LTI Acceptance Form.

2. *Retail Account Required.*

If you are a U.S. based employee, you must have an open account designated or approved in advance by Janus in order to receive any proceeds or benefits (including vesting) from this Mutual Fund Award. A failure to maintain such an account will subject this Mutual Fund Award to a suspension of vesting or cancellation and forfeiture.

3. *No Right to Continued Employment.*

Nothing in this Appendix or the Plan shall confer upon Participant any right to continue providing services to, or be in the employ of, the Company or any Subsidiary or interfere in any way with the right of the Company or any Subsidiary to terminate Participant's association or employment at any time.

4. *Unfair Interference.*

During Participant's employment with the Company or any Subsidiary and during the twelve months after Termination of Affiliation, Participant shall not: (i) knowingly and directly solicit, hire or attempt to hire, or assist another in soliciting, hiring or attempting to hire, on behalf of any Competitive Business, any person who is an employee or contractor of the Company or any Subsidiary; or (ii) knowingly and directly divert, attempt to divert, or solicit, or assist another in diverting, attempting to divert or soliciting, the customer business of any Protected Client on behalf of a Competitive Business. For purposes of this section, "Competitive Business" means any business that provides investment advisory or investment management services or related services; and "Protected Client" shall mean any person or entity to whom the Company or any Subsidiary provided investment advisory or investment management services at any point during the six months preceding Participant's Termination of Affiliation.

5. *Allocation Elections.*

a. During the vesting period, Participant's award will be credited to Participant's Mutual Fund Share Investment Account ("Account"). The award will be deemed invested in the phantom investments selected by Participant pursuant to online elections through the Plan administrative system or as otherwise provided by the Company. Participant may change the investment elections from time to time; provided, however, in no event shall Participant be able to make changes to the investment elections more than four (4) times per calendar year and any such change should be effective within five (5) days after such election is made. If you are an investment research analyst, or become an investment research analyst during the vesting period of this Mutual Fund Award, you may be required to allocate your investment elections to certain phantom investments as designated in writing by the Director of Research, the Co-Chief Investment Officers or the Chief Executive Officer.

b. By accepting this Mutual Fund Award, Participant acknowledges and agrees that (i) Participant will open a Janus-designated account needed to receive any proceeds or benefits (including vesting) from this Mutual Fund Award, unless Participant already has such an account (does not apply to employees based outside of the United States); (ii) account balances are subject to any net appreciation or depreciation accruing from time to time based on Participant's deemed

investment election of the Account balance in accordance with Participant's allocation election(s) in effect from time to time; (iii) Participant is solely responsible for any net appreciation or net depreciation in the balance of Participant's Account resulting from Participant's deemed investment elections; (iv) the Company does not guarantee or represent in any manner whatsoever that Participant will realize any appreciation in the balance of the Account as a result of allocating the Account balance for deemed investments in the Janus mutual funds; and (v) any allocation elections must comply with the Company's pre-clearance and applicable prospectus requirements. Participant further agrees and acknowledges that Participant is under no obligation to make a deemed investment election in any particular fund, and, if no such investment election is made, that the balance and any transfers in Participant's Account shall be deemed invested in the Janus Money Market Fund or similar mutual fund if the Janus Money Market Fund is not available.

6. *Distribution upon Vesting.*

Subject to the terms of the Plan (including but not limited to Section 5.3 of the Plan), as soon as practicable following the vesting of all or a portion of Participant's Mutual Fund Award (but in no case later than 60 days following the date on which a vesting event occurs), the value of the vested portion of Participant's Account (subject to applicable tax withholding) will be deposited into a Janus-designated account to purchase the mutual funds in which Participant was invested on a phantom basis at the time such distribution is processed. In the event Participant's chosen mutual funds are not available for purchase by Participant at the time of distribution, the Company has the sole discretion to either purchase different but similar mutual funds or to deposit the net proceeds into the Janus Money Market Fund on behalf of Participant.

7. *Taxes and Withholding.*

No later than the date as of which an amount first becomes includible in Participant's gross income for federal income tax purposes with respect to any Mutual Fund Award, the Company shall withhold all federal, state, local and foreign taxes that are required by applicable laws and regulations to be withheld.

8. *Amendment; Section 409A of the Code.*

This Appendix may not be modified, amended or waived except by an instrument in writing approved by both parties hereto or approved by the Committee. The waiver by either party of compliance with any provision of this Appendix shall not operate or be construed as a waiver of any other provision of this Appendix, or of any subsequent breach by such party of a provision of this Appendix. The intent of the parties is that payments and benefits under this Mutual Fund Award comply with Section 409A to the extent subject thereto, and, accordingly, to the maximum extent permitted, this Mutual Fund Award shall be interpreted and administered to be in compliance therewith. Notwithstanding anything contained herein to the contrary, a Participant shall not be considered to have terminated employment with the Company for purposes of this Mutual Fund Award unless the Participant would be considered to have incurred a "separation from service" from the Company within the meaning of Section 409A. Without limiting the foregoing and notwithstanding anything contained herein to the contrary, to the extent required in order to avoid accelerated taxation and/or tax penalties under Section 409A of the Code, amounts that would otherwise be payable and benefits that would otherwise be provided pursuant to this Appendix during the six-month period immediately following a Participant's separation from service shall instead be paid within five (5) business days after the date that is six months following the Participant's separation from service (or death, if earlier).

9. *Notices.*

Any notice to be given to the Company shall be addressed to the Company at its principal office, in care of its Assistant Corporate Secretary. Any notice to be given to Participant shall be addressed to

Participant at the address listed in the Company's records. By a notice given pursuant to this section, either party may designate a different address for notices. Any notice shall have been deemed given (i) when actually delivered to the Company, or (ii) if to the Participant, when actually delivered; when deposited in the U.S. Mail, postage prepaid and properly addressed to the Participant; or when delivered by overnight courier.

10. *Binding Effect.*

Except as otherwise provided hereunder, this Appendix shall be binding upon and shall inure to the benefit of the heirs, executors or successors of the parties to this Appendix.

11. *Laws Applicable to Construction.*

The interpretation, performance and enforcement of this Appendix shall be governed by the laws of the State of Delaware without reference to principles of conflict of laws, as applied to contracts executed in and performed wholly within the State of Delaware. In addition to the terms and conditions set forth in this Appendix, the Mutual Fund Award is subject to the terms and conditions of the Plan, which is hereby incorporated by reference.

12. *Severability.*

The invalidity or enforceability of any provision of this Appendix shall not affect the validity or enforceability of any other provision of this Appendix.

13. *Conflicts and Interpretation.*

In the event of any conflict between this Appendix and the Plan, the Plan shall control. In the event of any ambiguity in this Appendix, or any matters as to which this Appendix is silent, the Plan shall govern including, without limitation, the provisions thereof pursuant to which the Committee has the power, among others, to (i) interpret the Plan, (ii) prescribe, amend and rescind rules and regulations relating to the Plan, and (iii) make all other determinations deemed necessary or advisable for the administration of the Plan.

**JANUS CAPITAL GROUP INC.
DESIGNATION OF BENEFICIARY**

In connection with my Janus Capital Group Inc. ("Janus") restricted stock awards, restricted stock unit awards, stock option awards and/or mutual fund awards (collectively, "LTI Awards"), and revoking any previous designation in connection with LTI Awards previously granted to me, I hereby designate:

(Beneficiary/Trust Name and Relationship)

Address

as my beneficiary to receive upon my death the balance of all my LTI Award benefits, if any, under the respective plan of each LTI Award. This designation of beneficiary shall be binding upon my estate and upon my heirs and legatees, and the Company may rely hereon without further authorization from any representative of my estate or any other persons and without inquiring into the terms of my Last Will and Testament or any Codicil thereto. If the beneficiary designated hereinabove shall have predeceased me, then I direct that, upon my death, my estate shall become the beneficiary of all my LTI Award benefits under the respective plan of each LTI Award to the extent permitted by, and in accordance with the terms and conditions of each LTI Award plan. I reserve the right to change, in writing, this designation of beneficiary at any time, and I understand that this designation shall not become effective until received by the Company's Corporate Secretary.

