

Henderson accelerates Australian growth plans with acquisition of Perennial Fixed Interest, Perennial Growth Management and 90 West

2 June 2015

Henderson Group plc (“Henderson”, “the Group”) has agreed to acquire 100% of Perennial Fixed Interest Partners Pty Ltd (“PFI”) and Perennial Growth Management Pty Ltd (“PGM”) from IOOF Holdings Ltd (“IOOF”) and the employee-shareholders of each company. The two companies have combined Assets Under Management (AUM) of £5.5bn (A\$10.7bn)^{1,2}.

In a separate transaction, Henderson has increased its ownership of 90 West Asset Management Pty Ltd (“90 West”) from 41% to 100%. 90 West has AUM of £0.2bn (A\$0.3bn) in global natural resources equities funds and segregated mandates.

Highlights

- These acquisitions accelerate Henderson’s strategy to grow and globalise its business, taking its Pan Asian AUM to 11% of the Group’s total³ from £4.0bn (A\$7.8bn) to £9.6bn (A\$18.7bn).
- Perennial’s fixed income and equities expertise will significantly extend Henderson’s offering to Australian clients, adding domestic investment management capability to Henderson’s globally focused offerings and providing a broader platform for future growth in the Australian market.
- The Perennial transactions create an opportunity to forge a strong relationship between Henderson and IOOF, one of Australia’s leading wealth management and advice platforms.

¹ All AUM figures quoted as at 31 March 2015

² AUD/GBP exchange rate of A\$1.94

³ On a pro forma basis, excluding Henderson’s 40% stake in TH Real Estate

- Full ownership of 90 West will enable Henderson to benefit from the pipeline of new business the firms have created together, both in Australia and globally.
- On completion of these transactions and the sale of its 40% interest in TH Real Estate which completed on 1 June, Henderson's capital position will improve by c.£40m. Henderson will update the market on its capital position at its Interim Results on 30 July 2015.

Andrew Formica, Chief Executive of Henderson, said: "Developing our presence in Australia is a strategic priority for Henderson. These acquisitions will give us recognised domestic investment management capabilities to complement our global offering and take us into the Top 30 of Australian asset managers. They help us build scale in our Australian business well ahead of our previous expectations. On completion, we will more than double our AUM from Pan Asian clients and have around 40 investment professionals based in the region, managing money on behalf of local and international investors. This is another important step towards achieving our ambition to become a truly global asset manager."

Glenn Feben, Managing Partner of PFI, said: "Our team is delighted to be joining Henderson. For us to become part of a truly global fixed income team will provide real benefits to our investment team and to our clients."

Lee Mickelborough, Head of PGM, commented: "We see a strong cultural alignment with the team at Henderson and look forward to being part of an independent, investment-led firm, which will help us focus on investment performance for our clients and navigate our path to future growth."

David Whitten, Executive Chairman of 90 West, said: "Over the last two years, we have formed a close relationship with Henderson, both in Australia and worldwide. We have seen the value they bring to our business. We are thrilled to be part of Henderson, and are now better positioned to deliver to our clients and to grow."

Transaction structures

As part of the Perennial transactions, IOOF receives an upfront consideration and a deferred component dependent on future business performance, payable after two and four years.

In all three businesses, the employee-shareholders will receive a significant majority of their consideration through deferred earn-out structures to be paid four years post completion, with the quantum dependent on future business performance. Key investment professionals in all businesses have signed long term employment contracts with Henderson.

All transactions will be funded from existing cash resources.

The 90 West transaction closed on 29 May 2015, and the Perennial transactions are expected to close in the fourth quarter of 2015. Following these acquisitions, Henderson will continue to build out its distribution and business operations in Australia to deliver growth for new and existing businesses and teams.

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Market briefing

Andrew Formica will host two market briefings on 2 June 2015:

- Briefing 1: 10:00am (Sydney time) / 01:00am (London time) for the Australian investment community
- Briefing 2: 9:00am (London time) / 6:00pm (Sydney time) for the investment community outside Australia.

Audio webcast details

To join either audio webcast, go to www.henderson.com/ir and click on the relevant link on the homepage.

An archive of the webcast will be available shortly after the event.

Teleconference details

To link up to the briefing, dial one of the following numbers. We recommend participants start dialling in 10 to 15 minutes prior to the start of the presentation. Slides to accompany the briefing can be found at www.henderson.com/ir

Briefing 1, dialling from:

United Kingdom	0800 694 0257 (free call)
Australia	1800 020 199 (free call)
All other countries	+44 (0)1452 555 566 (this is not a free call number)
Conference title	Henderson Group, Market Update
Conference ID	Briefing 1: 49181071

Briefing 2, dialling from:

United Kingdom	0800 694 5707 (free call)
Australia	1800 628 784 (free call)
All other countries	+44 (0)1452 541 003 (this is not a free call number)
Conference title	Henderson Group, Market Update
Conference ID	Briefing 2: 49159062

Replay, dialling from:

United Kingdom

0800 953 1533

All other countries

+44 (0)1452 550 000

Conference ID

Briefing 1: 49181071

Briefing 2: 49159062

Available from 2 June to 16 June 2015

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About PFI and PGM

Both businesses are based in Melbourne, Australia, and were founded in 1999 through joint ventures between senior investment professionals and IOOF.

PFI has £4.2bn (A\$8.1bn) under management, a highly experienced investment team, strong consultant relationships and retail research ratings. The business is led by Glenn Feben (33 years' experience, 26 years with Perennial), and the core team has been working together for over 15 years.

PGM has £1.3bn (A\$2.6bn) under management, and is a predominantly institutional business with a highly experienced team, long-standing relationships and a 20 year track record. The business is led by Lee Mickelborough (26 years' experience, 13 years with Perennial), and the core team has been working together for over 15 years.

About 90 West Asset Management

90 West Asset Management is based in Melbourne and Sydney, Australia, and has £0.2bn (A\$0.3bn) under management. The business was founded in 2008. David Whitten joined the firm in July 2011, having previously been Head of Global Resources at Colonial First State (including First State UK) where he built a business which reached over A\$6bn in AUM. The core capability of 90 West is the Global Natural Resources strategy run by David Whitten, which comprises the majority of their AUM across an Australian fund, a SICAV and institutional mandates.

About Henderson

Henderson is an independent global asset manager, specialising in active investment. Named after its first client and founded in 1934, Henderson is a client-focused global business with over 900 employees worldwide and assets under management of £89.4bn (31 March 2015). Its core areas of investment expertise are European equities, global equities, global fixed income, multi-asset and alternatives.

Henderson is dual-listed on the Australian Securities Exchange (ASX) and the London Stock Exchange (LSE) and has a market capitalisation of approximately £3.3bn (May 2015).

Further information can be found at www.henderson.com/ir.

Forward-looking statements and other important information

This announcement contains forward-looking statements with respect to the financial condition, results and business of Henderson Group plc. By their nature, forward-looking statements involve risk and uncertainty because they relate to events, and depend on circumstances, that will occur in the future. Henderson's actual future results may differ materially from the results expressed or implied in these forward-looking statements. Nothing in this announcement should be construed as a profit forecast.

The content of the websites referred to in this announcement is not incorporated into and does not form part of this announcement. Nothing in this announcement should be construed as or is intended to be a solicitation for or an offer to provide investment advisory services.