



ASX Appendix 4D

Announcement of 2007 Interim Results

For the half year ended 30 June 2007

The information contained in this document should be read in conjunction with the Henderson Group plc (the Company) Full Annual Financial Report and Accounts for the year ended 31 December 2006 and any public announcements made by the Company and its controlled entities (Henderson Group or the Group) during the year in accordance with the continuous disclosure obligations arising under the Australian Corporations Act 2001 and the Australian Securities Exchange (ASX) Listing Rules. This report includes the half year information required to be given to the ASX under Listing Rule 4.2A.

Henderson Group plc

ASX Appendix 4D

For the half year ended 30 June 2007

CONTENTS

RESULTS FOR ANNOUNCEMENT TO THE MARKET	1
DIRECTORS' REPORT.....	2
BUSINESS REVIEW	3
INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT	12
INTERIM CONDENSED CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE.....	13
INTERIM CONDENSED CONSOLIDATED BALANCE SHEET	14
INTERIM CONDENSED CONSOLIDATED CASH FLOW STATEMENT	15
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	16
1 Corporate information	16
2 Basis of preparation and significant accounting policies	16
3 Dividends	16
4 Non-recurring items.....	17
5 Taxation.....	18
6 Segmental information	19
7 Retirement benefits	19
8 Debt securities in issue	20
9 Earnings per share.....	20
10 Discontinued operations.....	22
11 Reconciliation of movement in equity	23
12 Contingent liabilities	23
13 Events after the balance sheet date	23
14 Movements in controlled entities.....	23
INDEPENDENT REVIEW REPORT TO HENDERSON GROUP PLC	24
GLOSSARY	25

Henderson Group plc

ASX Appendix 4D

For the half year ended 30 June 2007

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Note: The disclosures provided in this "Results for announcement to the market" section meet the requirements of the ASX.

Financial results

	6 months to 30 Jun 2007 Unaudited £m	6 months to 30 Jun 2006 Unaudited £m	Movement %
Revenue from ordinary activities ¹	184.7	158.1	16.8
Profit after tax from ordinary activities attributable to equity holders of the parent ²	51.5	37.5	37.3
Profit after tax from all operations attributable to equity holders of the parent	89.4	35.4	152.5

Dividends

On 23 August 2007, the Directors declared an interim dividend in respect of the six months ended 30 June 2007 of 1.66 pence per share (1H06: 0.88 pence per share). The Directors have also approved the payment of a special dividend of 27.6 pence per share. Payment of the special dividend is subject to shareholder approval of a simultaneous share consolidation. An Extraordinary General Meeting (EGM) will be held on 9 October 2007 for this purpose. The proposed special dividend will have the same record and payment dates as the interim dividend as set out below. A circular and notice of meeting will be sent to shareholders in early September 2007 containing details of the share consolidation.

A final dividend of 2.27 pence per share was paid on 29 May 2007 in respect of the six months ended 31 December 2006 (2H05: 1.39 pence per share).

	Amount per share pence
2007 interim dividend (0% franked)	1.66
2007 special dividend (0% franked)	27.6
Record date: 19 October 2007	
Payment date: 29 October 2007	

Net tangible assets per ordinary share

	30 Jun 2007 pence	30 Jun 2006 pence
Net tangible assets per share	34	40

"Net tangible assets" are defined by the ASX as being total assets less intangible assets less total liabilities ranking ahead of, or equally with, claims of ordinary shares.

The Interim Condensed Consolidated Financial Statements included within this Announcement of 2007 Interim Results have been subject to an independent review by the external auditor.

¹ Revenue from continuing operations excluding non-recurring items.

² Profit after tax from continuing operations, excluding non-recurring items (1H07: £37.9m, 1H06: £nil) and discontinued operations (1H07: £nil, 1H06: £2.1m, loss).

ASX Appendix 4D

For the half year ended 30 June 2007

DIRECTORS' REPORT

The Directors present their report for the half year ended 30 June 2007. The Board approved the financial results for the half year ended 30 June 2007 on 23 August 2007.

Directors

The Directors of Henderson Group plc during the half year 2007 and up to the date of this report are shown below. The Directors held office for the entire period.

Rupert Pennant-Rea (Chairman)

Roger Yates (Chief Executive)

Toby Hiscock

Gerald Aherne

Duncan Ferguson

Anthony Hotson

John Roques

Directors' declaration

In the opinion of the Directors:

- the Interim Condensed Consolidated Financial Statements and accompanying notes set out on pages 12 to 23:
 - give a true and fair view (as set out in section 305 of the Australian Corporations Act 2001) of the Group's consolidated financial position as at 30 June 2007 and of its performance for the half year ended on that date; and
 - have been prepared in accordance with the Listing Rules of the UK Financial Services Authority which require that the accounting policies and presentation applied to the interim figures should be consistent with those applied in preparing the preceding annual accounts except where any changes, and the reasons for them, are disclosed; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Business review and results

Henderson Group's results for the half year ended 30 June 2007 are shown in the Interim Condensed Consolidated Income Statement on page 12. A review of the half year ended 30 June 2007 and future developments is covered in the Business Review which follows this report.

Rounding

In accordance with the Australian Securities and Investments Commission Class Order 98/0100, amounts in this Announcement of 2007 Interim Results have been rounded off to the nearest £0.1m pounds sterling, unless stated otherwise.

Signed in accordance with a resolution of the Directors.

Roger Yates
Chief Executive

23 August 2007

Henderson Group plc

ASX Appendix 4D

For the half year ended 30 June 2007

BUSINESS REVIEW

The results of the Group comprise three components:

- the core investment management business, Henderson Global Investors (Henderson);
- the Corporate Office (Corporate), responsible for dealing with the requirements of being a dual-listed company; and
- discontinued operations.

The results of the Group for the six months to 30 June 2007 are summarised below, with comparatives:

	6 months to 30 Jun 2007 Unaudited £m	6 months to 30 Jun 2006 Unaudited £m	12 months to 31 Dec 2006 Audited £m
Henderson	61.4	46.6	81.1
Corporate	(0.9)	(0.4)	1.1
Profit before tax from continuing operations excluding non-recurring items	60.5	46.2	82.2
Non-recurring items	40.5	-	(7.8)
Net profit before tax from continuing operations	101.0	46.2	74.4
Net loss before tax from discontinued operations ³	-	(2.0)	(2.0)
Net profit before tax from all operations	101.0	44.2	72.4
Taxation – recurring operations	(8.9)	(8.6)	(11.1)
Taxation – non-recurring items	(2.6)	-	-
Taxation – discontinued operations	-	(0.1)	(0.1)
Total taxation	(11.5)	(8.7)	(11.2)
Net profit after tax from all operations	89.5	35.5	61.2
Attributable to:			
Equity holders of the parent	89.4	35.4	61.1
Minority interests	0.1	0.1	0.1
	89.5	35.5	61.2
Henderson			
Assets Under Management (AUM)	£61.6bn	£63.1bn	£61.9bn
Cost to income ratio	65.6%	69.2%	72.6%

THE CONSOLIDATED GROUP RESULT

The Group's net profit before tax from continuing operations in 1H07, excluding non-recurring items, was £60.5m, an increase of £14.3m (31%) on 1H06 (£46.2m). Henderson delivered a 32% increase in net profit before tax and non-recurring items to £61.4m in 1H07 (1H06: £46.6m). Corporate made a loss of £0.9m (1H06: £0.4m loss), comprising Corporate net interest income of £4.1m, compared to £6.6m in 1H06, and Corporate costs of £5.0m in 1H07, down 29% from £7.0m in 1H06. Two non-recurring items were recognised in the Interim Condensed Consolidated Income Statement in 1H07:

- an accounting gain of £31.8m on the Group's investment in Banca Popolare Italiana (BPI), following its merger with Banco Popolare di Verona e Novara (BPVN), forming the newly incorporated Banco Popolare Gruppo Bancario (BP) and
- an £8.7m past service credit relating to the Henderson Group Pension Scheme.

Group taxation

The corporate income tax charge for continuing operations excluding non-recurring items in 1H07 was £8.9m and £2.6m for non-recurring items, giving an effective tax rate of 14.7% for continuing operations, excluding non-recurring items, and 11.4% for all operations, including non-recurring items.

