



2010 Full Year Results

Andrew Formica Chief Executive
Shirley Garrod Chief Financial Officer

23 February 2011

All information in £ unless otherwise stated



2010 Full Year Results

Andrew Formica Chief Executive

FY10 overview

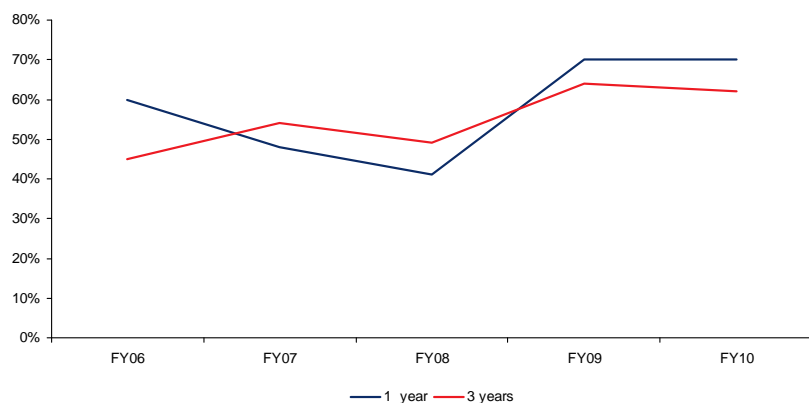
- Improved equity markets
- Good investment performance
- Underlying profit before tax up 37% to £100.7m
- £2bn net inflows into higher margin
- Total AUM £61.6bn (31 Dec 09: £58.1bn)
- 7% increase in total dividend per share



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Key performance indicator

Investment performance



70% and 62% of funds beating benchmarks



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Asset weighted investment performance

Funds at or above benchmark ¹ (%)	1 year		3 years	
	2010	2009	2010	2009
Equities	77	70	63	70
Fixed Income	62	94	82	80
Property ²	65	22	12	10
Total³	70	70	62	64
Higher margin				
Investment Trusts	82	45	63	24
Horizon funds	83	52	88	78
UK Retail ³	70	76	41	65
US Retail	11	88	16	97
Hedge funds	67	100	81	87
Property ²	65	22	12	10
Total higher margin²	66	52	42	49
Lower margin				
Enhanced index	100	100	92	100
Fixed Income	64	100	97	70
Balanced/active equity	92	73	89	68
Total lower margin	81	93	94	80
NSIM	98	12	55	56

¹ Asset weighted of funds measured.

² UK/Europe Property is based on IPD benchmarks. Total performance in 2010 is estimated, pending property benchmark data.

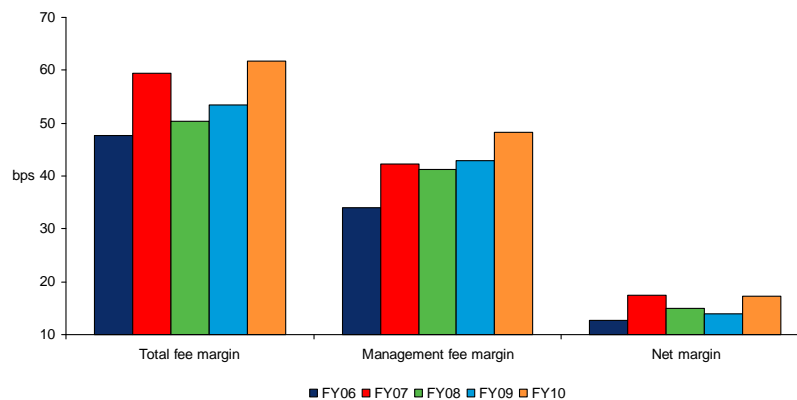
³ 3 year investment performance includes legacy New Star funds. Excluding these funds, 65% of UK Retail assets would have been at or above benchmark.



