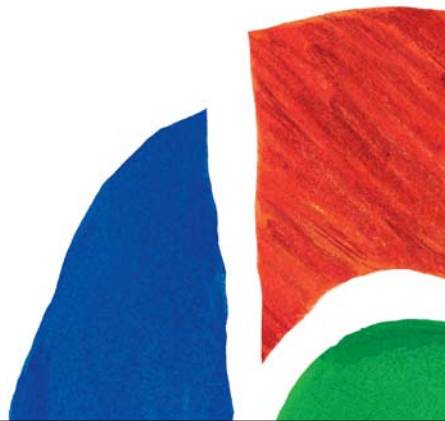


## 2007 Annual Results

Roger Yates, Chief Executive  
Toby Hiscock, Chief Financial Officer

27 February 2008

All information in £



## Henderson Group

### 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 <sup>1</sup>	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 <sup>2</sup>	6.1p	3.15p	+94%

<sup>1</sup> 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

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

## Financial highlights

- Business performance
- Outlook

## Henderson Group Financials – profit and loss

Summary information from consolidated income statement			
£m	FY07	FY06	% change
Henderson Global Investors	109.6	81.1	35
Corporate costs	(9.1)	(11.5)	21
Corporate net interest income	6.2	12.6	(51)
<b>Profit before tax, continuing operations</b>	<b>106.7</b>	<b>82.2</b>	<b>30</b>
Non-recurring items <sup>1</sup>	40.5	(7.8)	-
<b>Net profit before tax, continuing operations</b>	<b>147.2</b>	<b>74.4</b>	<b>98</b>
Discontinued operations	-	(2.0)	-
<b>Net profit before tax, all operations</b>	<b>147.2</b>	<b>72.4</b>	<b>103</b>
Taxation	(15.0)	(11.2)	(34)
<b>Net profit after tax, all operations</b>	<b>132.2</b>	<b>61.2</b>	<b>116</b>
ETR – continuing operations, excl non-recurring	11.7%	14.9%	-
– all operations, incl non-recurring	10.2%	15.5%	-
<b>EPS<sup>2</sup> – continuing operations, excl non-recurring</b>	<b>11.7p</b>	<b>6.4p</b>	<b>83</b>
<b>– all operations</b>	<b>16.4p</b>	<b>5.6p</b>	<b>193</b>

<sup>1</sup> FY07 comprises gain on BPI investment of £31.8m and pension scheme service credit of £8.7m. FY06 one-off restructure costs of £7.8m.

<sup>2</sup> Based on the weighted average number of shares in issue less the weighted average number of own shares held during the accounting period.

## Henderson Global Investors

### Profit and loss<sup>1</sup>

£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
<b>Total fee income</b>	<b>325.9</b>	<b>283.1</b>	<b>15</b>
Investment income	11.5	12.6	(9)
<b>Total income</b>	<b>337.4</b>	<b>295.7</b>	<b>14</b>
Operating expenses	(225.3)	(211.8)	(6)
Depreciation and amortisation	(2.5)	(2.8)	11
<b>Operating profit before tax</b>	<b>109.6</b>	<b>81.1</b>	<b>35</b>
<b>Margin on average AUM (bps)</b>	<b>FY07</b>	<b>FY06</b>	<b>% change</b>
Management fee margin	42.2	34.0	24
Total fee margin	53.3	43.5	23
Net margin	17.9	12.5	43

<sup>1</sup> Excluding non-recurring items.

