



## Interim Management Statement

1 May 2013

Henderson Group plc ('Henderson Group' or 'the Group') is publishing its first Interim Management Statement for 2013 today. The comments below refer to the period from 1 January 2013 to 31 March 2013 ('the period'), unless otherwise stated.

### Key points

- AUM up £3.2bn to £68.9bn at 31 March 2013.
- Strong net flows into our SICAV and US Mutual retail funds.
- Consistently strong investment performance over one and three years.
- Net cash increased to £31.9m (31 December 2012: £17.9m); balance sheet continues to strengthen.

Andrew Formica, Henderson Group's Chief Executive, said:

"I am pleased with the performance of our retail funds especially our SICAV funds which recorded strong positive net flows as investor sentiment improved over the quarter in both Europe and Asia. In addition, positive cash flows improved the Group's financial strength."

"I would also like to take this opportunity to welcome our new Chairman, Richard Gillingwater, and thank our out-going Chairman, Rupert Pennant-Rea, for his guidance and support."

Henderson Group plc  
47 Esplanade  
St Helier  
Jersey JE1 0BD  
Registered in Jersey  
No. 101484  
ABN 67 133 992 766

## Investment performance

Henderson's investment performance across asset class and product type is strong. Over one year, 77% and 84% (81% and 79%: FY12) of Equity and Fixed Income funds respectively outperformed and 68% and 82% (72% and 79%: FY12) over three years.

## AUM by channel

£ million	Opening AUM	Net flows	Market / FX	Closing AUM
	01-Jan-13	1Q13		31-Mar-13
Retail	30,266	188	2,839	33,293
Instl ex Phoenix	28,638	(1,248)	1,377	28,767
<b>Total Group ex Phoenix</b>	<b>58,904</b>	<b>(1,060)</b>	<b>4,216</b>	<b>62,060</b>
Phoenix	6,746	(209)	280	6,817
<b>TOTAL GROUP</b>	<b>65,650</b>	<b>(1,269)</b>	<b>4,496</b>	<b>68,877</b>

## AUM by asset type

£ million	Opening AUM	Net flows	Market / FX	Closing AUM
	01-Jan-13	1Q13		31-Mar-13
Equity	35,423	(870)	3,861	38,414
Fixed Income	16,786	(79)	186	16,893
Property	12,523	(303)	438	12,658
Private Equity	918	(17)	11	912
<b>TOTAL GROUP</b>	<b>65,650</b>	<b>(1,269)</b>	<b>4,496</b>	<b>68,877</b>

## AUM and flows

Total AUM increased by £3.2bn during the period to £68.9bn due to favourable market and FX movements of £4.5bn offset by net outflows of £1.3bn.

Net **Retail** inflows were £188m. This is the first quarter of positive growth since Q1 2011 and is an encouraging result since it includes outflows of £400m from the previously announced loss of two investment trust mandates, but does not capture the win of a new investment trust mandate (Henderson Value Trust, with £143m of assets under management), which transferred to us on 1<sup>st</sup> April 2013. Our European SICAVs range had strong net inflows of £480m across the European Corporate Bond, Global Technology and Global Property Equities funds. Our US Mutual fund range also experienced good net inflows, in particular into the Global Equity Income fund which was our best performing fund in that range in terms of inflows.

Net **Absolute Return** inflows were £36m for the period. We are encouraged by the continued improvement in investment performance since Q2 2012 which has been sustained into Q1 2013 and there are early signs of an improving demand environment for such products.

Net **Institutional** outflows, excluding Phoenix, were £1.2bn during the period of which £840m was due to one ex-Gartmore client exiting from a global equity mandate and an outflow of £331m in Property primarily due to the winding up of a 10-year old fund as the fund reached the end of its life. Overall, our current pipeline for institutional business is positive, with notable wins in credit, and is expected to fund in Q2 2013. In addition, we have a large pipeline of uninvested client commitments totalling £1.1bn in Property.

### **90 West Asset Management**

Henderson has acquired a 33% interest in 90 West Asset Management, an Australian-based global natural resources investment management firm. In addition to acquiring this equity position, Henderson and 90 West have entered into an exclusive global distribution agreement.

The acquisition follows the hire late last year of a US credit specialist team based in Philadelphia and the acquisition of a 50% interest in Northern Pines Capital a US long short hedge fund. These transactions support our strategy of diversifying our business outside the UK and Europe.

### **Gartmore pension scheme**

In April 2012 the Trustee of the Gartmore Pension Scheme (the Scheme) entered into a buy-in agreement with Pension Insurance Corporation (PIC) and has now commenced winding up the Scheme as part of the arrangement with PIC. This will remove any residual risk to the Group.

### **Balance sheet and cash position**

The Group's balance sheet at 31 March 2013 shows total net assets of £817.2m (31 December 2012: £781.2m) including unrestricted cash and cash equivalents of £181.9m (31 December 2012: £167.9m). The net cash position is £31.9m at 31 March 2013 (31 December 2012: £17.9m).

A final dividend for 2012 of 5.05 pence per share, totalling approximately £56.3m, will be paid on 31 May 2013 subject to approval at the AGM on 1 May 2013.

