Henderson Group plc

2009 INTERIM RESULTS

Andrew Formica, Chief Executive
Toby Hiscock, Chief Financial Officer

27 August 2009

All information in £ unless otherwise stated

Henderson Group
Overview

- Group recurring profit[1] £27.1m (1H08: £50.8m)
- Henderson cost to income ratio 70.0% (1H08: 59.8%)
- Henderson AUM £53.0bn (1 Jan 09: £49.5bn)
- Good investment performance in key funds
- New Star deal exceeding expectations
- Strengthened position in UK retail
- Maintained interim dividend of 1.85p per share
- Improved outlook for markets
- Able to take advantage of further opportunities

[1] Before intangible amortisation, void property finance charge, non-recurring items and tax.

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- **FINANCIAL RESULTS**
- BUSINESS PERFORMANCE
- BUSINESS OUTLOOK

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Profit and loss

Summary information from consolidated income statement £m	1H09	1H08	% change	FY08
Henderson	34.7	60.6	*(43)*	99.8
Corporate office costs	(3.7)	(4.1)	*10*	(7.7)
Corporate net interest expense	(3.9)	(5.7)	*32*	(11.7)
Group recurring profit[1]	**27.1**	**50.8**	***(47)***	**80.4**
Intangible amortisation and void property finance charge[2]	(3.5)	-	-	(0.1)
Group recurring profit before tax	**23.6**	**50.8**	***(54)***	**80.3**
Non-recurring items before tax[3]	(26.5)	(3.8)	-	(97.3)
Group (loss)/profit before tax	**(2.9)**	**47.0**	***(106)***	**(17.0)**
Tax credit/(charge)	2.3	(5.8)	*140*	(3.8)
Group (loss)/profit after tax	**(0.6)**	**41.2**	***(101)***	**(20.8)**
ETR on Group recurring profit[4]	19.7%	13.3%	-	10.7%
Basic EPS – before intangible amortisation, void property finance charge and non-recurring items	2.9p	6.7p	*(57)%*	10.8p
Basic EPS – after intangible amortisation, void property finance charge and non-recurring items	(0.1)p	6.3p	*(102)%*	(3.2)p

[1] Before intangible amortisation, void property finance charge, non-recurring items and tax.

[2] 1H09 comprises intangible amortisation of £2.9m and void property finance charge of £0.6m.
FY08 comprises intangible amortisation of £0.1m.

[3] 1H09 comprises New Star integration costs.
1H08 comprises restructuring costs of £2.5m, scheme of arrangement costs of £0.7m and third party administration review costs of £0.6m.
FY08 comprises profit on interest rate swap on Corporate debt of £1.5m, impairment of Banco Popolare Gruppo Bancario stake of £68.8m, impairment of investment in Henderson structured product of £7.2m, restructuring costs of £15.7m, scheme of arrangement costs of £4.5m and third party administration review costs of £2.6m.

[4] Group recurring profit after intangible amortisation and void property finance charge.

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Henderson Global Investors
Profit and loss[1]

£m	1H09	1H08	2H08	% change 1H09 vs 1H08
Net management fees	98.2	119.2	102.7	*(18)*
Transaction fees	10.4	8.7	7.8	*20*
Net performance fees	5.2	15.5	3.9	*(66)*
Total fee income	**113.8**	**143.4**	**114.4**	***(21)***
Investment income	1.7	7.3	7.4	*(77)*
Total income	**115.5**	**150.7**	**121.8**	***(23)***
Operating costs	(79.2)	(89.0)	(81.4)	*11*
Depreciation	(1.6)	(1.1)	(1.2)	*(45)*
Profit before tax	**34.7**	**60.6**	**39.2**	***(43)***

Margin on average AUM (bps)	1H09	1H08	2H08
Management fee margin	40	43	39
Total fee margin	46	52	44
Net margin	14	22	15

[1] Excluding intangible amortisation, void property finance charge and non-recurring items.