I have executed this Designation of Beneficiary this day of , 2011.

[NAME]

JANUS LONG TERM INCENTIVE AWARD ("LTI") ACCEPTANCE FORM

<PARTC_NAME>
 <PARTC_ADDR_1>
 <PARTC_ADDR_2>
 <PARTC_CITY>, <PARTC_STATE> <PARTC_ZIP>

The Company grants to <PARTC_NAME> ("you" or "Grantee"), effective <GRANT_DT> (the "Grant Date"), a Restricted Stock Award (the "LTI Award") as described below, subject to the attached Company Plan and the attached Appendix A.

Restricted Stock Award—see Terms of Restricted Stock Award attached as Appendix A

Number of Shares Granted: <OPTS_GRANTED>

a. Except as otherwise provided herein and/or in the Plan, the LTI Award will become vested and no longer subject to restriction on the vesting dates and in the amounts indicated below, provided that you have not experienced a Termination of Affiliation and subject to the satisfaction of applicable Section 162(m) performance criteria, if any, as established by the Janus Capital Group Inc. Compensation Committee (the "Committee"). However, in the event that a vesting date occurs on a day when the New York Stock Exchange is closed, then such vesting date will occur on the next business day.

<u>Date First Exercisable</u>	<u>Percentage Vesting</u>
February 1, 2012	25%
February 1, 2013	25%
February 1, 2014	25%
February 1, 2015	25%

b. Notwithstanding the provisions of (a) above, if there is a Change of Control, you have a Termination of Affiliation due to death or Disability, or upon Retirement (as defined in the Plan), the LTI Award shall vest in full. Except as provided above, in the event that you have a Termination of Affiliation, any portion of the LTI Award that is unvested, and any of your rights hereunder, shall be terminated, cancelled and forfeited effective immediately upon such Termination of Affiliation.

c. In accordance with the Plan, the Committee may, in its sole discretion, accelerate the vesting of all or a portion of the LTI Award or waive any or all of the terms and conditions applicable to this LTI Acceptance Form or the attached Appendix. This LTI Acceptance Form or the attached Appendix does not supersede, or otherwise amend or affect any other LTI awards, agreements, rights or restrictions that may exist between the parties.

d. Capitalized terms used but not defined in this LTI Acceptance Form have the meaning specified in the Plan and/or in the attached Appendix.

By electronically accepting this LTI Award, you acknowledge receipt of, and agree to be bound by the terms and conditions set forth in the LTI Acceptance Form, Appendix and the Company Plan, all of which are incorporated by reference herein and are an integral part of this LTI Award. In the event you fail to accept the LTI Award within sixty (60) days, the Company reserves the right to terminate and forfeit the LTI Award (including any rights provided for in this LTI Acceptance Form and Appendix) or to suspend or forfeit all of any vesting event(s) arising from the LTI Award.

APPENDIX A—TERMS OF RESTRICTED STOCK AWARD

1. *Grant of Restricted Stock Award.*

Subject to the provisions of this Appendix, the LTI Acceptance Form and the Company's 2010 Long Term Incentive Stock Plan, as may be amended from time to time (the "Plan"), the Company hereby grants to the Grantee the number of restricted shares of common stock of the Company, par value \$.01 per share ("Common Stock") identified under the Restricted Stock Award section of the attached LTI Acceptance Form (the "Restricted Stock").

2. *No Right to Continued Employment.*

Nothing in this Appendix or the Plan shall confer upon Grantee any right to continue providing services to, or be in the employ of, the Company or any Subsidiary or interfere in any way with the right of the Company or any Subsidiary to terminate Grantee's association or employment at any time. For purposes of the LTI Acceptance Form and this Appendix, "Services" shall mean that the Grantee is providing services to the Company or any Subsidiary in the capacity as an employee, a member of the board of directors of the parent company, a trustee of a Janus-affiliated investment company trust, or a consultant pursuant to a written consulting agreement.

3. *Unfair Interference.*

During Grantee's employment with the Company or any Subsidiary and during the twelve months after Termination of Affiliation, Grantee shall not: (i) knowingly and directly solicit, hire or attempt to hire, or assist another in soliciting, hiring or attempting to hire, on behalf of any Competitive Business, any person who is an employee or contractor of the Company or any Subsidiary; or (ii) knowingly and directly divert, attempt to divert, or solicit, or assist another in diverting, attempting to divert or soliciting, the customer business of any Protected Client on behalf of a Competitive Business. For purposes of this section, "Competitive Business" means any business that provides investment advisory or investment management services or related services; and "Protected Client" shall mean any person or entity to whom the Company or any Subsidiary provided investment advisory or investment management services at any point during the six months preceding Grantee's Termination of Affiliation.

4. *Clawback.*

Notwithstanding anything to the contrary contained in this Agreement, and subject to then-applicable U.S. Securities and Exchange Commission, New York Stock Exchange and/or other regulatory requirements related to clawback or compensation reimbursement rules, if Grantee is found by a court of competent jurisdiction (in a final judgment that is either not appealed or is non-appealable) or by any relevant regulator to have knowingly committed fraud against the Company or any of its Affiliates, or if Grantee is found to have actively participated in, knowingly concealed or covered up, or knowingly failed to identify a material misstatement in the Company's financial statements, the Grantee's LTI award granted in the three calendar years prior to such judgment or regulatory determination, whether vested or unvested, shall be immediately forfeited and cancelled, and Grantee shall promptly return and repay to the Company, in respect of any Company shares, stock options or mutual fund units previously transferred to Grantee pursuant to such LTI award agreements, an amount equal to the lesser of: (i) the fair market value of such shares, stock options (based on the intrinsic value of such stock options) or mutual fund units on the date of vesting, and (ii) the fair market value of such shares, stock options (based on the intrinsic value of such stock options) or mutual fund units on the date on which such repayment obligation arises, in each case, regardless of whether the Grantee previously sold or otherwise disposed of such shares.

5. *Issuance of Shares.*

Subject to Section 11 (pertaining to the withholding of taxes), as soon as practicable after each vesting event under Subsection (a) of the LTI Acceptance Form, or if Grantee had a Termination of Affiliation pursuant to Subsection (b) of the LTI Acceptance Form, as soon as practicable after such termination (in each case, provided there has been no prior forfeiture of the Restricted Stock pursuant to the terms of this Appendix or the Plan), the Company shall issue (or cause to be delivered) to the Grantee one or more stock certificates or otherwise transfer shares with respect to the Restricted Stock vesting (or shall take other appropriate steps to reflect the Grantee's unrestricted ownership of all or a portion of the vested Restricted Stock that is subject to this Appendix).

6. *Nontransferability of the Restricted Stock.*

Any unvested shares of the Restricted Stock shall not be transferable by the Grantee by means of sale, assignment, exchange, encumbrance, pledge or otherwise.

7. *Rights as a Stockholder.*

Except as otherwise specifically provided in this Appendix, the Grantee shall have all the rights of a stockholder with respect to the Restricted Stock including, without limitation, the right to vote the Restricted Stock and the right to receive dividend payments. Dividends and distributions other than regular cash dividends, if any, may result in an adjustment pursuant to Section 8.

