

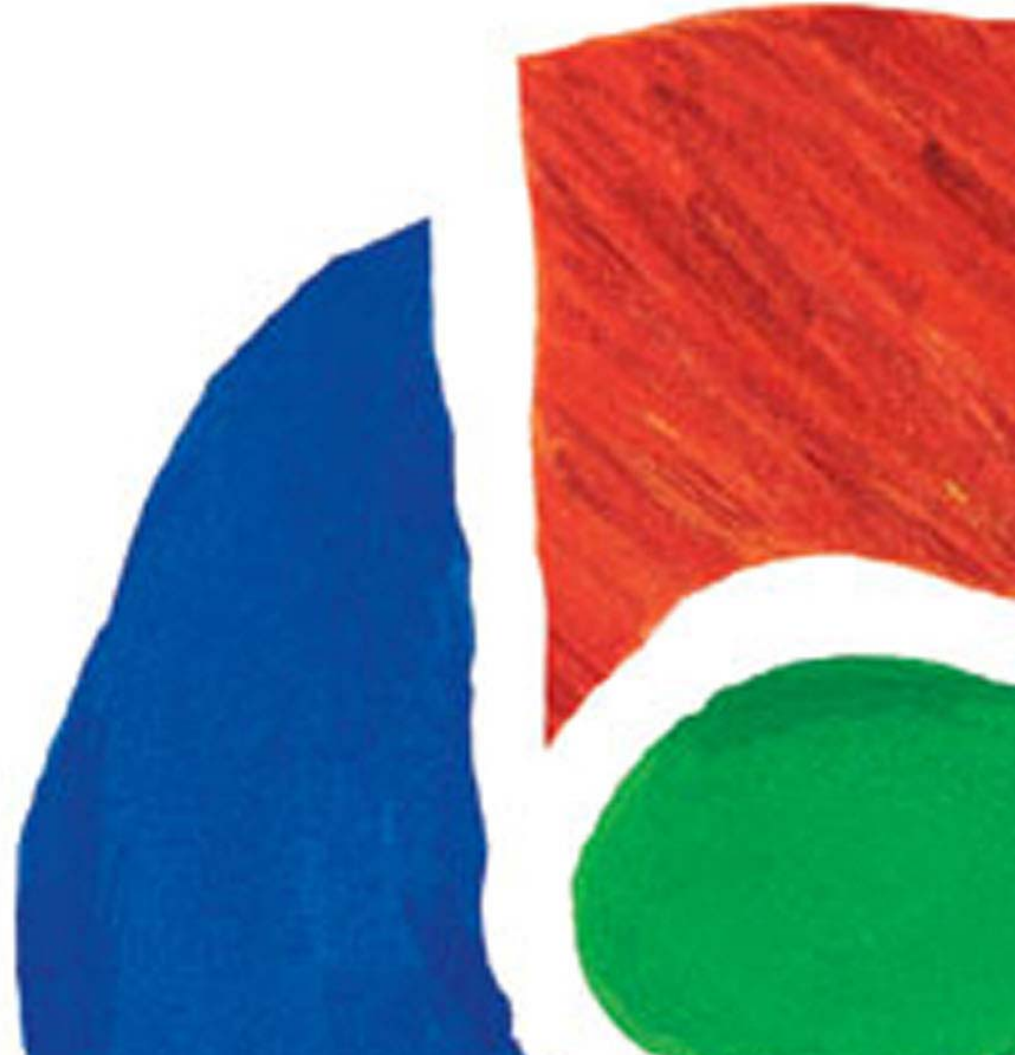


HHG PLC

Proposed Sale of Life Services
10 December 2004

Roger Yates, Chief Executive

All information in £





Disclaimer

These materials issued by HHG PLC are to be read in conjunction with the full text of the stock exchange announcement dated 10 December 2004.

This presentation contains forward-looking statements with respect to the financial condition, results and business of HHG. 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. HHG's actual future results may differ materially from the results expressed or implied in these forward-looking statements.