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Henderson Global Investors
Costs

- Lower costs mainly due to swift action taken at beginning of year
- Investment admin and IT cost increase due to New Star integration
- Higher office cost due to loss of sublet income and weaker sterling on overseas charges
- New Star cost to income ratio 38%
- Ex New Star, costs declined 17% vs 1H08

£m	1H09	1H08	2H08	*1H08 favourable/ (adverse) % change*
Operating costs				
Staff	46.6	60.2	50.5	*23*
Investment administration	10.2	8.2	8.2	*(24)*
Information Technology (IT)	5.3	4.4	4.8	*(20)*
Office	7.3	6.1	6.2	*(20)*
Other	9.8	10.1	11.7	*3*
Total operating costs	**79.2**	**89.0**	**81.4**	***11***

%	1H09	1H08	2H08
Cost to income ratio[1]	70.0	59.8	67.8

[1] Excluding intangible amortisation, void property finance charge and non-recurring items.

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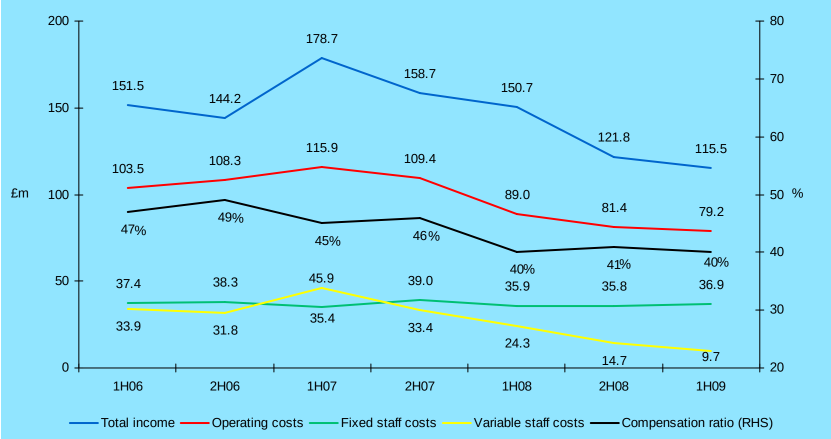
Henderson Global Investors

Compensation ratio[1] remained stable at circa 40%



[1] Compensation ratio represents total staff costs as percentage of total income.

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6

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Non-recurring costs before tax relief

	Expected total New Star £m	1H09 New Star £m	1H08 £m
People	16.1	13.6	2.5
Administration and IT	9.4	4.4	0.6
Products/brand	6.7	3.3	-
Property	5.1	4.6	-
Other	2.7	0.6	0.7
	40.0	26.5	3.8

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7

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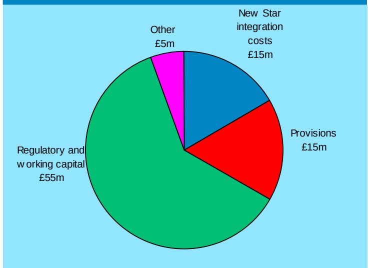
Sound balance sheet

- Group unrestricted cash balance at 30 Jun 09 of £90m
- Prudent gearing ratios
- Regulatory surplus of £327m (FY08: £299m)

Total net assets	30 Jun 09 £m	31 Dec 08 £m
Henderson Group	284	293

30 Jun 09 unrestricted cash balance £90m

Uses of cash



Gearing ratios	30 Jun 09	31 Dec 08
Debt/equity	0.6	0.6
Debt/EBITDA	2.7[1,2]	1.8
Interest cover	8x[1,2]	8x
Net debt	£85m[3]	£29m

[1] Based on nominal value of debt £175m.
[2] Based on annualised EBITDA and interest expense.
[3] Based on nominal value of debt £175m and unrestricted cash of £90m.

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8

- FINANCIAL RESULTS
- **BUSINESS PERFORMANCE**
- BUSINESS OUTLOOK

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9

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New Star acquisition

- Integration ahead of schedule
- Key investment and distribution staff retained
- Asset and client retention exceeding expectations
- Operating synergies ahead of target
- Integration costs within guidance
- Improving investment performance

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Henderson Global Investors
Investment performance[1]

	Funds at/above benchmark/peer group 1 year %	3 years %
Summary		
Equities	61	68
Fixed Income	78	69
Total Listed Assets	**70**	**69**
Property[2]	31	57
Total[2]	**62**	**66**
Representing:		
Higher margin		
Investment Trusts	24	40
Horizon funds	75	85
UK Wholesale	65	59
US Wholesale	98	98
Hedge funds	39	46
Property (UK/Europe)[2]	20	49
Property (US)	96	95
Total	**48**	**63**
Lower margin		
Institutional		
Enhanced index	63	74
Fixed Income	69	59
Balanced/active equity	61	63
Total	**66**	**65**
Total New Star[3]	**10**	**19**

[1] Asset weighted, of funds measured and excluding New Star which was acquired on 9 Apr 09.

