



2012
Interim Results

Andrew Formica
Chief Executive

Shirley Garrod
Chief Financial Officer

All information in £ unless otherwise stated

Tuesday 14 August 2012



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Interim Results

Andrew Formica
Chief Executive

1H12 overview

	1H12	1H11	vs 1H11
Underlying profit before tax	£79.0m	£86.4m	-9%
Diluted underlying EPS	6.6p	7.1p	-7%
Management fee margin	55bps	52bps	+3bps
Operating margin	36.8%	36.1%	Improved
Compensation ratio	39.2%	43.5%	Improved
Dividend	2.1p	1.95p	+8%
3 year investment performance ¹	66%	67%	Stable

	30 Jun 12	31 Dec 11	vs 31 Dec 11
Assets under management ²	£63.6bn	£64.3bn	-1%
Net fund flows (excluding Phoenix) ³	£-1.7bn	-	-3%
Balance sheet strength – gross debt outstanding	£150m	£293m	Improved

¹ Asset weighted, percentage of funds achieving or beating benchmark over three years.

² Percentage change compared to 31 Dec 2011 AUM.

³ Net fund flows as a percentage of 31 Dec 2011 AUM.



2

Investment performance

Asset weighted of funds measured

Funds at/above benchmark (%) ¹	1 year %		Measured % AUM £bn
	1H12	1H11	
UK OEICs/Unit Trusts	60	80	21.3
SICAVs	71	88	6.9
US Mutuals	28	19	2.8
Investment Trusts	79	59	3.9
Offshore absolute return funds	22	73	2.6
Segregated institutional mandates	81	83	11.4
Total	64	76	48.9
Asset class			
Equities	58	66	32.9
Fixed Income	78	98	16.3
Property ²	48	23	12.2
Total³	61	66	61.4

¹ Asset weighted of funds measured as at 30 Jun 12. Retail fund ranges are measured relative to peers.

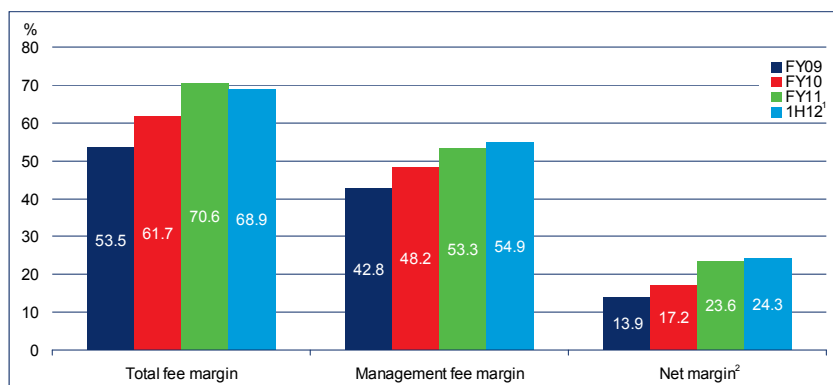
² Based on IPD performance as at 31 Dec 11.

³ Excludes liquidity funds and Private Equity.



3

Fee margins



¹ Annualised and where appropriate, based on average AUM for the period.

² Based on underlying profit before tax.

AUM and fund flows in 1H12

AUM by channel				
£m	Opening AUM 1 Jan 12	Net flows	Market/FX	Closing AUM 30 Jun 12
Retail	28,202	(902)	694	27,994
Institutional ex Phoenix	29,601	(764)	66	28,903
<i>Total Absolute Return¹</i>	4,570	(418)	(146)	4,006
Total Group ex Phoenix	57,803	(1,666)	760	56,897
Phoenix	6,481	(406)	644	6,719
Total Group	64,284	(2,072)	1,404	63,616
AUM by asset type				
Equities	35,316	(1,739)	468	34,045
Fixed Income	15,513	(457)	1,265	16,321
Property	12,408	139	(303)	12,244
Private Equity	1,047	(15)	(26)	1,006
Total Group	64,284	(2,072)	1,404	63,616

¹ Absolute Return flows are included in retail and institutional flows.