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Key performance indicator

Fee margins



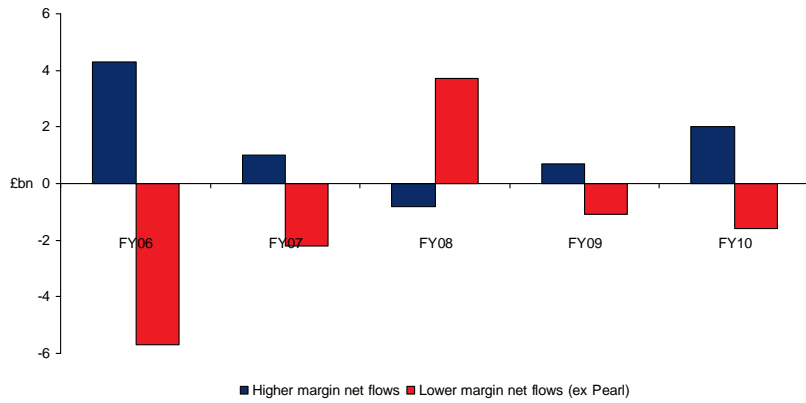
Total fee margin up 15% to 61.7bps



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Key performance indicator

Net fund flows excluding Pearl



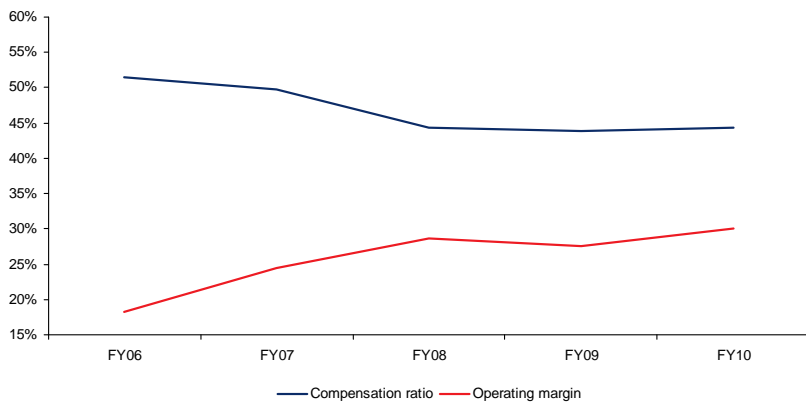
Higher margin net inflows of £2bn



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Key performance indicator

Operating margin and compensation ratio



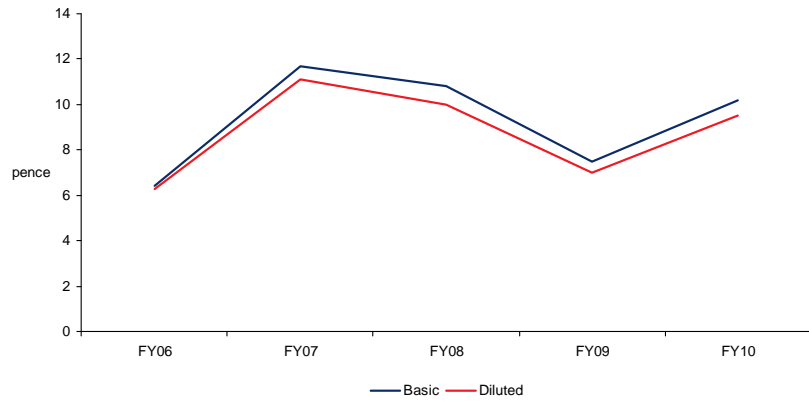
Operating margin up to 30%, compensation ratio stable



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Key performance indicator

Underlying earnings per share



Underlying basic earnings per share up 36% to 10.2p



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AUM and flows

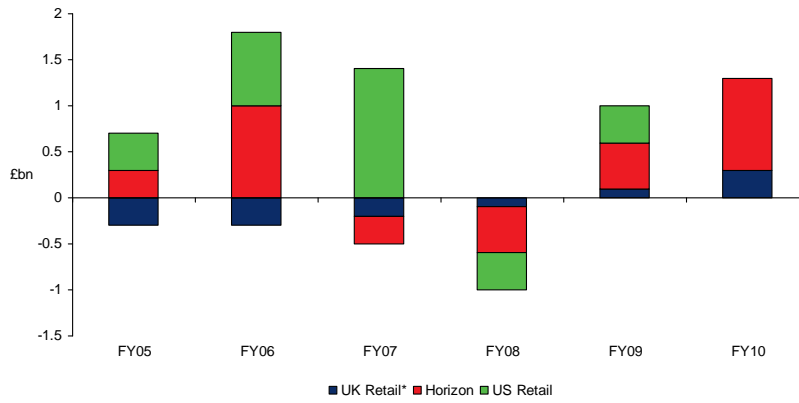
£bn	Opening AUM 1 Jan 10	Net flows	Fund transfer*	Market/FX	Closing AUM 31 Dec 10
Higher margin					
Investment Trusts	3.5	(0.3)	-	0.5	3.7
Horizon funds	3.4	1.0	-	0.7	5.1
UK Retail	10.3	0.3	(0.2)	0.2	10.6
US Retail	3.2	-	-	0.4	3.6
Hedge funds	0.9	0.1	-	0.1	1.1
Property (non-US)	7.6	1.3	-	0.3	9.2
Property (US)	1.3	-	-	0.1	1.4
Private Equity	0.6	-	-	0.1	0.7
Structured Products	1.8	(0.4)	-	(0.2)	1.2
Higher margin total	32.6	2.0	(0.2)	2.2	36.6
Lower margin					
Institutional clients	13.2	0.4	-	1.8	15.4
Cash funds	2.3	(1.0)	-	-	1.3
NSIM	2.0	(1.0)	-	0.1	1.1
Lower margin total	17.5	(1.6)	-	1.9	17.8
Pearl	8.0	(1.8)	-	1.0	7.2
Total	58.1	(1.4)	(0.2)	5.1	61.6

* Transfer of the Henderson International Property Fund to Aviva Investors.