[2] To 31 Dec 08, as UK Property is based on 2008 IPD benchmarks, annual benchmarks.

[3] New Star acquired on 9 Apr 09. Year-to-date 34%, 3-month 41% funds at/above benchmark.

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Henderson Global Investors

Investment performance of top 20 listed asset funds by AUM

Fund	AUM 30 June 09 £m	Fund range	Fund manager	Year-to-date	3 years	5 years
Henderson International Opportunities Fund[1]	1,600	US Mutual	Team			
Henderson Pan-European Equity[1]	1,156	Horizon	Stevenson			
Henderson All Stocks Credit[2]	972	Instit OEIC	Payne			
New Star UK Property Trust[1]	643	Retail OEIC	Carpenter/Pearse			
New Star European Growth Fund[1]	566	Retail OEIC	Pease/Rowe			
Henderson Long Dated Credit[2]	559	Instit OEIC	Payne			
Henderson Pref & Bond Fund[1]	557	Retail OEIC	Pattullo/Barnard			
New Star Fixed Interest Unit Trust[1]	505	Retail OEIC	Gledhill/Pattullo/Barnard			
Henderson Strategic Bond Fund[1]	477	Retail OEIC	Pattullo/Barnard			
Henderson UK Gilt[2]	452	Instit OEIC	Apel			
Henderson Cash Fund[1]	353	Retail OEIC	Andrews			
Henderson High Alpha Credit[2]	341	Instit OEIC	Thariyan/Adams		n/a	n/a
Henderson Mainstream UK Equity[2]	330	Instit OEIC	Kitchen/Jones			n/a
New Star International Property Fund[1]	313	Retail OEIC	Carpenter			
New Star Sterling Bond Unit Trust[1]	293	Retail OEIC	Thariyan/Payne			
Henderson Secured Loan[2]	268	Instit OEIC	Milward			n/a
Henderson European Focus Fund[1]	255	US Mutual	Peak			
New Star Managed Distribution Fund[1]	242	Retail OEIC	Pattullo/Barnard/Green			
Henderson Index Linked Bond[2]	239	Instit OEIC	Apel			
Henderson Global Multi Strategy[3]	236	Hedge	Elms			n/a
Total	**10,358**					

[1] Percentile ranking measured at 30 June 2009.
[2] Performance relative to benchmark.
[3] Absolute benchmark.

1st quartile/outperform/positive	3rd quartile
2nd quartile	4th quartile/underperform/negative

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12

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Performance fee diversity

	1H09		1H08		Benchmark	1H09 No. of funds[1]	1H08 No. of funds[1]
Sourced from:	£m	%	£m	%			
Institutional clients	3.0	58	2.7	17	Rel	12	8
Hedge funds	1.1	21	5.8	38	Abs	3	11
Property	1.0	19	4.3	28	Abs/Rel	5	13
Horizon funds	0.1	2	1.9	12	Rel[2]	1	2
Investment Trusts	-	-	0.8	5	Rel[2]	-	5
Total	5.2	100	15.5	100		21	39

[1] Number of funds generating performance fees.
[2] Positive return required.

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13

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AUM with potential performance fee

	31 Dec 07		31 Dec 08		30 Jun 09	
	No. of funds	% of AUM with performance fee potential	No. of funds	% of AUM with performance fee potential	No. of funds	% of AUM with performance fee potential
Investment Trusts	10	77	10	76	10	73
Horizon	20	100	20	100	18	100
Hedge funds	14	100	16	100	13	100
Property	30	90	33	91	33	88
Private Equity	6	100	6	100	6	100
Institutional clients	49	49	55	40	55	39
Total	**129**	**57**	**140**	**53**	**135**	**46**