Long-term strategy remains unchanged

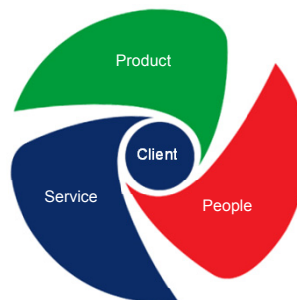


6

Key activities year-to-date

Developing products/ building relationships to meet client demand

- Optimum fund range
- All Asset Fund
- Dividend and Income Builder Fund
- Global Equity Income Fund
- Multi-Manager Diversified Fund
- European Equity Long Short Fund
- Total Return Bond Fund
- Multi-Asset Credit Fund
- Diversified Portfolio Fund
- Italian and China property JVs
- Acquired Horizon, French property manager
- Property fund extension secured



Investing in new talent

- Global Head of Distribution
- Head of Retail Distribution Asia
- Managing Director Japan
- Executive Chairman Australia
- Head of Global Equities
- Head of Real Estate Debt

Making it easier for our clients

- Sesame Bankhall Group JV
- Clean share class launched
- Fund rationalisations
- Reduced size of shareholder register



7

Key activities year-to-date

Grow retail business	All Asset Fund; Dividend and Income Builder Fund; Global Equity Income; Multi-Manager Diversified Fund Clean share class launched Optimum fund range Head of Retail Distribution Asia
Expand global and absolute return products	European Equity Long Short Fund; Total Return Bond Fund Multi-Asset Credit Fund; Diversified Portfolio Fund Head of Global Equities Head of Real Estate Debt
Foster strategic relationships	Italian property JV with Investire Immobiliare SGR China property JV Sesame Bankhall Group Property fund extension secured Executive Chairman Australia Acquired Horizon, French property manager
Be client centric	Global Head of Distribution Managing Director Japan
Operate efficiently	Fund rationalisations Reduced size of shareholder register



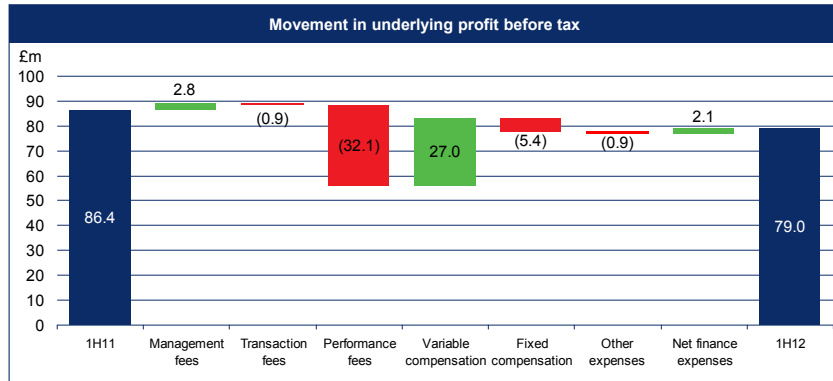
8



2012 Interim Results

Shirley Garrod
Chief Financial Officer

Underlying profit before tax



Income drivers

- Management fees increased by 2%
- Transaction fees remained stable; in line with their recurring nature
- Performance fees down significantly, as guided

	1H12	1H11	% change	2H11	FY11
	£m	£m		£m	£m
Management fees	178.8	176.0	2	184.5	360.5
Transaction fees	23.3	24.2	(4)	26.9	51.1
Performance fees	22.2	54.3	(59)	10.9	65.2
Total fee income	224.3	254.5	(12)	222.3	476.8
Finance income	4.8	1.6	200	1.7	3.3
Total income	229.1	256.1	(11)	224.0	480.1

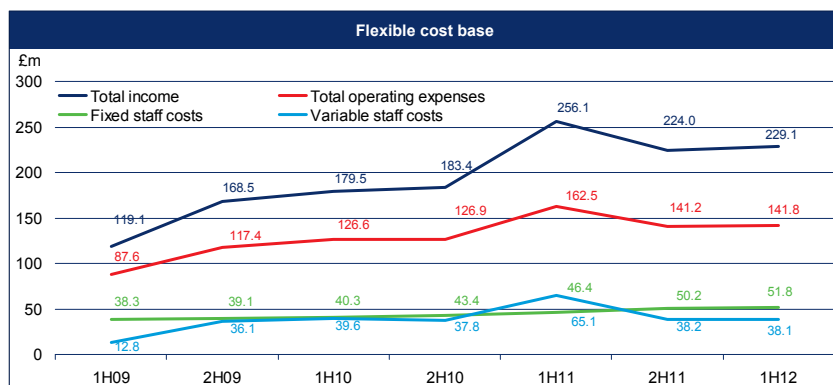
Sources of performance fees

Sourced from	1H12 £m	1H11 £m	2H11 £m	Benchmark	1H12 No. of funds	1H11 No. of funds	2H11 No. of funds
Institutional clients	14.5	19.1	2.0	Rel	30	27	10
Property	3.1	0.5	1.3	Abs/Rel	5	3	2
SICAVs	2.1	13.8	0.1	Abs/Rel	3	13	7
Private Equity	1.6	0.3	(0.2)	Abs	1	1	1
Absolute return funds	0.8	17.4	5.1	Abs	5	21	14
Investment Trusts	0.1	1.6	2.6	Abs/Rel	1	1	5
UK OEICs	-	1.6	-	Abs/Rel	-	2	-
Total	22.2	54.3	10.9		45	68	39