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Retail net flows



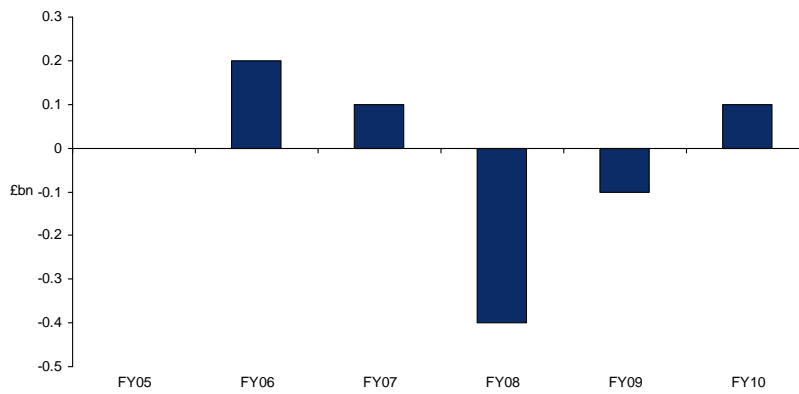
* Excluding New Star take-on in FY09 and Henderson International Property Fund transfer out in FY10 to Aviva Investors.

Growing our Retail business is a strategic priority



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Hedge fund net flows



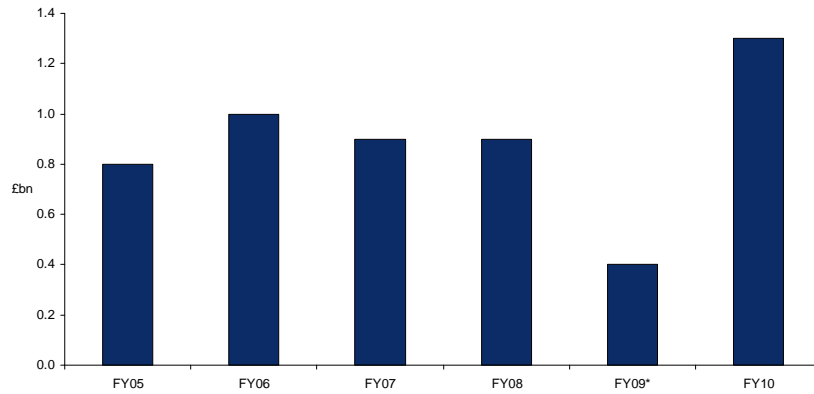
Rebuilding our hedge/absolute return fund franchise



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Property net flows

AUM doubled since FY05



* Excludes £0.4bn outflow from New Star Global Property Fund, notified but not withdrawn at time of New Star acquisition.

Build on successful Property business



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Fund flows and AUM pipeline

- Continued net inflows into UK Retail, Hedge and Horizon, offset by outflows from Institutional; net revenue impact positive
- Pearl £1.3bn on notice, but no material impact on revenues
- Transfer of cash fund (HLAF) c.£2.8bn AUM at 31 Dec
- Net Property pipeline of £1.4bn



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2010 Full Year Results

Shirley Garrood Chief Financial Officer

Profit and loss

	FY10 £m	FY09 £m	% change
Management fees (net of commissions)	282.5	226.8	25
Transaction fees	36.8	24.9	48
Performance fees	42.8	31.6	35
Total fee income	362.1	283.3	28
Finance income	0.8	4.3	(81)
Total income	362.9	287.6	26
Operating costs	(253.5)	(205.0)	(24)
Finance costs	(8.7)	(8.9)	2
Total expenses	(262.2)	(213.9)	(23)
Underlying profit before tax	100.7	73.7	37
Intangible amortisation and void property finance charge	(13.7)	(10.7)	(28)
Recurring profit before tax	87.0	63.0	38
Non-recurring items before tax	(10.5)	(47.5)	n.m.
Profit before tax	76.5	15.5	394

Drivers of net increase in total fee income

- 71% of increase from management fees
 - Higher market levels
 - New Star funds
 - Higher margin net flows
- 15% of increase from transaction fees
 - New Star funds
 - Increased number of transactions in Property
- 14% of increase from performance fees
 - Increased number of institutional mandates earning performance fees



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Sources of performance fees

Sourced from	FY10 £m	FY09 £m	FY08 £m	Benchmark	FY10 No. of funds	FY09 No. of funds	FY08 No. of funds
Institutional clients	30.8	21.0	5.1	Rel	35	21	13
Private Equity	4.8	-	-	Abs	1	-	-
Hedge funds	4.5	7.8	14.3	Abs	13	9	8
Horizon	1.3	0.2	2.8	Abs/Rel	7	1	2
Investment Trusts	0.9	1.0	2.4	Rel	3	2	5
Property	0.5	1.6	7.4	Abs/Rel	6	4	13
Total	42.8	31.6	32.0		65	37	41



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AUM with performance fee potential

	31 Dec 10		31 Dec 09		31 Dec 08	
	No. of funds	% of AUM with performance fee potential	No. of funds	% of AUM with performance fee potential	No. of funds	% of AUM with performance fee potential
Institutional clients	75	51	61	44	55	40
Property	29	73	29	80	33	91
Horizon	19	99*	18	100	20	100
Hedge funds	17	100	14	100	16	100
Investment Trusts	10	70	10	71	10	76
Private Equity	6	100	6	100	6	100
Total	156	50	138	46	140	53

* Includes fund switch from UK Retail which does not have a performance fee opportunity.