## Henderson Global Investors

### Costs

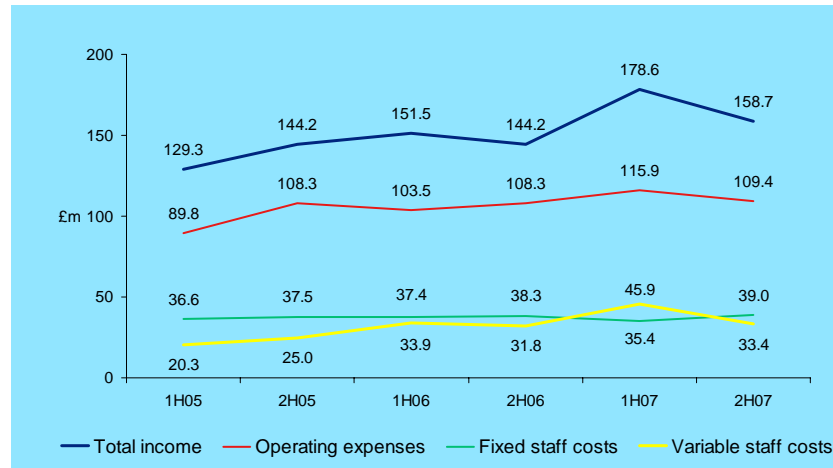
- Slower cost growth in FY07
- Other expenses include:
  - additional provisioning (£3.1m)
  - seed investment impairment (£6.0m)
- FY07 cost to income ratio beat target of 70%

£m	FY07	FY06	FY07 (adverse)/ favourable % change
Staff costs	153.7	141.4	(9)
Investment admin	16.0	19.2	17
IT	9.6	10.6	9
Office expenses	13.2	15.0	12
Other expenses	32.8	25.6	(28)
<b>Operating expenses</b>	<b>225.3</b>	<b>211.8</b>	<b>(6)</b>
<b>%</b>	<b>FY07</b>	<b>FY06</b>	
Cost to income ratio <sup>1</sup>	67.5	72.6	

<sup>1</sup> Before non-recurring items.

## Henderson Global Investors

Stable fixed staff costs, higher variable staff costs in line with income



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## Henderson Global Investors

2008 profit protection

- Goal is to meet or beat 2007 Henderson Global Investors pre-tax profit
- To be achieved from a combination of management fee growth and cost management if markets recover, or cost reduction if markets remain subdued
- £20m savings from headcount and related restructuring, whilst preserving investment capabilities and continuing to push for growth
- Restructure charge of £2.5m pre-tax in 2008
- Depending on future market levels and fund flows
  - further £10m non-staff costs could be removed
  - further savings possible in variable staff costs
- Henderson Global Investors cost to income ratio target of below 65% in 2008

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## Henderson Group

### Financials – net assets by business unit

- Sound balance sheet
- Lower net assets due to return of cash in October 2007
- Corporate 2007 includes debt (£178m) and provisions/legacy losses (£29m)
- Prudent gearing ratios
- Regulatory capital surplus

£m	31 Dec 07	31 Dec 06
Henderson Global Investors	481	410
Corporate	(207)	86
<b>Henderson Group</b>	<b>274</b>	<b>496</b>

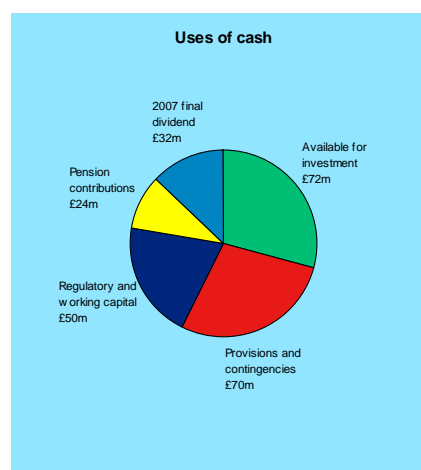
Gearing ratios	31 Dec 07	31 Dec 06
Debt/equity	0.6	N/A
Debt/EBITDA	1.7	N/A
EBITDA/interest <sup>1</sup>	9x	N/A

<sup>1</sup> Assumes annualised interest for illustrative purposes.

## Henderson Group

### Financials – cash and cash equivalents

£m	31 Dec 07	31 Dec 06
Henderson Global Investors	226	144
Corporate	22	165
<b>Henderson Group</b>	<b>248</b>	<b>309</b>



- Financial highlights

### ■ Business performance

- Outlook

## Henderson Global Investors

### Investment performance<sup>1</sup>

	Funds at/above benchmark	
	1 year	3 years
	%	%
Equities	54	64
Fixed income	66	43
<b>Higher margin</b>		
Investment Trusts	39	58
Horizon funds	52	83
UK Wholesale	48	55
US Wholesale	77	100
Hedge funds	76	90
Property (UK/Europe)	N/A	75 <sup>2</sup>
Property (US)	76	100
<b>Lower margin</b>		
Institutional	47	31
Enhanced index	64	45
Fixed interest	40	23
Balanced/active equity	31	28

<sup>1</sup> Asset weighted, of funds measured.

