

2009 INTERIM RESULTS

27 August 2009

Financial highlights

	6 months to 30 June 2009 Unaudited	6 months to 30 June 2008 Unaudited	12 months to 31 December 2008 Audited
Earnings per share			
Basic ^{1,2}	2.9p	6.7p	10.8p
Diluted ^{1,3}	2.7p	6.2p	10.0p
Ordinary dividend per share	1.85p	1.85p	6.1p
Return on equity ⁴	19%	38%	29%
Henderson Global Investors			
Profit before tax ⁵	£34.7m	£60.6m	£99.8m
Group			
Profit before tax ⁵	£27.1m	£50.8m	£80.4m
(Loss)/profit before tax ⁶	£(2.9)m	£47.0m	£(17.0)m
(Loss)/profit after tax ⁶	£(0.6)m	£41.2m	£(20.8)m
Henderson Global Investors cost to income ratio	70.0%	59.8%	63.4%
Assets Under Management (AUM)	£53.0bn	£52.6bn	£49.5bn

Henderson Group plc
 47 Esplanade
 St Helier
 Jersey JE1 0BD
 Registered in Jersey
 Company No. 101484
 ABN 67 133 992 766

¹ Earnings after tax before intangible amortisation, void property finance charge and non-recurring items.

² Weighted average number of shares in issue less weighted average number of own shares held during the period.

³ Weighted average number of shares in issue less weighted average number of own shares held during the period relating to conditional awards and the dilutive potential of share options.

⁴ Annualised profit before intangible amortisation, void property finance charge, non-recurring items and tax.

⁵ Before intangible amortisation, void property finance charge and non-recurring items.

⁶ After intangible amortisation, void property finance charge and non-recurring items.

Key points on the results

- Henderson Group plc and its controlled entities (Henderson Group or Group) recurring profit before intangible amortisation, void property finance charge, non-recurring items and tax £27.1m (1H08: £50.8m)
- Henderson Global Investors (Henderson) cost to income ratio 70.0% (1H08: 59.8%)
- Henderson AUM £53.0bn (1 Jan 2009: £49.5bn)
- Good investment performance in key funds
- New Star Asset Management Group PLC (New Star) deal exceeding expectations
- Strengthened position in UK retail
- Maintained interim dividend of 1.85 pence per share
- Improved outlook for markets
- Able to take advantage of further opportunities

Comments from Chief Executive, Andrew Formica

Although markets have recently improved, they are still well below the levels of 2007 and 2008 and, therefore, 2009 will be more challenging for earnings. However, we should benefit from a full period of ownership of New Star in the second half of 2009 and also the growing interest of clients in our products that we have seen of late. In addition, our competitive long-term investment performance, diversity of revenues, and active cost management should provide some support.

We remain committed to providing clients with higher value-add investment products in all market conditions. Our future focus continues to be on generating profitable organic growth, but where we see other opportunities, at attractive prices, to extend our product offering and build market share, we will seek to take advantage of them.

More details on the financial results and business performance in the first half of 2009 are included in this document from page 4 onwards.

These results will be presented to the market in a briefing by management on Thursday, 27 August 2009 at 9.00am (London time)/6.00pm (Sydney time).

Teleconference details

We recommend participants start dialling in 5-10 minutes prior to the start of the presentation. To telephone link-up to the briefing, dial one of the following numbers from 8.50am (London time)/5.50pm (Sydney time).

From:	
United Kingdom	0500 1016 30 (free call)
Australia	1800 9889 41 (free call)
All other countries	+44 (0)20 7162 0025 (This is not a free call number)
Conference title	Henderson Group, Interim Results Market Briefing
Chairperson	Andrew Formica

Replay number

From:	
United Kingdom	+44 (0) 20 7031 4064 Access code: 194044
Australia	+61 (0) 2 8223 9748 Access code: 194044
	(available from 27 August to 3 September 2009)

Audiocast details

You can logon to an audiocast of the results briefing which will start at 9.00am (London time)/6.00pm (Sydney time). Go to www.hendersongroupplc.com and click on the relevant link on the homepage. An archive of the audiocast will be available shortly after the event.

Further information

www.henderson.com
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Interim Report and Accounts

Incorporating the requirements of ASX Appendix 4D

For the half year ended 30 June 2009

The information contained in this document should be read in conjunction with the Henderson Group plc (the Company) Annual Report and Accounts for the year ended 31 December 2008 and any public announcements made by the Group during the period 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.

CONTENTS

RESULTS FOR ANNOUNCEMENT TO THE MARKET	1
DIRECTORS' REPORT	2
STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	3
INTERIM MANAGEMENT REPORT	4
INDEPENDENT REVIEW REPORT TO HENDERSON GROUP PLC	12
INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT	13
INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	14
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION	15
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	16
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS	17
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	18
1 Corporate information	18
2 Basis of preparation and significant accounting policies	18
3 Segmental information	19
4 Seasonality of operations	19
5 Non-recurring items before tax	19
6 Taxation	20
7 Dividends	21
8 Earnings per share	21
9 Intangible assets	23
10 Retirement benefits	24
11 OEIC/unit trust debtors and creditors	25
12 Debt instrument in issue	25
13 Provisions	26
14 Contingent liabilities	26
15 Business combinations	27
16 Movements in controlled entities	28
17 Related parties	28
18 Events after the balance sheet date	28
GLOSSARY	29

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Financial results

	6 months to 30 June 2009 Unaudited £m	6 months to 30 June 2008 Unaudited £m	Movement %
Income from recurring activities	116.0	151.3	(23.3)
Recurring profit after tax attributable to equity holders of the parent ¹	18.9	44.0	(57.1)
Group (loss)/profit after tax attributable to equity holders of the parent	(0.6)	41.1	(101.5)

Dividends

On 26 August 2009, the Directors declared an interim dividend in respect of the six months ended 30 June 2009 of 1.85 pence per share (1H08: 1.85 pence per share).

A final dividend of 4.25 pence per share was paid on 29 May 2009 in respect of the year ended 31 December 2008 (FY07: 4.44 pence per share).

	Amount per share pence
2009 interim dividend (0% franked)	1.85
Record date: 4 September 2009	
Payment date: 25 September 2009	

Net tangible assets per ordinary share

	30 June 2009 pence	30 June 2008 pence
Net tangible assets per ordinary share ²	(10.7)	6.5

"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 negative net tangible assets per share of 10.7 pence reflect the acquisition of New Star on 9 April 2009, which involved the purchase of intangibles (goodwill and investment management contracts) for cash and shares.

The Interim Condensed Consolidated Financial Statements included within the Interim Report and Accounts have been subject to an independent review by the external auditors.

¹ Profit after tax before non-recurring items excluding minority interests (1H09: £nil, 1H08: £0.1m).

² Based on ordinary shares in issue at the period end.

DIRECTORS' REPORT

The Directors of Henderson Group plc present their report for the half year ended 30 June 2009. The Board of Directors approved the financial results for the half year ended 30 June 2009 on 26 August 2009.

Directors

The Directors who served during the half year ended 30 June 2009 and up to the date of this report are shown below.

Rupert Pennant-Rea (Chairman)
Andrew Formica (Chief Executive)
Toby Hiscock (Chief Financial Officer)
Gerald Aherne
Duncan Ferguson
Shirley Garrood (appointed 26 August 2009)
Anthony Hotson (resigned 11 May 2009)
Tim How
Robert Jeens (appointed 29 July 2009)
John Roques

As announced on 16 July 2009, Toby Hiscock will be standing down as an Executive Director and Chief Financial Officer with effect from 1 September 2009. He will be succeeded by Shirley Garrood, who was previously the Chief Operating Officer of the Group. Shirley Garrood and Robert Jeens will stand for election at the 2010 Annual General Meeting.

Business review and results

Henderson Group's results for the half year ended 30 June 2009 are shown in the Interim Condensed Consolidated Income Statement on page 13. A review of the half year ended 30 June 2009 and future developments is covered in the Interim Management Report on pages 4 to 11.

