

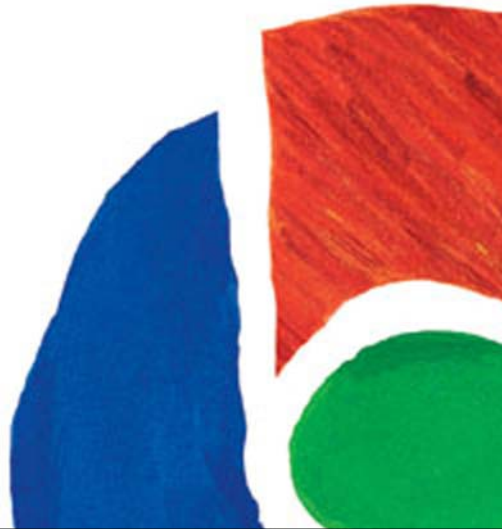


Henderson Group plc

First half 2005 interim results

Roger Yates, Chief Executive
Toby Hiscock, Chief Financial Officer

24 August 2005
All information in £



Henderson Group plc



DISCLAIMER

These materials issued by Henderson Group plc are a summary of certain information contained in the stock exchange announcements dated 24 August 2005 (relating to the half year results for the 6 months to 30 June 2005 of the Henderson Group) and should be read in conjunction with 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 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.



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Overview – 1H05

- £35.1m Group operating profit before tax and items from all operations including Life Services (1H2004: £21.2m)
- £37.0m Group operating profit before tax and items from continuing operations (1H2004: £28.7m)
- Henderson Global Investors operating profit up 5% and expense ratio lower at 70.6%
- AUM £66.5bn (£69.1bn at 31 Dec 04)
- Towry Law achieves a £1.6m (1H2004: £0.1m loss) profit for the period
- Balance sheet remains strong
- Sale of Life Services for £1.070bn, majority returned to shareholders in May 2005



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Group financials – profit and loss

Summary information from Consolidated Income Statement

£m	1H04	FY04	1H05
Henderson Global Investors	36.2	57.5	38.0
Towry Law UK	(0.1)	(0.2)	1.6
Corporate costs	(8.1)	(15.6)	(7.2)
Return on corporate cash	1.5	4.5	4.6
	29.5	46.2	37.0
Exceptional and other ¹	(0.8)	3.2	-
Total operating profit from continuing operations	28.7	49.4	37.0
Discontinued operations ²	(7.5)	(172.5)	(1.9)
Net profit/(loss) before tax from all operations³	21.2	(123.1)	35.1

¹ Exceptional refers to restructure costs and other refers to impairment of goodwill and transfers between continuing and discontinued operations

² Includes loss on fair value adjustment to Life Services, the profit/(loss) from ordinary activities of discontinued operations, and the gain/(loss) on disposal of discontinued operations

³ Profit/(loss) before taxation and minority interests



Group financials – taxation

Summary information from Consolidated Income Statement

£m	1H04	FY04	1H05
Total operating profit from continuing operations	28.7	49.4	37.0
Taxation	(9.4)	(3.3)	(6.6)
Net profit after tax from continuing operations	19.3	46.1	30.4
Effective tax rates – continuing operations	33%	7%	18%
Net profit/(loss) after tax from all operations	5.1	(173.2)	23.7

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Henderson Global Investors – profit and loss

£m	1H04	2H04	1H05
Management fees	97.2	93.4	95.3
Transaction fees	15.1	11.0	13.0
Performance fees	13.5	5.2	16.6
Total fee income	125.8	109.6	124.9
Investment income*	3.2	4.7	4.4
Operating expenses	(90.9)	(89.9)	(89.8)
Depreciation	(1.9)	(3.1)	(1.5)
Operating profit before tax	36.2	21.3	38.0

* Includes BPI dividends

Margin on average AUM	1H04	2H04	1H05
Total fee income	36bps	32bps	37bps
Management fee income	28bps	28bps	28bps
Net margin	10bps	6bps	11bps

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Henderson Global Investors – costs

Improving cost to income ratio

Target to reduce full year ratio over short to medium term to 75% through revenue growth

	1H04	2H04	1H05
Cost/income	71.9%	81.4%	70.6%

Costs include:

- Continued investment in people, especially in investment management
- A fall in investment admin costs due to fee renegotiation and institutional client losses

£m	1H04	2H04	1H05
Staff Costs	50.9	49.1	56.9
Investment Admin	12.5	13.5	10.3
IT	3.6	4.3	3.5
Office Expenses	8.9	8.3	7.5
Other	15.0	14.7	11.6
Operating expenses	90.9	89.9	89.8

Other – includes legal, marketing, travel, irrecoverable VAT and stewardship.