The primary reason for the effective tax rate being less than the current statutory rate of 30% is the utilisation of previously unrecognised deferred tax assets and the release of provisions for prior year tax matters.

³ Includes results of discontinued operations to the date of disposal.

Henderson Group plc

ASX Appendix 4D

For the half year ended 30 June 2007

Business Review (continued)

HENDERSON RESULT

Henderson's strategy is to build a scaleable, profitable, active investment management business based on core equity and fixed interest investment capabilities. The focus is on growing AUM in higher margin specialist products such as Hedge funds, Wholesale funds for retail investors (UK OEICs and unit trusts, Horizon SICAV funds and US Mutual funds), structured products (including CDOs), Property funds and Private Equity funds.

To achieve this, Henderson strives to:

- deliver saleable investment performance;
- develop a sustainable entrepreneurial culture to attract and retain the best people;
- develop innovative specialist products and rapidly bring them to market; and
- deliver improvements to the cost to income ratio.

The business remains predominantly Pan-European, and continues to expand in the US and in Asia.

Improved 1H07 result – 32% up on 1H06

Net profit before tax for Henderson in 1H07 increased 32% to £61.4m (1H06: £46.6m). The result reflects management's continued focus on improving fee margins on AUM.

Summarised income statement – Henderson

	6 months to 30 Jun 2007 Unaudited £m	6 months to 30 Jun 2006 Unaudited £m	12 months to 31 Dec 2006 Audited £m
Management fees (net of commissions payable)	129.5	108.4	221.2
Transaction fees	10.0	12.6	24.6
Performance fees (net of fund manager bonuses)	34.9	24.2	37.3
Total fee income	174.4	145.2	283.1
Investment income	4.3	6.3	12.6
Total income	178.7	151.5	295.7
Operating expenses	(115.9)	(103.5)	(211.8)
Depreciation and amortisation	(1.4)	(1.4)	(2.8)
Total expenses	(117.3)	(104.9)	(214.6)
Operating profit before tax	61.4	46.6	81.1
Margins on average AUM			
Average AUM (£bn)	62.1	67.5	65.1
Total fee margin (bps)	56.2	43.0	43.5
Management fee margin (bps)	41.7	32.1	34.0
Net margin (bps)	19.8	13.8	12.5

Revenues and fee margins

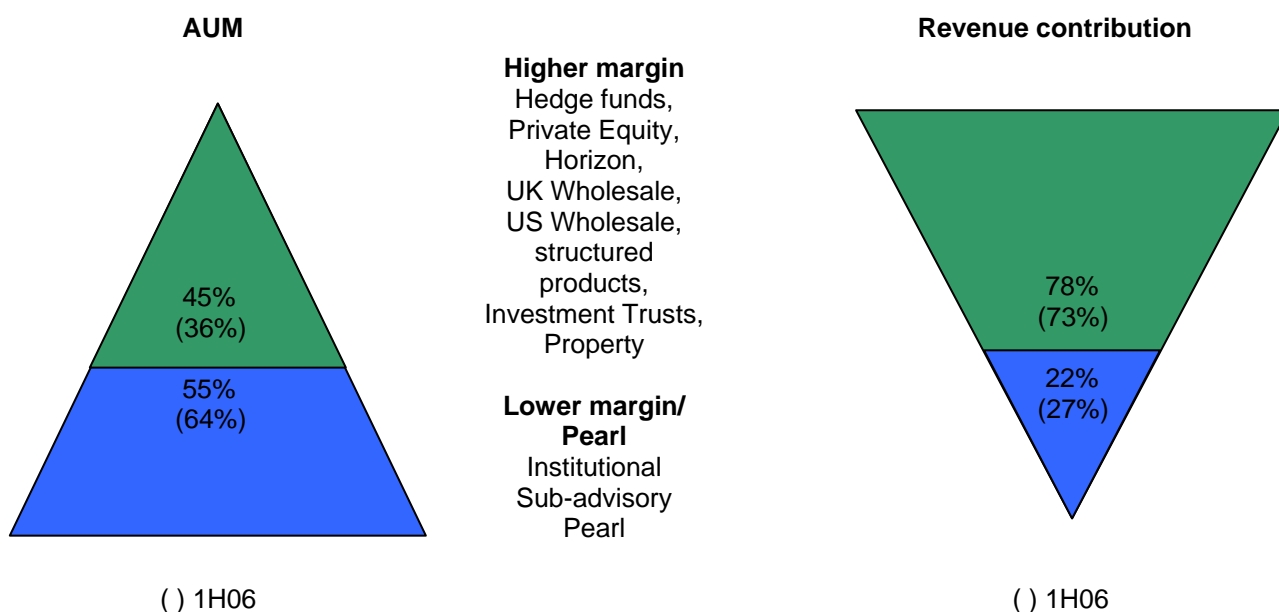
Total fee income in 1H07 was up 20% to £174.4m (1H06: £145.2m), whilst the increase in the monthly average FTSE 100 was approximately 9%. Management fee income increased 19% to £129.5m in 1H07 due to growth in management fee margins and favourable markets compared to 1H06. Transaction fee income fell 20% to £10.0m in 1H07 (1H06: £12.6m), primarily due to lower transaction levels within Property funds. Net performance fees increased by 44% in 1H07 to £34.9m. This reflects greater performance fee diversity in general and strong performance across a number of Hedge and Property funds in particular.

Business Review (continued)

Growth in the higher margin lines of business pushed up average management fee and net margins in 1H07 to 41.7bps (1H06: 32.1bps) and 19.8bps (1H06: 13.8bps) respectively. Total fee margins increased from 43.0bps in 1H06 to 56.2 bps in 1H07. Performance fees comprise a combination of existing and new fee opportunities, and are weighted more towards 1H than 2H of the year, as is consistent with previous periods. Performance fees in the second half of 2007 are likely to be closer in value to the same period last year, which was £13.1m.

In 1H07, higher margin activities accounted for 45% of AUM and 78% of revenues, as set out below:

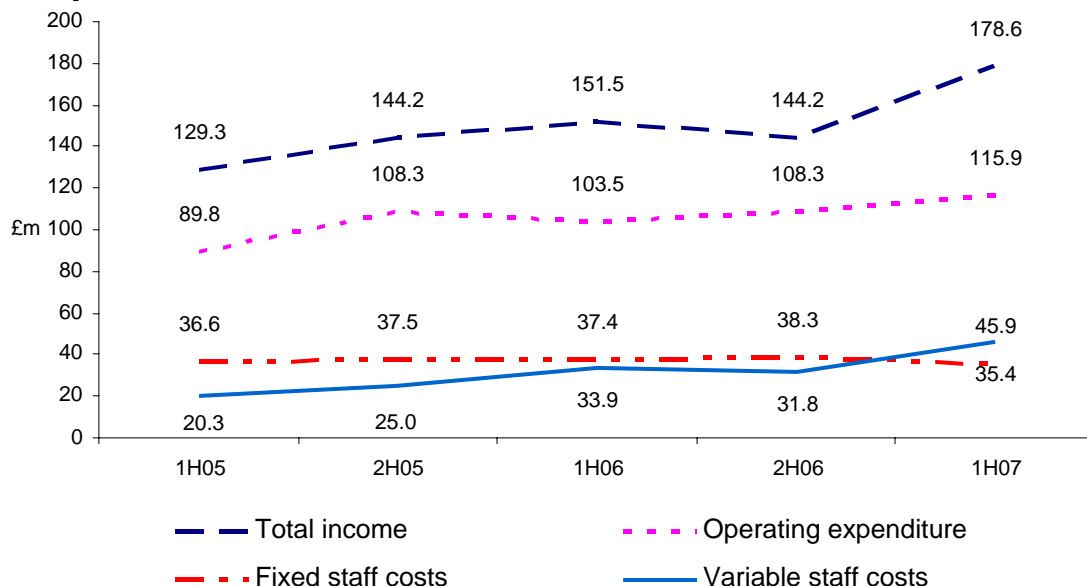
Analysis of higher and lower margin business



Operating expenses

Operating expenses increased by 12% to £115.9m in 1H07. A reduction in costs across most expense categories was offset by increased staff costs. Fixed staff costs remained flat, but variable staff costs (primarily bonus and share schemes) increased in line with strong operating performance during the period. Management remains committed to increasing the level of employee share ownership across the business, in order to further align employee and shareholder interests. Employee share ownership, should all share schemes in place at 30 June 2007 vest, would be approximately 11% of shares in issue.