Rounding

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

Directors' declaration in accordance with ASX requirements

In the opinion of the Directors:

- the Interim Condensed Consolidated Financial Statements and accompanying notes set out on pages 13 to 28:
 - 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 2009 and of its performance for the half year ended on that date; and
 - have been prepared in accordance with the Disclosure and Transparency Rules of the FSA which require that the accounting policies and presentation applied to the half yearly 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.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The Directors confirm that to the best of their knowledge:

- the Interim Condensed Consolidated Financial Statements have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting, as adopted by the European Union;
- the Interim Management Report includes a fair review of the information required by Disclosure and Transparency Rule 4.2.7R, being an indication of important events that have occurred during the first six months of the current financial year, and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- the Interim Management Report includes a fair review of the information required by Disclosure and Transparency Rule 4.2.8R, being disclosure of related parties transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or the performance of the Group during that period and of any changes in the related parties transactions described in the last annual report that could have a material effect on the financial position or performance of the Group in the first six months of the current financial year.

Signed in accordance with a resolution of the Directors:

Andrew Formica
Chief Executive

26 August 2009

Toby Hiscock
Chief Financial Officer

26 August 2009

INTERIM MANAGEMENT REPORT

ACQUISITION OF NEW STAR ASSET MANAGEMENT GROUP PLC

The Group completed its acquisition of New Star on 9 April 2009 for a consideration of £94.2m. New Star AUM at completion of the acquisition were £8.1bn, including £4.7bn of higher margin UK retail assets. This acquisition has enhanced Henderson's scale and distribution capability in the UK retail funds market, providing a significant platform for future organic growth. Since completion, we have retained key investment management and distribution staff and stabilised the business. The key metrics of the transaction are meeting or exceeding our assumptions with asset retention comparing favourably to industry norms. New Star's initial contribution to Group earnings for almost three months is included in the Group's 1H09 (the period) results set out below. New Star's contribution to Group earnings is expected to increase in 2H09 with a full period of ownership.

THE GROUP RESULT

The results of the Group continue to comprise:

- the core investment management business, Henderson; and
- the Corporate office (Corporate), responsible for dealing with the requirements of Henderson Group plc being a dual-listed company.

The results of the Group for the six months ended 30 June 2009 are summarised below, with comparatives:

	6 months to 30 June 2009 Unaudited £m	6 months to 30 June 2008 Unaudited £m	12 months to 31 December 2008 Audited £m
Henderson	34.7	60.6	99.8
Corporate	(7.6)	(9.8)	(19.4)
Group recurring profit before intangible amortisation, void property finance charge and tax	27.1	50.8	80.4
Intangible amortisation	(2.9)	-	(0.1)
Void property finance charge	(0.6)	-	-
Group recurring profit before tax	23.6	50.8	80.3
Non-recurring items before tax	(26.5)	(3.8)	(97.3)
Group (loss)/profit before tax	(2.9)	47.0	(17.0)
Taxation on recurring items	(4.7)	(6.7)	(8.6)
Taxation on non-recurring items	7.0	0.9	4.8
Total taxation	2.3	(5.8)	(3.8)
Group (loss)/profit after tax	(0.6)	41.2	(20.8)
Attributable to:			
Equity holders of the parent	(0.6)	41.1	(20.9)
Minority interests	-	0.1	0.1
	(0.6)	41.2	(20.8)
Henderson			
AUM	£53.0bn	£52.6bn	£49.5bn
Cost to income ratio	70.0%	59.8%	63.4%

Group recurring profit before tax, intangible amortisation and void property finance charge in 1H09 was £27.1m, a decrease of £23.7m (47%) on 1H08 (£50.8m). Henderson's profit on the same basis declined 43% to £34.7m in 1H09 (1H08: £60.6m). Corporate made a loss of £7.6m (1H08: £9.8m), comprising Corporate net interest expense of £3.9m, compared to £5.7m in 1H08, and Corporate costs of £3.7m in 1H09, down 10% from £4.1m in 1H08. The reduction in Corporate net interest expense in 1H09 reflects the impact of amortisation of the profit arising on unwinding an interest rate swap on the Corporate debt in December 2008. The reduction in Corporate costs was a function of the cost reduction programme begun in 1H08.

The Group's 1H09 recurring profit before tax includes a £2.8m charge in respect of the amortisation of investment management contracts, £0.1m in respect of computer software amortisation and a £0.6m finance charge in respect of a void property provision. All items, except computer software amortisation, are a consequence of the New Star acquisition. The investment management contracts have been valued on discounted cash flow principles at £86.9m. They will be amortised on a straight-line basis through the Group profit and loss account over their deemed economic lives, approximately eight years. We expect the FY09 charge to be approximately £8.4m. The charge to the profit and loss account which represents the unwind of the discount rate used to value void property is expected to amount to approximately £1.9m in FY09 and will continue thereafter on a declining scale for the duration of the underlying liability, approximately 13 years.

Non-recurring items before tax in 1H09 of £26.5m relate to the integration of New Star. The integration costs mainly relate to staff restructuring, product rationalisation, re-branding of the UK retail business, void property, consolidation of third party administrators and certain other one-off items. We expect to incur non-recurring costs before tax relief of approximately £40m in FY09, entirely relating to the integration of New Star.

The non-recurring items before tax recognised in 1H08 relate to a £2.5m charge in respect of staff retrenchments, a £0.7m charge in respect of the scheme of arrangement implemented in October 2008 and a £0.6m charge for the review of most of the Group's third party administration arrangements.

Group taxation

The corporate income tax charge in 1H09, on recurring profits, was £4.7m, giving an effective tax rate of 19.7% (1H08: 13.3%). This was offset by a tax credit of £7.0m on non-recurring items. The projected effective tax rate on recurring operations for 2009 is less than the UK corporation tax statutory rate of 28%, principally because of the effects of lower tax rates on foreign profits.

HENDERSON RESULT

Henderson is an independent, listed, pure-play investment management business with core competencies in equities, fixed income, property and private equity.

Our goal is to help our clients achieve their investment objectives by delivering to them sustainable, long-term investment performance. We aim to achieve this by:

- attracting and retaining the best managers in their field;
- striving to provide superior risk-adjusted returns to add value for clients;
- working with clients in a collaborative partnership to understand their needs; and
- offering a broad range of high-quality traditional and innovative products to meet our clients' needs.

Our long-term business strategy is to focus on sustainable growth in higher margin products (e.g. retail/wholesale, property and hedge funds), which we deliver by:

- focusing solely on investment management;
- offering a diverse range of high-quality investment products;
- growing organically and by selective partnering or acquisition;
- expanding internationally in Continental Europe, Asia and the US;
- attracting the best managers in their fields who become shareholders in the business; and
- maintaining our financial strength.

We intend to improve the competitive position of each line of our business, as we have done in UK Retail with our recent acquisition of New Star. We will continue to leverage our competitive position in core pan-European markets into other countries. We aim to position each business for strong organic growth.

Summarised income statement – Henderson

	6 months to 30 June 2009 Unaudited £m	6 months to 30 June 2008 Unaudited £m	12 months to 31 December 2008 Audited £m
Management fees (net of commissions payable)	98.2	119.2	221.9
Transaction fees	10.4	8.7	16.5
Performance fees (net of fund manager bonuses)	5.2	15.5	19.4
Total fee income	113.8	143.4	257.8
Investment income	1.7	7.3	14.7
Total income	115.5	150.7	272.5
Operating costs	(79.2)	(89.0)	(170.4)
Depreciation	(1.6)	(1.1)	(2.3)
Total expenses	(80.8)	(90.1)	(172.7)
Henderson recurring profit before intangible amortisation, void property finance charge and tax	34.7	60.6	99.8
Margins on average AUM			
Average AUM (£bn)	49.1	55.2	53.7
Total fee margin (bps)	46.3	51.9	48.0
Management fee margin (bps)	40.0	43.2	41.3
Net margin (bps)	14.1	21.9	18.6

Revenues and fee margins

Total fee income in 1H09 of £113.8m was 21% below 1H08 (£143.4m). Management fee income decreased 18% to £98.2m in 1H09, reflecting lower market levels, with the FTSE 100 index averaging 30% below that in 1H08. Transaction fees increased by 20% to £10.4m in 1H09 (1H08: £8.7m), primarily due to registry fees earned on New Star wholesale funds and advisory fees earned by our Structured Products business. Net performance fees decreased by 66% in 1H09 to £5.2m, with Institutional clients in Listed Assets, Hedge and Property funds being the main fee contributors in the period. With many funds subject to high water marks, our ability to generate performance fees during the market downturn was limited. We anticipate that combined transaction and performance fees will amount to at least £25m in FY09 (FY08: £35.9m).

