



Interim Management Statement

1 November 2012

Henderson Group plc ('Henderson Group' or 'the Group') is publishing its second Interim Management Statement for 2012 today. The comments below refer to the period from 1 July 2012 to 30 September 2012 ('the period'), unless otherwise stated.

Key points

- AUM up £1.2bn to £64.8bn at 30 September 2012.
- Positive net flows into European retail and Property funds.
- Strong investment performance over one and three years.

Commenting on the Interim Management Statement, Andrew Formica, Henderson Group's chief executive said: "I am encouraged by the strong investment performance across our clients' portfolios. Although investors remained cautious in their appetite for risk products, confidence improved during the period particularly about Europe and therefore outflows from our retail funds slowed compared to the second quarter. Our strict cost discipline allows us to continue to invest in the business and enhance the service we provide to our clients. This means that we are well positioned to benefit from any improvements in investor sentiment."

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Investment performance

Henderson's investment performance across the majority of asset classes and product types has improved. Over one year, 70% and 92% (58% and 78%: 1H12) of Equity and Fixed Income funds respectively outperformed and 73% and 85% (66% and 98%: 1H12) over three years.

AUM by channel

£ million	Opening AUM	Net flows	Market/ FX	Net flows	Market/ FX	Closing AUM	Net flows	Market/ FX	Closing AUM
	1 Jan	1Q12		2Q12		30 Jun	3Q12		30 Sep
Retail	28,202	(110)	2,273	(792)	(1,579)	27,994	(296)	1,381	29,079
Instl ex Phoenix	29,601	(610)	550	(154)	(484)	28,903	(585)	603	28,921
Total Group ex Phoenix	57,803	(720)	2,823	(946)	(2,063)	56,897	(881)	1,984	58,000
Phoenix	6,481	(137)	400	(269)	244	6,719	(248)	354	6,825
TOTAL GROUP	64,284	(857)	3,223	(1,215)	(1,819)	63,616	(1,129)	2,338	64,825

AUM by asset type

£ million	Opening AUM	Net flows	Market/ FX	Net flows	Market/ FX	Closing AUM	Net flows	Market/ FX	Closing AUM
	1 Jan	1Q12		2Q12		30 Jun	3Q12		30 Sep
Equity	35,316	(558)	2,834	(1,181)	(2,366)	34,045	(1,114)	1,754	34,685
Fixed Income	15,513	(310)	402	(147)	863	16,321	(53)	497	16,765
Property	12,408	22	21	117	(324)	12,244	50	113	12,407
Private Equity	1,047	(11)	(34)	(4)	8	1,006	(12)	(26)	968
TOTAL GROUP	64,284	(857)	3,223	(1,215)	(1,819)	63,616	(1,129)	2,338	64,825

AUM and flows

Total AUM increased by £1.2bn during the period to £64.8bn due to favourable market and FX movements of £2.3bn offset by net outflows of £1.1bn.

Net **retail** outflows were £296m. This was predominantly driven by outflows from the UK OEIC range. We continue to experience outflows as clients and advisers reposition their portfolios in advance of the implementation of the Retail Distribution Review as well as having some core funds, notably in our multi manager range, underperforming. We are encouraged by the turnaround in our European SICAV range, which showed positive net flows in the period, driven by excellent investment performance, and in particular strong

inflows into our award winning Henderson Horizon Euro Corporate Bond fund. We have also seen a more positive trend in our US Mutual fund range as we moved through the period.

Institutional net outflows, excluding Phoenix, were £585m during the period. Funding activity was particularly low during the period and hence there was little to offset against a range of previously notified outflows. In addition, the modest current year and one year returns on our absolute return fund range, combined with industry aversion to Europe and equity long short strategies, has led to an increase in both notified and actual redemptions. Performance improved over the period and, if maintained through the remainder of the year, then we should see an improvement in flows as we move into 2013.

Property had net inflows of £50m during the period as disposals were more than offset by £195m investment of client commitments over the period.

Balance sheet

The Group's balance sheet at 30 September 2012 shows total net assets of £730m (30 June 2012: £736.7m) including unrestricted cash and cash equivalents of £119.4m (30 June 2012: £87.8m). The net debt position has halved to £30.6m at 30 September 2012 (30 June 2012: £62.2m).

Board and Committee changes

As previously announced, Sarah Arkle has been appointed as a Non-Executive Director to the Henderson Group Board, effective from 5 September 2012. In addition, Sarah joined the Board Risk, Nomination and Remuneration Committees in October 2012.

2012 full-year results

The Group intends to release its 2012 full year results on 27 February 2013.

Forward-looking statements

This announcement 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 will occur in the future. Henderson Group'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.

Appendix 1: Number of shares for earnings per share (EPS) calculations¹

	FY12E
Weighted average	
Issued share capital	1,108.2
Less: own shares held	(74.2)
Weighted average number of ordinary shares for the purpose of basic EPS	1,034.0
Add: dilutive impact of share options and awards ²	46.2
Weighted average number of ordinary shares for the purpose of diluted EPS	1,080.2

Notes:

¹ This is a full-year weighted average number of shares based on current issued share capital and employee share plans adjusted for expected movements until the end of 2012.