Cost/income analysis



Henderson Group plc

ASX Appendix 4D

For the half year ended 30 June 2007

Business Review (continued)

Overall, the increase in total income more than offset the higher costs in 1H07, resulting in an improvement in the cost to income ratio from 69.2% in 1H06 to 65.6% in 1H07, excluding non-recurring items.

Assets Under Management

Total AUM remained stable in 1H07. Net client outflows of £2.1bn comprised £1.8bn net outflows in respect of Pearl, £0.7bn from lower margin Institutional business and £0.9bn from CDOs, partially offset by higher margin net inflows of £0.4bn into Property funds and £0.9bn into Wholesale funds. The CDO funds were redeemed at above par value and resulted in make-whole management fees, most of which have been recognised in 1H07. In addition, there were favourable market and foreign exchange rate movements of £1.8bn.

Summary of movements in AUM

	Opening AUM 31 Dec 2006 £bn	Net flows 1H07 £bn	Market/ FX 1H07 £bn	Closing AUM 30 Jun 2007 £bn
Higher margin				
- Investment Trusts	4.1	-	0.4	4.5
- Horizon funds	4.0	0.3	(0.1)	4.2
- UK Wholesale	4.0	(0.1)	0.2	4.1
- US Wholesale	1.8	0.7	0.2	2.7
- Hedge funds	1.1	-	-	1.1
- Property (UK/Europe)	6.5	0.3	0.4	7.2
- Property (US)	1.2	0.1	(0.1)	1.2
- Private Equity	1.1	-	-	1.1
- Structured products (including CDOs)	2.7	(0.9)	(0.1)	1.7
	26.5	0.4	0.9	27.8
Lower margin				
- Institutional	14.9	(0.7)	0.5	14.7
- Pearl	20.5	(1.8)	0.4	19.1
	35.4	(2.5)	0.9	33.8
Total	61.9	(2.1)	1.8	61.6

	30 Jun 2007 £bn	30 Jun 2006 £bn	31 Dec 2006 £bn
Total equities	29.8	28.6	28.0
Total fixed interest	21.8	32.1	24.6
Property	8.6	6.3	8.0
Private equity	1.4	0.7	1.3
Total	61.6	67.7	61.9

ASX Appendix 4D

For the half year ended 30 June 2007

Business review (continued)

Investment performance

Funds at/above benchmark ⁴	1 year %	3 year %
Total Equities	61	52
Total Fixed Income	55	37
Total Property	93	98
Higher margin		
- Investment Trusts	91	86
- Horizon funds	48	54
- UK Wholesale	80	77
- US Wholesale	100	98
- Hedge funds	96	100
- Property (UK/Europe) ⁵	92	98
- Property (US) ⁵	100	100
Lower margin		
- Institutional:		
<i>Enhanced index</i>	67	100
<i>Fixed interest</i>	45	15
<i>Balanced/active equity</i>	40	7

Investment performance continued to improve in 1H07. The stand-out performers remain in the higher margin areas of the business and include US Wholesale funds, Property and Investment Trusts. In addition, core Institutional investment performance continues to improve and in the UK Wholesale range investment performance has been generally strong, particularly in key UK equity products. Investment performance in the Horizon SICAV range and some Hedge funds will be an area of focus in the second half of 2007.

Business area focus

During 2H06, Henderson restructured the way its business is configured: to improve management accountability; provide greater focus on operating margins; and encourage a more holistic approach to product development, investment management and distribution. There are now five business teams: Pan-European Listed Assets, Pan-European Property, Private Equity, North America and Asia. However, Management still considers Henderson a single operating segment comprising these five teams. Investment and distribution functions lie within each of these teams, although cross-selling is encouraged. Central operations and other service functions provide common support.

Pan-European Listed Assets

This team comprises circa 350 people, approximately 1/3rd of whom are investment professionals located in London. Distribution professionals are centred in London (and regionally within England), Milan, Paris, Frankfurt, Amsterdam, Luxembourg, Zurich and Madrid. These offices also distribute to other European locations on an opportunistic basis.

The product range consists of Wholesale funds (the Horizon SICAVs, UK OEICs and unit trusts), Hedge funds, Investment Trusts, Institutional segregated and pooled funds, structured products and Pearl. The Listed Assets team also manages North America's Institutional mandates and the US Wholesale range.

⁴ Asset weighted.

⁵ Performance periods up to 31 December 2006.

Henderson Group plc

ASX Appendix 4D

For the half year ended 30 June 2007

Business review (continued)

Summary of movements in AUM – Listed Assets⁶

	Movements			
	Opening AUM	Net flows	Market/FX	Closing AUM
	31 Dec 2006	1H07	1H07	30 Jun 2007
	£bn	£bn	£bn	£bn
Higher margin				
- Investment Trusts	4.1	-	0.4	4.5
- Horizon funds	3.3	(0.1)	-	3.2
- UK Wholesale	4.0	(0.1)	0.2	4.1
- Hedge funds	1.0	-	-	1.0
- Structured products (including CDOs)	2.7	(0.9)	(0.1)	1.7
Lower margin				
- Institutional	13.1	(0.8)	0.2	12.5
- Pearl	19.2	(1.7)	0.3	17.8
Total	47.4	(3.6)	1.0	44.8

The focus of Listed Assets product development has been and continues to be on improving the marketability of existing funds and developing a number of new funds. During 1H07, a new CSO, Volante, was launched initially raising £0.1bn in AUM. In addition, during 2H07 we expect to launch an Activist Engagement fund and a Diversified Growth fund, which will combine quant-based asset and liability matching actuarial skills with Henderson's diverse specialist investment capabilities.

Listed Assets contributed £111.3m in 1H07 (1H06: £104.5m) representing 62% (1H06: 69%) of total Henderson revenues. The strong net inflows in 2H06 into higher margin products, the continued decline in lower margin assets, and favourable markets in 1H07 were all factors in this increase.

Pan-European Property

This team comprises circa 170 people, approximately 40% of whom are investment professionals located in Amsterdam, London, Paris, Frankfurt, Vienna and Milan. Distribution professionals are centred in London and Frankfurt. These offices also distribute to other European states, for example in Scandinavia.

The product range consists of segregated accounts, pooled property vehicles, specialist vehicles and multi-manager fund of funds.

Property AUM continued to rise during the period. In addition, the pipeline of client committed, but uninvested, capital as at 30 June 2007 amounted to £1.8bn (FY06: £1.8bn). We expect continued investment in Property in 2H07.

The Property team has continued to expand the number of pooled and segregated funds it manages. In particular, 1H07 saw the launch of two KAG funds, the European Core No.1 Fund and the Multinational Plus Fund, the latest in a series of funds launched as part of our joint venture with MM Warburg in Germany. We are also working on our first Italian fund, Fondo Azzurro. In addition, a new German Shopping Centre fund, in partnership with MFI, and a new Asian fund of funds ('Pagoda') have been announced.

The revenue contribution of Property for 1H07 was £32.0m (1H06: £21.9m) and represented 18% (1H06: 14%) of total Henderson revenues. The continued growth in Continental Europe and strong performance fees were the main factors behind the increased revenues.

Private Equity

This team comprises circa 25 people, approximately 60% of whom are investment professionals located in London, Singapore, Hong Kong and India. Distribution is carried out by the Pan-European Listed Assets distribution team, and external placement agents.

⁶ Excludes AUM in respect of Property, Private Equity, the US and Asia.

ASX Appendix 4DFor the half year ended 30 June 2007

Business review (continued)

The product range consists of Infrastructure, Asian Private Equity and Global Fund of Funds products.