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Operating costs

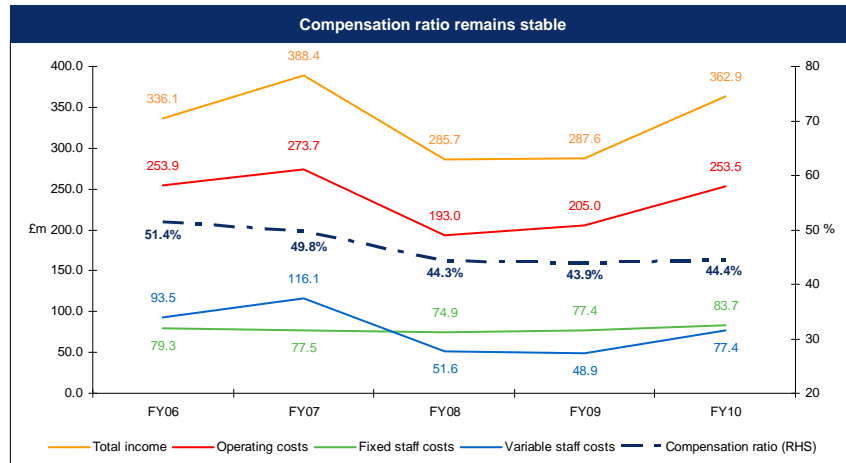
- Variable staff costs returned to normalised levels in FY10, reflecting the Group's profitability
- Higher investment admin and IT costs due to increase in funds and headcount post New Star
- Increase in other expenses due to:
 - investment in promoting brand and UK Retail business
 - irrecoverable VAT
 - RidgeWorth aborted deal cost
- Improved operating margin due to:
 - higher fee income
 - continued cost control

	FY10 £m	FY09 £m	% change
Employee compensation and benefits	161.1	126.3	28
Investment administration	23.3	22.6	3
Information technology	12.7	11.5	10
Office expenses	16.2	16.2	-
Depreciation	3.2	3.2	-
Other expenses	37.0	25.2	47
Operating costs	253.5	205.0	24
Operating margin	30.0%	27.6%	9



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Compensation ratio – five year history



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Non-recurring items

	FY10 £m
FSCS interim levy	(7.6)
Goodwill impairment	(8.7)
Towry Law International provision release	5.8
Non-recurring items before tax	(10.5)
Tax on non-recurring items*	0.6
Non-recurring tax	16.4
Non-recurring items after tax	6.5

* The goodwill impairment is disallowable for tax purposes.

• FSCS interim levy

- Raised on investment managers in respect of claims received primarily from investors in Keydata Investment Services Limited (in administration)
- Provided in full

• Goodwill impairment

- Allocated to NSIM as a result of the earn out deal
- Impaired in full due to 50% decline in its AUM

• Towry Law International provision

- Majority of a Towry Law International mis-selling provision, relating to legacy products, released

• Non-recurring tax

- HMRC closed enquiries into certain prior year tax filings, resulting in release of tax provisions



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Profit and loss

	FY10 £m	FY09 £m	% change
Management fees (net of commissions)	282.5	226.8	25
Transaction fees	36.8	24.9	48
Performance fees	42.8	31.6	35
Total fee income	362.1	283.3	28
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Finance costs	(8.7)	(8.9)	2
Total expenses	(262.2)	(213.9)	(23)
Underlying profit before tax	100.7	73.7	37
Intangible amortisation and void property finance charge	(13.7)	(10.7)	(28)
Recurring profit before tax	87.0	63.0	38
Non-recurring items before tax	(10.5)	(47.5)	n.m.
Profit before tax	76.5	15.5	394
Tax on recurring items	(16.1)	(13.3)	(21)
Tax on non-recurring items	0.6	12.3	(95)
Non-recurring tax	16.4	-	n.m.
Total tax	0.9	(1.0)	n.m.
Profit after tax	77.4	14.5	434
Effective tax rate on recurring profit	18.5%	21.2%	n.m.
Basic EPS on underlying profit after tax attributable to equity holders of the parent	10.2p	7.5p	36
Basic EPS based on profit attributable to equity holders of the parent	9.9p	1.8p	n.m.