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Henderson Global Investors

AUM and fund flows

Summary of movements in AUM 1 Jan – 30 Jun 09

	Opening AUM 1 Jan £bn	Net Flows 1Q09 £bn	Market/FX 1Q09 £bn	Closing AUM 31 Mar £bn	New Star take-on £bn	Net flows 2Q09 £bn	Market/FX 2Q09 £bn	Closing AUM 30 Jun £bn
Higher margin								
Investment Trusts	2.7	(0.1)	(0.2)	2.4	0.1	0.1	0.2	2.8
Horizon funds	2.3	0.1	(0.1)	2.3	0.0	0.2	0.1	2.6
UK Wholesale	3.1	0.1	(0.2)	3.0	4.7	(0.1)	0.5	8.1
US Wholesale	2.3	(0.1)	(0.2)	2.0	0.0	0.0	0.3	2.3
Hedge funds	0.8	(0.3)	0.0	0.5	0.1	0.1	0.0	0.7
Property (UK/Europe)	7.6	0.0	(0.2)	7.4	0.5	(0.4)	(0.3)	7.2
Property (US)	1.7	0.0	0.0	1.7	0.0	0.0	(0.4)	1.3
Private Equity	1.2	0.0	(0.2)	1.0	0.0	0.0	(0.1)	0.9
Structured Products	2.2	(0.1)	(0.2)	1.9	0.0	(0.1)	0.0	1.8
Total higher margin	**23.9**	**(0.4)**	**(1.3)**	**22.2**	**5.4**	**(0.2)**	**0.3**	**27.7**
Lower margin								
Institutional	14.1	(0.2)	(1.2)	12.7	0.2	0.9	0.6	14.4
NSIM[1]	0.0	0.0	0.0	0.0	2.5	(0.2)	0.1	2.4
Total lower margin	**14.1**	**(0.2)**	**(1.2)**	**12.7**	**2.7**	**0.7**	**0.7**	**16.8**
	38.0	**(0.6)**	**(2.5)**	**34.9**	**8.1**	**0.5**	**1.0**	**44.5**
Pearl	11.5	(2.4)	(0.6)	8.5	0.0	(0.4)	0.4	8.5
Total AUM	**49.5**	**(3.0)**	**(3.1)**	**43.4**	**8.1**	**0.1**	**1.4**	**53.0**

[1] New Star Institutional Managers.

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Fund flows and AUM pipeline post 30 Jun 09

- Fund flows
  - US and European Wholesale, Hedge funds net inflows in Jul/Aug
  - UK Wholesale slightly down
  - New Star £(0.2)bn
- Healthy Institutional pipeline with unfunded wins of £0.9bn
- Property pipeline of £1.6bn
- Pearl £(2.3)bn but offset by compensation payments

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16

- FINANCIAL RESULTS
- BUSINESS PERFORMANCE
- **BUSINESS OUTLOOK**

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17

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Outlook

- Improved outlook for market levels
- Investor interest increasing
- Good investment performance
- Able to take advantage of further opportunities
- Interim dividend maintained

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Appendices

- Number of shares for EPS calculations
- Typical revenue margins 1H09
- Split of AUM
- Global Property business AUM
- Geographic source of clients
- New Star acquisition accounting
- New Star purchase consideration
- New Star fair value net liabilities acquired
- Market charts

Number of shares for EPS calculations[1]

	1H09 No. m	FY09E No. m
Issued share capital	795.2	810.4
Less: own shares (unconditional awards)	(51.3)	(45.6)
Less: own shares (conditional awards)	(4.9)	(5.2)
Shares for basic EPS calculation	**739.0**	**759.6**
Add back: own shares (unconditional awards)	51.3	45.6
Add: dilutive potential of share options	1.1	1.7
Shares for diluted EPS calculation	**791.4**	**806.9**

[1] Weighted average number of shares based on issued share capital and employee share plans.

Typical revenue margins 1H09

Product	1H09 Typical annual management fee before distribution costs (bps)
Private Equity	125 – 200
Horizon funds[1]	100 – 170
Hedge funds	75 – 175
US Wholesale	85 – 110
UK Wholesale	100 – 150
Property	30 – 60
Institutional pension funds[2]	10 – 25

[1] Includes service fees paid by the fund (50bps).
[2] Includes enhanced index.