In addition to focusing on restructuring and value enhancement programmes in relation to the recent £1.0bn acquisition of John Laing plc, Private Equity has completed an initial capital raising for Henderson Asia Private Equity Partners II L.P. (HAPEP II), a follow-on fund to Henderson Asia Private Equity Partners I L.P. (HAPEP I). HAPEP I has delivered strong performance over the last six years. We aim to complete a second capital raising for HAPEP II in 2H07 and invest committed capital over a five year period. On 31 July 2007, management of a £151.0m portfolio of legacy assets attributable to Pearl (comprising a European Fund) has been transferred to Pearl, in accordance with the revised investment management agreements reached with Pearl in June 2006.

The revenue contribution of Private Equity for 1H07 was £8.2m (1H06: £7.1m) and represented 5% (1H06: 5%) of total Henderson revenues.

North America

This team comprises circa 100 people, approximately 25% of whom are property investment professionals located in Hartford, Connecticut. The other 75% principally represents distribution professionals, based out of Chicago and operating in all major states.

The US team is responsible for Institutional, Property and Wholesale funds. The US Wholesale range currently comprises eight funds in total, two of which, the Henderson Global Equity Income Fund and the Henderson Global Opportunities Fund, were launched on 30 November 2006. On 8 May 2007, we announced the closure of the Henderson European Focus Fund to new investors with effect from 1 August 2007, following a prolonged period of strong sales. Existing shareholders will still be able to make additional investments in the fund.

The revenue contribution of North America for 1H07 was £19.5m (1H06: £15.0m), and represented 11% (1H06: 10%) of total Henderson revenues. Growth has been strongest in higher margin US Wholesale funds, where consistently excellent investment performance enabled Henderson to achieve the 5th largest market share of net new flows among all international and global fund providers in 1H07.

Asia

This team comprises circa 20 people, who are mainly distribution professionals as all products are manufactured by the Listed Assets team. Distribution professionals are centred in Singapore (headquarters), Hong Kong and Tokyo. These locations also serve distribution relationships in Taiwan, Malaysia and Indonesia.

The product range consists of Horizon funds, Hedge funds and segregated Institutional mandates.

1H07 has been a strong period for the Asia team. Institutional AUM increased marginally, but Wholesale AUM rose by 50%. In AUM terms, Asia Wholesale has more than trebled since 31 December 2005. We continue to prepare for our entry into the Japanese retail market and have completed a number of key hires for this purpose.

The revenue contribution of Asia for 1H07 was £7.7m (1H06: £3.0m) and represented 4% (1H06: 2%) of total Henderson revenues. Although revenue growth in traditional higher margin Wholesale assets was strong, Institutional margins also improved.

THE CORPORATE RESULT**Corporate costs**

Corporate costs were £5.0m in 1H07 (1H06: £7.0m). These costs include shareholder servicing costs and finance and secretariat functions, which are not directly attributable to individual business units. 1H06 costs included £2.0m of expenses associated with a strategic acquisition opportunity, which was not pursued, and the renegotiation of Pearl IMAs.

Return on Corporate cash

Corporate net interest income was £4.1m in 1H07 (1H06: £6.6m). This return arose primarily from Group cash and liquid investments. It excludes returns on Henderson investments and on Henderson cash held to meet regulatory, operational and other strategic requirements, which form part of Henderson revenues analysed on page 4. The decrease in Corporate net interest income is primarily due to the return of capital to shareholders in October 2006 of approximately £200m.

Business review (continued)

Pensions

There are three types of pension plans within the Group: the funded and approved defined benefit plan, which closed to new members on 15 November 1999; the funded and approved money purchase plan; and a number of smaller unapproved pension top-up plans for executives. The first two plans together form the Henderson Group Pension Scheme (the Scheme).

There is a net surplus in the Scheme of £38.5m, before deferred tax provisions, at 30 June 2007 (31 December 2006: net liability of £5.0m). The movement in the Scheme balance during 1H07 is principally due to:

- changes to service benefits which came into effect on 1 April 2007 following a period of staff consultation and agreement with the Scheme Trustee. The main effect of these changes was to restrict salary increases for pension purposes to the lower of the retail price index and actual. This resulted in an £8.7m past service credit arising as a non-recurring item in the income statement during 1H07, in accordance with International Accounting Standard (IAS) 19; and
- the impact of a 0.6% increase during 1H07 in the AA corporate bond discount rate used to value the Scheme's liabilities.

The Company also reached agreement with the Trustee on the future funding principles and schedule of contributions for the Scheme with effect from 13 December 2006. In summary, the Scheme is intended to be funded to at least 106% of its liabilities on an IAS 19 basis, after taking account of the special contributions totalling £80m and regular contributions of 20% of annual payroll to the Scheme. Of the £80m, £40m was paid in December 2006, with the balance due by 31 October 2008.

In addition, a Liability Driven Investment strategy has been adopted during 2007 for Scheme assets backing defined benefit liabilities. Under this arrangement 50% of Scheme assets backing defined benefit obligations will be held in a risk-reducing portfolio, comprising assets broadly matching the liability profile of the Scheme with hedging of inflation and interest rate risks, and the other 50% of assets will be invested in a well-diversified return-seeking portfolio. These changes will significantly reduce the market risk of the Scheme and give the Scheme exposure to some of Henderson's most highly rated investment professionals.

The liability in respect of the unapproved pension schemes amounted to £5.7m before tax relief at 30 June 2007 (FY06: £5.4m).

Regulatory requirements

Henderson successfully applied to the UK Financial Services Authority for a waiver from Consolidated Supervision, under section 8.4 of the new Prudential Sourcebook for Banks, Building Societies and Investment Firms, with effect from 1 January 2007. The waiver is valid for five years, ending on 1 January 2012. UK regulated entities within the Group will continue to meet solo prudential capital requirements, whereas consolidated capital requirements will be satisfied by the Company's financial resources rather than Group resources. Consequently, the regulatory capital surplus in the Group has increased to £591m at 30 June 2007.

Also, from 1 January 2007, all UK regulated entities within the Group have been required to meet the Pillar I (fixed overhead) capital requirements set out in the new Capital Requirements Directive. Pillar II (operational risk) and Pillar III (market disclosure) requirements do not come into effect until 1 January 2008. However, based on work conducted to date and our current business model, we expect the Group's regulatory capital requirement to remain broadly the same under the new regulations, at approximately £75m.

Capital

The Board proposes to return approximately £250m of surplus cash, equivalent to 27.6 pence per share, to shareholders in 4Q07. For this purpose, the Board has approved a special dividend payment and subject to shareholder approval, a simultaneous share consolidation. The special dividend is conditional on the share consolidation, the purpose of which is to achieve parity of the share price and earnings per share before and after the payment of the special dividend. It is common UK practice to combine a special dividend with a share consolidation in this way. Details of the share consolidation will be set out in a shareholder circular, which will be sent to shareholders in early September 2007. Shareholder approval will be sought at an Extraordinary General Meeting to be held on 9 October 2007. Subject to obtaining approval, we expect the special dividend to be paid on 29 October 2007, together with the interim dividend for 2007 (see below).

ASX Appendix 4D

For the half year ended 30 June 2007

Business review (continued)

Dividends

The Group made a dividend payment of £20.3m (2.27 pence per share), in respect of 2H06 on 29 May 2007 (2H05: £16.1m maiden dividend, 1.39 pence per share). The Directors have declared an interim dividend in respect of 1H07 profits which is payable on 29 October 2007, of £15.0m, 1.66 pence per share (1H06: £10.1m, 0.88 pence per share).

Debt issuance

On 2 May 2007, the Company successfully completed a debut 5-year bullet, unrated, sterling debt issuance. The aim of the issue was to improve the efficiency of the Group's balance sheet and, owing to strong demand for the issue, we achieved an issuance level of £175m at a price of 5 year gilts+125bps. The Group has swapped this fixed interest rate into a variable rate, based on LIBOR, to match the rates earned on its cash balances.

DISCONTINUED OPERATIONS

There were no movements in the results of discontinued operations during 1H07. The 1H06 net expense related to an £11.7m warranty claim from Pearl, agreed under the terms of the Life Services sale agreement, as full and final settlement of all outstanding non-tax based warranties; a £9.5m gain on the disposal of Towry Law UK; and an operating profit of £0.2m up to the date of disposal of Towry Law UK.