Lower markets in 1H09 also resulted in a decline in management fee and net margins to 40.0bps (1H08: 43.2bps) and 14.1bps (1H08: 21.9bps) respectively. The total fee margin decreased from 51.9bps in 1H08 to 46.3bps in 1H09, largely due to lower performance fee income.

Assets Under Management

Total AUM at 30 June 2009 were £53.0bn, £3.5bn or 7% above AUM at 31 December 2008. The acquisition of New Star added £8.1bn to AUM at acquisition on 9 April 2009. This figure stood at £8.0bn on 30 June 2009. Net fund outflows of £2.9bn during the period comprised £2.8bn net outflows from Pearl and higher margin net outflows of £0.6bn, partially offset by net inflows into lower margin Institutional of £0.5bn. In addition, there were unfavourable market and foreign exchange rate movements of £1.7bn during the period.

Summary of movements in AUM

	Opening AUM 1 Jan 2009 £bn	New Star take-on £bn	Net flows 1H09 £bn	Market/FX 1H09 £bn	Closing AUM 30 Jun 2009 £bn	Management fees 1H09 £m	Management fees 1H08 £m
Higher margin							
Investment Trusts	2.7	0.1	-	-	2.8	5.4	8.7
Horizon funds	2.3	-	0.3	-	2.6	9.8	15.1
UK Wholesale	3.1	4.7	-	0.3	8.1	22.3	16.7
US Wholesale	2.3	-	(0.1)	0.1	2.3	8.3	13.3
Hedge funds	0.8	0.1	(0.2)	-	0.7	4.7	9.7
Property (UK/Europe)	7.6	0.5	(0.4)	(0.5)	7.2	15.4	18.7
Property (US)	1.7	-	-	(0.4)	1.3	3.2	2.4
Private Equity	1.2	-	-	(0.3)	0.9	5.9	6.3
Structured Products	2.2	-	(0.2)	(0.2)	1.8	1.8	3.8
	23.9	5.4	(0.6)	(1.0)	27.7	76.8	94.7
Lower margin/Pearl	25.6	2.7	(2.3)	(0.7)	25.3	21.4	24.5
Total	49.5	8.1	(2.9)	(1.7)	53.0	98.2	119.2

Investment income

Investment income in 1H09 decreased by £5.6m to £1.7m. This included lower interest income (due to lower interest rates and lower cash balances), nil dividend income from our equity investment in Banco Popolare Gruppo Bancario (BP) which was sold in 1H09 (1H08 dividend: £1.7m) and net losses from seed investment disposals.

Operating costs

Operating costs decreased by 11% to £79.2m in 1H09. The main components are shown in the table below:

	6 months to 30 June 2009 Unaudited £m	6 months to 30 June 2008 Unaudited £m	12 months to 31 December 2008 Audited £m
Operating costs			
- Staff	46.6	60.2	110.7
- Investment administration	10.2	8.2	16.4
- Information Technology (IT)	5.3	4.4	9.2
- Office	7.3	6.1	12.3
- Other	9.8	10.1	21.8
Total operating costs	79.2	89.0	170.4
Cost to income ratio	70.0%	59.8%	63.4%

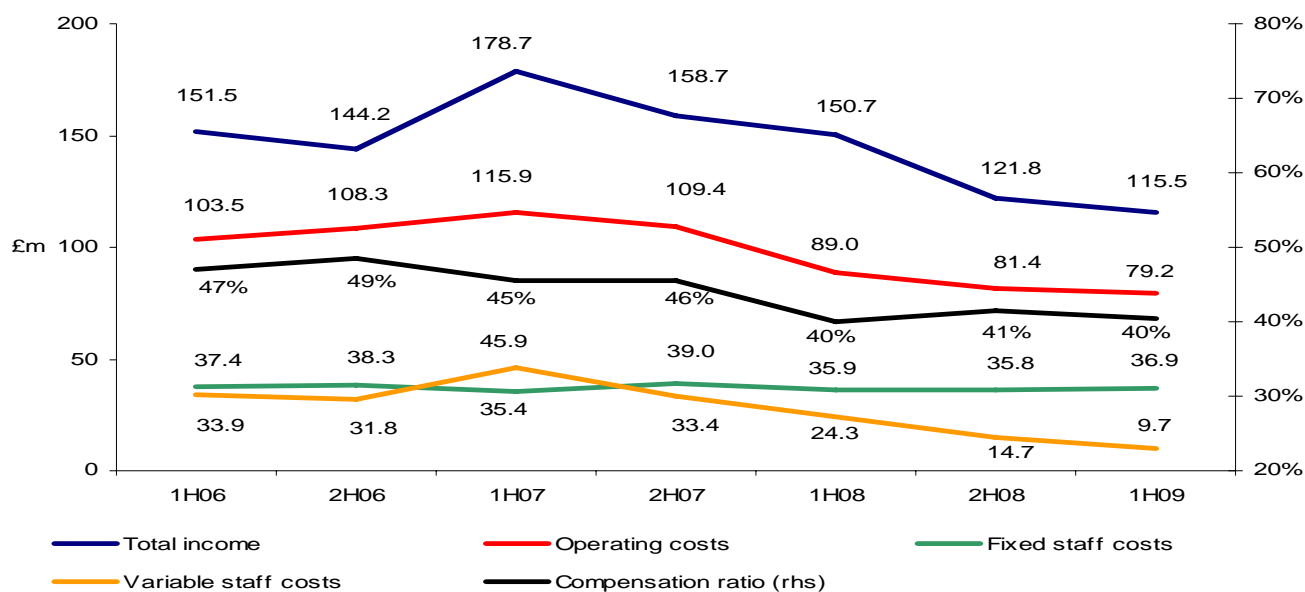
The reduction in operating costs is mainly as a result of the cost reduction programme commenced in 1H08, partly offset by the acquisition and integration of New Star.

Excluding the impact of New Star, operating costs fell 17% from 1H08 to 1H09, due to lower staff costs. Total staff costs were £13.6m lower in 1H09 compared to 1H08. Within this, fixed staff costs increased by £1.0m (including the impact of New Star) and variable staff costs fell by £14.6m.

Investment administration costs increased by £2.0m to £10.2m in 1H09, due to the take-on of New Star funds. IT costs increased by £0.9m to £5.3m in the same period, mostly due to additional support to staff following the acquisition of New Star.

Office costs increased by £1.2m to £7.3m in 1H09, due to the loss of sublet income following the relocation of the Group's London offices to 201 Bishopsgate in November 2008, inflation and adverse currency movements on overseas accommodation.

Cost to income analysis



Overall, the fall in revenues during the period outweighed the reduction in costs, resulting in an increased cost to income ratio¹ from 59.8% in 1H08 to 70.0% in 1H09. However, the compensation ratio (staff costs/total income) remained flat in 1H09 at approximately 40%.

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

Investment performance

Funds at/above benchmark ¹	1 year %	3 years %
Summary:		
Equities	61	68
Fixed Income	78	69
Total Listed Assets	70	69
Property ²	31	57
Total²	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 higher margin²	48	63
Lower margin		
Institutional		
Enhanced index	63	74
Fixed Income	69	59
Balanced/active equity	61	63
Total lower margin	66	65
New Star	10	19

Henderson's three year investment performance is satisfactory, with 69% of Listed Asset Equity and Fixed Income funds achieving or beating their benchmarks. The US Wholesale fund range has maintained its excellent track record with 98% of assets outperforming over one and three years. The Horizon SICAVs have also delivered strong performance, with 75% of assets beating target over one year and 85% over three years. In the Institutional business, 65% of assets have beaten their benchmarks over three years. The UK Wholesale fund range has improved with 65% of assets beating their benchmarks over 1 year.

In Pan-European Property, 2008 IPD Annual Benchmarks were published during 1H09. The final 2008 scores for funds with market or peer group benchmarks were 20% and 49% over one and three years respectively. Whilst UK segregated and pooled funds have generally performed well over both time periods, the overall scores have been adversely impacted by returns from funds with absolute return benchmarks. We expect to see no improvement in 2H09 given current market conditions.

The number of rated³ fund managers remained unchanged at six during 1H09 and the number of rated³ products increased by 77 to 125, including 54 New Star funds. Henderson won a total of 29 investment performance awards during 1H09 (1H08: 17), including the FT Business Pension & Investment Provider Award for Best UK Fixed Income Manager of the year; the Lipper Award (UK) for the Henderson Global Technology Fund as Best fund over 10 years - Equity Sector Information Technology; and the Money Observer Investment Trust Award for the Henderson EuroTrust as Best Investment Trust, European sector.