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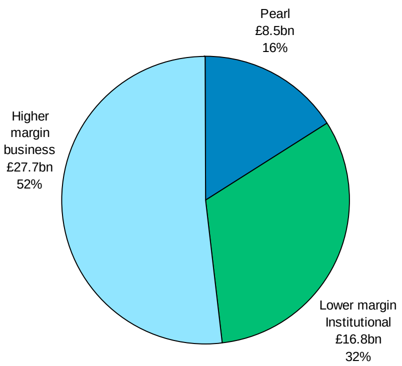
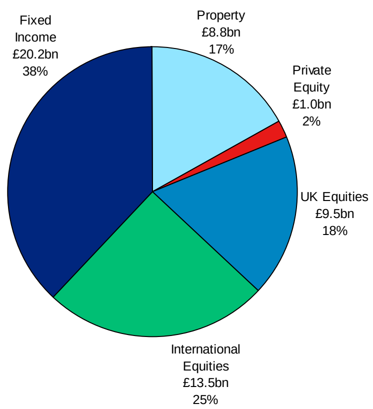
Split of assets under management

AUM 30 June 2009
by line of business



AUM 30 June 2009
by asset class



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Global Property business AUM

	30 Jun 09 £bn				31 Dec 08 £bn			
	UK	**EU**	**US**	**Total**	**UK**	**EU**	**US**	**Total**
Institutional								
Closed-ended	2.9	3.5	0.8	**7.2**	3.8	3.2	1.1	**8.1**
Open-ended	0.3	0.4	0.2	**0.9**	0.2	0.5	0.2	**0.9**
Segregated	0.5	-	0.3	**0.8**	0.6	-	0.4	**1.0**
	3.7	**3.9**	**1.3**	**8.9**	**4.6**	**3.7**	**1.7**	**10.0**
Wholesale								
Open-ended	0.7	0.3	-	**1.0**	-	-	-	-
Total	**4.4**	**4.2**	**1.3**	**9.9**	**4.6**	**3.7**	**1.7**	**10.0**

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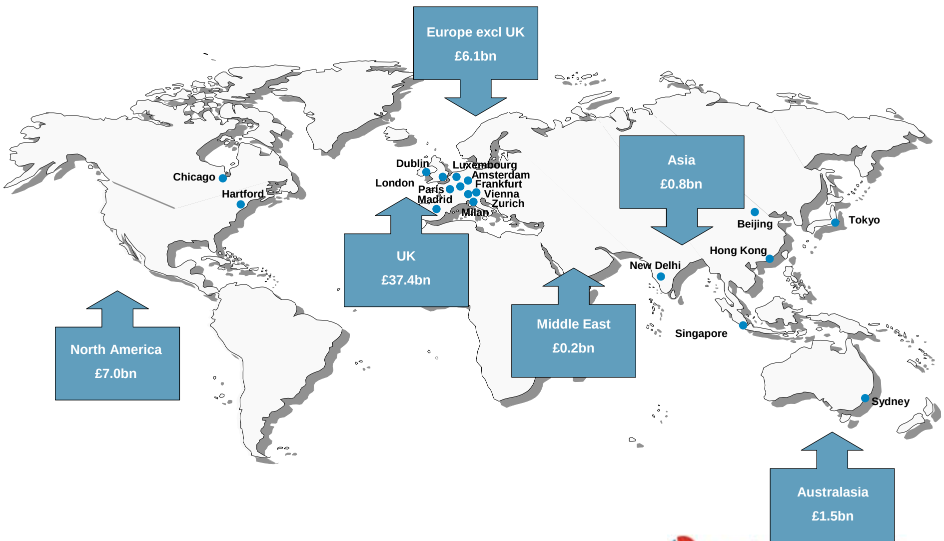
24

Geographic source of clients



AUM split by geographic source of clients at 30 Jun 09.

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25

New Star acquisition accounting

	£m
Balance sheet	
Purchase consideration	94.2
Adjusted net liabilities acquired[1]	29.8
Total intangibles before tax	124.0
Deferred tax on investment management contracts[1]	24.3
Total intangibles	148.3
Investment management contracts[1]	*86.9*
Purchased goodwill	*61.4*
Profit and loss:	
Other costs (before tax)	
FY09 intangible amortisation	*8.4*
FY09 void property finance charge	*1.9*
Non-recurring costs	*40.0*

[1] Reconciles to the 2009 Interim Report and Accounts as follows: adjusted net liabilities acquired £(29.8)m plus investment management contracts acquired net of deferred tax £62.6m (£86.9 less 24.3m), resulting in net assets acquired of £32.8m.