With the completion of the sale of Towry Law UK and the Life Services business, and the closure of Towry Law International, all non-investment management businesses have been disposed of or closed. The impact of those businesses on the future results of the Group will be limited to the recognition of any potential claims crystallising under remaining warranties or indemnities in connection with both disposals and any surplus or deficit arising in respect of the Towry Law International run-off provisions. No surpluses or deficits in provisions are presently foreseen.

OUTLOOK

Given recent market volatility, we have to assume that the second half of the year will be more challenging for fund flows. That said, we have a number of new products planned and our emphasis on higher margin products should continue to drive revenues and profitability higher. Therefore, assuming markets remain at or close to their current levels, we still expect Henderson to reach its cost to income ratio target for 2007 of 70% and we aim to improve further on this in future periods.

Corporate costs should amount to approximately £10m and Corporate net interest income is expected to be between £6m and £7m in 2007. We will pay an interim dividend of 1.66 pence or equivalent per share in October, together with a special dividend of 27.6 pence or equivalent per share, assuming we obtain shareholder approval for a simultaneous share consolidation.

We expect the effective tax rate on profits from continuing operations of the Group to be between 10% and 15% for 2007 and 2008, reverting to the standard UK corporate tax rate (28% with effect from April 2008), in 2009 or 2010.

Henderson Group plc

ASX Appendix 4D

For the half year ended 30 June 2007

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT For the half year ended 30 June 2007

	Notes	6 months to 30 Jun 2007 Unaudited £m	6 months to 30 Jun 2006 Unaudited £m	12 months to 31 Dec 2006 Audited £m
Continuing operations				
Income				
Gross fee income and commission receivable on sales		237.8	189.8	372.8
Finance income		10.3	13.0	25.2
Total income		248.1	202.8	398.0
Commissions and fees payable against income		(63.4)	(44.7)	(89.7)
Net fee and commission income		184.7	158.1	308.3
Expenses				
Administration costs		(120.9)	(110.5)	(223.3)
Other charges		(1.4)	(1.4)	(2.8)
Total expenses before finance costs and non-recurring items		(122.3)	(111.9)	(226.1)
Finance costs		(1.9)	-	-
Net profit before non-recurring items and tax from continuing operations		60.5	46.2	82.2
Non-recurring items ¹	4	40.5	-	(7.8)
Net profit after non-recurring items and before tax from continuing operations		101.0	46.2	74.4
Taxation	5	(11.5)	(8.6)	(11.1)
Net profit after non-recurring items and tax from continuing operations		89.5	37.6	63.3
Discontinued operations²				
Net profit before tax on disposal of discontinued operations	10.1	-	9.5	9.5
Net loss before tax from discontinued operations	10.2	-	(11.5)	(11.5)
Net loss before tax from discontinued operations		-	(2.0)	(2.0)
Taxation	10.2	-	(0.1)	(0.1)
Net loss after tax from discontinued operations		-	(2.1)	(2.1)
Total continuing and discontinued operations				
Net profit before tax from all operations		101.0	44.2	72.4
Total taxation		(11.5)	(8.7)	(11.2)
Net profit after tax from all operations		89.5	35.5	61.2
Attributable to:				
Equity holders of the parent		89.4	35.4	61.1
Minority interests		0.1	0.1	0.1
		89.5	35.5	61.2
Dividends				
Dividends declared and charged to equity in the period	3	20.3 ³	16.1	26.2
Dividends proposed - interim	3	15.0	10.1	20.5
Dividends proposed - special	3	250.0	-	-
Earnings per share				
Basic and diluted earnings per share from all operations	9.1	9.9p	3.1p	5.5p
Basic earnings per share from continuing operations before non-recurring items	9.3	5.7p	3.3p	6.3p
Diluted earnings per share from continuing operations before non-recurring items	9.3	5.7p	3.2p	6.3p

1 Non-recurring items in 1H07 comprise a £31.8m accounting gain on the Group's investment in BPI (subsequently BP) and a £8.7m past service credit on the Henderson Group Pension Scheme. Non-recurring items in FY06 relate to business restructure costs within Henderson Global Investors.

2 Discontinued operations comprise the Life Services business, Towry Law International and Towry Law UK.

3 The difference between the final dividend proposed in respect of FY06 of £20.5m (as reported in Note 12 of the 2006 Full Annual Financial Report and Accounts) and the dividend paid on 29 May 2007 of £20.3m represents the dividend portion waived in respect of shares held in treasury and in the Long Term Incentive Plan.

Henderson Group plc

ASX Appendix 4D

For the half year ended 30 June 2007

INTERIM CONDENSED CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE For the half year ended 30 June 2007

	Note	6 months to 30 Jun 2007 Unaudited £m	6 months to 30 Jun 2006 Unaudited £m	12 months to 31 Dec 2006 Audited £m
Gains on revaluation of available-for-sale financial assets		2.1	6.1	32.9
Revaluation reserve transfer on disposal of available-for-sale financial assets	4.1	(28.6)	0.2	-
Exchange differences on translation of available-for-sale financial assets		-	-	(1.2)
Translation reserve transfer on disposal of available-for-sale financial assets		0.8	0.4	0.4
Exchange differences on translation of foreign operations		(0.3)	0.6	(0.6)
Actuarial gains/(losses) on pension schemes		33.1	2.8	(4.7)
Tax on items taken directly to equity		(10.4)	(0.8)	1.4
Net (expense)/income recognised directly in equity		(3.3)	9.3	28.2
Net profit after tax from all operations		89.5	35.5	61.2
Total recognised income and expense		86.2	44.8	89.4
Attributable to:				
Equity holders of the parent		86.1	44.7	89.3
Minority interests – continuing operations		0.1	0.1	0.1
		86.2	44.8	89.4

Henderson Group plc

ASX Appendix 4D

For the half year ended 30 June 2007

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET At 30 June 2007

	Notes	30 Jun 2007 Unaudited £m	30 Jun 2006 Unaudited £m	31 Dec 2006 Audited £m
Assets				
Intangible assets		224.3	224.3	224.3
Investments in associates		3.0	2.3	2.7
Plant and equipment		5.9	7.4	6.6
Available-for-sale financial assets		115.8	69.8	112.2
Financial assets at fair value through profit or loss		0.6	1.1	0.2
Deferred tax assets		-	17.4	13.2
Retirement benefit assets	7	38.5	-	-
Deferred acquisition and commission costs		28.5	24.5	20.7
Trade and other receivables		165.1	153.5	156.4
Cash and cash equivalents		452.0	550.2	309.1
Total assets		1,033.7	1,050.5	845.4
Liabilities				
Debt securities in issue	8	173.6	-	-
Retirement benefit obligations	7	5.7	42.8	10.4
Provisions		35.9	59.4	42.3
Deferred tax liabilities		2.2	-	-
Deferred income		34.4	26.4	29.7
Current tax liabilities		47.5	41.5	35.0
Trade and other payables		201.0	199.6	232.1
Total liabilities		500.3	369.7	349.5
Net assets		533.4	680.8	495.9
Capital and reserves				
Share capital		90.5	115.5	90.2
Share premium reserve		194.8	367.5	193.7
Treasury shares		-	-	(1.9)
Own shares held reserve		(68.1)	(8.6)	(29.9)
Translation reserve		(4.3)	(2.4)	(4.8)
Revaluation reserve		3.4	3.3	29.9
Profit and loss account reserve		316.9	205.4	218.6
Minority interests		0.2	0.1	0.1
Total equity	11	533.4	680.8	495.9

Approved by the Board of Directors on 23 August 2007.