Agenda

Sale of Life Services

Use of proceeds

Trading outlook

Henderson Group after completion

Indicative timetable

Summary



Sale of Life Services

Consideration

£1.025 billion in cash

Transfer £1.5 billion employee pension assets and liabilities

Revised Investment Management Agreements on ten year terms

Benefits

Realisation of 79% of TEV 1H 2004

Accelerated release of shareholder capital

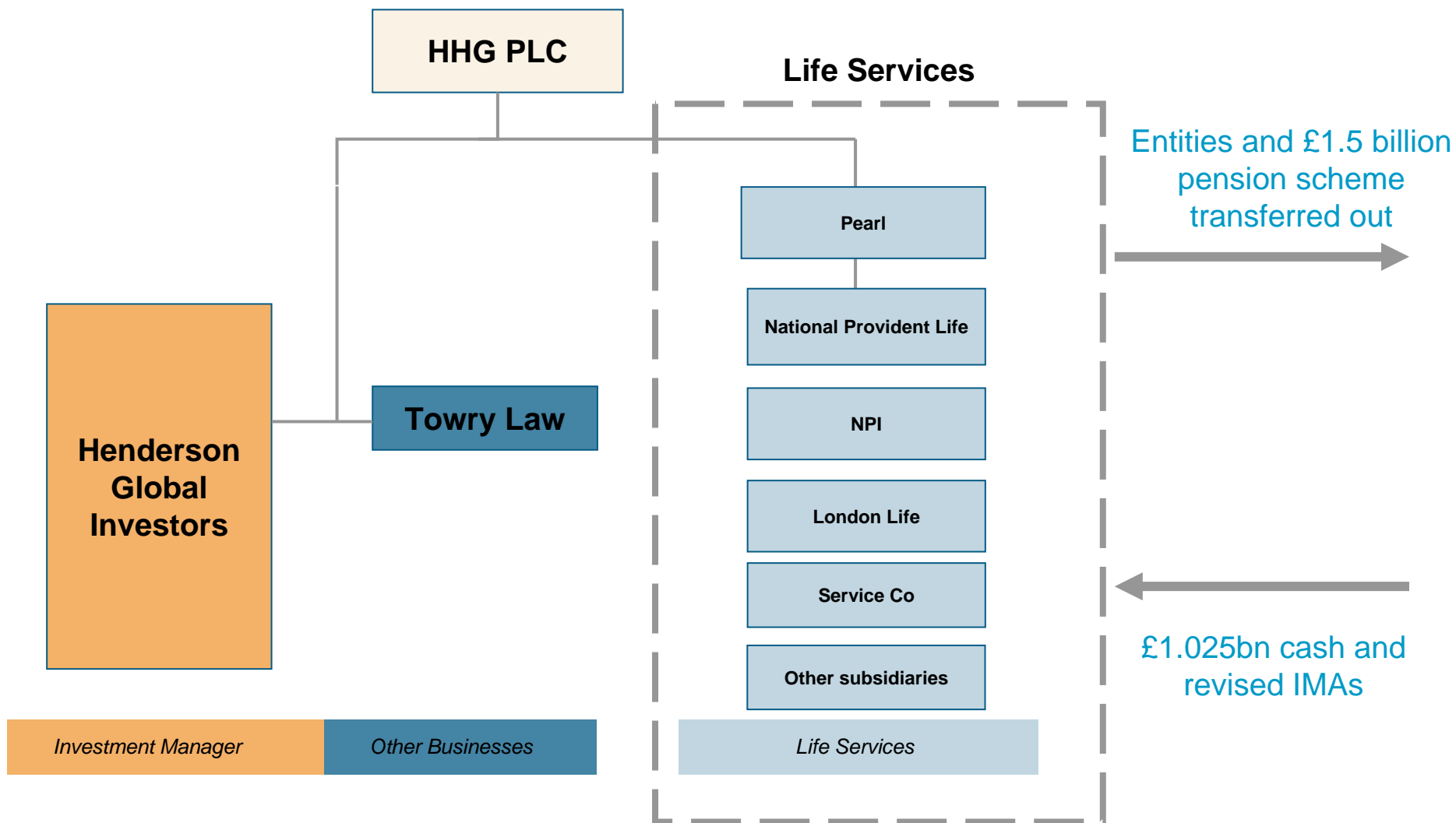
Removal of exposure to the UK life insurance sector and its related regulatory, solvency, mortality and surrender risks