There has been an improvement in investment performance, in respect of New Star funds, since Henderson took ownership. In the quarter ended 30 June 2009, 41% of these funds achieved or beat their benchmarks.

¹ Asset weighted, of funds measured.

² To 31 December 2008, as UK Property is based on 2008 IPD Annual Benchmarks.

³ Fund manager ratings by Citywire and product ratings by Feri, OBSR, S&P and Morningstar.

Business area focus

Summary

Henderson offers a broad range of products which are sold in the UK, Continental Europe, North America and Asia. We believe this reduces the exposure of our business to individual product lines and enables us to deliver attractive product offerings under different market conditions.

Henderson considers itself to be a single operating unit managed by the Board, with sole discretion for setting the strategic direction of the business. The Executive Review Committee, consisting of the two Executive Directors, and the Senior Management Team, preside over three business teams (Global Listed Assets, Global Property and Global Private Equity). Investment and distribution functions lie within each of these teams, although cross-selling is encouraged. Central operations and other service functions provide common support.

Global Listed Assets

This team comprises circa 380 people, approximately one third of whom are investment professionals located in London, including key investment and distribution professionals retained from New Star. Distribution professionals are centred in the UK (London and regionally within England), Continental Europe (Milan, Paris, Frankfurt, Amsterdam, Luxembourg, Zurich, Madrid), the US, Asia and the Middle East.

The product range consists of Wholesale funds (Horizon SICAVs, UK OEICs and unit trusts and US mutual funds), Hedge funds, Investment Trusts, Institutional segregated and pooled funds, Structured Products and Pearl.

The New Star acquisition added £4.9bn of higher margin funds, including £4.7bn of UK Wholesale funds. UK Wholesale AUM at 30 June 2009 stood at £8.1bn, being 20% of Listed Assets AUM compared to 8% in December 2008. In 1H09, there were net inflows of £0.3bn into our Horizon fund range (reversing the trend of net outflows seen in 2008) and modest outflows from Hedge funds and US mutual funds as we saw some investor confidence return in 2Q09.

During 1H09, we made significant progress integrating New Star funds, people and processes and commenced a marketing campaign for the "HendersonNewStar" brand in the UK. The New Star acquisition has significantly increased our distribution capability in the UK retail market, more than doubling the number of our distribution partners.

Our Listed Assets business is well positioned to capture demand when markets improve and investor confidence returns.

At 30 June 2009, the net pipeline of new clients won but not yet funded was £0.7bn, mainly relating to new fixed interest and cash mandates. At 30 June 2009, Pearl notified withdrawals were £2.3bn; however, they will not have any material impact on future revenues due to the fee compensation arrangements in place with this client.

Global Property

This team comprises circa 190 people, approximately 40% of whom are investment professionals located in the UK (London), the US, Asia and Continental Europe (Amsterdam, Paris, Frankfurt, Vienna and Milan). Distribution professionals are centred in London and Frankfurt. These offices also distribute to other European states, e.g. in Scandinavia.

Global property AUM, comprising UK/Europe and North America institutional client assets (including Pearl) and New Star UK wholesale client assets, fell slightly from £10.0bn to £9.9bn in 1H09. A fall in asset values during 1H09 was largely offset by the take-on of New Star UK wholesale assets.

The product range consists of segregated accounts, pooled property vehicles, specialist vehicles, multi-manager fund of funds and wholesale funds. Property AUM comprise approximately £7.2bn (73%) closed-ended assets, £0.8bn (8%) segregated assets, £0.9bn (9%) open-ended institutional funds and £1.0bn (10%) UK Wholesale assets. Typically, closed-ended funds have three to seven year life spans and client exit is only possible on a matched bargain basis. Prior to the acquisition of New Star, the investor base was entirely Institutional. Following the acquisition of New Star, the Global Property team now also manages £1.0bn of UK Wholesale assets in the form of two retail property fund unit trusts.

Currently, the property sector is witnessing a significant downward shift in market values, investor confidence and transaction activity. Nevertheless, Henderson has acted quickly to capitalise on investor requirements, financing arrangements and deal flow.

During 2H09, we expect to launch two new funds: Deka (Italy), which could add up to £0.2bn (€0.2bn) to AUM; and Central London Office Fund II, which could add up to £0.3bn to AUM.

The pipeline of client committed, but uninvested, capital has recently been reviewed by Management, given prevailing market conditions, and currently amounts to £1.6bn (FY08: £2.0bn). We are selectively investing this pipeline and expect an increase in the pace of investment towards the end of 2009 and into 2010.

We expect the global property market will take some time to recover, but we remain confident in our ability to attract and retain high calibre investors and transact on behalf of them in attractive yielding high-grade properties.

Global Private Equity

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

The product range consists of Infrastructure, Asian Private Equity and Global fund of funds. Asset values fell during the period, primarily due to weaker markets, but also, in the case of infrastructure funds, due to certain portfolio-specific factors, which are currently being addressed by Management.

THE CORPORATE RESULT

Corporate costs

Corporate costs amounted to £3.7m in 1H09 (1H08: £4.1m). These costs included shareholder servicing, finance and secretariat functions, which are not directly attributable to individual business areas. 1H09 costs were lower than 1H08 primarily due to the cost reduction programme begun in 1H08. We expect Corporate costs in 2H09 to remain at a similar level to 1H09 (FY08: £7.7m).

Corporate net interest expense

The Corporate net interest expense of £3.9m in 1H09 reduced by £1.8m, compared to £5.7m in 1H08. This reduction was mainly attributable to the amortisation of profit arising from unwinding an interest rate swap on the Corporate debt with effect from December 2008 (1H09: £1.5m). The remaining profit on the interest rate swap (£8.8m) will be released over the residual term of the debt, which matures on 20 May 2012, reducing Corporate interest expense by circa £3m per annum to that date.

Pension schemes

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

There was a net surplus in the Pension Scheme of £102.7m, before deferred tax provisions, at 30 June 2009 (31 December 2008: £152.5m). The decrease in the Pension Scheme surplus during 1H09 was due to a decrease in AA-rated corporate bond yields, used to value liabilities for accounting purposes, from 6.4% to 6.2% per annum, an increase in the assumption for long-term price inflation from 3.0% to 3.6% per annum, and a weaker performance from the Pension Scheme's asset portfolio.

The liability in respect of the Group's unapproved pension schemes amounted to £4.9m before tax relief at 30 June 2009 (31 December 2008: £4.7m).

The Company is currently in discussions with the Pension Scheme trustee concerning the Pension Scheme's triennial valuation as at 31 December 2008. The results of this valuation will be incorporated into the FY09 Annual Report and Accounts.

The staff pension arrangement at New Star was a money purchase scheme. The principal employer of the New Star Pension Scheme (NS Scheme), New Star Asset Management Holdings Limited, gave formal notice to the trustees of its intention to wind up the NS Scheme on 13 May 2009. The final employer contribution to the NS Scheme was paid in July 2009. The members left in the NS Scheme are deferred pensioners, who will be dealt with under the NS Scheme wind-up process, or leavers with less than two years' service, who are being dealt with under the normal leaving process by the NS Scheme administrators, Hymans Robertson.

Regulatory requirements

Following the acquisition of New Star, a new waiver from consolidated supervision under section 8.4.11R of the new Prudential Sourcebook for Banks, Building Societies and Investment Firms was granted by the FSA to Henderson Group in April 2009, valid for five years. With this new waiver in place, the regulatory surplus of the Group under the parent financial holding company test amounted to £327m at 30 June 2009 (31 December 2008: £299m).

Dividends

The Board has declared an interim dividend of 1.85 pence per share, the same as the interim dividend paid for 2008. It has made this decision in light of the improving outlook for markets, the continued underlying strength of the business and progress in generating new assets from clients. The Board will make a decision on the final dividend for 2009 in February next year.

Outlook

Although markets have recently improved, they are still well below the levels of 2007 and 2008 and, therefore, 2009 will be more challenging for earnings. However, we should benefit from a full period of ownership of New Star in the second half of 2009 and also the growing interest of clients in our products that we have seen of late. In addition, our competitive long-term investment performance, diversity of revenues, and active cost management should provide some support.