8. *Adjustment in the Event of Change in Stock.*

In the event that the Committee determines that any dividend or other distribution (whether in the form of cash, Common Stock, other securities, or other property), recapitalization, stock split, reverse stock split, subdivision, consolidation or reduction of capital, reorganization, merger, scheme of arrangement, split-up, spin-off or combination involving the Company or repurchase or exchange of Common Stock or other rights to purchase Common Stock or other securities of the Company, or other similar corporate transaction or event that affects the Common Stock such that an adjustment is determined by the Committee to be appropriate to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan, then the Committee shall, in such manner as it may deem equitable, adjust the number and type of shares, or, if deemed appropriate, make provision for a cash payment to the Grantee or the substitution of other property for shares of Restricted Stock; provided, that the number of shares of Restricted Stock shall always be a whole number.

9. *Payment of Transfer Taxes, Fees and Other Expenses.*

The Company agrees to pay any and all original issue taxes and stock transfer taxes that may be imposed on the issuance of shares received by Grantee in connection with the Restricted Stock, together with any and all other fees and expenses necessarily incurred by the Company in connection therewith.

10. *Other Restrictions.*

The Restricted Stock shall be subject to the requirement that, if at any time the Committee shall determine that (i) the listing, registration or qualification of the shares of Common Stock subject or related thereto upon any securities exchange or under any state or federal law, or (ii) the consent or approval of any government regulatory body, or (iii) an agreement by the Grantee with respect to the disposition of shares of Common Stock is necessary or desirable as a condition of, or in connection with, the delivery or purchase of shares pursuant thereto, then in any such event, the grant and/or vesting of Restricted Stock shall not be effective unless such listing, registration, qualification, consent,

approval or agreement shall have been effected or obtained free of any conditions not acceptable to the Committee.

11. *Taxes and Withholding.*

No later than the date as of which an amount first becomes includible in the gross income of the Grantee for federal income tax purposes with respect to any Restricted Stock, the Grantee shall pay all federal, state, local and foreign taxes that are required by applicable laws and regulations to be withheld by either: (i) participating in the Company's Share Withholding Program to have shares withheld and/or sold by the Company or its agent (provided that it will not result in adverse accounting consequences to the Company), or (ii) making other payment arrangements satisfactory to the Company. The obligations of the Company under this Appendix shall be conditioned on compliance by the Grantee with this Section 11. It is intended that the foregoing provisions of this Section 11 shall normally govern the payment of withholding taxes; however, if withholding is not accomplished under the preceding provisions of this Section 11, the Grantee agrees that the Company shall, to the extent permitted by law, have the right to deduct any such taxes from any payment otherwise due to the Grantee, including compensation or the delivery of the Restricted Stock that gives rise to the withholding requirement.

12. *Notices.*

Any notice to be given to the Company shall be addressed to the Company at its principal office, in care of its Assistant Corporate Secretary. Any notice to be given to Grantee shall be addressed to Grantee at the address listed in the Company's records. By a notice given pursuant to this section, either party may designate a different address for notices. Any notice shall have been deemed given (i) when actually delivered to the Company, or (ii) if to the Grantee, when actually delivered; when deposited in the U.S. Mail, postage prepaid and properly addressed to the Grantee; or when delivered by overnight courier.

13. *Binding Effect.*

Except as otherwise provided hereunder, this Appendix shall be binding upon and shall inure to the benefit of the heirs, executors or successors of the parties to this Appendix.

14. *Laws Applicable to Construction.*

The interpretation, performance and enforcement of this Appendix shall be governed by the laws of the State of Delaware without reference to principles of conflict of laws, as applied to contracts executed in and performed wholly within the State of Delaware. In addition to the terms and conditions set forth in this Appendix, the Restricted Stock is subject to the terms and conditions of the Plan, which is hereby incorporated by reference.

15. *Severability.*

The invalidity or enforceability of any provision of this Appendix shall not affect the validity or enforceability of any other provision of this Appendix.

16. *Conflicts and Interpretation.*

In the event of any conflict between this Appendix and the Plan, the Plan shall control. In the event of any ambiguity in this Appendix, or any matters as to which this Appendix is silent, the Plan shall govern including, without limitation, the provisions thereof pursuant to which the Committee has the power, among others, to (i) interpret the Plan, (ii) prescribe, amend and rescind rules and

regulations relating to the Plan, and (iii) make all other determinations deemed necessary or advisable for the administration of the Plan.

17. *Amendment; Section 409A of the Code.*

Except as otherwise provided for in this Appendix, this Appendix may not be modified, amended or waived except by an instrument in writing approved by both parties hereto which specifically states that it is amending this Appendix. However, this Appendix is subject to the power of the Board or the Committee to amend the Plan as provided therein, except that no such amendment shall adversely affect your rights under the LTI Acceptance Form or this Appendix without your consent. The waiver by either party of compliance with any provision of this Appendix shall not operate or be construed as a waiver of any other provision of this Appendix, or of any subsequent breach by such party of a provision of this Appendix. Notwithstanding anything to the contrary contained in the Plan or in this Appendix, to the extent that the Company determines that the Restricted Stock is subject to Section 409A of the Code and fails to comply with the requirements of Section 409A of the Code, the Company reserves the right to amend, restructure, terminate or replace the Restricted Stock in order to cause the Restricted Stock to either not be subject to Section 409A of the Code or to comply with the applicable provisions of such section.

18. *Headings.*

The headings of Sections herein are included solely for convenience of reference and shall not affect the meaning or interpretation of any of the provisions of this Appendix.

JANUS LONG TERM INCENTIVE AWARD ("LTI") ACCEPTANCE FORM

[NAME]
[ADDRESS]
[CITY, STATE, ZIP]

The Company grants to [NAME] ("you" or "Participant"), effective as of February 4, 2011, a Mutual Fund Unit Award (the "LTI Award") as described below, subject to the attached Company Plan and the attached Appendix.

Mutual Fund Unit Award—see Terms of Mutual Fund Unit Award attached as Appendix A

Value on Grant Date: \$

a. Except as otherwise provided herein and/or in the Plan, the LTI Award will become vested and no longer subject to restriction on the vesting dates and in the amounts indicated below, provided that you have not experienced a Termination of Affiliation and subject to the satisfaction of applicable Section 162(m) performance criteria, if any, as established by the Janus Capital Group Inc. Compensation Committee (the "Committee"). However, in the event that a vesting date occurs on a day when the New York Stock Exchange is closed, then such vesting date will occur on the next business day.

<u>Date First Exercisable</u>	<u>Percentage Vesting</u>
February 1, 2012	25%
February 1, 2013	25%
February 1, 2014	25%
February 1, 2015	25%

b. Notwithstanding the provisions of (a) above, if there is a Change of Control, you have a Termination of Affiliation due to death or Disability, or upon Retirement (as defined in the Plan), the LTI Award shall vest in full. Except as provided above, in the event that you have a Termination of Affiliation, any portion of the LTI Award that is unvested, and any of your rights hereunder, shall be terminated, cancelled and forfeited effective immediately upon such Termination of Affiliation.

c. In accordance with the Plan, the Committee may, in its sole discretion, accelerate the vesting of all or a portion of the LTI Award or waive any or all of the terms and conditions applicable to this LTI Acceptance Form or the attached Appendix. This LTI Acceptance Form or the attached Appendix does not supersede, or otherwise amend or affect any other LTI awards, agreements, rights or restrictions that may exist between the parties.

d. Capitalized terms used but not defined in this LTI Acceptance Form have the meaning specified in the Plan and/or in the attached Appendix.