Significant reduction in potential future pensions risk

Revenue protection for Henderson Global Investors



Transaction



Investment Manager Other Businesses



Life Services financials

Key financials

Illustrative based on 30 June 2004

- Embedded value of £1.3 billion
- Net assets of £1.3 billion
- Policies in force £26 billion
- Operating profit before tax of £33 million

Traditional embedded values

	30 June 2003	31 Dec 2003	30 June 2004
£m			
Pearl & NPL	491	716	908
London Life	136	155	160
NPI	185	203	192
Other unit linked companies	90	95	99
Service Company	(115)	(72)	(83)
Other	42	30	25
Total	829	1,127	1,300

TEV excludes £13 million (HY04), £18 million (FY03) and £18 million (HY03) in respect of life investment management companies. These companies will be retained within Henderson Group. Including these would bring the TEV to £1,313 million, £1,145 million and £845 million respectively as previously published



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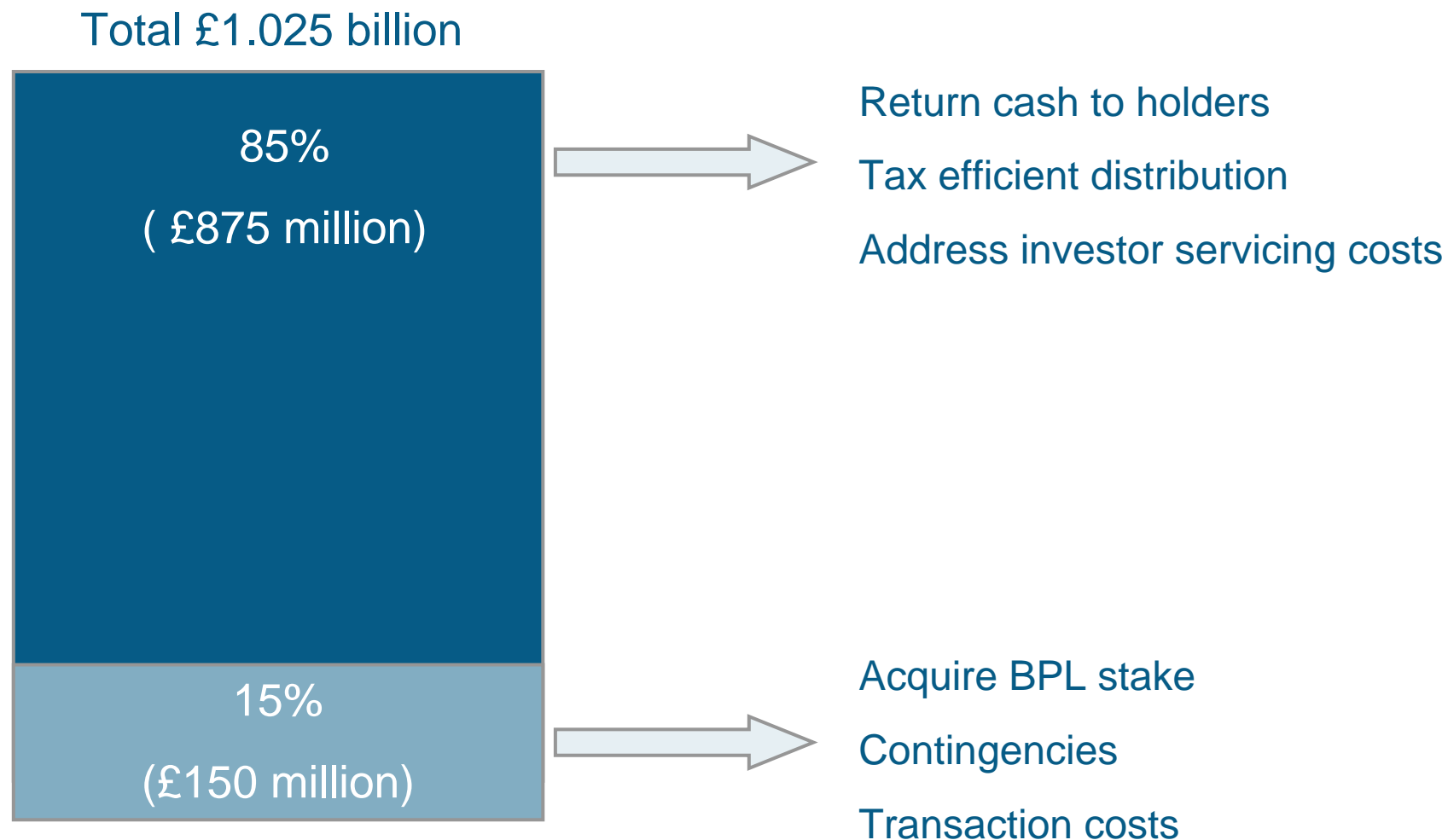
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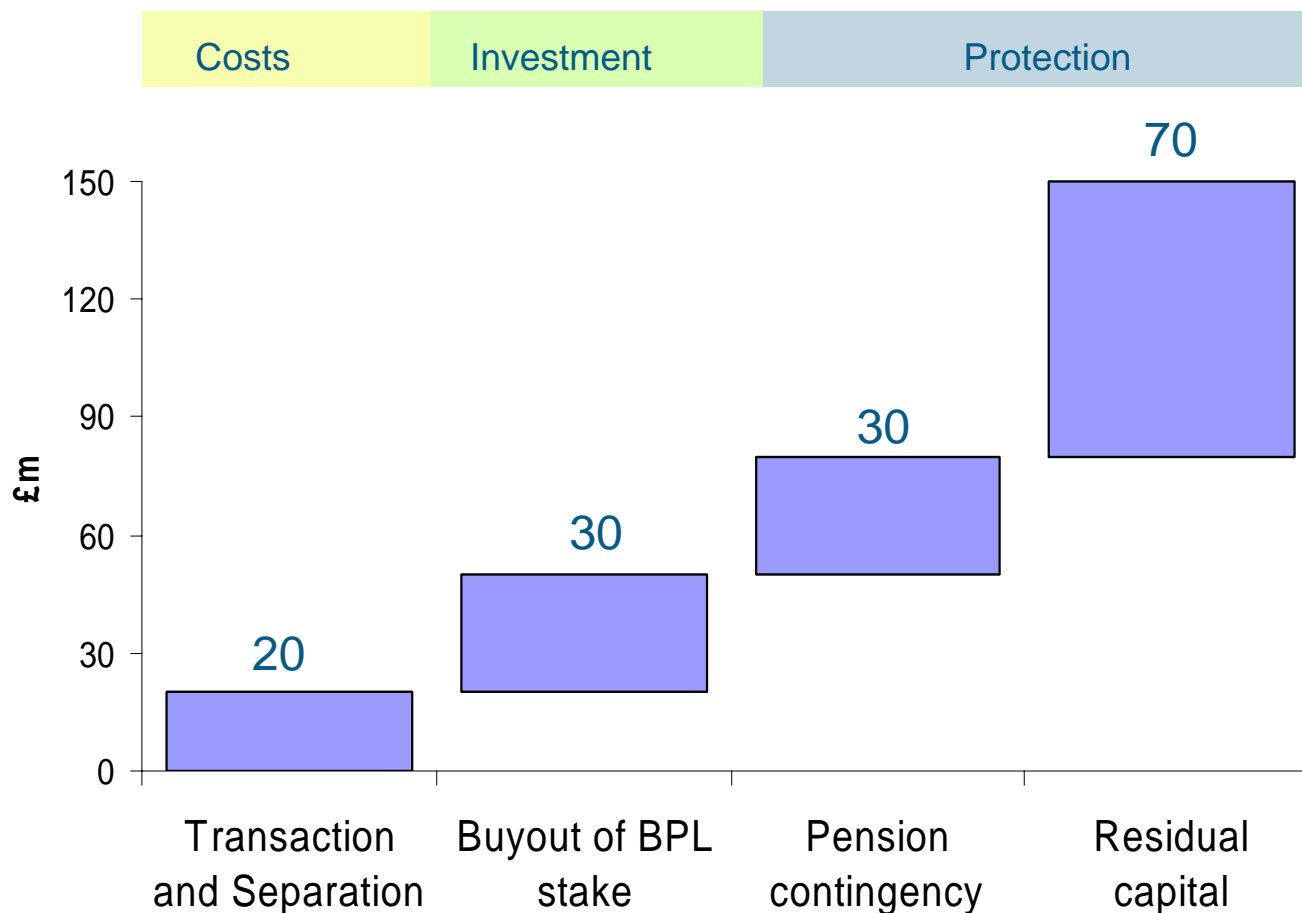