We remain committed to providing clients with higher value-add investment products in all market conditions. Our future focus continues to be on generating profitable organic growth, but where we see other opportunities, at attractive prices, to extend our product offering and build market share, we will seek to take advantage of them.

Principal risks

The principal risks and uncertainties facing the Group comprise financial, investment performance and operational risks. Financial risks include price, interest rate, liquidity, foreign currency and credit risks. The Group has established a framework to manage the risks of its business to standards appropriate for a listed company.

The Board has overall responsibility for the Group's system of internal control and for reviewing its effectiveness. The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and can provide only reasonable, and not absolute, assurance against material misstatement or loss. The Board considers risk assessment and the existence of effective controls to be fundamental to achieving its corporate objectives within an acceptable risk and reward profile. The effectiveness of the Group's system of internal control is reviewed at least annually by the Board in order to safeguard the Group's assets as well as clients' and shareholders' investments.

The principal risks to which the Group will be exposed in the second half of 2009 are substantially the same as those above and as discussed in the Annual Report and Accounts for the year ended 31 December 2008.

Forward-looking statements

This announcement contains forward-looking statements with respect to the financial condition, results and business of the 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. The Group's actual future results may differ materially from the results expressed or implied in these forward-looking statements. Nothing in this announcement should be construed as a profit forecast.

INDEPENDENT REVIEW REPORT TO HENDERSON GROUP PLC

Introduction

We have been engaged by Henderson Group plc (the Company) to review the condensed set of financial statements in the half yearly financial report for the six months ended 30 June 2009 which comprises the Interim Condensed Consolidated Income Statement, Interim Condensed Consolidated Statement of Comprehensive Income, Interim Condensed Consolidated Statement of Financial Position, Interim Condensed Consolidated Statement of Changes in Equity, Interim Condensed Consolidated Statement of Cash Flows and the notes to the Interim Condensed Consolidated Financial Statements from pages 13 to 28. We have read the other information contained in the half yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the Company in accordance with guidance contained in International Standard on Review Engagements (ISRE) 2410 (UK and Ireland), "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. 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 half yearly financial report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the half yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

As disclosed in note 1, the annual financial statements of the Group are prepared in accordance with International Financial Reporting Standards as adopted by the European Union. The condensed set of financial statements included in this half yearly financial report has been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting as adopted by the European Union.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half yearly financial report based on our review.

Review work performed

We conducted our review in accordance with ISRE 2410 (UK and Ireland), "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and therefore does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Review conclusion

On the basis of our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half yearly financial report for the six months ended 30 June 2009 is not prepared, in all material respects, in accordance with International Accounting Standard 34 Interim Financial Reporting as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

Ernst & Young LLP

London

26 August 2009

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT
For the half year ended 30 June 2009

		6 months to 30 June 2009	6 months to 30 June 2008	12 months to 31 December 2008
	Notes	Unaudited £m	Unaudited £m	Audited £m
Income				
Gross fee income and commission receivable on sales		148.5	182.6	325.4
Finance income		2.1	8.0	15.3
		150.6	190.6	340.7
Commissions and fees payable against income		(34.6)	(39.3)	(67.6)
		116.0	151.3	273.1
Expenses				
Operating costs		(82.9)	(93.1)	(178.1)
Finance costs		(4.4)	(6.3)	(12.3)
Other charges		(1.6)	(1.1)	(2.3)
		(88.9)	(100.5)	(192.7)
Recurring profit before intangible amortisation, void property finance charge and tax				
		27.1	50.8	80.4
Intangible amortisation		(2.9)	-	(0.1)
Void property finance charge		(0.6)	-	-
Recurring profit before tax		23.6	50.8	80.3
Non-recurring items before tax	5	(26.5)	(3.8)	(97.3)
(Loss)/profit before tax		(2.9)	47.0	(17.0)
Taxation	6	2.3	(5.8)	(3.8)
(Loss)/profit after tax		(0.6)	41.2	(20.8)
Attributable to:				
Equity holders of the parent		(0.6)	41.1	(20.9)
Minority interests		-	0.1	0.1
		(0.6)	41.2	(20.8)
Dividends				
Dividends declared and charged to equity in the period	7	33.6	30.2	42.9
Dividends declared post balance sheet date	7	15.3	-	-
Earnings per share				
Basic earnings per share before intangible amortisation, void property finance charge and non-recurring items	8.2.2	2.9p	6.7p	10.8p
Basic earnings per share after intangible amortisation, void property finance charge and non-recurring items	8.3.2	(0.1)p	6.3p	(3.2)p
Diluted earnings per share before intangible amortisation, void property finance charge and non-recurring items	8.2.2	2.7p	6.2p	10.0p
Diluted earnings per share after intangible amortisation, void property finance charge and non-recurring items	8.3.2	(0.1)p	5.8p	(3.2)p

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the half year ended 30 June 2009

	6 months to 30 June 2009 Unaudited £m	6 months to 30 June 2008 Unaudited £m	12 months to 31 December 2008 Audited £m
Exchange differences on translation of foreign operations	(2.1)	0.3	8.5
Exchange differences on translation of available-for-sale financial assets	(2.9)	0.8	4.5
Translation reserve transfer on sale of available-for-sale financial assets	(1.1)	-	-
Revaluation reserve transfer on sale of available-for-sale financial assets	5.6	(0.3)	9.1
Revaluation reserve transfer on impairment of available-for-sale financial assets	-	-	67.2
Losses on revaluation of available-for-sale financial assets	(7.4)	(18.0)	(62.2)
Actuarial (losses)/gains on pension schemes	(52.7)	3.6	65.0
Tax credit/(charge) on other comprehensive income	14.7	(0.5)	(15.9)
Other comprehensive (expense)/income	(45.9)	(14.1)	76.2
(Loss)/profit after tax	(0.6)	41.2	(20.8)
Total comprehensive (expense)/income net of tax	(46.5)	27.1	55.4
Attributable to:			
Equity holders of the parent	(46.5)	27.0	55.3
Minority interests	-	0.1	0.1
	(46.5)	27.1	55.4

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 30 June 2009

	Notes	30 June 2009 Unaudited £m	30 June 2008 Unaudited £m	31 December 2008 Audited £m
Non-current assets				
Intangible assets	9	371.9	224.3	226.1
Investments accounted for using the equity method		6.1	3.8	6.6
Plant and equipment		23.9	5.0	22.6
Retirement benefit assets	10.1	102.7	69.3	152.5
Deferred tax asset		12.4	6.4	5.4
Deferred acquisition and commission costs		20.9	14.6	17.0
		537.9	323.4	430.2
Current assets				
Available-for-sale financial assets		37.3	113.3	75.9
Financial assets at fair value through profit or loss		0.7	0.1	0.4
Trade and other receivables		82.8	85.2	60.2
Deferred acquisition and commission costs		19.1	16.9	17.9
Cash and cash equivalents		92.9	157.4	152.1
		232.8	372.9	306.5
OEIC/unit trust debtors	11	155.7	890.7	52.6
		388.5	1,263.6	359.1
Total assets		926.4	1,587.0	789.3
Non-current liabilities				
Debt instrument in issue	12	183.3	172.8	184.5
Retirement benefit obligations	10.2	4.9	5.5	4.7
Provisions	13	37.7	23.4	20.1
Deferred tax liabilities		62.2	19.7	44.7
Deferred income		18.6	14.2	15.7
		306.7	235.6	269.7
Current liabilities				
Trade and other payables		133.8	116.3	124.3
Provisions	13	14.5	3.8	7.7
Deferred income		19.9	17.6	17.0
Current tax liabilities		11.5	41.3	24.3
		179.7	179.0	173.3
OEIC/unit trust creditors	11	156.2	901.0	53.2
		335.9	1,080.0	226.5
Total liabilities		642.6	1,315.6	496.2
Net assets		283.8	271.4	293.1
Capital and reserves				
Share capital		103.1	90.7	90.7
Share premium		250.5	195.0	195.1
Treasury shares		-	(6.7)	-
Own shares held		(49.9)	(70.7)	(74.2)
Translation reserve		5.1	(0.7)	11.2
Revaluation reserve		(4.0)	(34.6)	(2.2)
Profit and loss account		(21.3)	98.1	72.2
Minority interests		0.3	0.3	0.3
Total equity		283.8	271.4	293.1