By executing this LTI Acceptance Form, you indicate your acceptance of the LTI Award set forth above and agree to be bound by the terms, conditions and provisions set forth in the LTI Acceptance Form, the attached Appendix A and the Company Plan, all of which are incorporated by reference herein and are an integral part of this LTI Acceptance Form. Please sign and return this LTI Acceptance Form to the Assistant Corporate Secretary's Office in the envelope provided within sixty (60) days after the Company's mailing of this LTI Acceptance Form to you. In the event you fail to return the executed original within sixty (60) days, the Company reserves the right to terminate and forfeit the LTI Award (including any rights provided for in this LTI Acceptance Form and the attached Appendix A), or to suspend or forfeit all or any vesting event(s) arising from the LTI Award. This LTI Acceptance Form may be executed in counterparts, which together shall constitute one and the same original. This LTI Acceptance Form may be executed by the exchange of facsimile signature pages,

provided that by doing so the Participant agrees to provide an original signature as soon thereafter as possible.

ACCEPTED AND AGREED TO AS OF THE GRANT DATE:

PARTICIPANT:

[NAME]

JANUS CAPITAL GROUP INC.

By:

By: Curt R. Foust
Title: Assistant Corporate Secretary

APPENDIX A—TERMS OF MUTUAL FUND UNIT AWARD

1. *Grant of Mutual Fund Unit Award.*

Subject to the provisions of this Appendix, the LTI Acceptance Form and the Company's Mutual Fund Share Investment Plan, as may be amended from time to time (the "Plan"), the Company hereby grants to Participant a phantom mutual fund award (the "Mutual Fund Award") as identified in the Mutual Fund Unit Award section of the attached LTI Acceptance Form.

2. *Retail Account Required.*

If you are a U.S. based employee, you must have an open account designated or approved in advance by Janus in order to receive any proceeds or benefits (including vesting) from this Mutual Fund Award. A failure to maintain such an account will subject this Mutual Fund Award to a suspension of vesting or cancellation and forfeiture.

3. *No Right to Continued Employment.*

Nothing in this Appendix or the Plan shall confer upon Participant any right to continue providing services to, or be in the employ of, the Company or any Subsidiary or interfere in any way with the right of the Company or any Subsidiary to terminate Participant's association or employment at any time.

4. *Unfair Interference.*

During Participant's employment with the Company or any Subsidiary and during the twelve months after Termination of Affiliation, Participant shall not: (i) knowingly and directly solicit, hire or attempt to hire, or assist another in soliciting, hiring or attempting to hire, on behalf of any Competitive Business, any person who is an employee or contractor of the Company or any Subsidiary; or (ii) knowingly and directly divert, attempt to divert, or solicit, or assist another in diverting, attempting to divert or soliciting, the customer business of any Protected Client on behalf of a Competitive Business. For purposes of this section, "Competitive Business" means any business that provides investment advisory or investment management services or related services; and "Protected Client" shall mean any person or entity to whom the Company or any Subsidiary provided investment advisory or investment management services at any point during the six months preceding Participant's Termination of Affiliation.

5. *Clawback.*

Notwithstanding anything to the contrary contained in this Appendix, the LTI Acceptance Form and/or the Plan, and subject to then-applicable U.S. Securities and Exchange Commission, New York Stock Exchange and/or other regulatory requirements related to clawback or compensation reimbursement rules, if Participant is found by a court of competent jurisdiction (in a final judgment that is either not appealed or is non-appealable) or by any relevant regulator to have knowingly committed fraud against the Company or any of its Affiliates, or if Participant is found to have actively participated in, knowingly concealed or covered up, or knowingly failed to identify a material misstatement in the Company's financial statements, the Participant's LTI award granted in the three calendar years prior to such judgment or regulatory determination, whether vested or unvested, shall be immediately forfeited and cancelled, and Participant shall promptly return and repay to the Company, in respect of any Company shares, stock options or mutual fund units previously transferred to Participant pursuant to such LTI award agreements, an amount equal to the lesser of: (i) the fair market value of such shares, stock options (based on the intrinsic value of such stock options) or mutual fund units on the date of vesting, and (ii) the fair market value of such shares, stock options (based on the intrinsic value of such stock options) or mutual fund units on the date on which such repayment obligation arises, in each case, regardless of whether the Participant previously sold or otherwise disposed of such shares.

6. *Allocation Elections.*

a. During the vesting period, Participant's award will be credited to Participant's Mutual Fund Share Investment Account ("Account"). The award will be deemed invested in the phantom investments selected by Participant pursuant to online elections through the Plan administrative system or as otherwise provided by the Company. Participant may change the investment elections from time to time; provided, however, in no event shall Participant be able to make changes to the investment elections more than four (4) times per calendar year and any such change should be effective within five (5) days after such election is made. If you are an investment research analyst, or become an investment research analyst during the vesting period of this Mutual Fund Award, you may be required to allocate your investment elections to certain phantom investments as designated in writing by the Director of Research, the Co-Chief Investment Officers or the Chief Executive Officer.

b. By accepting this Mutual Fund Award, Participant acknowledges and agrees that (i) Participant will open a Janus-designated account needed to receive any proceeds or benefits (including vesting) from this Mutual Fund Award, unless Participant already has such an account (does not apply to employees based outside of the United States); (ii) account balances are subject to any net appreciation or depreciation accruing from time to time based on Participant's deemed investment election of the Account balance in accordance with Participant's allocation election(s) in effect from time to time; (iii) Participant is solely responsible for any net appreciation or net depreciation in the balance of Participant's Account resulting from Participant's deemed investment elections; (iv) the Company does not guarantee or represent in any manner whatsoever that Participant will realize any appreciation in the balance of the Account as a result of allocating the Account balance for deemed investments in the Janus mutual funds; and (v) any allocation elections must comply with the Company's pre-clearance and applicable prospectus requirements. Participant further agrees and acknowledges that Participant is under no obligation to make a deemed investment election in any particular fund, and, if no such investment election is made, that the balance and any transfers in Participant's Account shall be deemed invested in the Janus Money Market Fund or similar mutual fund if the Janus Money Market Fund is not available.

7. *Distribution upon Vesting.*

Subject to the terms of the Plan (including but not limited to Section 5.3 of the Plan), as soon as practicable following the vesting of all or a portion of Participant's Mutual Fund Award (but in no case later than 60 days following the date on which a vesting event occurs), the value of the vested portion of Participant's Account (subject to applicable tax withholding) will be deposited into a Janus-designated account to purchase the mutual funds in which Participant was invested on a phantom basis at the time such distribution is processed. In the event Participant's chosen mutual funds are not available for purchase by Participant at the time of distribution, the Company has the sole discretion to either purchase different but similar mutual funds or to deposit the net proceeds into the Janus Money Market Fund on behalf of Participant.

8. *Taxes and Withholding.*

No later than the date as of which an amount first becomes includible in Participant's gross income for federal income tax purposes with respect to any Mutual Fund Award, the Company shall withhold all federal, state, local and foreign taxes that are required by applicable laws and regulations to be withheld.