Return of £875 million to shareholders

	Return of Cash	Reduction of Investor Base
Method	Cash for cancelled shares	Cash for cancelled shares
Formula	Set ratio (% of holding)	Subdivision and cancellation of fractional entitlement
Price	LSE close price date of circular	Average market price + 5% premium
End position	x% of original holding	Variable – some fully cash out, some split shares/cash
Opt out available?	No	Yes
Expected amount	£800 million	£75 million



Use of £150 million retained proceeds



Residual capital may be returned to shareholders



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Trading outlook

On track to deliver set targets for FY2004 – some one off adjustments necessary

Life Services

Run rate cost base of £120 million and service company profit
Life Services TEV to grow by unwind of discount rate
Outsourcing analysis progressing

Henderson

Cost to income ratio below 80%
Decreased AUM with life fund run off and institutional outflows
Increased profit contribution from high margin products

One offs

Restructuring of HGI and TL UK businesses, corporate office and
higher run off costs in TLI

Reporting

Financial impact of transaction will not impact the FY 2004 results
except for the writedown of Life Services intangibles



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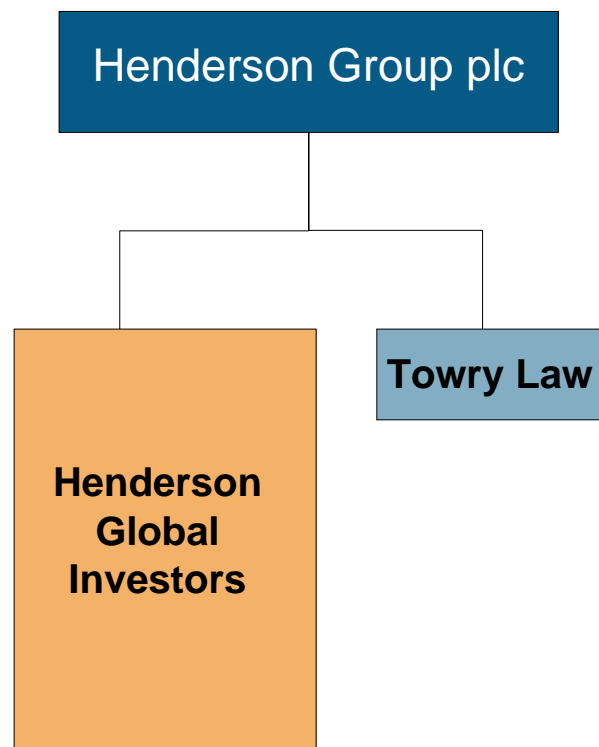
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Henderson Group after completion