Approved by the Board of Directors on 26 August 2009.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the half year ended 30 June 2009

	Share capital £m	Share premium £m	Treasury shares £m	Own shares held £m	Translation reserve £m	Revaluation reserve £m	Profit and loss account £m	Minority interests £m	Total equity £m
At 1 January 2008	90.6	194.6	(6.7)	(85.5)	(1.8)	(16.3)	99.0	0.2	274.1
Total comprehensive income net of tax	-	-	-	-	1.1	(18.3)	44.2	0.1	27.1
Dividends paid to equity shareholders	-	-	-	-	-	-	(30.2)	-	(30.2)
Purchase of own shares	-	-	-	(12.8)	-	-	-	-	(12.8)
Vesting of share schemes	-	-	-	27.6	-	-	(27.6)	-	-
Issue of shares for Sharesave scheme (SAYE)	-	0.2	-	-	-	-	-	-	0.2
Issue of shares for Buy As You Earn Share Plan (BAYE)	0.1	0.2	-	-	-	-	(0.3)	-	-
Movement in equity-settled share scheme expenses	-	-	-	-	-	-	13.0	-	13.0
At 30 June 2008	90.7	195.0	(6.7)	(70.7)	(0.7)	(34.6)	98.1	0.3	271.4
Total comprehensive income net of tax	-	-	-	-	11.9	32.4	(16.0)	-	28.3
Dividends paid to equity shareholders	-	-	-	-	-	-	(12.7)	-	(12.7)
Purchase of own shares	-	-	-	(3.4)	-	-	-	-	(3.4)
Transfer of treasury shares	-	-	6.7	(6.7)	-	-	-	-	-
Vesting of share schemes	-	-	-	6.6	-	-	(6.6)	-	-
Issue of shares for BAYE	-	0.1	-	-	-	-	(0.1)	-	-
Movement in equity-settled share scheme expenses	-	-	-	-	-	-	9.5	-	9.5
At 31 December 2008	90.7	195.1	-	(74.2)	11.2	(2.2)	72.2	0.3	293.1
Total comprehensive expense net of tax	-	-	-	-	(6.1)	(1.8)	(38.6)	-	(46.5)
Dividends paid to equity shareholders	-	-	-	-	-	-	(33.6)	-	(33.6)
Purchase of own shares	-	-	-	(5.3)	-	-	-	-	(5.3)
Vesting of share schemes	-	-	-	29.6	-	-	(29.6)	-	-
Share placing	9.1	38.0	-	-	-	-	-	-	47.1
Share issue costs	-	(1.3)	-	-	-	-	-	-	(1.3)
Shares issued on acquisition of New Star	3.2	18.0	-	-	-	-	-	-	21.2
Issue of shares for SAYE	0.1	0.4	-	-	-	-	-	-	0.5
Issue of shares for BAYE	-	0.3	-	-	-	-	(0.3)	-	-
Movement in equity-settled share scheme expenses	-	-	-	-	-	-	8.6	-	8.6
At 30 June 2009	103.1	250.5	-	(49.9)	5.1	(4.0)	(21.3)	0.3	283.8

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the half year ended 30 June 2009

	6 months to 30 June 2009	6 months to 30 June 2008	12 months to 31 December 2008
	Unaudited	Unaudited	Audited
	£m	£m	£m
(Loss)/profit before tax	(2.9)	47.0	(17.0)
Adjustments to reconcile (loss)/profit before tax to net cash flows from operating activities:			
- depreciation of plant and equipment	1.6	1.1	2.3
- amortisation of intangibles	2.9	-	0.1
- net loss on disposal of plant and equipment	-	-	2.3
- share-based payments	8.6	13.0	22.5
- net deferred acquisition and commission costs and deferred income amortisation	(1.4)	(0.4)	(0.1)
- impairment of available-for-sale financial assets	-	-	67.2
- loss/(gain) on disposal of available-for-sale financial assets	1.7	(0.1)	4.9
- defined benefit service credit	(0.1)	(0.1)	(0.2)
- contributions to the Henderson Group Pension Scheme	(2.6)	(3.0)	(25.5)
- share of profit of associates and joint ventures	(0.4)	(1.0)	(2.6)
- movement in minority interests	-	0.1	0.1
- profit on unwinding an interest rate swap on Corporate debt	-	-	(1.5)
- debt instrument interest expense	4.4	6.3	12.3
- void property finance charge	0.6	-	-
Cash flows from operating activities before changes in operating assets and liabilities	12.4	66.0	64.8
Changes in operating assets and liabilities	(42.8)	(81.2)	(77.2)
Tax paid	(0.1)	(2.2)	(8.0)
Net cash flows from operating activities	(30.5)	(20.5)	(20.4)
Cash flows from investing activities			
Acquisition of subsidiaries, net of cash acquired	(52.9)	-	-
Proceeds from sale of available-for-sale financial assets	29.8	2.7	30.1
Dividends from associates and distributions from joint ventures	0.7	1.4	1.4
Purchases of:			
- plant and equipment and intangible assets	(2.3)	(0.5)	(22.3)
- debt or equity instruments and investments in associates and joint ventures	(3.0)	(25.5)	(33.1)
Net cash flows from investing activities	(27.7)	(21.9)	(23.9)
Cash flows from financing activities			
Proceeds from issue of shares or other equity instruments	46.3	0.2	0.2
Purchase of own shares	(5.3)	(12.8)	(16.2)
Dividends paid to equity shareholders	(33.6)	(30.2)	(42.9)
Proceeds from unwinding an interest rate swap on Corporate debt	-	-	11.4
Interest paid on long-term borrowings	(5.7)	(6.2)	(12.2)
Net cash flows from financing activities	1.7	(49.0)	(59.7)
Effects of exchange rate changes	(2.7)	0.8	8.1
Net decrease in cash and cash equivalents	(59.2)	(90.6)	(95.9)
Cash and cash equivalents at beginning of period	152.1	248.0	248.0
Cash and cash equivalents at end of period	92.9	157.4	152.1

Notes to the Interim Condensed Consolidated Financial Statements

1 Corporate information

The Company is a public limited company incorporated in Jersey and tax resident in the Republic of Ireland. The Company's ordinary shares are traded on the London Stock Exchange and CHESSE Depository Interests are traded on the Australian Securities Exchange.

The Interim Condensed Consolidated Financial Statements of the Group for the six months ended 30 June 2009 were authorised for issue by the Board of Directors on 26 August 2009.

The results for the six months ended 30 June 2009 and the six months ended 30 June 2008 are unaudited but have been reviewed by the auditors, Ernst & Young LLP. These do not constitute statutory accounts.

The results for the full year ended 31 December 2008 have been taken from the Henderson Group plc Annual Report and Accounts, prepared under International Financial Reporting Standards as adopted by the European Union, for the year ended 31 December 2008. The auditors have reported on the 2008 accounts and their report was unqualified. The Henderson Group plc Annual Report and Accounts for the year ended 31 December 2008 has been filed with the Jersey Financial Services Commission Companies Registry.

2 Basis of preparation and significant accounting policies

Basis of preparation

The Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2009 have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union.

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 Henderson Group plc's Annual Report and Accounts for the year ended 31 December 2008.

The Directors are satisfied that the Company has and will maintain sufficient financial resources to enable it to continue operating in the foreseeable future and, therefore, they continue to adopt the going concern basis in preparing the Interim Report and Accounts.

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 Henderson Group plc's Annual Report and Accounts for the year ended 31 December 2008.

With effect from 1 January 2009, the Group adopted the following new standards and interpretations:

IFRS 2 Share-based Payments – Vesting Conditions and Cancellations

This standard has been amended to clarify the definition of vesting conditions. The amended standard also requires a cancellation of a share-based award, whether by the entity or other parties, to be accounted for as an acceleration or modification of the vesting period. The adoption of this amendment has not had a material impact on the financial performance or position of the Group.

IFRS 7 Financial Instruments: Disclosures

The amended standard requires additional disclosure of fair value measurement and liquidity risk. Fair value measurements are to be disclosed by source of inputs using a three level hierarchy for each class of financial instruments. In addition, a reconciliation between the beginning and ending balances for Level 3 fair value measurements is now required, as well as significant transfers between Level 1 and Level 2 fair value measurements. The amendment also clarifies the requirements for liquidity risk disclosure. The Group will include the additional disclosure on financial instruments in its 2009 Annual Report and Accounts.