9. *Amendment; Section 409A of the Code.*

This Appendix may not be modified, amended or waived except by an instrument in writing approved by both parties hereto or approved by the Committee. The waiver by either party of compliance with any provision of this Appendix shall not operate or be construed as a waiver of any other provision of this Appendix, or of any subsequent breach by such party of a provision of this Appendix. The intent of the parties is that payments and benefits under this Mutual Fund Award comply with Section 409A to the extent subject thereto, and, accordingly, to the maximum extent permitted, this Mutual Fund Award shall be interpreted and administered to be in compliance therewith. Notwithstanding anything contained herein to the contrary, a Participant shall not be considered to have terminated employment with the Company for purposes of this Mutual Fund Award unless the Participant would be considered to have incurred a "separation from service" from the Company within the meaning of Section 409A. Without limiting the foregoing and notwithstanding anything contained herein to the contrary, to the extent required in order to avoid accelerated taxation and/or tax penalties under Section 409A of the Code, amounts that would otherwise be payable and benefits that would otherwise be provided pursuant to this Appendix during the six-month period immediately following a Participant's separation from service shall instead be paid within five (5) business days after the date that is six months following the Participant's separation from service (or death, if earlier).

9. *Notices.*

Any notice to be given to the Company shall be addressed to the Company at its principal office, in care of its Assistant Corporate Secretary. Any notice to be given to Participant shall be addressed to Participant at the address listed in the Company's records. By a notice given pursuant to this section, either party may designate a different address for notices. Any notice shall have been deemed given (i) when actually delivered to the Company, or (ii) if to the Participant, when actually delivered; when deposited in the U.S. Mail, postage prepaid and properly addressed to the Participant; or when delivered by overnight courier.

10. *Binding Effect.*

Except as otherwise provided hereunder, this Appendix shall be binding upon and shall inure to the benefit of the heirs, executors or successors of the parties to this Appendix.

11. *Laws Applicable to Construction.*

The interpretation, performance and enforcement of this Appendix shall be governed by the laws of the State of Delaware without reference to principles of conflict of laws, as applied to contracts executed in and performed wholly within the State of Delaware. In addition to the terms and conditions set forth in this Appendix, the Mutual Fund Award is subject to the terms and conditions of the Plan, which is hereby incorporated by reference.

12. *Severability.*

The invalidity or enforceability of any provision of this Appendix shall not affect the validity or enforceability of any other provision of this Appendix.

13. *Conflicts and Interpretation.*

In the event of any conflict between this Appendix and the Plan, the Plan shall control. In the event of any ambiguity in this Appendix, or any matters as to which this Appendix is silent, the Plan shall govern including, without limitation, the provisions thereof pursuant to which the Committee has the power, among others, to (i) interpret the Plan, (ii) prescribe, amend and rescind rules and regulations relating to the Plan, and (iii) make all other determinations deemed necessary or advisable for the administration of the Plan.

**JANUS CAPITAL GROUP INC.
DESIGNATION OF BENEFICIARY**

In connection with my Janus Capital Group Inc. ("Janus") restricted stock awards, restricted stock unit awards, stock option awards and/or mutual fund awards (collectively, "LTI Awards"), and revoking any previous designation in connection with LTI Awards previously granted to me, I hereby designate:

(Beneficiary/Trust Name and Relationship)

Address

as my beneficiary to receive upon my death the balance of all my LTI Award benefits, if any, under the respective plan of each LTI Award. This designation of beneficiary shall be binding upon my estate and upon my heirs and legatees, and the Company may rely hereon without further authorization from any representative of my estate or any other persons and without inquiring into the terms of my Last Will and Testament or any Codicil thereto. If the beneficiary designated hereinabove shall have predeceased me, then I direct that, upon my death, my estate shall become the beneficiary of all my LTI Award benefits under the respective plan of each LTI Award to the extent permitted by, and in accordance with the terms and conditions of each LTI Award plan. I reserve the right to change, in writing, this designation of beneficiary at any time, and I understand that this designation shall not become effective until received by the Company's Corporate Secretary.

I have executed this Designation of Beneficiary this day of , 2011.

[NAME]

**AMENDMENT NO. 1 TO
AMENDED AND RESTATED CHANGE IN CONTROL AGREEMENT**

This Amendment No. 1 ("Amendment") to the Amended and Restated Change in Control Agreement, effective October 1, 2008 (the "Agreement"), between Gregory A. Frost and Janus Management Holdings Corporation, is entered into as of January 1, 2011. Capitalized terms used and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

WHEREAS, the parties intend and desire to amend the language of a certain provision of the Agreement; and

WHEREAS, the parties desire that the changes to the Agreement effected by this Amendment shall be effective for all purposes as if included in the Agreement as of January 1, 2011.

A G R E E M E N T:

NOW, THEREFORE, pursuant to authority provided for under the Agreement, the Agreement shall be and hereby is amended as follows:

1. *Amendment to Section 6.1 of the Agreement.* Section 6.1 of the Agreement is amended as follows:

- a. "Subject to the provisions of Section 6.2 hereof," is hereby added to the beginning of the first sentence of Section 6.1.
- b. "and Section 6.2" is hereby deleted from the first sentence of Section 6.1.
- c. The last sentence of Section 6.1(A) is hereby deleted in its entirety.

2. *Amendment to Section 6.2 of the Agreement.* Section 6.2 of the Agreement is deleted in its entirety and replaced with the following:

"6.2 (A) Notwithstanding any other provisions of this Agreement, in the event that any payment or benefit received or to be received by the Executive (including any payment or benefit received in connection with a Change in Control or the termination of the Executive's employment, whether pursuant to the terms of this Agreement or any other plan, arrangement or agreement) (all such payments and benefits, including the Severance Payments, being hereinafter referred to as the "Total Payments") would be subject (in whole or part), to the Excise Tax, then, after taking into account any reduction in the Total Payments provided by reason of Section 280G of the Code in such other plan, arrangement or agreement, the cash Severance Payments shall first be reduced, and the noncash Severance Payments shall thereafter be reduced, to the extent necessary so that no portion of the Total Payments is subject to the Excise Tax but only if (i) the net amount of such Total Payments, as so reduced (and after subtracting the net amount of federal, state and local income taxes on such reduced Total Payments) is greater than or equal to (ii) the net amount of such Total Payments without such reduction (but after subtracting the net amount of federal, state and local income taxes on such Total Payments and the amount of Excise Tax to which the Executive would be subject in respect of such unreduced Total Payments); *provided, however*, that the Executive may elect (prior to receiving any severance payment) to have the noncash Severance Payments reduced (or eliminated) prior to any reduction of the cash Severance Payments.

(B) For purposes of determining whether and the extent to which the Total Payments will be subject to the Excise Tax:

(i) the Executive shall be deemed to pay federal and state income tax at the highest marginal rate of income taxation in the calendar year in which the determination is being made (including applicable social security taxes;

(ii) no portion of the Total Payments shall be taken into account if (a) the Executive waived the receipt or enjoyment of such portion at such time and in such manner as not to constitute a "payment" within the meaning of Section 280G(b) of the Code, (b) in the opinion of tax counsel ("Tax Counsel"), such portion does not constitute a "parachute payment" within the meaning of Section 280G(b)(2) of the Code (including by reason of Section 280G(b)(4)(A) of the Code) (such Tax Counsel being reasonably acceptable to the Executive and selected by the Company's independent auditor immediately prior to the Change in Control (the "Auditor")), and/or (c) in the opinion of Tax Counsel, such portion constitutes reasonable compensation for services actually rendered, within the meaning of Section 280G(b)(4)(B) of the Code, in excess of the Base Amount allocable to such reasonable compensation. The value of any non-cash benefit or any deferred payment or benefit included in the Total Payments shall be determined by the Auditor in accordance with the principles of Sections 280G(d)(3) and (4) of the Code.

(C) At the time that payments are made under this Agreement, the Company shall provide the Executive with a written statement setting forth the manner in which such payments were calculated and the basis for such calculations including, without limitation, any opinions or other advice the Company has received from Tax Counsel, the Auditor or other advisors or consultants (and any such opinions or advice which are in writing shall be attached to the statement). If the Executive objects to the Company's calculations, the Company shall pay to the Executive such portion of the Severance Payments (up to 100% thereof) as the Executive determines is necessary to result in the proper application of subsection A of this Section 6.2."