Henderson Group plc

ASX Appendix 4D

For the half year ended 30 June 2007

INTERIM CONDENSED CONSOLIDATED CASH FLOW STATEMENT For the half year ended 30 June 2007

	6 months to 30 Jun 2007	6 months to 30 Jun 2006	12 months to 31 Dec 2006
Note	Unaudited £m	Unaudited £m	Audited £m
Cash flows from operating activities			
Net profit before tax from all operations	101.0	44.2	72.4
Adjustments to reconcile net profit before tax from all operations to net cash flows from operating activities:			
- depreciation and impairment of property, plant and equipment – continuing operations	1.4	1.4	2.8
- depreciation and impairment of property, plant and equipment – discontinued operations	-	0.3	0.3
- impairment of goodwill and other intangible assets – discontinued operations	-	0.7	0.7
- share-based payments	15.7	9.2	15.1
- net deferred acquisition cost and deferred income amortisation – continuing operations	(3.2)	(0.9)	2.1
- net profit arising from disposal of subsidiaries	-	(9.5)	(9.5)
- fair value gains on available-for-sale financial assets	4.1 (31.8)	(2.7)	(5.8)
- contributions to the defined benefit pension scheme	(1.4)	-	(40.0)
- share of net profit of associates	(1.2)	(0.7)	(1.3)
- movement in minority interest	0.1	0.1	0.1
- finance costs	1.9	-	-
Cash flows from operating activities before changes in operating assets and liabilities	82.5	42.1	36.9
Changes in operating assets and liabilities	(40.2)	(30.2)	(12.4)
Tax received/(paid)	6.2	(0.3)	(2.8)
Net cash flows from operating activities	48.5	11.6	21.7
Cash flows from investing activities			
Proceeds from sale or maturity of:			
- debt or equity instruments and interests in joint ventures	-	44.4	55.3
- subsidiaries and associates	-	27.7	25.8
Dividends from associates	0.9	-	0.6
Purchases or acquisition of:			
- property, plant and equipment	(0.6)	(0.6)	(1.1)
- debt or equity instruments and interests in joint ventures	(14.8)	(7.1)	(33.1)
Net cash flows from investing activities	(14.5)	64.4	47.5
Cash flows from financing activities			
Proceeds from issue of shares or other equity instruments	1.2	0.2	0.5
Return of cash to shareholders	-	-	(199.6)
Cash payments to owners to acquire or redeem treasury shares	-	-	(1.9)
Cash payments to owners to acquire or redeem own shares	(45.4)	(4.5)	(28.8)
Proceeds from short and long-term borrowings	173.7	-	-
Dividends paid to equity shareholders	3 (20.3)	(16.1)	(26.2)
Net cash flows from financing activities	109.2	(20.4)	(256.0)
Effects of exchange rate changes	(0.3)	(1.9)	(0.6)
Net increase/(decrease) in cash and cash equivalents	142.9	53.7	(187.4)
Cash and cash equivalents at beginning of period	309.1	496.5	496.5
Cash and cash equivalents at end of period	452.0	550.2	309.1

Henderson Group plc

ASX Appendix 4D

For the half year ended 30 June 2007

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1 Corporate information

Henderson Group plc (the Company) is a public limited company incorporated and domiciled in England. The Company's ordinary shares are traded on the London Stock Exchange and CHESS Depository Interests are traded on the Australian Securities Exchange.

The Interim Condensed Consolidated Financial Statements of the Company and its controlled entities (the Group) for the six months ended 30 June 2007 were authorised for issue by the Board of Directors on 23 August 2007.

The results for the six months ended 30 June 2007 and the six months ended 30 June 2006 are unaudited but have been reviewed by the auditor. These do not constitute statutory accounts as defined in section 240 of the Companies Act 1985.

The results for the full year ended 31 December 2006 have been taken from the Henderson Group plc Full Annual Financial Report and Accounts for the year ended 31 December 2006. The auditor has reported on the 2006 accounts and its report was unqualified and did not contain a statement under section 237(2) or (3) of the Companies Act 1985. The Henderson Group plc Full Annual Financial Report and Accounts for the year ended 31 December 2006 have been filed with the Registrar of Companies.

2 Basis of preparation and significant accounting policies

Basis of preparation

The Interim Condensed Consolidated Financial Statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's Full Annual Financial Report and Accounts for the year ended 31 December 2006.

Significant accounting policies

The accounting policies adopted in the preparation of the Interim Condensed Consolidated Financial Statements are consistent with those followed in the preparation of the Group's Full Annual Financial Report and Accounts for the year ended 31 December 2006. Henderson Group plc adopted International Financial Reporting Standard (IFRS) 7 Financial Instruments: Disclosures for the year beginning 1 January 2007. This does not impact on the Interim Condensed Consolidated Financial Statements and the disclosures required under IFRS 7 will be included in the Full Annual Financial Report and Accounts for the year ending 31 December 2007.

3 Dividends

	6 months to 30 Jun 2007 Unaudited £m	6 months to 30 Jun 2006 Unaudited £m
<i>Dividends on ordinary shares declared and paid during the period:</i>		
Final dividend in respect of 2H06 profits: 2.27 pence or equivalent per share (2H05: 1.39 pence or equivalent per share paid in 1H06)	20.3	16.1
<i>Dividends on ordinary shares proposed during the period:</i>		
Interim dividend in respect of 1H07 profits: 1.66 pence or equivalent per share (1H06: 0.88 pence or equivalent per share paid in 2H06)	15.0	10.1
Special dividend in respect of FY07: 27.6 pence or equivalent per share (FY06: nil)	250.0	-

Henderson Group plc

ASX Appendix 4D

For the half year ended 30 June 2007

In accordance with IFRS, dividends are recognised in the accounts in the period in which they are paid. An interim dividend of £15m was approved by the Board of Directors on 23 August 2007. The £250m proposed special dividend is subject to shareholder approval of a simultaneous share consolidation to be sought at an EGM on 9 October 2007. These payments will be recognised in 2H07 and reflected in the 2007 Full Annual Financial Report and Accounts.

4 Non-recurring items

The non-recurring items for continuing operations recorded in the Interim Condensed Consolidated Income Statement comprise the following:

	6 months to 30 Jun 2007 Unaudited £m	6 months to 30 Jun 2006 Unaudited	12 months to 31 Dec 2006 Audited
Realised gain on deemed disposal of available-for-sale financial asset	31.8	-	-
Past service credit on Henderson Group Pension Scheme	8.7	-	-
Business restructure costs	-	-	(7.8)
	40.5	-	(7.8)

4.1 Realised gain on deemed disposal of available-for-sale financial asset

The merger between BPI and BPVN into the newly incorporated BP on 1 July 2007 gave rise to a new investment holding for the Group which, for accounting purposes, is deemed as a disposal of the previous holding. Under the terms of the merger, the Group received a special dividend of £16.3m (£1.46 per BPI share) which has been included as part of the accounting gain on the deemed disposal. The brought forward net cumulative gain on disposal of the Group's investment in BPI of £28.6m was recognised in the Interim Condensed Consolidated Statement of Recognised Income and Expense as a transfer from the revaluation reserve to the Interim Condensed Consolidated Income Statement. The balance of £3.2m represents the net gain on the investment in BPI recognised during the six months to 30 June 2007. The revised base cost of the investment is £69.7m (£14.48 per BP share). The currency exposure is fully hedged, but the investment remains exposed to market risk.

4.2 Past service credit on Henderson Group Pension Scheme

The past service credit of £8.7m on the Group's defined benefit scheme represents a non-recurring catch-up adjustment following changes to future benefits that came into effect on 1 April 2007, following a period of staff consultation and agreement with the Scheme's Trustee (refer to note 7.2).

4.3 Business restructure costs (FY06)

The one-off restructure costs incurred by the Group of £7.8m were in respect of specific redundancy and other related costs, associated with the business restructure of Henderson Global Investors that took place in November 2006.