IFRS 8 Operating Segments

This standard requires disclosure of information about the Group's operating segments and replaces the requirement to determine primary and secondary reporting segments of the Group. Adoption of this standard did not have an impact on the disclosure in the accounts since the Group continues to regard itself as a single-segment investment management business.

IAS 1 Revised Presentation of Financial Statements

This revised standard introduces the Statement of Comprehensive Income, which presents all items of recognised income and expense, either in one single statement, or in two linked statements. The Group has elected to present two linked statements in the form of an Income Statement and a Statement of Comprehensive Income. The adoption of IAS 1 has also resulted in a change to the name of the 'Balance Sheet' and the 'Cash Flow Statement', which are now referred to as the 'Statement of Financial Position' and the 'Statement of Cash Flows' respectively. IAS 1 also requires the inclusion of a new primary statement, Statement of Changes in Equity.

3 Segmental information

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

Management operates across product lines, distribution channels and geographic regions. All critical business, strategic and financial management decisions are made centrally by the Board, which determines the key performance indicators of the Group. The Board is, therefore, the chief operating decision-maker for the Group. The information used to allocate resources and assess performance is viewed for the Group as a whole. On this basis, the Group considers itself to be a single-segment investment management business.

4 Seasonality of operations

The Group's revenue streams are not generally seasonal in nature, with management fee and investment income accruing evenly during the year. Performance fees are recognised when the prescribed performance hurdles have been achieved and it is probable that the fee will crystallise as a result. The hurdles coincide with the underlying fund year ends which are spread throughout the year.

5 Non-recurring items before tax

The non-recurring items recorded in the consolidated income statement comprise the following:

	6 months to 30 June 2009 Unaudited £m	6 months to 30 June 2008 Unaudited £m	12 months to 31 December 2008 Audited £m
New Star integration costs	(26.5)	-	-
Profit on unwinding an interest rate swap on Corporate debt	-	-	1.5
Loss on part disposal of available-for-sale financial asset	-	-	(8.8)
Impairment of available-for-sale financial assets	-	-	(67.2)
Restructuring costs	-	(2.5)	(15.7)
Scheme of arrangement costs	-	(0.7)	(4.5)
Third party administration review costs	-	(0.6)	(2.6)
	(26.5)	(3.8)	(97.3)

New Star integration costs (1H09)

On 9 April 2009, the Group's acquisition of New Star was completed. An expense of £26.5m before tax was incurred in relation to the integration of New Star during the period. These integration costs mainly relate to staff restructuring, product rationalisation, re-branding of the UK retail business, void property and consolidation of third party administrators.

Profit on unwinding an interest rate swap on Corporate debt (FY08)

An interest rate swap was entered into at the time of the Corporate debt issue in May 2007, to swap the fixed coupon of 6.5% per annum into six month sterling LIBOR plus 85.75bps per annum. The swap was unwound on 9 December 2008 and realised a profit of £1.5m before tax, which was recognised in the consolidated income statement as a non-recurring item. The cumulative fair value adjustment to the debt carrying value, attributable to the hedged interest rate risk up to the date of unwinding, £10.5m, will be credited to the consolidated income statement over the remaining term of the debt, which matures on 20 May 2012.

Loss on part disposal of available-for-sale financial asset (FY08)

During 2H08, the Group disposed of approximately 20% of its investment in BP and realised a loss of £8.8m. Subsequently, in 1H09, the Group disposed of its remaining investment in BP at a marginal profit.

Impairment of available-for-sale financial assets (FY08)

In accordance with IAS 39, two available-for-sale financial assets were impaired during the second half of 2008. The remaining investment in BP, net of the disposal referred to above, was written down to its market value at 31 December 2008. This impairment resulted in a one-off charge to the consolidated income statement of £60.0m. The overall impact on the 2008 consolidated income statement from the Group's holding in BP was a charge of £68.8m.

Similarly, a seed investment in a Henderson structured product was impaired to £nil at the end of last year, resulting in an impairment charge to the consolidated income statement of £7.2m.

Restructuring costs (1H08 and FY08)

A restructure charge of £15.7m before tax relief was recognised in the 2008 consolidated income statement (including £2.5m in 1H08), as a result of headcount and related cost reductions carried out in response to prevailing market conditions.

5 Non-recurring items before tax (continued)**Scheme of arrangement costs (1H08 and FY08)**

The Group undertook a scheme of arrangement during 2008 which involved reorganising the Group into a more tax and financially efficient structure. Costs of approximately £4.5m (including £0.7m in 1H08) were incurred on this project.

Third party administration review costs (1H08 and FY08)

An expense of £2.6m before tax relief (including £0.6m in 1H08) was incurred in connection with a review of most of the Group's third party investment administration arrangements during 2008.

6 Taxation**Tax recognised in the consolidated income statement**

	6 months to 30 June 2009 Unaudited £m	6 months to 30 June 2008 Unaudited £m	12 months to 31 December 2008 Audited £m
Current tax:			
- (credit)/charge for the period	(11.9)	10.4	2.1
- prior period adjustments	0.7	(8.4)	(12.8)
Deferred tax:			
- charge for the period	8.9	3.8	14.5
Total tax (credit)/charge in the consolidated income statement	(2.3)	5.8	3.8

Tax recognised in other comprehensive income

	6 months to 30 June 2009 Unaudited £m	6 months to 30 June 2008 Unaudited £m	12 months to 31 December 2008 Audited £m
Deferred tax (credit)/charge to other comprehensive income	(14.7)	0.5	15.9
Total tax (credit)/charge to other comprehensive income	(14.7)	0.5	15.9

Reconciliation of the (loss)/profit before tax to the tax (credit)/charge

The (loss)/profit before tax in the consolidated income statement can be reconciled to the tax (credit)/charge for the period as follows:

	6 months to 30 June 2009 Unaudited £m	6 months to 30 June 2008 Unaudited £m	12 months to 31 December 2008 Audited £m
(Loss)/profit before tax	(2.9)	47.0	(17.0)
Tax (credit)/charge at the UK corporation tax rate of 28% (1H08: 29% pro-rata, FY08: 28.5% pro-rata)	(0.8)	13.6	(4.8)
<i>Factors affecting the tax (credit)/charge:</i>			
Non-allowable losses in respect of the investment in BP	-	-	19.6
Other disallowable expenditure and non-taxable income	1.5	2.5	4.7
Adjustment in respect of prior periods	0.7	(8.4)	(12.8)
Differences in effective tax rates on overseas earnings	(3.7)	0.5	0.4
Recognition of previously unrecognised temporary differences	-	(2.4)	(2.4)
Changes in applicable statutory tax rates	-	-	(0.3)
Utilisation of previously unrecognised tax losses	-	-	(0.2)
Other items	-	-	(0.4)
Total tax (credit)/charge in the consolidated income statement	(2.3)	5.8	3.8

7 Dividends

	6 months to 30 June 2009 Unaudited £m	6 months to 30 June 2008 Unaudited £m	12 months to 31 December 2008 Audited £m
Dividends on ordinary shares declared and paid during the period:			
Final dividend in respect of 2008 profits: 4.25 pence per share paid in 1H09	33.6	-	-
Interim dividend in respect of 1H08 profits: 1.85 pence per share paid in 2H08	-	-	12.7
Final dividend in respect of 2007 profits: 4.44 pence per share paid in 1H08	-	30.2	30.2
Total dividends paid	33.6	30.2	42.9
Dividends on ordinary shares declared post balance sheet date:			
Interim dividend in respect of 1H09 profits: 1.85 pence per share payable in 2H09	15.3	-	-

An interim dividend of £15.3m (1.85 pence per share) was declared by the Board of Directors on 26 August 2009. This will be payable on 25 September 2009, to shareholders on the register on 4 September 2009.

The difference of £0.3m between the 2H08 dividend declared in the 2008 Annual Report and Accounts of £33.9m and the dividend paid on 29 May 2009 of £33.6m represents a decrease of £1.4m due to the dividends waived by employee benefit trusts on Henderson Group plc shares held in trust on behalf of Group employees, offset by an increase of £1.1m due to the higher number of shares in issue at the record date as a result of the shares issued in consideration for the acquisition of New Star.