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Group financials – net assets by business unit

- Strong balance sheet
- Appropriate provisions

£m	30 June 2004	31 Dec 2004	30 June 2005
Henderson Global Investors	357	336	392
Towry Law UK	21	23	25
Corporate	54	26	203
	432	385	620
Disposal group	1,668	1,507	-
Henderson Group plc*	2,100	1,892	620
	290	125	127

*Includes provisions and accounting deficit in pension scheme

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Group financials – allocation of equity shareholder funds

- Improved capital position due to efficiency gains in regulatory and working capital
- Capital surplus subject to further review and guidance early 2006

£m	Pro forma	Actual
	31 Dec 2004	30 Jun 2005
Goodwill	233	248
Regulatory capital	140	100
Working capital (incl seed investments)	50	30
BPI	65	-
Warranties & contingencies	125	50
Capital surplus	-	192
	613	620

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Towry Law

Towry Law UK

- Independent financial advisor
- 480 employees in UK
- Returned to profit in the period
- Restructuring initiatives in 2004 producing benefits now
- Lower costs in all areas of the business

£m	1H04	FY04	1H05
Fee and commission income	19.3	37.3	19.6
Investment income	-	0.1	0.1
Total income	19.3	37.4	19.7
Total expenses	(19.4)	(40.9)	(18.1)
Finance costs	-	(0.1)	-
Net (loss)/profit from continuing operations	(0.1)	(3.6)	1.6

Towry Law International

- Orderly exit in progress

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Henderson Global Investors – investment performance

- To effect improvement in investment performance:
 - David Jacob – Head of Fixed Income
 - Recruited key investment professionals
 - Review investment process
 - Complete recruitment of additional required resources
 - Andrew Formica – Head of Equities
 - Recruited key investment professionals
 - Rebuild active institutional process with focus on UK and Europe
 - Changed UK retail fund manager line-up



Henderson Global Investors – investment performance

	AUM £bn	Year-to-date %	1 year %	3 years %
Retail v benchmarks				
Investment trusts	3.4	86	85	84
Horizon funds	1.8	90	93	74
Retail OEICs	3.2	57	38	44
Absolute Return Funds	0.9	51	93	-
Property (EU/UK)	5.1	-	91	90
Institutional	18.8	51	32	35
Fixed income	7.3	69	19	42
Balanced/ Active equity	7.1	18	17	10
Enhanced index/ passive	4.4	76	76	65

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Henderson Global Investors – performance fees diversity

£m	1H04	2H04	1H05	Nr of funds*
Net performance fees earned	13.5	5.2	16.6	
Sourced from:				
	%	%	%	
Hedge Funds	69	14	39	7
Investment Trusts	6	10	25	2
Property Funds	11	67	23	9
Horizon Funds	13	2	10	4
Other	1	7	4	6
Total	100	100	100	

* Number of funds generating fees

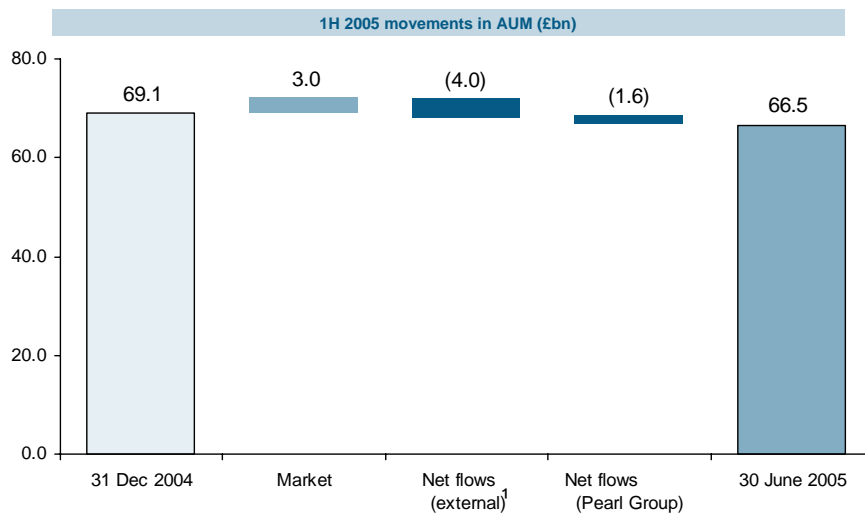
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Henderson Global Investors – assets under management