3. *Amendment to Section 6.3 of the Agreement.* Section 6.3 of the Agreement is deleted in its entirety and replaced with the following:

"6.3 Subject to the provisions of Section 6.5, the payments provided in subsection (A) of Section 6.1 hereof shall be made no later than five (5) business days following the Date of Termination."

4. *Amendment to Section 15(O) of the Agreement.* The definition set forth in Section 15(O) of the Agreement is hereby deleted in its entirety and will be left intentionally blank.

5. *Effective Date.* The amendment to the Agreement as set forth in this Amendment shall be effective as of January 1, 2011.

6. *No Other Amendments.* Except as expressly amended hereby, the Agreement shall continue in full force and effect in accordance with its terms and nothing herein shall affect, or be deemed to be a waiver of, the other terms and provisions of the Agreement.

7. *Counterparts.* This Amendment may be executed in any number of counterparts, each of which will be an original and all of which taken together will constitute one instrument.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have duly executed this Amendment on the date first written above, to be effective as provided for herein.

JANUS MANAGEMENT HOLDINGS CORPORATION

By: _____

Name: _____

Title: _____

EXECUTIVE

Gregory A. Frost

**AMENDMENT NO. 1 TO
AMENDED AND RESTATED CHANGE IN CONTROL AGREEMENT**

This Amendment No. 1 ("Amendment") to the Amended and Restated Change in Control Agreement, effective October 1, 2008 (the "Agreement"), between Jonathan D. Coleman and Janus Management Holdings Corporation, is entered into as of January 1, 2011. Capitalized terms used and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

WHEREAS, the parties intend and desire to amend the language of a certain provision of the Agreement; and

WHEREAS, the parties desire that the changes to the Agreement effected by this Amendment shall be effective for all purposes as if included in the Agreement as of January 1, 2011.

A G R E E M E N T:

NOW, THEREFORE, pursuant to authority provided for under the Agreement, the Agreement shall be and hereby is amended as follows:

1. *Amendment to Section 6.1 of the Agreement.* Section 6.1 of the Agreement is amended as follows:

- a. "Subject to the provisions of Section 6.2 hereof," is hereby added to the beginning of the first sentence of Section 6.1.
- b. "and Section 6.2" is hereby deleted from the first sentence of Section 6.1

2. *Amendment to Section 6.2 of the Agreement.* Section 6.2 of the Agreement is deleted in its entirety and replaced with the following:

"6.2 (A) Notwithstanding any other provisions of this Agreement, in the event that any payment or benefit received or to be received by the Executive (including any payment or benefit received in connection with a Change in Control or the termination of the Executive's employment, whether pursuant to the terms of this Agreement or any other plan, arrangement or agreement) (all such payments and benefits, including the Severance Payments, being hereinafter referred to as the "Total Payments") would be subject (in whole or part), to the Excise Tax, then, after taking into account any reduction in the Total Payments provided by reason of Section 280G of the Code in such other plan, arrangement or agreement, the cash Severance Payments shall first be reduced, and the noncash Severance Payments shall thereafter be reduced, to the extent necessary so that no portion of the Total Payments is subject to the Excise Tax but only if (i) the net amount of such Total Payments, as so reduced (and after subtracting the net amount of federal, state and local income taxes on such reduced Total Payments) is greater than or equal to (ii) the net amount of such Total Payments without such reduction (but after subtracting the net amount of federal, state and local income taxes on such Total Payments and the amount of Excise Tax to which the Executive would be subject in respect of such unreduced Total Payments); *provided, however*, that the Executive may elect (prior to receiving any severance payment) to have the noncash Severance Payments reduced (or eliminated) prior to any reduction of the cash Severance Payments.

(B) For purposes of determining whether and the extent to which the Total Payments will be subject to the Excise Tax:

- (i) the Executive shall be deemed to pay federal and state income tax at the highest marginal rate of income taxation in the calendar year in which the determination is being made (including applicable social security taxes;

(ii) no portion of the Total Payments shall be taken into account if (a) the Executive waived the receipt or enjoyment of such portion at such time and in such manner as not to constitute a "payment" within the meaning of Section 280G(b) of the Code, (b) in the opinion of tax counsel ("Tax Counsel"), such portion does not constitute a "parachute payment" within the meaning of Section 280G(b)(2) of the Code (including by reason of Section 280G(b)(4)(A) of the Code) (such Tax Counsel being reasonably acceptable to the Executive and selected by the Company's independent auditor immediately prior to the Change in Control (the "Auditor")), and/or (c) in the opinion of Tax Counsel, such portion constitutes reasonable compensation for services actually rendered, within the meaning of Section 280G(b)(4)(B) of the Code, in excess of the Base Amount allocable to such reasonable compensation. The value of any non-cash benefit or any deferred payment or benefit included in the Total Payments shall be determined by the Auditor in accordance with the principles of Sections 280G(d)(3) and (4) of the Code.

(C) At the time that payments are made under this Agreement, the Company shall provide the Executive with a written statement setting forth the manner in which such payments were calculated and the basis for such calculations including, without limitation, any opinions or other advice the Company has received from Tax Counsel, the Auditor or other advisors or consultants (and any such opinions or advice which are in writing shall be attached to the statement). If the Executive objects to the Company's calculations, the Company shall pay to the Executive such portion of the Severance Payments (up to 100% thereof) as the Executive determines is necessary to result in the proper application of subsection A of this Section 6.2."

3. *Amendment to Section 6.3 of the Agreement.* Section 6.3 of the Agreement is deleted in its entirety and replaced with the following:

"6.3 Subject to the provisions of Section 6.5, the payments provided in subsection (A) of Section 6.1 hereof shall be made no later than five (5) business days following the Date of Termination."

4. *Amendment to Section 15(O) of the Agreement.* The definition set forth in Section 15(O) of the Agreement is hereby deleted in its entirety and will be left intentionally blank.

5. *Effective Date.* The amendment to the Agreement as set forth in this Amendment shall be effective as of January 1, 2011.

6. *No Other Amendments.* Except as expressly amended hereby, the Agreement shall continue in full force and effect in accordance with its terms and nothing herein shall affect, or be deemed to be a waiver of, the other terms and provisions of the Agreement.

7. *Counterparts.* This Amendment may be executed in any number of counterparts, each of which will be an original and all of which taken together will constitute one instrument.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have duly executed this Amendment on the date first written above, to be effective as provided for herein.

JANUS MANAGEMENT HOLDINGS CORPORATION

By: _____

Name: _____

Title: _____

EXECUTIVE

Jonathan D. Coleman

**AMENDMENT NO. 1 TO
AMENDED AND RESTATED CHANGE IN CONTROL AGREEMENT**

This Amendment No. 1 ("Amendment") to the Amended and Restated Change in Control Agreement, effective October 1, 2008 (the "Agreement"), between Richard G. Smith and Janus Management Holdings Corporation, is entered into as of January 1, 2011. Capitalized terms used and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

WHEREAS, the parties intend and desire to amend the language of a certain provision of the Agreement; and

WHEREAS, the parties desire that the changes to the Agreement effected by this Amendment shall be effective for all purposes as if included in the Agreement as of January 1, 2011.