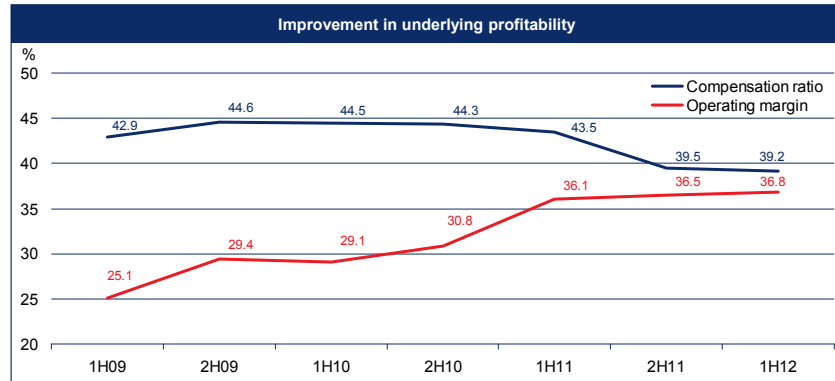
12

Total income and operating expenses



13

Compensation ratio and operating margin



Continued cost discipline

- Other operating expenses slightly higher due to an extra quarter of Gartmore and IT spend
- IT spend resumed; previously delayed whilst integrating Gartmore
- Continue to invest in the business

	1H12	1H11	% change	2H11	FY11
	£m	£m		£m	£m
Investment administration	14.4	14.1	2	14.0	28.1
Information technology	8.0	6.3	27	7.7	14.0
Office expenses	9.0	8.9	1	7.5	16.4
Depreciation	1.4	1.5	(7)	1.5	3.0
Other expenses	19.1	20.2	(5)	22.1	42.3
Other operating expenses	51.9	51.0	2	52.8	103.8

Financial position – debt, equity and ratios

£m	30 Jun 12	31 Dec 11
2012 Notes	-	142.6
2016 Notes	150.0	150.0
Gross debt at par	150.0	292.6
Unrestricted cash and cash equivalents ¹	87.8	264.6
Net debt ²	62.2	28.0
Total equity	736.7	787.4
Available facilities ³	75.0	75.0
Gearing ratios and interest cover	30 Jun 12	31 Dec 11
Gross debt/total equity	0.2x	0.4x
Net debt/total equity	0.1x	-
Gross debt/EBITDA	0.9x	1.7x
Net debt/EBITDA	0.4x	0.2x
Interest cover	10.5x	10.0x

¹ Unrestricted cash and cash equivalents excludes £4.9m (31 Dec 11: £4.7m) held in escrow and £19.6m (31 Dec 11: £4.6m) held in the Group's manager dealing accounts.

² Based on outstanding debt at par.

³ Represents a £75.0m revolving credit facility, expiring in Apr 2014.



16



2012 Interim Results

Andrew Formica
Chief Executive

Key points from 1H12 – recap

- Continued market uncertainty impacting flows
- Improved management fee margin
- Continued cost control, whilst investing
- Improved operating margin and compensation ratio
- Investment performance remains solid
- Strong cash generation



18

Summary of key activities in FY12

Grow retail business	Prepare and position for RDR Expand and diversify US Mutual and SICAV fund range Add additional investment talent
Expand global and absolute return products	Continue hires in key global areas Develop multi-asset product range New absolute return products
Foster strategic relationships	Explore potential JVs for UK Retail in restricted advice space Expand property relationships
Be client centric	Continue expansion of distribution reach Continued investment in IT and reporting systems
Operate efficiently	Ongoing/ Business-as-usual



19

Questions and answers



20



2012 Interim Results

Appendix

- Profit and loss
- Tax, earnings and dividend per share
- Summary AUM and fund flows in 1H12
- Investment performance
- AUM with performance fee potential
- Movement in property pipeline
- Number of shares for EPS calculation
- EPS calculation