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Financial position – debt, equity and ratios

£m	31 Dec 10	31 Dec 09
6.5% senior, listed fixed rate notes	175.0	175.0
Less: cash and cash equivalents*	(176.6)	(119.0)
Net (cash)/debt	(1.6)	56.0
Total equity	354.9	282.2
Gearing ratios and interest cover	31 Dec 10	31 Dec 09
Gross debt/total equity	0.5	0.6
Net debt/total equity	n/a	0.2
Gross debt/EBITDA	1.5	2.1
Net debt/EBITDA	n/a	0.7
Interest cover	13x	9x

* Includes restricted cash of £5m (31 Dec 09: £5.3m) and £17.4m (31 Dec 09: £1.6m) of cash held in the Group's manager dealing accounts.



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2010 Full Year Results

Andrew Formica Chief Executive

Key points from 2010 – recap

- Good investment performance
- Net inflows into higher margin business
- Improving fee and operating margins
- Stable compensation ratio
- Strong growth in profitability
- Healthy balance sheet
- Progressive dividend policy

Strategic positioning of the Group

- Positioned as active manager in higher growth products
- Diverse business by asset class, client type and geography
- Product strength in traditional long-only and absolute return
- Enhanced presence in retail
- Transfer of Henderson Liquid Asset Fund
- Acquisition of Gartmore
 - Accelerates positioning in absolute return and retail
 - Diversifies business by capabilities
 - Extends geographic presence



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Update on Gartmore acquisition

- AUM net of redemptions and notifications £16.5bn at 31 Dec 2010
- Since 31 Dec
 - £791m net outflows (net of notified redemptions) up to 18 Feb
 - Positive markets partially offset outflows
- Integration process well advanced

Expected timetable of events*

Date	Event
Feb	
28	Gartmore Scheme Circular and 2010 Annual Report available
Mar	
1	Henderson Group Class 1 Circular and Prospectus available
21	Gartmore shareholder meeting
22	Henderson Group shareholder meeting
31	Court sanction of the Scheme
Apr	
1	Record Date; last day of trading in Gartmore shares
4	Issue New Henderson shares; Scheme effective date



* These times and dates are based on Henderson Group's current expectations at the time of this announcement and may change.

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Outlook and priorities

- Optimistic about outlook for markets
- Maintain momentum in good investment performance
- We are well placed to
 - grow our business
 - combine organic growth with benefits of Gartmore acquisition
- Above all, keep clients' needs at the centre of what we do



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²⁰¹⁰ Full Year Results

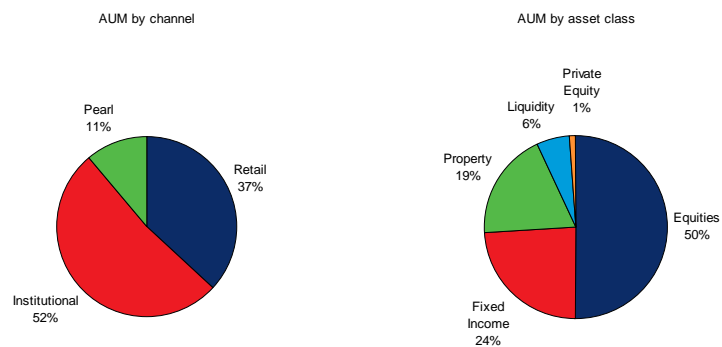
Appendix

- New AUM disclosure – by channel and asset class
- New AUM disclosure – by product
- Current quarterly disclosure of AUM and fund flows
- Net fund flows excluding Pearl (current basis)
- Split of AUM (current basis)
- Geographic source of clients (current basis)
- Key performance indicators 2H08 – 2H10
- Compensation ratio 1H06 – 2H10
- Investment performance – Top 20 listed asset funds by AUM
- A selection of awards received
- Number of shares for EPS calculation
- EPS calculation



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New AUM disclosure* – channel and asset class



* Certain funds have been reclassified to reflect the product asset class as opposed to the underlying securities' asset class.



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New AUM disclosure – product

Listed Assets	AUM 31 Dec 10 £bn
Retail	
UK OEICS/Unit Trusts	9.8
SICAVs	5.1
US mutuals	3.6
Investment Trusts	3.6
Total Retail	22.1
Institutional	
UK OEICS/Unit Trusts	4.5
SICAVs	0.1
Cayman funds	1.6
Managed CDOs	1.2
Segregated mandates	9.3
Liquidity funds	2.3
Total Institutional	19.0
Total Listed Assets ex Pearl	41.1
<i>Of which absolute return Retail</i>	<i>0.2</i>
<i>Of which absolute return Institutional</i>	<i>1.9</i>
Total absolute return	2.1

Property	AUM 31 Dec 10 £bn
Retail	
UK OEICS/Unit Trusts	0.8
Total Retail	0.8
Institutional	
Property funds	9.0
Segregated mandates	2.0
Total Institutional	11.0
Total Property	11.8
Private Equity	
Retail	
Investment Trusts	0.1
Total Retail	0.1
Institutional	
Private Equity funds	0.7
Total Institutional	0.7
Total Private Equity	0.8
NSIM	
Institutional	
Segregated mandates	1.1
Total NSIM	1.1
Pearl	
Total Pearl	6.8
Group total	61.6