A G R E E M E N T:

NOW, THEREFORE, pursuant to authority provided for under the Agreement, the Agreement shall be and hereby is amended as follows:

1. *Amendment to Section 6.1 of the Agreement.* Section 6.1 of the Agreement is amended as follows:

- a. "Subject to the provisions of Section 6.2 hereof," is hereby added to the beginning of the first sentence of Section 6.1.
- b. "and Section 6.2" is hereby deleted from the first sentence of Section 6.1

2. *Amendment to Section 6.2 of the Agreement.* Section 6.2 of the Agreement is deleted in its entirety and replaced with the following:

"6.2 (A) Notwithstanding any other provisions of this Agreement, in the event that any payment or benefit received or to be received by the Executive (including any payment or benefit received in connection with a Change in Control or the termination of the Executive's employment, whether pursuant to the terms of this Agreement or any other plan, arrangement or agreement) (all such payments and benefits, including the Severance Payments, being hereinafter referred to as the "Total Payments") would be subject (in whole or part), to the Excise Tax, then, after taking into account any reduction in the Total Payments provided by reason of Section 280G of the Code in such other plan, arrangement or agreement, the cash Severance Payments shall first be reduced, and the noncash Severance Payments shall thereafter be reduced, to the extent necessary so that no portion of the Total Payments is subject to the Excise Tax but only if (i) the net amount of such Total Payments, as so reduced (and after subtracting the net amount of federal, state and local income taxes on such reduced Total Payments) is greater than or equal to (ii) the net amount of such Total Payments without such reduction (but after subtracting the net amount of federal, state and local income taxes on such Total Payments and the amount of Excise Tax to which the Executive would be subject in respect of such unreduced Total Payments); *provided, however*, that the Executive may elect (prior to receiving any severance payment) to have the noncash Severance Payments reduced (or eliminated) prior to any reduction of the cash Severance Payments.

(B) For purposes of determining whether and the extent to which the Total Payments will be subject to the Excise Tax:

- (i) the Executive shall be deemed to pay federal and state income tax at the highest marginal rate of income taxation in the calendar year in which the determination is being made (including applicable social security taxes;

(ii) no portion of the Total Payments shall be taken into account if (a) the Executive waived the receipt or enjoyment of such portion at such time and in such manner as not to constitute a "payment" within the meaning of Section 280G(b) of the Code, (b) in the opinion of tax counsel ("Tax Counsel"), such portion does not constitute a "parachute payment" within the meaning of Section 280G(b)(2) of the Code (including by reason of Section 280G(b)(4)(A) of the Code) (such Tax Counsel being reasonably acceptable to the Executive and selected by the Company's independent auditor immediately prior to the Change in Control (the "Auditor")), and/or (c) in the opinion of Tax Counsel, such portion constitutes reasonable compensation for services actually rendered, within the meaning of Section 280G(b)(4)(B) of the Code, in excess of the Base Amount allocable to such reasonable compensation. The value of any non-cash benefit or any deferred payment or benefit included in the Total Payments shall be determined by the Auditor in accordance with the principles of Sections 280G(d)(3) and (4) of the Code.

(C) At the time that payments are made under this Agreement, the Company shall provide the Executive with a written statement setting forth the manner in which such payments were calculated and the basis for such calculations including, without limitation, any opinions or other advice the Company has received from Tax Counsel, the Auditor or other advisors or consultants (and any such opinions or advice which are in writing shall be attached to the statement). If the Executive objects to the Company's calculations, the Company shall pay to the Executive such portion of the Severance Payments (up to 100% thereof) as the Executive determines is necessary to result in the proper application of subsection A of this Section 6.2."

3. *Amendment to Section 6.3 of the Agreement.* Section 6.3 of the Agreement is deleted in its entirety and replaced with the following:

"6.3 Subject to the provisions of Section 6.5, the payments provided in subsection (A) of Section 6.1 hereof shall be made no later than five (5) business days following the Date of Termination."

4. *Amendment to Section 15(O) of the Agreement.* The definition set forth in Section 15(O) of the Agreement is hereby deleted in its entirety and will be left intentionally blank.

5. *Effective Date.* The amendment to the Agreement as set forth in this Amendment shall be effective as of January 1, 2011.

6. *No Other Amendments.* Except as expressly amended hereby, the Agreement shall continue in full force and effect in accordance with its terms and nothing herein shall affect, or be deemed to be a waiver of, the other terms and provisions of the Agreement.

7. *Counterparts.* This Amendment may be executed in any number of counterparts, each of which will be an original and all of which taken together will constitute one instrument.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have duly executed this Amendment on the date first written above, to be effective as provided for herein.

JANUS MANAGEMENT HOLDINGS CORPORATION

By: _____

Name: _____

Title: _____

EXECUTIVE

Richard Gibson Smith

**AMENDMENT NO. 1 TO
AMENDED AND RESTATED CHANGE IN CONTROL AGREEMENT**

This Amendment No. 1 ("Amendment") to the Amended and Restated Change in Control Agreement, effective October 1, 2008 (the "Agreement"), between James P. Goff and Janus Management Holdings Corporation, is entered into as of January 1, 2011. Capitalized terms used and not otherwise defined herein shall have the meanings given to such terms in the Agreement.

WHEREAS, the parties intend and desire to amend the language of a certain provision of the Agreement; and

WHEREAS, the parties desire that the changes to the Agreement effected by this Amendment shall be effective for all purposes as if included in the Agreement as of January 1, 2011.

A G R E E M E N T:

NOW, THEREFORE, pursuant to authority provided for under the Agreement, the Agreement shall be and hereby is amended as follows:

1. *Amendment to Section 6.1 of the Agreement.* Section 6.1 of the Agreement is amended as follows:

- a. "Subject to the provisions of Section 6.2 hereof," is hereby added to the beginning of the first sentence of Section 6.1.
- b. "and Section 6.2" is hereby deleted from the first sentence of Section 6.1

2. *Amendment to Section 6.2 of the Agreement.* Section 6.2 of the Agreement is deleted in its entirety and replaced with the following:

"6.2 (A) Notwithstanding any other provisions of this Agreement, in the event that any payment or benefit received or to be received by the Executive (including any payment or benefit received in connection with a Change in Control or the termination of the Executive's employment, whether pursuant to the terms of this Agreement or any other plan, arrangement or agreement) (all such payments and benefits, including the Severance Payments, being hereinafter referred to as the "Total Payments") would be subject (in whole or part), to the Excise Tax, then, after taking into account any reduction in the Total Payments provided by reason of Section 280G of the Code in such other plan, arrangement or agreement, the cash Severance Payments shall first be reduced, and the noncash Severance Payments shall thereafter be reduced, to the extent necessary so that no portion of the Total Payments is subject to the Excise Tax but only if (i) the net amount of such Total Payments, as so reduced (and after subtracting the net amount of federal, state and local income taxes on such reduced Total Payments) is greater than or equal to (ii) the net amount of such Total Payments without such reduction (but after subtracting the net amount of federal, state and local income taxes on such Total Payments and the amount of Excise Tax to which the Executive would be subject in respect of such unreduced Total Payments).

(B) For purposes of determining whether and the extent to which the Total Payments will be subject to the Excise Tax:

(i) the Executive shall be deemed to pay federal and state income tax at the highest marginal rate of income taxation in the calendar year in which the determination is being made (including applicable social security taxes;

(ii) no portion of the Total Payments shall be taken into account if (a) the Executive waived the receipt or enjoyment of such portion at such time and in such manner as not

to constitute a "payment" within the meaning of Section 280G(b) of the Code, (b) in the opinion of tax counsel ("Tax Counsel"), such portion does not constitute a "parachute payment" within the meaning of Section 280G(b)(2) of the Code (including by reason of Section 280G(b)(4)(A) of the Code) (such Tax Counsel being reasonably acceptable to the Executive and selected by the Company's independent auditor immediately prior to the Change in Control (the "Auditor")), and/or (c) in the opinion of Tax Counsel, such portion constitutes reasonable compensation for services actually rendered, within the meaning of Section 280G(b)(4)(B) of the Code, in excess of the Base Amount allocable to such reasonable compensation. The value of any non-cash benefit or any deferred payment or benefit included in the Total Payments shall be determined by the Auditor in accordance with the principles of Sections 280G(d)(3) and (4) of the Code.