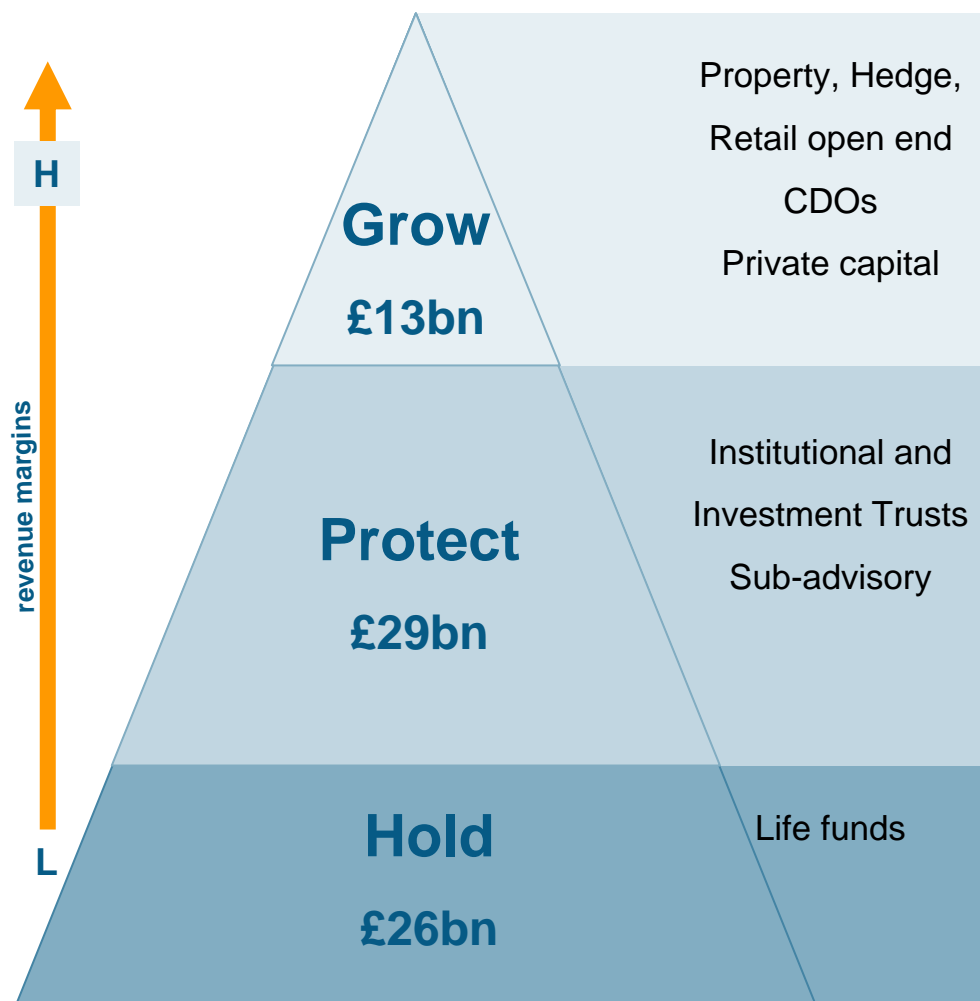
If all proposals are approved and the transaction completes



- HHG will be renamed Henderson Group plc
- Illustrative net assets of £450 million (at 30 June 2004)
- Reduced shareholder base and corporate costs in line with Henderson Group's size
- Dividend payments from early 2006 based on sustainable cash earnings
- Retain ASX and LSE listings



Henderson Group strategy



- Leading international asset management franchise
- Active investment capabilities based on core equity and fixed interest products
- Improve investment results
- Emphasis on higher margin products
- Strengthen distribution and client servicing
- Develop Towry Law UK as effective standalone business



Henderson Group plc board and management

Executive directors

Roger Yates CE	Toby Hiscock CFO
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Non-executive directors

- Will not be board members after June 2005

Sir Malcolm Bates <i>Chairman</i>	Peter Costain	Sir William Wells
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- Will be board members after June 2005