### **2013 interim results**

The Group intends to release its 2013 interim results on 8 August 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) calculations<sup>1</sup>

	FY13E (Million)
<b>Weighted average</b>	
Issued share capital	1,120.6
Less: own shares held	(59.2)
<b>Weighted average number of ordinary shares for the purpose of basic EPS</b>	<b>1,061.4</b>
Add: dilutive impact of share options and awards <sup>2</sup>	43.4
<b>Weighted average number of ordinary shares for the purpose of diluted EPS</b>	<b>1,104.8</b>

Notes:

<sup>1</sup> 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 2013.

<sup>2</sup> Based on the achievement of performance conditions at 31 March 2013, that all options will be exercised at the earliest opportunity and the dilutive impact calculated versus the Group share price as at 28 March 2013.

## Appendix 2: Detailed fund flows and AUM for 1Q13

£ million		Opening AUM	Net flows	Market / FX	Closing AUM
		01-Jan-13	1Q13		31-Mar-13
<b>INVESTMENT MANAGEMENT - EQUITIES &amp; FIXED INCOME</b>					
Retail					
	UK OEICs/Unit Trusts	14,986	(187)	1,207	16,006
	SICAVs	7,226	480	866	8,572
	US Mutuals	3,006	187	290	3,483
	Investment Trusts	4,205	(320)	467	4,352
	<b>Total Retail</b>	<b>29,423</b>	<b>160</b>	<b>2,830</b>	<b>32,413</b>
Institutional					
	UK OEICs/Unit Trusts	4,305	(75)	59	4,289
	SICAVs	762	1	101	864
	US Mutuals	16	0	1	17
	Offshore Absolute Return Funds	2,165	(61)	244	2,348
	Investment Trusts	26	0	4	30
	Managed CDOs	740	(60)	26	706
	Segregated Mandates	7,731	(734)	505	7,502
	Liquidity Funds	361	16	1	378
	<b>Total Institutional</b>	<b>16,106</b>	<b>(913)</b>	<b>941</b>	<b>16,134</b>
	<b>Total Investment Management</b>	<b>45,529</b>	<b>(753)</b>	<b>3,771</b>	<b>48,547</b>
Consisting of:					
	<i>Absolute Return Retail</i>	958	73	41	1,072
	<i>Absolute Return Institutional</i>	2,417	(37)	246	2,626
	<b>Total Absolute Return</b>	<b>3,375</b>	<b>36</b>	<b>287</b>	<b>3,698</b>
<b>PROPERTY</b>					
Retail					
	UK OEICs/Unit Trusts	828	28	9	865
	<b>Total Retail</b>	<b>828</b>	<b>28</b>	<b>9</b>	<b>865</b>
Institutional					
	Property Funds	9,363	(307)	365	9,421
	Segregated Mandates	2,332	(24)	64	2,372
	<b>Total Institutional</b>	<b>11,695</b>	<b>(331)</b>	<b>429</b>	<b>11,793</b>
	<b>Total Property</b>	<b>12,523</b>	<b>(303)</b>	<b>438</b>	<b>12,658</b>
<b>PRIVATE EQUITY</b>					
Retail					
	Investment Trusts	15	0	0	15
	<b>Total Retail</b>	<b>15</b>	<b>0</b>	<b>0</b>	<b>15</b>
Institutional					
	Private Equity Funds	837	(4)	7	840
	<b>Total Institutional</b>	<b>837</b>	<b>(4)</b>	<b>7</b>	<b>840</b>
	<b>Total Private Equity</b>	<b>852</b>	<b>(4)</b>	<b>7</b>	<b>855</b>
<b>PHOENIX</b>					
Institutional					
	UK OEICs/Unit Trusts	2,910	(59)	293	3,144
	Segregated Mandates	3,770	(137)	(17)	3,616
	Private Equity Funds	66	(13)	4	57
	<b>Total Phoenix</b>	<b>6,746</b>	<b>(209)</b>	<b>280</b>	<b>6,817</b>
<b>TOTAL GROUP</b>		<b>65,650</b>	<b>(1,269)</b>	<b>4,496</b>	<b>68,877</b>

## 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. The Group is incorporated in Jersey and as of late last year tax-resident in the UK.

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 £68.9bn assets under management and employed approximately 1,000 people worldwide (as at 31 March 2013).

### About CHES Depositary 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 CHES Depositary Interests on the Australian Securities Exchange.

CHES Depositary 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, such as the right to dividends and the right to participate in rights offers.

<b>Further information</b> www.henderson.com	
<b>Investor enquiries</b>	
Tony Hockey, Head of Strategy & Investor Relations	+44 (0) 20 7818 3832 or +44 (0) 20 7818 5310 tony.hockey@henderson.com or investor.relations@henderson.com
Andrea Chen, Deputy Head of Investor Relations	+44 (0) 20 7818 5927 andrea.chen@henderson.com
<b>Media enquiries</b>	
Richard Acworth, Head of Corporate Communications	+44 (0) 20 7818 3010 richard.acworth@henderson.com
<b>United Kingdom: Maitland</b>	<b>Australia: Cannings</b>
Peter Ogden/George Trefgarne +44 (0)20 7379 5151	Luis Garcia +61 (0)2 8284 9911