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AUM and fund flows - quarterly

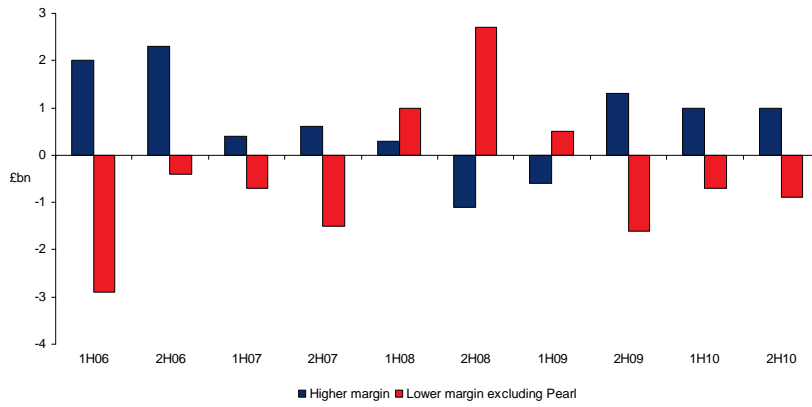
£bn	1Q10				2Q10				3Q10				4Q10			
	Opening AUM	Net Flows	Market/FX	Closing AUM	Net Flows	Market/FX	Closing AUM	Net Flows	Fund transfer*	Market/FX	Closing AUM	Net Flows	Market/FX	Closing AUM		
Higher Margin																
Investment Trusts	3.5	(0.1)	0.2	3.6	-	(0.3)	3.3	(0.2)	-	0.4	3.5	-	0.2	3.7		
Horizon funds	3.4	0.4	0.4	4.2	0.2	(0.3)	4.1	0.2	-	0.2	4.5	0.2	0.4	5.1		
UK Retail	10.3	-	0.3	10.6	0.1	(0.8)	9.9	0.1	(0.2)	0.8	10.6	0.1	(0.1)	10.6		
US Retail	3.2	0.1	0.3	3.6	-	(0.4)	3.2	-	-	0.2	3.4	(0.1)	0.3	3.6		
Hedge funds	0.9	0.2	-	1.1	-	-	1.1	-	-	-	1.1	(0.1)	0.1	1.1		
Property (non-US)	7.6	0.2	0.1	7.9	-	(0.1)	7.8	0.2	-	(0.1)	7.9	0.9	0.4	9.2		
Property (US)	1.3	-	0.1	1.4	-	-	1.4	-	-	-	1.4	-	-	1.4		
Private Equity	0.6	-	0.1	0.7	-	-	0.7	-	-	-	0.7	-	-	0.7		
Structured Products	1.8	(0.1)	-	1.7	-	(0.1)	1.6	(0.2)	-	-	1.4	(0.1)	(0.1)	1.2		
Higher margin total	32.6	0.7	1.5	34.8	0.3	(2.0)	33.1	0.1	(0.2)	1.5	34.5	0.9	1.2	36.6		
Lower margin																
Institutional clients	13.2	0.3	0.8	14.3	(0.3)	(0.9)	13.1	0.2	-	0.9	14.2	0.2	1.0	15.4		
Cash funds	2.3	(0.5)	-	1.8	0.3	-	2.1	-	-	-	2.1	(0.8)	-	1.3		
NSIM	2.0	(0.4)	0.1	1.7	(0.1)	(0.1)	1.5	(0.2)	-	0.1	1.4	(0.3)	-	1.1		
Lower margin total	17.5	(0.6)	0.9	17.8	(0.1)	(1.0)	16.7	-	-	1.0	17.7	(0.9)	1.0	17.8		
Pearl	8.0	(0.7)	0.4	7.7	(0.9)	(0.2)	6.6	(0.2)	-	0.6	7.0	-	0.2	7.2		
Total	58.1	(0.6)	2.8	60.3	(0.7)	(3.2)	56.4	(0.1)	(0.2)	3.1	59.2	-	2.4	61.6		

* Transfer of the Henderson International Property Fund to Aviva Investors.



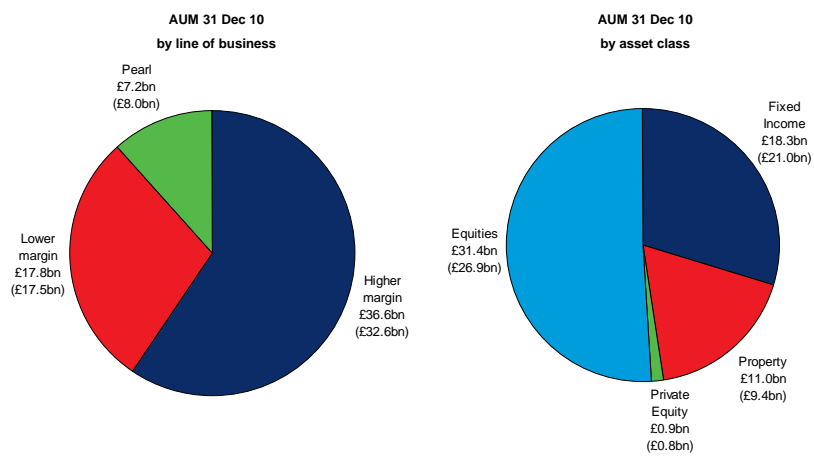
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Net fund flows excluding Pearl