<sup>2</sup> Estimate pending benchmark data.

## Henderson Global Investors

### Performance fee diversity

	FY07	FY06	Benchmark	FY07 No. of funds <sup>1</sup>	FY06 No. of funds <sup>1</sup>
Net performance fees (£m)	50.1	37.3			
Sourced from:	%	%			
Property <sup>2</sup>	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 <sup>3</sup>	12	8	Rel	18	12
<b>Total</b>	<b>100</b>	<b>100</b>		<b>65</b>	<b>52</b>

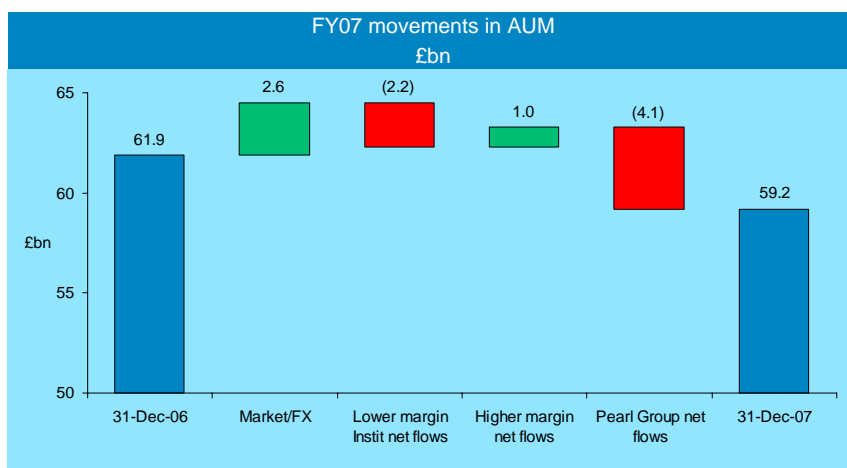
<sup>1</sup> Number of funds generating performance fees.

<sup>2</sup> FY07 includes £8.2m 3 year performance fee.

<sup>3</sup> FY07 includes £3.6m performance fee earned from Pearl Group.

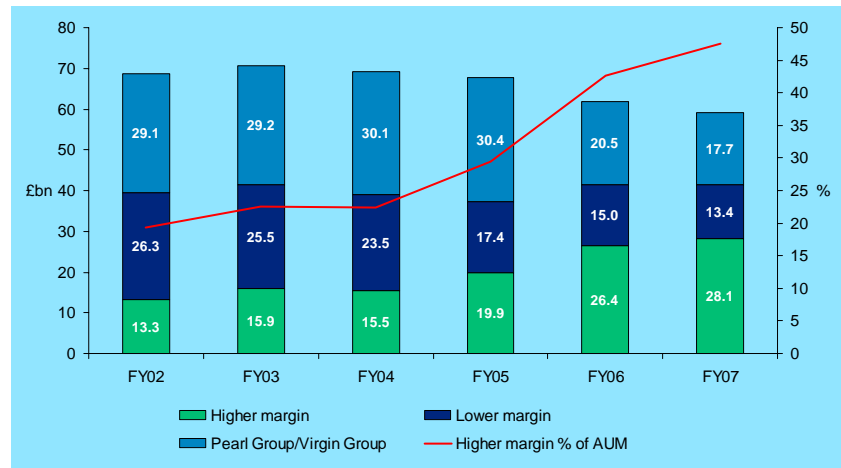
## Assets under management

### Continued net inflow into higher margin products



## Assets under management

### Growth in higher margin AUM



## Henderson Global Investors

### Assets under management

- £1bn net inflow into higher margin products in FY07
  - £1.4bn US Wholesale funds
  - £0.9bn Property
  - £0.1bn Hedge funds
  - -£0.9bn CDOs<sup>1</sup>
  - -£0.5bn UK and European Wholesale funds
- £2.3bn Property pipeline at 31 December 2007

<sup>1</sup> Covered by make-whole management fees in FY07.