Henderson Group plc

ASX Appendix 4D

For the half year ended 30 June 2007

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5 Taxation

	6 months to 30 Jun 2007 Unaudited £m	6 months to 30 Jun 2006 Unaudited £m	12 months to 31 Dec 2006 Audited £m
Current income tax:			
- current period	18.8	20.8	25.4
- prior period	(9.7)	(3.6)	(1.9)
- overseas	1.4	0.8	-
Deferred income tax relating to:			
- temporary differences	4.8	(5.4)	1.0
- change in UK tax rate	0.3	-	-
Previously unrecognised tax loss, tax credit or temporary difference of a prior period used to reduce current tax rate	(4.1)	(4.0)	(13.4)
Total taxation expense on continuing operations	11.5	8.6	11.1

Reconciliation of income tax expense to the standard rate of corporate tax:

The reconciliation of net profit after non-recurring items and before tax from continuing operations at the applicable UK corporate tax rate of 30% to the tax expense of £11.5m (30 Jun 2006: £8.6m and 31 Dec 2006: £11.1m) is as follows:

	6 months to 30 Jun 2007 Unaudited £m	6 months to 30 Jun 2006 Unaudited £m	12 months to 31 Dec 2006 Audited £m
Net profit after non-recurring items and before tax from continuing operations	101.0	46.2	74.4
Tax at the applicable UK corporate tax rate of 30% (30 Jun 2006 and 31 Dec 2006: 30%) on net profit after non-recurring items and before tax from continuing operations	30.3	13.9	22.3
Tax effect of expenses that are not deductible for tax purposes:			
- disallowable expenses	2.3	5.8	3.7
- disposal of discontinued operations	-	(3.5)	-
Adjustment for prior periods (current and deferred)	(7.9)	(3.6)	(1.9)
Lower tax rates on overseas earnings	(9.4)	-	0.4
Utilisation of previously unrecognised tax losses	(4.1)	(4.0)	(13.4)
Changes in UK tax rate	0.3	-	-
Total taxation reported in the Consolidated Income Statement	11.5	8.6	11.1

Henderson Group plc

ASX Appendix 4D

For the half year ended 30 June 2007

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6 Segmental information

Henderson is an investment manager, operating throughout Europe, also with operations in North America and Asia. Henderson manufactures a broad range of actively managed investment products for institutional and retail investors, across multiple asset classes, including equities, fixed interest, property and private equity.

The Board considers that the risks and rewards to the business are not substantially different across the geographic regions in which Henderson operates so as to warrant separate disclosure. Core equities and fixed interest, property and private equity are sold in most, if not all, of these regions, and are managed in various locations. Balance sheet and strategic management are also determined centrally by the Board and, on this basis, Henderson considers itself to be a single-segment investment management business.

7 Retirement benefits

Retirement benefits recognised in the Interim Condensed Consolidated Balance Sheet:

7.1 Retirement benefit assets

	30 Jun 2007 Unaudited £m	30 Jun 2006 Unaudited £m	31 Dec 2006 Audited £m
Henderson Group Pension Scheme	38.5	-	-

The net asset in respect of the Henderson approved pension scheme, before any deferred tax provisions, was £38.5m as at 30 June 2007 (31 December 2006: £5.0m liability (note 7.2)).

7.2 Retirement benefit obligations

	30 Jun 2007 Unaudited £m	30 Jun 2006 Unaudited £m	31 Dec 2006 Audited £m
Henderson Group Pension Scheme	-	37.7	5.0
Henderson Group unapproved pension scheme	5.7	5.1	5.4
	5.7	42.8	10.4

The movement in the Scheme from a deficit as at 31 December 2006 to a surplus as at 30 June 2007 was principally due to:

- an increase in the AA corporate bond rate at which liabilities are valued for accounting purposes, from 5.1% at 31 December 2006 to 5.7% at 30 June 2007; and
- changes to service benefits that came into effect on 1 April 2007, which have resulted in an £8.7m past service credit in accordance with International Accounting Standard 19 (refer to note 4.2).

The net liability in respect of the Group's unapproved post-retirement obligations was £5.7m at 30 June 2007 (31 December 2006: £5.4m).

Henderson Group plc

ASX Appendix 4D

For the half year ended 30 June 2007

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7 Retirement benefits (continued)

7.3 Retirement benefit expense

Pension expense recognised in the Interim Condensed Consolidated Income Statement:

	6 months to 30 Jun 2007 Unaudited £m	6 months to 30 Jun 2006 Unaudited £m	12 months to 31 Dec 2006 Audited £m
Henderson Group Pension Scheme	2.6	4.7	8.3
Henderson Group Pension Scheme non-recurring service credit (note 4.2)	(8.7)	-	-
Henderson Group unapproved pension scheme	0.3	0.4	0.6
	(5.8)	5.1	8.9

8 Debt securities in issue

On 2 May 2007, the Group issued a 5-year unrated, senior, sterling debt instrument of £175m. This debt is unsecured and is repayable in full on 2 May 2012. The debt bears interest at a fixed rate based on 5-year gilts+125 bps and is payable every six months. The Group has swapped this fixed interest rate into a variable rate, based on LIBOR, to match the rates earned on its cash balances. For accounting purposes the debt is being amortised using the effective interest rate method over the life of the instrument.

9 Earnings per share

Number of shares for the purposes of calculating the earnings per share:

	6 months to 30 Jun 2007 Unaudited millions	6 months to 30 Jun 2006 Unaudited millions	12 months to 31 Dec 2006 Audited millions
Weighted average number of ordinary shares for the purposes of basic earnings per share	902.6	1,154.7	1,102.8
Dilutive potential of: - share options	3.3	2.6	2.9
Weighted average number of ordinary shares for the purposes of diluted earnings per share	905.9	1,157.3	1,105.7

9.1 From all operations

9.1.1 Earnings

	6 months to 30 Jun 2007 Unaudited £m	6 months to 30 Jun 2006 Unaudited £m	12 months to 31 Dec 2006 Audited £m
Earnings for the purposes of basic and diluted earnings per share	89.4⁴	35.4	61.1

⁴ Being profit after tax from all operations attributable to equity holders of the parent.

Henderson Group plc

ASX Appendix 4D

For the half year ended 30 June 2007

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

9 Earnings per share (continued)

9.1.2 Earnings per share

	6 months to 30 Jun 2007 Unaudited pence	6 months to 30 Jun 2006 Unaudited pence	12 months to 31 Dec 2006 Audited pence
Basic and diluted	9.9	3.1	5.5

9.2 From continuing operations including non-recurring items

9.2.1 Earnings

	6 months to 30 Jun 2007 Unaudited £m	6 months to 30 Jun 2006 Unaudited £m	12 months to 31 Dec 2006 Audited £m
Net profit after tax from all operations attributable to equity holders of the parent	89.4	35.4	61.1
Adjustments to exclude net loss after tax from discontinued operations	-	2.1	2.1
Earnings from continuing operations including non-recurring items for the purpose of basic and diluted earnings per share	89.4	37.5	63.2

9.2.2 Earnings per share

	6 months to 30 Jun 2007 Unaudited pence	6 months to 30 Jun 2006 Unaudited pence	12 months to 31 Dec 2006 Audited pence
Basic	9.9	3.3	5.7
Diluted	9.9	3.2	5.7

9.3 From continuing operations before non-recurring items

9.3.1 Earnings

	6 months to 30 Jun 2007 Unaudited £m	6 months to 30 Jun 2006 Unaudited £m	12 months to 31 Dec 2006 Audited £m
Net profit after tax from continuing operations	89.4	37.5	63.2
Non-recurring items adjusted for taxation effect	(37.9)	-	6.6
Net profit after tax from continuing operations before non-recurring items	51.5	37.5	69.8

9.3.2 Earnings per share

	6 months to 30 Jun 2007 Unaudited pence	6 months to 30 Jun 2006 Unaudited pence	12 months to 31 Dec 2006 Audited pence
Basic	5.7	3.3	6.3
Diluted	5.7	3.2	6.3

Henderson Group plc

ASX Appendix 4D

For the half year ended 30 June 2007

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

9 Earnings per share (continued)

9.4 From discontinued operations

9.4.1 Earnings

	6 months to 30 Jun 2007 Unaudited £m	6 months to 30 Jun 2006 Unaudited £m	12 months to 31 Dec 2006 Audited £m
Net loss after tax from discontinued operations	-	(2.1)	(2.1)

9.4.2 Earnings per share

	6 months to 30 Jun 2007 Unaudited pence	6 months to 30 Jun 2006 Unaudited pence	12 months to 31 Dec 2006 Audited pence
Basic and diluted	-	(0.2)	(0.2)

10 Discontinued operations

10.1 Profit on disposal of discontinued operations

	6 months to 30 Jun 2007 Unaudited £m	6 months to 30 Jun 2006 Unaudited £m	12 months to 31 Dec 2006 Audited £m
Net profit after tax on disposal of discontinued operations	-	9.5	9.5

On 3 May 2006, the Group completed the sale of Towry Law UK to JS&P Holdings Limited generating a post-tax profit of £9.5m.