¹ Includes (£0.4bn) from AMP



Henderson Global Investors – distribution priorities

- UK Retail
 - Build on improved investment performance in key UK equity products and new hires
 - Continue focus on entering key wholesale distribution platforms
- Horizon
 - New product launches planned
 - Good investment performance platform for sales
- Property
 - Priority is investing assets won
- Private Capital
 - PF1 fund successfully closed
 - Second Asia fund planned
- Institutional
 - Stabilise fixed income and core equity
 - Exploit buy-rated Enhanced Index capability

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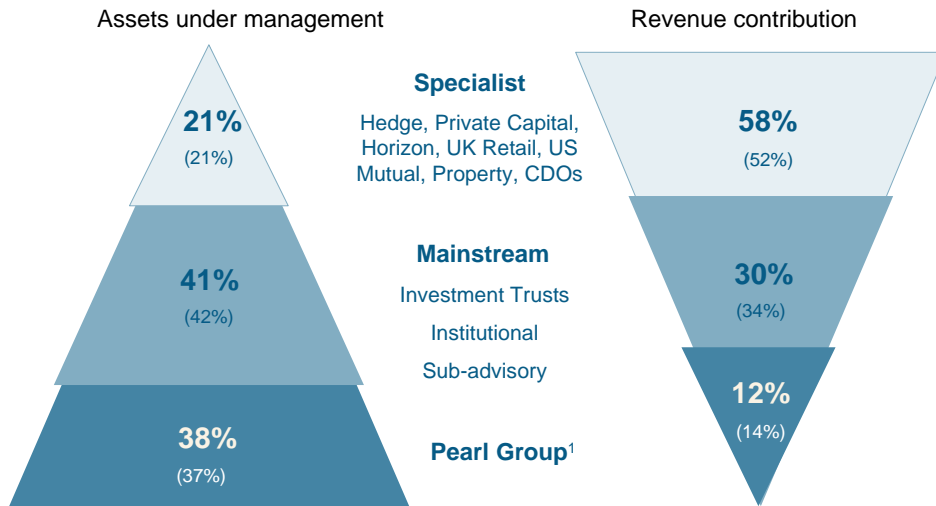


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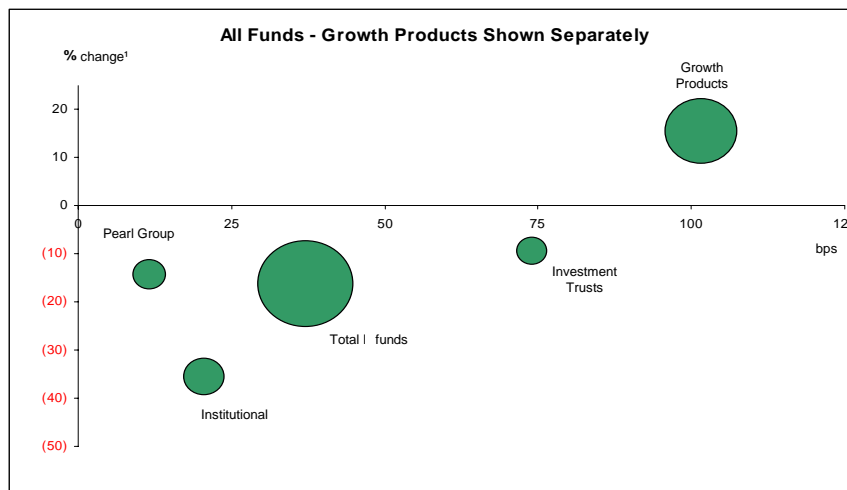
Henderson Global Investors – revenue contribution from AUM



¹ Pearl Group FUM invested in property, CDOs and private capital is included in specialist
() FY04



Henderson Global Investors - growth products provide revenue protection



¹ 1H05 annualised net fund flows/opening AUM



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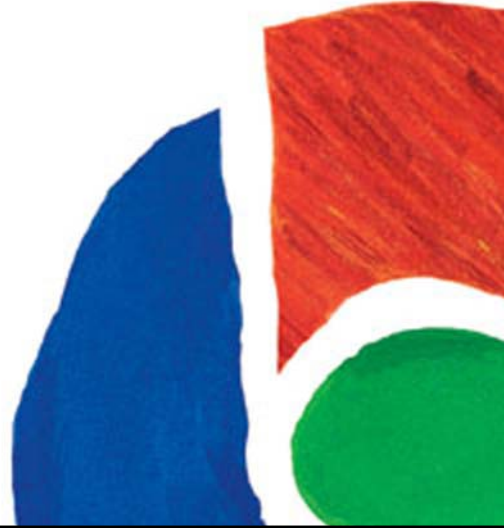