## Henderson Global Investors

Global Property business

£bn	31 Dec 07				31 Dec 06			
	UK	EU	US	Total	UK	EU	US	Total
Closed-ended	4.4	2.5	0.8	7.7	4.7	1.6	0.7	7.0
Open-ended	0.2	0.4	0.2	0.8	0.3	0.1	0.1	0.5
Segregated	1.0	-	0.3	1.3	0.8	-	0.3	1.1
<b>Total</b>	<b>5.6</b>	<b>2.9</b>	<b>1.3</b>	<b>9.8</b>	<b>5.8</b>	<b>1.7</b>	<b>1.1</b>	<b>8.6</b>

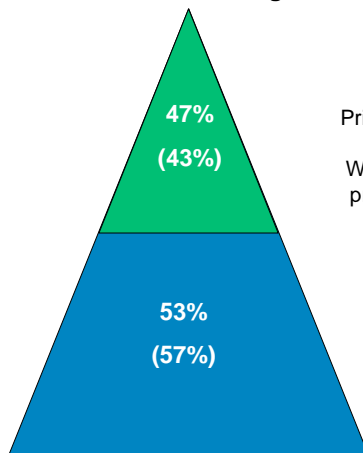
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## Henderson Global Investors

Revenue contribution from AUM

### Assets under management



( ) FY06

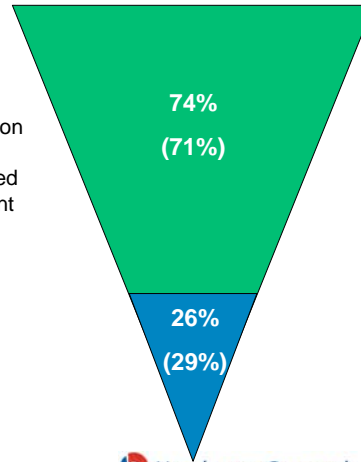
### Higher margin

Hedge funds,  
Private Equity, Horizon  
funds, UK and US  
Wholesale, structured  
products, Investment  
Trusts, Property

### Lower margin/ Pearl Group

Institutional  
Sub-advisory  
Pearl

### Revenue contribution



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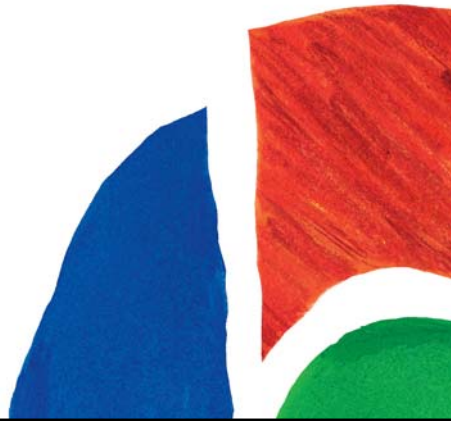
- Financial highlights
- Business performance

- **Outlook**

## Henderson Group

### Outlook

- Now assuming flat markets for 2008 and fragile retail investor confidence
- Managing cost base to deliver Henderson Global Investors cost to income ratio below 65% in 2008
- Growth opportunities include Property pipeline, expansion of Hedge capacity and Institutional high alpha equity/fixed income
- Net performance and transaction fees – assume £30m in 2008 but upside in better markets
- Well positioned to come through more difficult markets



## Appendix

- Client revenue/margins FY07
- Split of AUM by line of business and asset class
- Geographic source of clients
- Relationship with BP