10.2 Net loss from discontinued operations

	6 months to 30 Jun 2007 Unaudited £m	6 months to 30 Jun 2006 Unaudited £m	12 months to 31 Dec 2006 Audited £m
Total income	-	12.5	12.5
Total expenses	-	(24.0)	(24.0)
Net loss before tax from discontinued operations	-	(11.5)	(11.5)
Tax on the results of discontinued operations	-	(0.1)	(0.1)
Net loss after tax from discontinued operations	-	(11.6)	(11.6)

Included within 2006 expenses is a £11.7m charge relating to the crystallisation of non-tax warranties outstanding under the Life Services business sale agreement completed in 2005. Other than this charge, all operating profit on discontinued operations for 2006 related to Towry Law UK and arose in the UK.

Henderson Group plc

ASX Appendix 4D

For the half year ended 30 June 2007

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

11 Reconciliation of movement in equity

	6 months 30 Jun 2007 Unaudited £m	6 months 30 Jun 2006 Unaudited £m	12 months 31 Dec 2006 Audited £m
Equity at 1 January	495.9	647.1	647.1
Total recognised net income attributable to equity holders of the parent	86.1	44.7	89.3
Dividends paid to shareholders	(20.3)	(16.1)	(26.2)
Return of cash to shareholders	-	-	(199.6)
Purchase of own shares held	(45.4)	(4.5)	(28.8)
Purchase of treasury shares	-	-	(1.9)
Issue of shares for the Sharesave scheme	1.2	0.2	0.5
Movement in equity-settled share scheme expenses	15.7	9.2	15.1
Other movements	0.1	0.1	0.3
Movement in minority interests	0.1	0.1	0.1
Equity at 30 June/31 December	533.4	680.8	495.9

12 Contingent liabilities

The following contingent liabilities existed at 30 June 2007:

- in the normal course of business, the Group is exposed to certain legal issues, which can involve litigation and arbitration;
- in the normal course of business, the Group enters into various types of investment contracts that can give rise to contingent liabilities. These include foreign exchange contracts, financial futures, interest rate derivatives and exchange traded options. These contracts are entered into in the normal management of clients' investment portfolios;
- on 2 May 2006, the Hong Kong Securities and Futures Commission announced that it had reached a settlement with UKFP (Asia) HK Limited (formerly part of Towry Law International) regarding certain legacy products sold by Towry Law International. Significant payments have been made to investors subsequently in line with accounting provisions made for that purpose. The Directors are of the opinion that the provisions remaining at the current balance sheet date are adequate;
- under the Life Services business sale agreement, taxation related warranties and indemnities given by the Group expire up to six years from the disposal date of 13 April 2005. In 2006, a warranty claim by Pearl Group of £11.7m was agreed, representing closure of all non-taxation related issues; and
- under the Towry Law UK sale agreement, normal warranties and indemnities were given by the Group which are subject to expiry in up to six years from the disposal date of 3 May 2006.

As at the date of approval of the Interim Condensed Consolidated Balance Sheet, the Group neither foresees nor has it been notified of any claims under outstanding warranties and indemnities from sale agreements.

13 Events after the balance sheet date

Apart from the declaration of the interim dividend and the proposal to pay a special dividend, subject to shareholder approval of a simultaneous share consolidation, the Board of Directors has not received, as at 23 August 2007, being the date these Interim Condensed Consolidated Financial Statements have been approved, any information concerning significant conditions in existence at the balance sheet date which has not been reflected in these interim financial statements.

14 Movements in controlled entities

During the six months ended 30 June 2007, Henderson Group plc has not gained or lost control over any entities.

Henderson Group plc has chosen to publish a half-yearly report (Interim Statement) on its activities and financial information covering the first six months of its financial year as an advertisement in a national newspaper (The Financial Times). The Interim Statement includes summarised information extracted from this report (Announcement of 2007 Interim Results). The Interim Statement has been subject to review. The independent review report to Henderson Group plc on the Interim Statement is reproduced below:

INDEPENDENT REVIEW REPORT TO HENDERSON GROUP PLC

Introduction

We have been instructed by Henderson Group plc ('the Company') to review the financial information for the six months ended 30 June 2007 which comprises the Interim Summarised Consolidated Income Statement, Interim Summarised Consolidated Statement of Recognised Income and Expense, Interim Summarised Consolidated Balance Sheet, Reconciliation of Movement in Equity and Interim Summarised Consolidated Cash Flow Statement. We have read the other information contained in the interim statement and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

This report is made solely to the Company in accordance with guidance contained in Bulletin 1999/4 'Review of interim financial information' issued by the Auditing Practices Board. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our work, for this report, or for the conclusions we have formed.

Directors' responsibilities

The interim report, including the financial information contained therein, is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the interim report in accordance with the Listing Rules of the Financial Services Authority which require that the accounting policies and presentation applied to the interim figures should be consistent with those applied in preparing the preceding annual accounts except where any changes, and the reasons for them, are disclosed.

Review work performed

We conducted our review in accordance with guidance contained in Bulletin 1999/4 'Review of interim financial information' issued by the Auditing Practices Board for use in the United Kingdom. A review consists principally of making enquiries of Group management and applying analytical procedures to the financial information and underlying financial data, and based thereon, assessing whether the accounting policies and presentation have been consistently applied, unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit performed in accordance with International Standards on Auditing (UK and Ireland) and therefore provides a lower level of assurance than an audit. Accordingly, we do not express an audit opinion on the financial information.

Review conclusion

On the basis of our review, we are not aware of any material modifications that should be made to the financial information as presented for the six months ended 30 June 2007.

Ernst & Young LLP
London
23 August 2007

ASX Appendix 4D

For the half year ended 30 June 2007

GLOSSARY

2H05

Six months ended 31 December 2005

1H06

Six months ended 30 June 2006

2H06

Six months ended 31 December 2006

FY06

Twelve months ended 31 December 2006

1H07

Six months ended 30 June 2007

2H07

Six months ending 31 December 2007

4Q07

Three months ending 31 December 2007

FY07

Twelve months ending 31 December 2007

ARF

Absolute Return Fund

ASX

Australian Securities Exchange

AUM

Assets Under Management

Board

The board of directors of Henderson Group plc

BP

Banco Popolare Gruppo Bancario

BPI

Banca Popolare Italiana

bps

Basis points

BPVN

Banco Popolare di Verona e Novara

CDO

Collateralised Debt Obligation

Companies Act 1985

The UK Companies Act 1985, as amended

Company

Henderson Group plc

Henderson Group plc

ASX Appendix 4D

For the half year ended 30 June 2007

Corporate

Henderson Group plc excluding Henderson Global Investors and Towry Law International

Corporations Act 2001

Australian Corporations Act 2001

Cost to income ratio

Total expenses divided by total income

Directors

The directors of Henderson Group plc

Discontinued operations

Life Services business, Towry Law International and Towry Law UK

EGM

Extraordinary General Meeting

Group

Henderson Group plc and its controlled entities

Hedge funds

Hedge funds including ARFs

Henderson Global Investors or Henderson

Henderson Global Investors (Holdings) Limited and its subsidiaries

Henderson Group

Henderson Group plc and its controlled entities

IAS

International Accounting Standard

IFRS

International Financial Reporting Standards

IMA

Investment Management Agreement

Life Services business

The life insurance and pension books of Pearl Assurance Limited, London Life Limited, NPI Limited and National Provident Life Limited, and also includes the closed general insurance books of Pearl Assurance Limited, the pension trustee business of Premier Pension Trustees Limited and the retirement services business operated by NPI Limited

OEIC

Open Ended Investment Company

Pearl

Pearl Group Limited and its subsidiaries, or Life Services business

Scheme

The Henderson Group Pension Scheme

SICAV

Société d'investissement à capital variable (collective investment scheme)

Towry Law International

The international division (now closed) of Towry Law plc

Henderson Group plc

ASX Appendix 4D

For the half year ended 30 June 2007

Towry Law UK

Towry Law plc and its controlled entities, which has been sold to JS&P Holdings Limited

UK or United Kingdom

The United Kingdom of Great Britain and Northern Ireland

US

United States of America