22

Profit and loss

	1H12 £m	1H11 £m	% change	FY11 £m
Management fees (net of commissions)	178.8	176.0	2	360.5
Transaction fees	23.3	24.2	(4)	51.1
Performance fees	22.2	54.3	(59)	65.2
Total fee income	224.3	254.5	(12)	476.8
Finance income	4.8	1.6	200	3.3
Total income	229.1	256.1	(11)	480.1
Total operating expenses	(141.8)	(162.5)	(13)	(303.7)
Finance expenses	(8.3)	(7.2)	15	(17.2)
Total expenses	(150.1)	(169.7)	(12)	(320.9)
Underlying profit before tax	79.0	86.4	(9)	159.2
Gartmore related employee share awards	(6.8)	(21.1)	(68)	(33.2)
Intangible amortisation	(26.0)	(15.8)	65	(41.7)
Void property finance charge	(0.7)	(0.9)	(22)	(2.1)
Recurring profit before tax	45.5	48.6	(6)	82.2
Non-recurring items	-	(51.7)	n.m.	(69.2)
Profit/(loss) before tax	45.5	(3.1)	n.m.	13.0
Tax on underlying profit	(8.0)	(18.1)	(56)	(33.6)
Tax on non-operating recurring items	8.9	10.6	(16)	19.4
Tax on non-recurring items	-	11.5	n.m.	16.2
Non-recurring tax credit	-	12.9	n.m.	18.9
Total tax	0.9	16.9	(95)	20.9
Profit after tax	46.4	13.8	236	33.9



23

Tax, earnings and dividend per share

	1H12 £m	1H11 £m	% change	FY11 £m
Underlying profit before tax	79.0	86.4	(9)	159.2
Tax on underlying profit	(8.0)	(18.1)	(56)	(33.6)
Non-controlling interests after tax	-	-	-	0.1
Underlying profit after tax	71.0	68.3	4	125.7
Effective tax rate on underlying profit	10.1%	20.9%	(52)	21.1%
Diluted EPS ¹	6.6p	7.1p	(7)	12.4p
Basic EPS ¹	6.9p	7.6p	(9)	13.2p
Dividend per share	2.10p	1.95p	7.7	7.0p

¹ On underlying profit after tax attributable to equity holders of the parent



24

Summary AUM and fund flows in 1H12

£m	Summary of movements in AUM			
	Opening AUM	Net flows	Market/FX	Closing AUM
	1 Jan 12			30 Jun 12
UK OEICs/Unit Trusts	14,726	(734)	318	14,310
SICAVs	6,167	(6)	63	6,224
US Mutuals	2,881	(189)	112	2,804
Investment Trusts	3,583	36	205	3,824
Total Retail	27,357	(893)	698	27,162
Total Institutional	17,083	(897)	385	16,571
Total Investment Management	44,440	(1,790)	1,083	43,733
<i>Including: Absolute Return</i>	<i>4,570</i>	<i>(418)</i>	<i>(146)</i>	<i>4,006</i>
Total Property	12,408	139	(303)	12,244
Total Private Equity	955	(15)	(20)	920
Total Phoenix	6,481	(406)	644	6,719
Total Group	64,284	(2,072)	1,404	63,616

¹ Absolute Return flows are included in retail and institutional flows



25

Investment performance

Top 20 investment management funds by AUM

Fund	AUM £m 30 Jun 12	Fund range	Asset class	1 year	3 years	5 years
All Stocks Credit ¹	1,891	Institutional OEIC	Fixed Income			
International Opportunities ²	1,471	US Wholesale	Global Equity			
Horizon Pan-European Equity ²	1,258	SICAV	European Equity			
European Selected Opportunities ²	1,116	Retail OEIC	European Equity			
Global Technology ²	1,092	SICAV	Global Equity			
Long Dated Credit ¹	1,053	Institutional OEIC	Fixed Income			
Strategic Bond ²	1,023	Retail OEIC	Fixed Income			
Latin American ²	946	SICAV	Emerging Markets Equity			
UK Enhanced ¹	867	Institutional OEIC	UK Equity			
Cautiously Managed ²	818	Retail OEIC	UK Equity			
European Growth ²	807	Retail OEIC	European Equity			
Fixed Interest Monthly Income ²	771	Retail OEIC	Fixed Income			
Global Equity Income (US) ²	696	US Mutual	Global Equity			
Continental European ²	664	SICAV	European Equity			
Multi-Manager Income and Growth ²	663	Retail OEIC	Multi Asset			
Preference and Bond ²	596	Retail OEIC	Fixed Income			
Global Equity Income ²	526	Retail OEIC	Global Equity			
Global Property ²	521	SICAV	Property			
Credit Alpha ¹	516	Institutional OEIC	Fixed Income			
US Growth ²	495	Retail OEIC	US Equity			
Total	17,789					