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Split of AUM



() 31 Dec 09



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Geographic source of clients



Total AUM £61.6bn

US
£7.8bn AUM

UK
£41.4bn AUM

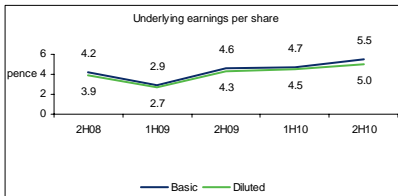
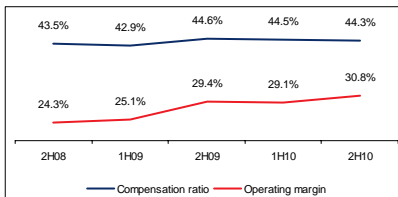
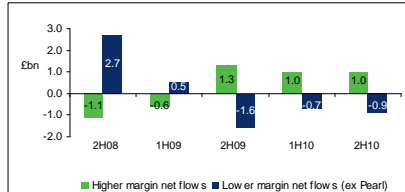
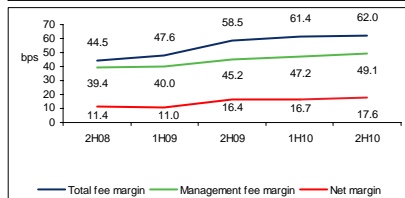
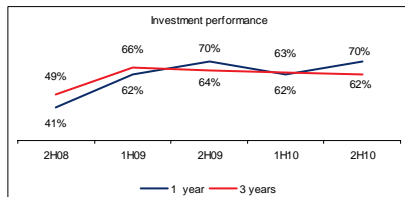
EMEA ex UK
£8.8bn AUM

Asia/Australasia
£3.6bn AUM



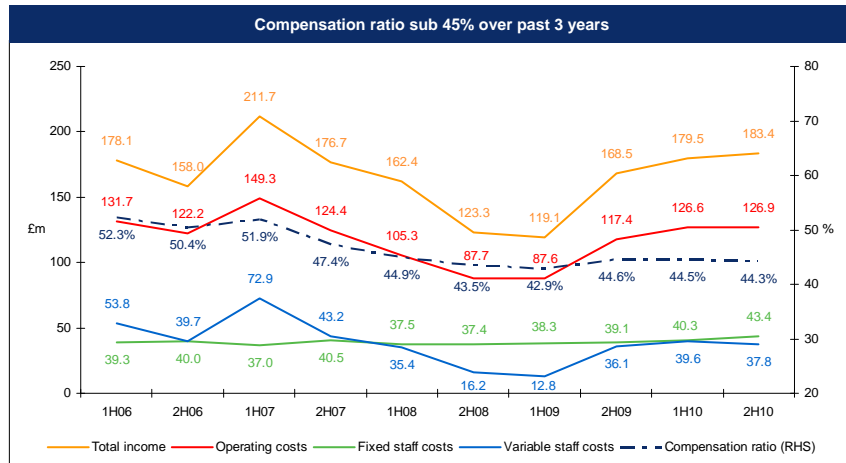
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Key performance indicators 2H08 – 2H10



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Compensation ratio 1H06 – 2H10



Investment performance

Top 20 listed asset funds by AUM

Fund	AUM 31 Dec 10 £m	Fund range	Fund manager	1 year	3 years	5 years
International Opportunities ¹	2,296	US Wholesale	Team			
All Stock Credit ²	1,857	Institutional OEIC	Payne			
Horizon Pan-European Equity ¹	1,650	Horizon funds	Stevenson			
UK Enhanced ²	1,518	Institutional OEIC	Elms			
Horizon Global Technology ¹	1,091	Horizon funds	O'Gorman/Warmerdam			
Strategic Bond ¹	968	Retail OEIC	Pattullo/Barnard			
Long Dated Credit ²	865	Institutional OEIC	Payne			
European Growth ¹	818	Retail OEIC	Pease/Rowe			
City of London ²	690	Investment Trust	Curtis			
Preference and Bond ¹	645	Retail OEIC	Pattullo/Barnard			
Global Equity Income ¹	571	US Wholesale	Crooke/Curtis			n/a
Cash ¹	566	Retail OEIC	Teatherston			
Bankers Investment Trust ²	564	Investment Trust	Crooke			
Multi-Manager Income and Growth ¹	543	Retail OEIC	McQuaker			
High Alpha Credit ²	539	Institutional OEIC	Tharayan/Adams		n/a	n/a
Fixed Interest Unit Trust ¹	517	Retail OEIC	Gledhill/Pakenham			
Horizon Global Property Equities ¹	491	Horizon funds	Barnard/Sumner			
Higher Income ¹	465	Retail OEIC	Kitchen/Jones			
Multi Manager Active ¹	441	Retail OEIC	McQuaker			
Mainstream UK Equity ²	431	Institutional OEIC	Kitchen/Jones			
Total	17,526					

1st quartile/outperform/positive 3rd quartile
 2nd quartile 4th quartile/underperform/negative

¹ Percentile ranking measured 31 Dec 10.
² Performance relative to benchmark.