² Based on the achievement of performance conditions at 30 September 2012, that all options will be exercised at the earliest opportunity and the dilutive impact calculated versus the Group share price at 28 September 2012.

Appendix 2: Detailed fund flows and AUM

£ million		Opening AUM	Net flows	Market /FX	Net flows	Market /FX	Closing AUM	Net flows	Market /FX	Closing AUM
		1 Jan	1Q12		2Q12		30 Jun	3Q12		30 Sep
INVESTMENT MANAGEMENT										
Retail										
	UK OEICs/Unit Trusts	14,726	(367)	903	(367)	(585)	14,310	(408)	742	14,644
	SICAVs	6,167	246	707	(252)	(644)	6,224	108	331	6,663
	US Mutuals	2,881	(25)	318	(164)	(206)	2,804	(16)	85	2,873
	Investment Trusts	3,583	45	344	(9)	(139)	3,824	11	202	4,037
	Total Retail	27,357	(101)	2,272	(792)	(1,574)	27,162	(305)	1,360	28,217
Institutional										
	UK OEICs/Unit Trusts	4,320	(251)	87	(87)	89	4,158	(87)	180	4,251
	SICAVs	280	(11)	68	405	(29)	713	1	25	739
	US Mutuals	-	16	2	-	(2)	16	-	-	16
	Offshore Abs Return Funds	2,979	(174)	29	(81)	(140)	2,613	(213)	(11)	2,389
	Investment Trusts	27	(5)	4	-	-	26	-	1	27
	Managed CDOs	1,036	(49)	5	(34)	(13)	945	(42)	(4)	899
	Segregated mandates	7,982	(53)	362	(463)	(79)	7,749	(289)	336	7,796
	Liquidity Funds	459	(103)	2	(7)	-	351	17	2	370
	Total Institutional	17,083	(630)	559	(267)	(174)	16,571	(613)	529	16,487
	Total Investment Management	44,440	(731)	2,831	(1,059)	(1,748)	43,733	(918)	1,889	44,704
Consisting of:										
	<i>Abs Return Retail</i>	1,315	(18)	7	(123)	(54)	1,127	(86)	18	1,059
	<i>Abs Return Institutional</i>	3,255	(202)	(1)	(75)	(98)	2,879	(243)	(6)	2,630
	Total Abs. Return	4,570	(220)	6	(198)	(152)	4,006	(329)	12	3,689
PROPERTY										
Retail										
	UK OEICs/Unit Trusts	782	(9)	1	-	(7)	767	9	41	817
	Total Retail	782	(9)	1	-	(7)	767	9	41	817
Institutional										
	Property Funds	9,513	31	6	129	(348)	9,331	29	64	9,424
	Segregated mandates	2,113	-	14	(12)	31	2,146	12	8	2,166
	Total Institutional	11,626	31	20	117	(317)	11,477	41	72	11,590
	Total Property	12,408	22	21	117	(324)	12,244	50	113	12,407
PRIVATE EQUITY										
Retail										
	Investment Trusts	63	-	-	-	2	65	-	(20)	45
	Total Retail	63	-	-	-	2	65	-	(20)	45
Institutional										
	Private Equity funds	892	(11)	(29)	(4)	7	855	(13)	2	844
	Total Institutional	892	(11)	(29)	(4)	7	855	(13)	2	844
	Total Private Equity	955	(11)	(29)	(4)	9	920	(13)	(18)	889
PHOENIX										
Institutional										
	UK OEICs/Unit Trusts	2,832	(39)	161	(44)	(81)	2,829	(14)	135	2,950
	Segregated Mandates	3,557	(98)	244	(225)	326	3,804	(235)	227	3,796
	Private Equity Funds	92	-	(5)	-	(1)	86	1	(8)	79
	Total Phoenix	6,481	(137)	400	(269)	244	6,719	(248)	354	6,825
	TOTAL GROUP	64,284	(857)	3,223	(1,215)	(1,819)	63,616	(1,129)	2,338	64,825

Notes to editors

About Henderson Group plc

Henderson Group plc ('Henderson Group' or 'Group') is the holding company of the investment management group Henderson Global Investors ('Henderson'). Henderson Group's principal place of business is in London and since December 2003 it has been dual-listed on the London Stock Exchange and Australian Securities Exchange ('ASX'). Henderson Group is a constituent of the FTSE 250 and S&P/ASX 200 indices. Since 31 October 2008, the Group has been incorporated in Jersey and tax-resident in the Republic of Ireland.

Established in 1934, Henderson is a leading independent global asset management firm. The company provides its institutional, retail and high net-worth clients with access to skilled investment professionals representing a broad range of asset classes, including equities, fixed income, property and private equity. Henderson is one of Europe's largest investment managers, with £65bn assets under management and employed 1,074 people worldwide (as at 30 September 2012).

About CHESS Depository Interests

In this announcement, the term "shareholders" refers to all holders of Henderson Group plc shares, including those whose holdings are in the form of CHESS Depository Interests on the Australian Securities Exchange.

CHESS Depository Interests, or CDIs, are a way of allowing securities of foreign companies to be traded on the Australian Securities Exchange. CDIs afford shareholders all the same direct economic benefits as ordinary shares, like the right to dividends and the right to participate in rights offers.

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