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New Star purchase consideration

		No. of shares	Share price (p)	£m
Cash				
	Ordinary shareholders	1,077,753,603	2.0	21.6
	Preference shareholders[1]	96,000,000	48.4	46.5
				68.1
Equity				
	Preference shareholders[2,3]	26,322,572	82.5	21.7
				21.7
Deal costs				4.4
				94.2

[1] 94,000,000 Banks + 1/3 x (6,000,000) New Star staff; 2/3 treated as non-recurring cost under IFRS.
[2] 25,774,190 Banks + 1/3 x (1,645,147) New Star staff; 2/3 treated as non-recurring cost under IFRS.
[3] Based on Henderson Group share price on 9 Apr 09.

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New Star fair value net liabilities acquired

	£m
Net liabilities of New Star at acquisition	3.4
Fair value reduction in assets	7.1
Fair value increase in liabilities	19.3
Adjusted net liabilities acquired	29.8

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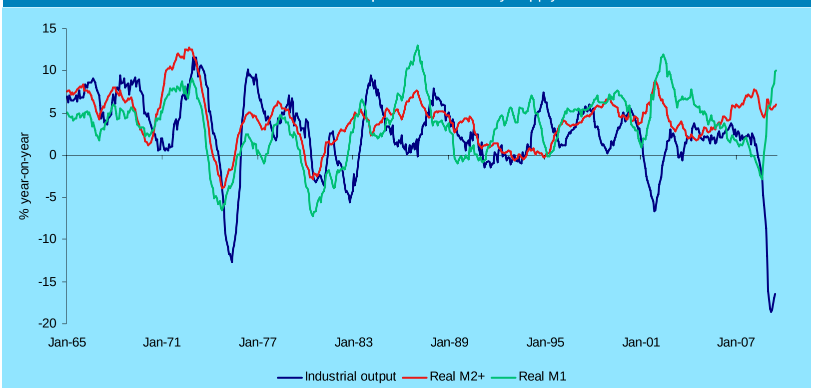
Economic view – output and money

G7 industrial output and real money supply



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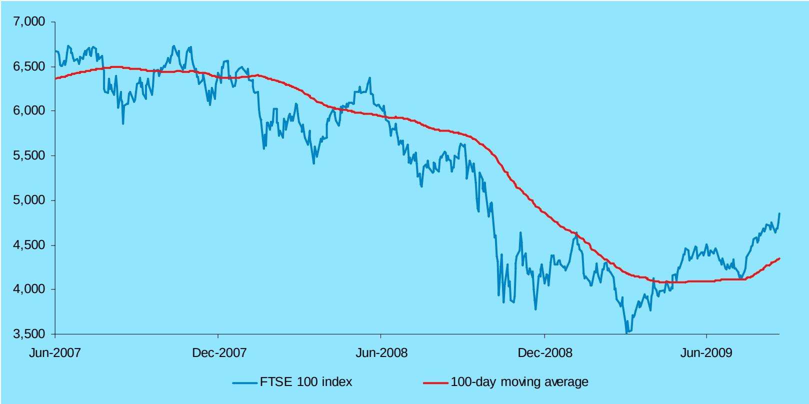
Equity markets – FTSE100

Down trend from mid 2007 broken in 3Q09



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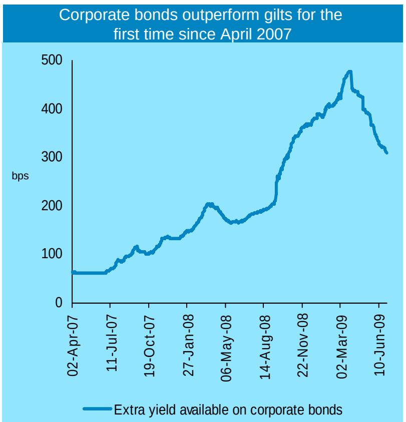
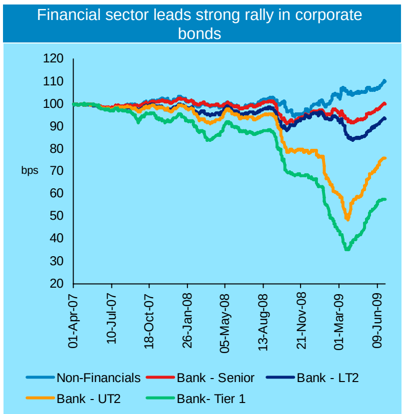
Fixed income