A selection of awards received

Lipper: 28 awards

Henderson Horizon Global Property Equities Fund	Best Equity Sector Real Estate Holdings Global fund over 3 years: Austria, Europe, France
Henderson Horizon Japanese Smaller Companies Fund	Best Japanese small and mid cap fund Over 3 years: Austria, Europe, France, Hong Kong, Germany, Italy, Netherlands, Nordics, Spain, Switzerland, Taiwan, UK 5 years: France, Hong Kong, Italy, Netherlands, Nordics, Spain, Taiwan 10 years: Hong Kong
Henderson New Star Global Financials	Best Europe Equity sector banks and other financials over 5 years: Europe, Netherlands
Henderson Horizon Global Technology	Best Equity Sector Information Technology fund over 5 years: Netherlands, Singapore, Spain, UK
Henderson European Focus	Best European region fund over 5 years: US

EuroHedge Awards

Henderson Absolute Return Fund – Best European Equity fund under USD500m

L'Echo & De Tijd Awards - Belgium

Henderson Global Investors – Best performing Equities Manager in 2009

12 months to 31 Dec 10

Investment Week Investment Trust of the Year Awards

City of London – Most Consistent Performer

Investment Week Fund Manager of the Year

Henderson Global Investors – Multi Manager Group of the Year
Bill McQuaker – Fund Manager of the Year – Cautious Managed sector

European Pension Awards

Henderson Global Investors – Highly Commended – Fixed Income Manager of the Year

Professional Pensions Awards

Henderson Global Investors – Highly Commended – Fixed Income Manager of the Year

FT Business Pension and Investor Provider Award

Henderson Global Investors – Highly Commended – UK Fixed Income Manager of the Year

Cash Award Belgium

Henderson Horizon Pan-European Smaller Companies – Best performing fund in European Equities in 2009

iMoneyNet – Offshore Money Fund Report Awards

Henderson Liquid Assets Sterling/Institutional – Top performing Sterling fund (with assets over £1 billion)



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Number of shares for EPS calculation

	FY10 No. m	FY09 No. m
Weighted average		
Issued share capital	826.7	810.0
Less: own shares held	(38.3)	(50.7)
Weighted average number of ordinary shares for the purpose of basic EPS	788.4	759.3
Add: potential dilutive impact of share options and awards	60.8	50.1
Weighted average number of ordinary shares for the purpose of diluted EPS	849.2	809.4



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EPS calculation

	FY10 £m	FY09 £m
Underlying profit before tax	100.7	73.7
Less: taxation on underlying profit	(20.6)	(16.3)
Underlying profit after tax	80.1	57.4
Add/(less): non-controlling interests after tax	0.5	(0.7)
Underlying profit after tax attributable to equity holders of the parent	80.6	56.7
Less: intangible amortisation and void property finance charge after tax	(9.2)	(7.7)
Add/(less): non-recurring items adjusted for tax	6.5	(35.2)
Profit after tax attributable to equity holders of the parent	77.9	13.8
Weighted average number of ordinary shares for the purpose of basic EPS (m)	788.4	759.3
Weighted average number of ordinary shares for the purpose of diluted EPS (m)	849.2	809.4
Basic EPS based on underlying profit after tax attributable to equity holders of the parent	10.2p	7.5p
Basic EPS based on profit attributable to equity holders of the parent	9.9p	1.8p
Diluted EPS based on underlying profit after tax attributable to equity holders of the parent	9.5p	7.0p
Diluted EPS based on profit attributable to equity holders of the parent	9.2p	1.7p



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Forward-looking statements

This presentation issued by Henderson Group plc is a summary of certain information contained in the stock exchange announcements dated 23 February 2011 (relating to the full year results of Henderson Group for the period ended 31 December 2010) and should be read in conjunction with, and subject to, the full text of those announcements.

This presentation contains forward-looking statements with respect to the financial condition, results and business of Henderson Group. By their nature, forward-looking statements involve risk and uncertainty because they relate to events, and depend on circumstances, that may or may not occur in the future. There are a number of factors that could cause Henderson Group's actual future performance and results to differ materially from the results expressed or implied in these forward-looking statements. The forward-looking statements are based on the Directors' current view and information available to them at the date of this presentation. Henderson Group makes no undertaking to update or revise any forward-looking statements whether as a result of new information, future events or otherwise. Nothing in this presentation should be construed as a profit estimate or forecast.



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