

Managing in a downturn

Roger Yates, Chief Executive

1 April 2008

All information in £



FY07 overview

	12 months to 31 December 2007	12 months to 31 December 2006	Change
Group operating profit before tax			
- continuing operations	£106.7m	£82.2m	+30%
- all operations	£147.2m	£72.4m	+103%
Earnings per share ¹	11.7p	6.4p	+83%
Henderson profit before tax	£109.6m	£81.1m	+35%
Henderson cost to income ratio	67.5%	72.6%	5.1pts improvement
Assets under management	£59.2bn	£61.9bn	(£2.7bn)
Corporate result	(£2.9m)	£1.1m	(£4.0m)
Total ordinary dividend per share ²	6.1p	3.15p	+94%

¹ From continuing operations excluding non-recurring items. Based on the weighted average number of shares in issue less the weighted average number of own shares held during the accounting period

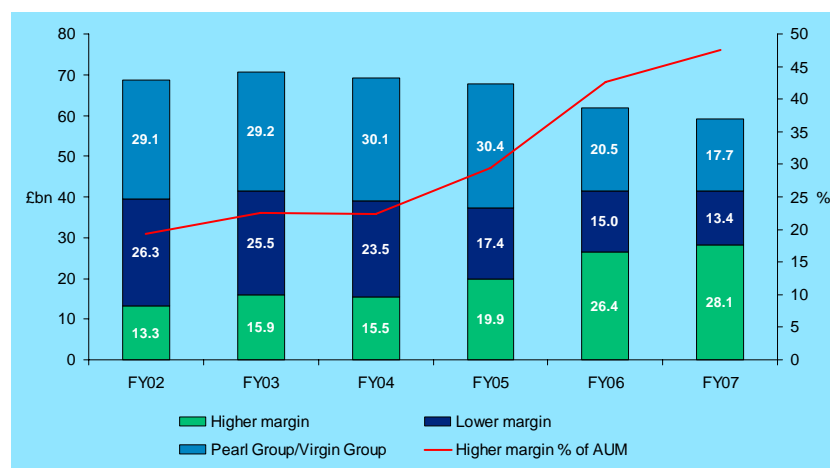
² Final 2007 dividend of 4.44 pence per ordinary share recommended, subject to shareholder approval at AGM on 1 May 2008.

Fee income

£m	FY07	FY06	% change
Management fees	258.0	221.2	17
Transaction fees	17.8	24.6	(28)
Net performance fees	50.1	37.3	34
Total fee income	325.9	283.1	15
Investment income	11.5	12.6	(9)
Total income	337.4	295.7	14
Operating expenses	(225.3)	(211.8)	(6)
Depreciation and amortisation	(2.5)	(2.8)	11
Operating profit before tax	109.6	81.1	35
Margin on average AUM (bps)	FY07	FY06	% change
Management fee margin	42.2	34.0	24
Total fee margin	53.3	43.5	23
Net margin (Excluding non-recurring items)	17.9	12.5	43

Assets under management

Growth in higher margin AUM



Managing in a downturn

1. Keep revenues growing
2. Profit protection
3. Balance sheet

Revenues

- Hedge funds
 - Adding extra capacity in a number of funds
- Property
 - Pipeline of £2.3 billion to invest
 - Mostly closed-ended, all institutional clients
- Institutional
 - Good progress
 - £0.6bn net new institutional business won year to date
- Performance and transaction fees
 - £67.9m in 2007 - up 10% on 2006.
 - Performance fees alone up 34%
 - Scope to continue to receive fees - forecast £30m for 2008

Performance fee diversity

	FY07	FY06	Benchmark	FY07 No. of funds ¹	FY06 No. of funds ¹
Net performance fees (£m)	50.1	37.3			
Sourced from:	%	%			
Property ²	38	19	Abs/Rel	17	13
Hedge funds	30	42	Abs	13	11
Investment Trusts	14	12	Rel	8	8
Horizon funds	6	12	Rel	9	7
Private Equity	-	7	Rel	-	1
Other ³	12	8	Rel	18	12
Total	100	100		65	52

¹ Number of funds generating performance fees.

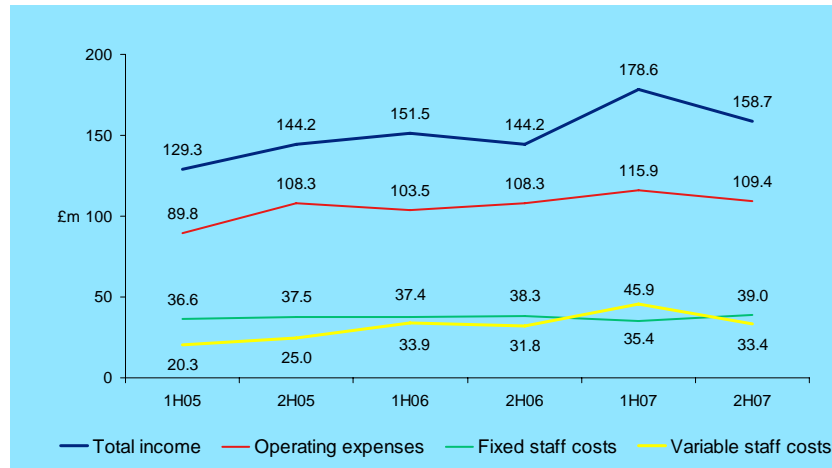
² FY07 includes £8.2m 3 year performance fee.

³ FY07 includes £3.6m performance fee earned from Pearl Group.

Profit protection

- £20m taken out of costs
- Further £10m available if downturn is sustained
- £79.3m of variable compensation in FY07
- Maintain investment capabilities and continue to invest in the business e.g. derivatives platform, new people, new building
- Goal is to meet or beat 2007 Henderson Global Investors pre-tax profit

Stable fixed staff costs, variable costs in line with income



Balance sheet

- Sound balance sheet
- Debt of £178m
- Group cash of £248m of which up to £150m is free
- £101.7m of investments (seed capital and BPI)
- £70m earmarked for investment
 - attractive books of business
 - acquire investment teams
 - additional seed capital in Henderson products
 - upgrade infrastructure supporting our higher margin products

Outlook

- Assume flat markets for 2008 and fragile retail investor confidence
- Manage cost base to deliver Henderson Global Investors cost to income ratio below 65% in 2008
- Growth opportunities include:
 - property pipeline
 - expansion of Hedge capacity
 - institutional high alpha equity/fixed income
 - performance and transaction fees
- Well positioned to come through more difficult markets

Forward-looking statements

These materials issued by Henderson Group plc are a summary of certain information contained in the stock exchange announcements dated 27 February 2008 (relating to the full-year results for the period ended 31 December 2007 of 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. Nothing in this presentation should be construed as a profit forecast.