Anthony Hotson	John Roques	Duncan Ferguson
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Gerry Aherne	Rupert Pennant-Rea
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Management team of Henderson in place



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Indicative timetable

Completion expected April 2005

Key dates

Today
(10 December 2004)

Lodging of Shareholders' Circular
(late December 2004)

EGM
(end February 2005)

FY04 results
(end March 2005)

Completion
(end April 2005)

Return of capital
(April)

Key events

- Announcement and shareholder briefing
- Circular on Proposals and Notice of EGM
- Shareholders vote on proposals
- London EGM broadcast to Sydney simultaneously
- Henderson Group plc consolidated FY2004 results
- FSA and Pension Trustee approval
- Life Company Investor Group (LCIG) pay £1.025 billion cash
- UK court approvals
- Return of capital to shareholders



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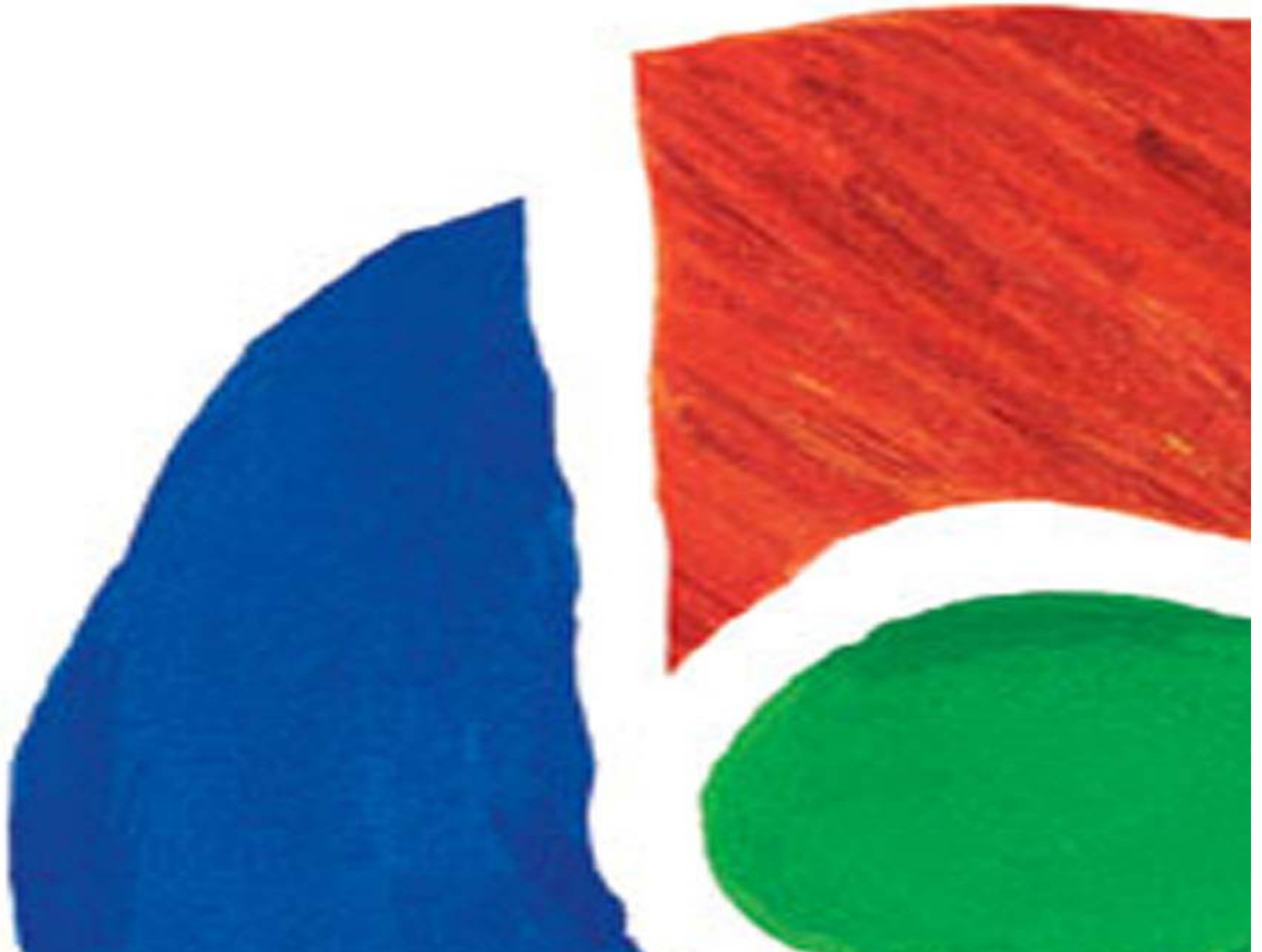
Proposals:

- Release considerable shareholder value
- Improve strategic business focus
- Simplify company structure
- Reduce costs for new group

Henderson Group well positioned pure play asset manager

Board unanimously recommends proposals to shareholders

Questions





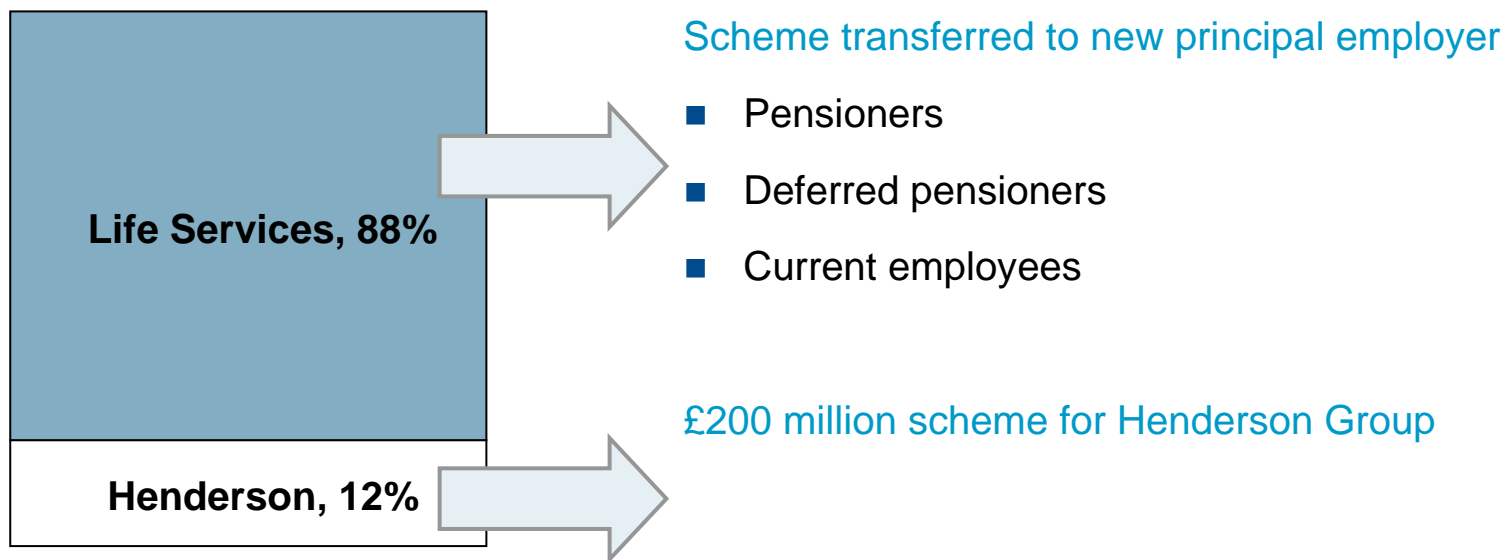
Appendix

Pension fund arrangements

Intended management team – Henderson Group



Pension fund - new arrangements



As at 31 Dec 2003:
Total value: £1.7 billion
Number of members: 28,102

FRS17 liability at 30 June 2004 was £66 million for HHG overall which will be split across the two parties



Henderson management team