(C) At the time that payments are made under this Agreement, the Company shall provide the Executive with a written statement setting forth the manner in which such payments were calculated and the basis for such calculations including, without limitation, any opinions or other advice the Company has received from Tax Counsel, the Auditor or other advisors or consultants (and any such opinions or advice which are in writing shall be attached to the statement). If the Executive objects to the Company's calculations, the Company shall pay to the Executive such portion of the Severance Payments (up to 100% thereof) as the Executive determines is necessary to result in the proper application of subsection A of this Section 6.2."

3. *Amendment to Section 6.3 of the Agreement.* Section 6.3 of the Agreement is deleted in its entirety and replaced with the following:

"6.3 Subject to the provisions of Section 6.5 that may require a six-month payment delay, the payments provided in subsection (A) of Section 6.1 hereof shall be made no later than five (5) business days following the Date of Termination."

4. *Amendment to Section 15(O) of the Agreement.* The definition set forth in Section 15(O) of the Agreement is hereby deleted in its entirety and will be left intentionally blank.

5. *Effective Date.* The amendment to the Agreement as set forth in this Amendment shall be effective as of January 1, 2011.

6. *No Other Amendments.* Except as expressly amended hereby, the Agreement shall continue in full force and effect in accordance with its terms and nothing herein shall affect, or be deemed to be a waiver of, the other terms and provisions of the Agreement.

7. *Counterparts.* This Amendment may be executed in any number of counterparts, each of which will be an original and all of which taken together will constitute one instrument.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have duly executed this Amendment on the date first written above, to be effective as provided for herein.

JANUS MANAGEMENT HOLDINGS CORPORATION

By: _____

Name: _____

Title: _____

EXECUTIVE

James P. Goff

JANUS CAPITAL GROUP INC.
COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES

(dollars in millions)	Year Ended December 31,				
	2010	2009	2008	2007	2006
Pretax income from continuing operations, excluding equity in earnings of unconsolidated affiliates	\$ 245.0	\$ (750.4)	\$ 206.8	\$ 322.9	\$ 243.6
Interest expense	63.2	74.0	75.5	58.8	32.3
Portion of rents representative of an appropriate interest factor	5.5	6.7	6.4	4.9	5.1
Distributed earnings of less than 50% owned affiliates	—	—	9.0	7.2	7.1
Income as adjusted	<u>\$ 313.7</u>	<u>\$ (669.7)</u>	<u>\$ 297.7</u>	<u>\$ 393.8</u>	<u>\$ 288.1</u>
Fixed charges:					
Interest expense on indebtedness	\$ 55.2	\$ 66.5	\$ 72.3	\$ 56.0	\$ 30.8
Amortized premiums, discounts and capitalized expenses related to indebtedness	8.0	7.5	3.2	2.8	1.5
Portion of rents representative of an appropriate interest factor	<u>5.5</u>	<u>6.7</u>	<u>6.4</u>	<u>4.9</u>	<u>5.1</u>
Total fixed charges	<u>\$ 68.7</u>	<u>\$ 80.7</u>	<u>\$ 81.9</u>	<u>\$ 63.7</u>	<u>\$ 37.4</u>
Ratio of Earnings to Fixed Charges	<u>4.57</u>	<u>(8.29)</u>	<u>3.63</u>	<u>6.18</u>	<u>7.71</u>

List of Subsidiaries

All subsidiaries of Janus Capital Group Inc. listed below are included in the consolidated financial statements unless otherwise indicated.

<u>Organization</u>	<u>Percentage of Ownership</u>	<u>State or Other Jurisdiction of Incorporation</u>
INTECH Investment Management LLC(1)	94.5	Delaware
Janus Capital Management LLC(3)	95	Delaware
Janus Capital Trust Manager Limited(4)	100	Ireland
Janus Distributors LLC(1)	100	Delaware
Janus Holdings LLC(2)	100	Nevada
Janus Capital Asia Limited(4)	100	Hong Kong
Janus Capital International Limited(4)	100	U.K.
Janus Capital Singapore Pte. Limited(4)	100	Singapore
Janus International Holding LLC(5)	100	Nevada
Janus Management Holdings Corporation(2)	100	Delaware
Janus Services LLC(1)	100	Delaware
Perkins Investment Management LLC(1)	77.8	Delaware

(1) Subsidiary of Janus Capital Management LLC

(2) Subsidiary of Janus Capital Group Inc.

(3) 95% owned by Janus Capital Group Inc. and 5% owned by Janus Management Holdings Corporation

(4) Subsidiary of Janus International Holding LLC

(5) Subsidiary of Janus Holdings LLC

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in Registration Statements on Form S-8 (Nos. 333-115579, 333-59636, 333-41348, 333-41288, 333-140220 and 333-166383), Registration Statement No. 333-116379 on Form S-4, Registration Statement No. 333-143510 on Form S-3ASR and Registration Statements on Form S-3 (Nos. 333-104124, 333-37994, 333-69578 and 333-86606), of our reports dated February 24, 2011, relating to the consolidated financial statements of Janus Capital Group Inc. (which report expresses an unqualified opinion), and the effectiveness of Janus Capital Group Inc.'s internal control over financial reporting, appearing in this Annual Report on Form 10-K of Janus Capital Group Inc. for the year ended December 31, 2010.

/s/ Deloitte & Touche LLP
Denver, Colorado
February 24, 2011

CERTIFICATION

I, Richard M. Weil, certify that:

1. I have reviewed this annual report on Form 10-K of Janus Capital Group Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal controls over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting that are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 24, 2011

/s/ RICHARD M. WEIL

Richard M. Weil
Chief Executive Officer

A signed original of this written statement required by Section 302 has been provided to Janus Capital Group Inc. and will be retained by Janus Capital Group Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

CERTIFICATION

I, Gregory A. Frost, certify that:

1. I have reviewed this annual report on Form 10-K of Janus Capital Group Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal controls over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting that are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 24, 2011

/s/ GREGORY A. FROST

Gregory A. Frost

Executive Vice President and Chief Financial Officer

A signed original of this written statement required by Section 302 has been provided to Janus Capital Group Inc. and will be retained by Janus Capital Group Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF
THE SARBANES-OXLEY ACT OF 2002**

In connection with the annual report of Janus Capital Group Inc. (the "Company") on Form 10-K for the year ended December 31, 2010, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Richard M. Weil, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ RICHARD M. WEIL

Richard M. Weil
Chief Executive Officer

Date: February 24, 2011

A signed original of this written statement required by Section 906 has been provided to Janus Capital Group Inc. and will be retained by Janus Capital Group Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF
THE SARBANES-OXLEY ACT OF 2002**

In connection with the annual report of Janus Capital Group Inc. (the "Company") on Form 10-K for the year ended December 31, 2010, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Gregory A. Frost, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ GREGORY A. FROST

Gregory A. Frost
Executive Vice President and Chief Financial Officer

Date: February 24, 2011

A signed original of this written statement required by Section 906 has been provided to Janus Capital Group Inc. and will be retained by Janus Capital Group Inc. and furnished to the Securities and Exchange Commission or its staff upon request.