Henderson Group – outlook

- Continue to improve investment performance to drive future net external fund flows & revenues
- Continued focus on improvement in margins for Henderson Global Investors
- Further improve cost to income ratio for Henderson Global Investors
- Further improvement in corporate costs
- Build on progress in Towry Law UK
- 2005 final dividend expected
- Analysis underway on scope for capital return

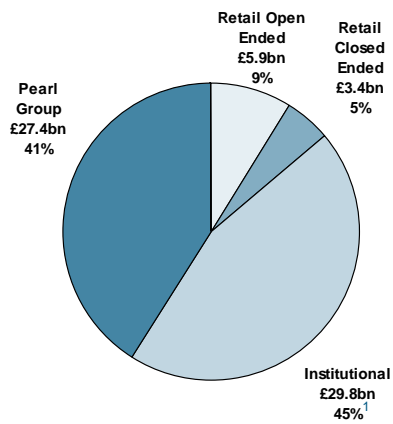


Appendix



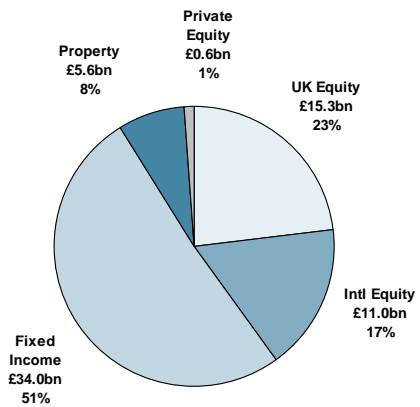
Henderson Global Investors – assets under management

AUM 30 June 2005
by line of business



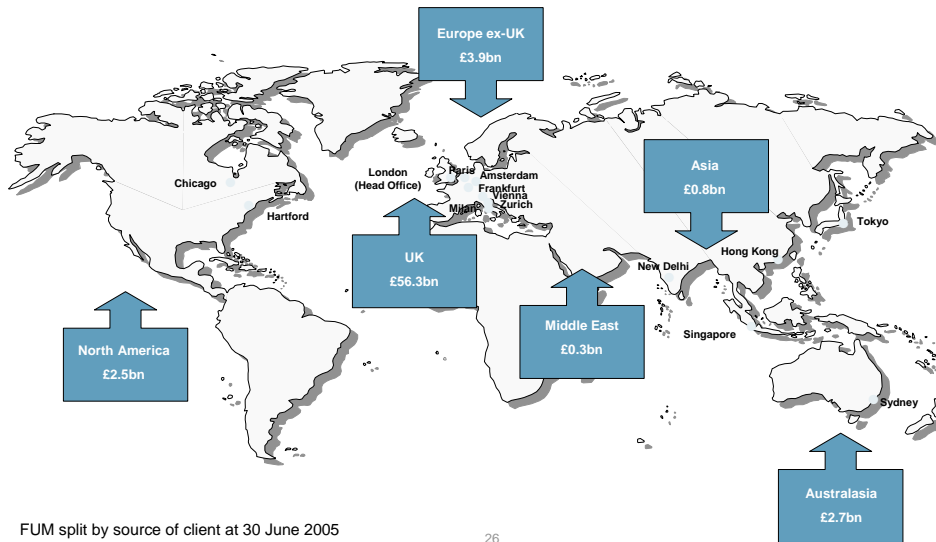
¹ Includes CDOs £1.9bn (3%); Hedge funds £0.9bn (1%)

AUM 30 June 2005
by asset class





Henderson Global Investors – geographic source of client



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Relationship with Banca Popolare Italiana (BPI) – July 2005

- Strategic investment management relationship with BPI since 2000
- Agreement includes sub-advisory of co-branded funds and distribution of Henderson product (Horizon) through BPI networks
- Total AUM from the relationship £972m at 30 June 2005 comprising:
 - £727m of co-branded Italian mutual funds (Bipielle-Henderson)
 - £245m of Horizon branded product
- Agreement successfully renegotiated – business as usual
 - Extended to 31 December 2009
 - BPI investment in Horizon fund range to increase by £150m through 4 annual instalments
 - €21m FRNs sold, €25m additional shares purchased through a rights exercise
 - Total equity investment in BPI listed companies now £69m

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