## Henderson Global Investors

Client revenue/margins FY07

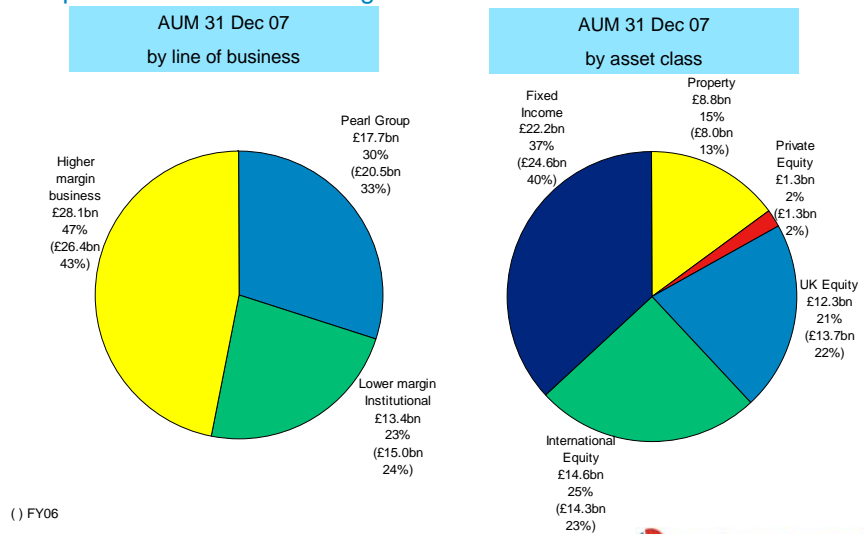
Product	FY07 Typical annual management fee before distribution costs bps
Private Equity	125 – 200
Horizon funds <sup>1</sup>	110 – 170
Hedge funds	100 – 200
US Wholesale	85 – 110
UK Wholesale	100 – 150
Property	30 – 60
Institutional pension funds <sup>2</sup>	10 – 25

<sup>1</sup> Includes service fees paid by the fund (50bps).

<sup>2</sup> Includes enhanced index.

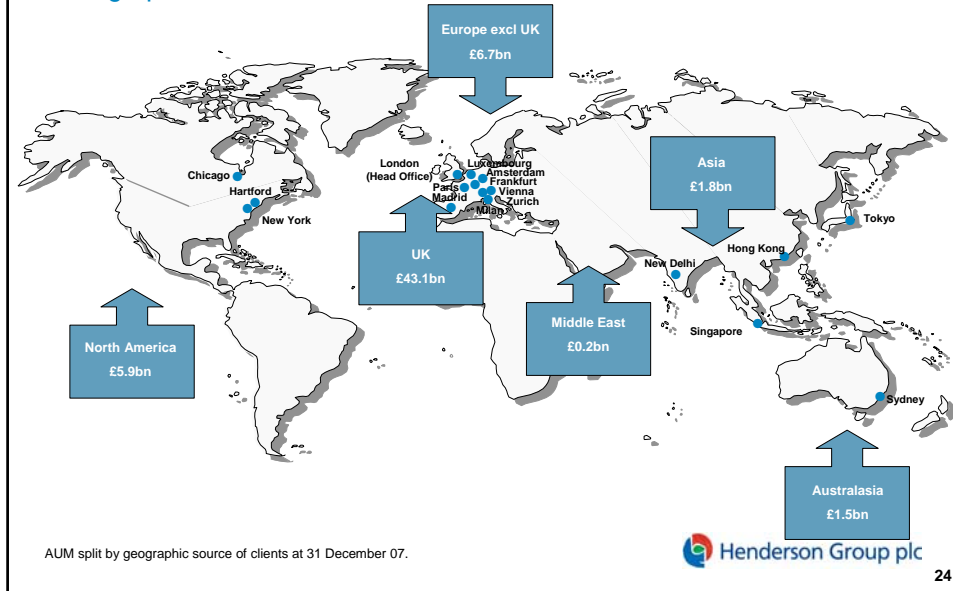
## Henderson Global Investors

Split of assets under management



## Henderson Global Investors

### Geographic source of clients



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## Relationship with BP

- Merger of Banca Popolare Italiana and Banco Popolare di Verona e Novara, completed on 1 July 2007, to create Banco Popolare Gruppo Bancario (BP)
- Recognised one-off investment gain of £31.8m, including £16.3m special dividend in cash
- Sub-advisory of lower margin co-branded funds terminated in December 2007
- Continue to distribute higher margin Horizon funds through BP networks
- Equity stake in BP valued at £53.7m (book cost: £69.7m; consideration: £38.1m)

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## 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.