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

¹ Performance relative to benchmark
² Percentile ranking measured 30 June 2012



26

AUM with performance fee potential

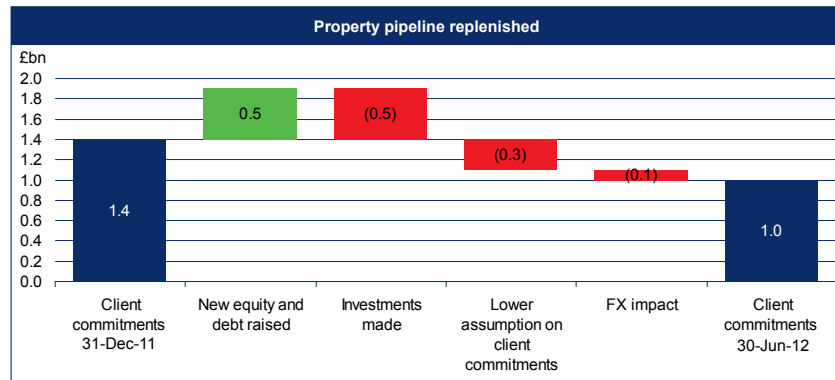
	30 Jun 12		31 Dec 11		31 Dec 10	
	No. of funds	% of AUM with performance fee potential	No. of funds	% of AUM with performance fee potential	No. of funds	% of AUM with performance fee potential
Institutional clients	52	28	59	37	63	34
Absolute return funds	39	81	34	80	17	84
Property	35	73	32	73	29	73
SICAVs	20	64	22	66	21	99 ²
Investment Trusts	14	77	14	78	13	83
Private Equity	6	100	6	100	6	100
UK OEICs	4	4	4	4	1	2
Total	170	38	171	42	150	44

¹ Data restated to reflect new AUM disclosure and reclassifications.
² Includes fund switch from UK Retail which does not have a performance fee opportunity.



27

Movement in Property pipeline



Number of shares for EPS calculation

	1H12 No. m	FY12E No. m
Weighted average		
Issued share capital	1,103.7	1,107.9
Less: own shares held	(73.7)	(71.5)
Weighted average number of ordinary shares for the purpose of basic EPS	1,030.0	1,036.4
Add: dilutive impact of share options and awards	44.7	46.0
Weighted average number of ordinary shares for the purpose of diluted EPS	1,074.7	1,082.4

EPS calculation¹

	1H12 £m	1H11 £m	FY11 £m
Underlying profit before tax	79.0	86.4	159.2
Less: tax on underlying profit	(8.0)	(18.1)	(33.6)
Underlying profit after tax	71.0	68.3	125.6
Add: non-controlling interests after tax	-	-	0.1
Underlying profit after tax attributable to equity holders of the parent	71.0	68.3	125.7
Less: Gartmore related employee share awards after tax	(6.8)	(15.5)	(28.3)
Less: intangible amortisation and void property finance charge after tax	(17.8)	(11.7)	(29.3)
Less: non-recurring items after tax	-	(27.3)	(34.1)
Profit after tax attributable to equity holders of the parent	46.4	13.8	34.0
Weighted average number of ordinary shares for the purpose of basic EPS (m)	1,030.0	893.1	954.1
Weighted average number of ordinary shares for the purpose of diluted EPS (m)	1,074.7	964.2	1,012.7
Basic EPS based on underlying profit after tax	6.9p	7.6p	13.2p
Basic EPS	4.5p	1.5p	3.6p
Diluted EPS based on underlying profit after tax	6.6p	7.1p	12.4p
Diluted EPS	4.3p	1.4p	3.4p

¹ All EPS calculations based on profit attributable to equity holders of the parent.



30

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This presentation issued by Henderson Group plc ('Henderson Group') is a summary of certain information contained in the stock exchange announcements dated 14 August 2012 (relating to the interim results of Henderson Group for the period ended 30 June 2012) and should be read in conjunction with, and subject to, the full text of those announcements.

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31