Risk assets have bounced back from their lows



Source: Bloomberg, as at 30 June 2009

Note: Merrill Lynch sterling non-gilts index data, option adjusted spreads



Source: Total Return Index constructed from iBoxx, Markit data as at 30 June 2009

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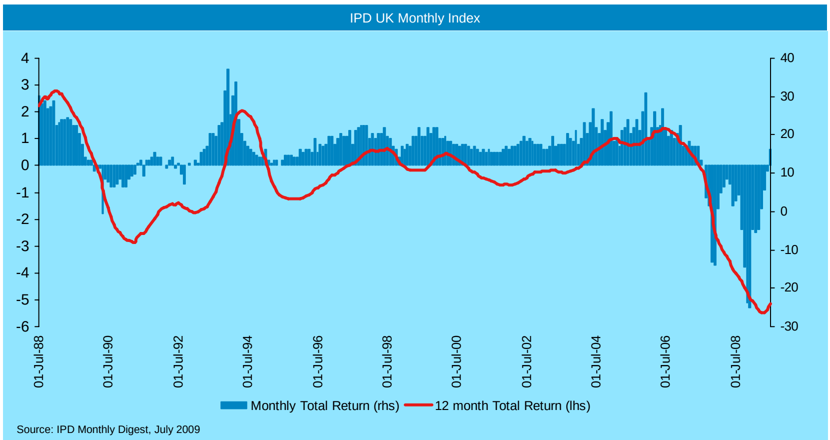
Property



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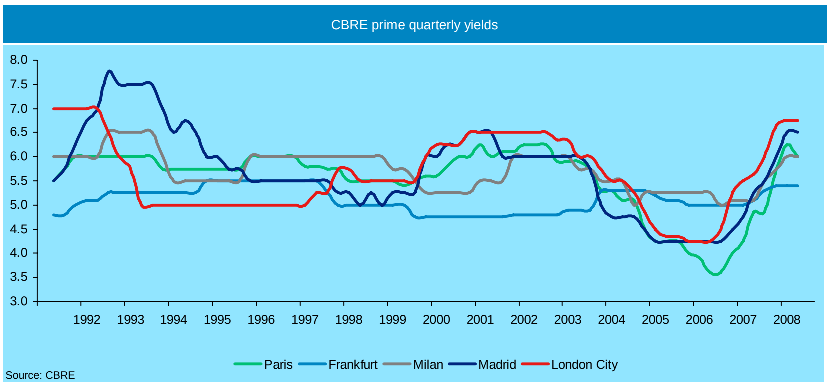
European prime yields – office



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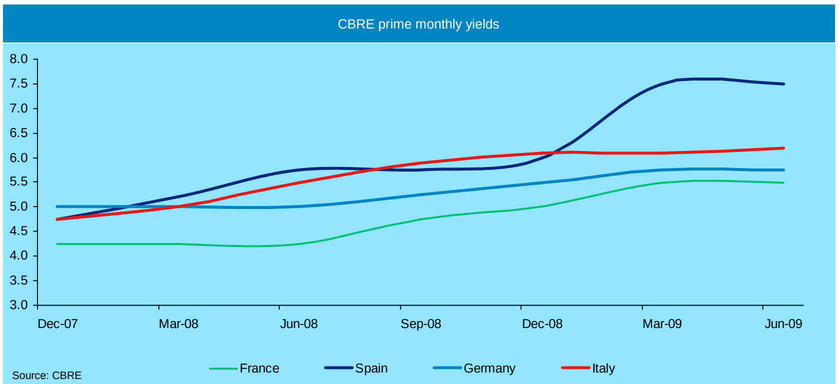
European prime yields – shopping centres



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34

Forward-looking statements

These materials issued by Henderson Group plc are a summary of certain information contained in the stock exchange announcements dated 27 August 2009 (relating to the interim results for the period ended 30 June 2009 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.

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35