8 Earnings per share**8.1 Weighted average number of shares**

The weighted average number of shares for the purpose of calculating earnings per share is as follows:

	6 months to 30 June 2009 Unaudited millions	6 months to 30 June 2008 Unaudited millions	12 months to 31 December 2008 Audited millions
Issued share capital	795.2	724.7	725.0
Less: treasury shares	-	(5.0)	(3.7)
Less: own shares (unconditional awards)	(51.3)	(53.0)	(53.6)
Less: own shares (conditional awards)	(4.9)	(8.9)	(7.1)
Weighted average number of ordinary shares for the purpose of basic earnings per share	739.0	657.8	660.6
Add back: own shares (unconditional awards)	51.3	53.0	53.6
Add: dilutive potential of share options	1.1	0.9	0.8
Weighted average number of ordinary shares for the purpose of diluted earnings per share	791.4	711.7	715.0

The difference between the weighted average number of shares used in the basic earnings per share and the diluted earnings per share calculations reflects the dilutive impact of unconditional awards and share options.

As the earnings after intangible amortisation, void property finance charge and non-recurring items in 1H09 and FY08 are negative, the own share (unconditional awards) and share options give rise to an anti-dilutive effect. These were therefore excluded from the number of shares used in calculating the diluted earnings per share after intangible amortisation, void property finance charge and non-recurring items for 1H09 and FY08.

8 Earnings per share (continued)

8.2 Earnings per share after tax and before intangible amortisation, void property finance charge and non-recurring items

8.2.1 Earnings

	6 months to 30 June 2009 Unaudited £m	6 months to 30 June 2008 Unaudited £m	12 months to 31 December 2008 Audited £m
(Loss)/profit after tax attributable to equity holders of the parent	(0.6)	41.1	(20.9)
Add back: non-recurring items adjusted for tax	19.5	2.9	92.5
Add back: intangible amortisation and void property finance charge adjusted for tax	2.5	-	0.1
Profit after tax and before intangible amortisation, void property finance charge and non-recurring items for the purpose of basic and diluted earnings per share	21.4	44.0	71.7

8.2.2 Earnings per share

	6 months to 30 June 2009 Unaudited pence	6 months to 30 June 2008 Unaudited pence	12 months to 31 December 2008 Audited pence
Basic	2.9	6.7	10.8
Diluted	2.7	6.2	10.0

8.3 Earnings per share after tax, intangible amortisation, void property finance charge and non-recurring items

8.3.1 Earnings

	6 months to 30 June 2009 Unaudited £m	6 months to 30 June 2008 Unaudited £m	12 months to 31 December 2008 Audited £m
(Loss)/profit after tax for the purpose of basic and diluted earnings per share	(0.6)	41.1	(20.9)

8.3.2 Earnings per share

	6 months to 30 June 2009 Unaudited pence	6 months to 30 June 2008 Unaudited pence	12 months to 31 December 2008 Audited pence
Basic	(0.1)	6.3	(3.2)
Diluted	(0.1)	5.8	(3.2)

9 Intangible assets

Intangible assets are made up as follows:

	Goodwill £m	Investment management contracts £m	Computer software £m	Total £m
Cost				
At 1 January 2008 and 30 June 2008	226.4	-	-	226.4
Additions	-	-	1.9	1.9
At 31 December 2008	226.4	-	1.9	228.3
Assets arising on business combinations	61.4	86.9	-	148.3
Additions	-	-	0.4	0.4
At 30 June 2009	287.8	86.9	2.3	377.0
Amortisation and impairment losses				
At 1 January 2008 and 30 June 2008	(2.1)	-	-	(2.1)
Amortisation charge during the period	-	-	(0.1)	(0.1)
At 31 December 2008	(2.1)	-	(0.1)	(2.2)
Amortisation charge during the period	-	(2.8)	(0.1)	(2.9)
At 30 June 2009	(2.1)	(2.8)	(0.2)	(5.1)
Carrying value at 30 June 2008	224.3	-	-	224.3
Carrying value at 31 December 2008	224.3	-	1.8	226.1
Carrying value at 30 June 2009	285.7	84.1	2.1	371.9

On 9 April 2009, the Group acquired 100% of the share capital of New Star. This acquisition gave rise to additional goodwill and the recognition of an asset relating to New Star investment management contracts. The Directors have reviewed the total goodwill figure as at 30 June 2009 for indicators of impairment and are satisfied that there are none. The investment management contracts will be amortised over a period of seven years and nine months. See also note 15 for details of the financial effects of the New Star acquisition.

10 Retirement benefits

The retirement benefit assets and obligations recognised in the consolidated statement of financial position are as follows:

10.1 Retirement benefit assets

	30 June 2009 Unaudited £m	30 June 2008 Unaudited £m	31 December 2008 Audited £m
Henderson Group Pension Scheme	102.7	69.3	152.5

The asset in respect of the Pension Scheme, before deferred tax provisions, was £102.7m at 30 June 2009. The decrease in the Pension Scheme surplus of £49.8m during 1H09 is primarily due to an actuarial loss of £52.7m. This actuarial loss results from:

- a decrease in the market value of and return on Pension Scheme assets;
- a decrease in the AA Corporate Bond rate at which liabilities are valued for accounting purposes, from 6.4% per annum at 31 December 2008 to 6.2% per annum at 30 June 2009; and
- the effect on liabilities of an increase in the long-term inflation rate from 3.0% per annum at 31 December 2008 to 3.6% per annum at 30 June 2009.

10.2 Retirement benefit obligations

	30 June 2009 Unaudited £m	30 June 2008 Unaudited £m	31 December 2008 Audited £m
Henderson Group unapproved pension schemes	4.9	5.5	4.7

The net liability in respect of the Group's unapproved retirement benefit obligations was £4.9m at 30 June 2009. The increase in the liability of £0.2m during 1H09 was due to the service cost of these schemes.

10.3 Retirement benefit expense

The pension expense recognised in the consolidated income statement comprises the following:

	6 months to 30 June 2009 Unaudited £m	6 months to 30 June 2008 Unaudited £m	12 months to 31 December 2008 Audited £m
Final Salary Scheme	(0.3)	(0.4)	(0.8)
Money Purchase Scheme	2.3	2.5	4.5
Henderson Group unapproved pension schemes	0.2	0.3	0.6
Recurring service cost	2.2	2.4	4.3

10.4 Contributions to the Pension Scheme - (Final Salary Scheme)

	6 months to 30 June 2009 Unaudited £m	6 months to 30 June 2008 Unaudited £m	12 months to 31 December 2008 Audited £m
Henderson Group Pension Scheme – normal contributions	2.6	3.0	5.5
Henderson Group Pension Scheme – special contributions	-	-	20.0
	2.6	3.0	25.5

11 OEIC/unit trust debtors and creditors

	30 June 2009	30 June 2008	31 December 2008
	Unaudited	Unaudited	Audited
	£m	£m	£m
OEIC/unit trust debtors	155.7	890.7	52.6
OEIC/unit trust creditors	(156.2)	(901.0)	(53.2)
OEIC/unit trust net creditors	(0.5)	(10.3)	(0.6)

The increase in OEIC and unit trust balances at 30 June 2009 compared to 31 December 2008 is primarily due to the acquisition of New Star. The large OEIC and unit trust balances at 30 June 2008 were due to certain significant client deals processed on 25 June 2008 which settled on 1 July 2008.

While the receivable and payable balances are connected, they are held with different legal counterparties to the trades and, therefore, the consolidated statement of financial position has been grossed up accordingly.

12 Debt instrument in issue

	30 June 2009	30 June 2008	31 December 2008
	Unaudited	Unaudited	Audited
	£m	£m	£m
Carrying value	183.3	172.8	184.5
Fair value	149.0	160.1	126.0

The debt instrument in issue represents £175m senior, unrated, fixed rate notes listed on the London Stock Exchange. The debt instrument is unsecured, repayable in full on 20 May 2012 and bears interest at a fixed rate of 6.5% per annum payable every six months.

The Group swapped the fixed interest coupon into a floating rate on issue of the debt. The swap was unwound on 9 December 2008. The cumulative fair value adjustment to the debt carrying value, attributable to the hedged interest rate risk up to the date of unwinding the swap, £10.5m, will be credited to the consolidated income statement over the remaining term of the debt, which matures on 20 May 2012. During 1H09, £1.5m (FY08: £0.2m) was credited to finance costs in the consolidated income statement.

The fair value of the debt instrument at the balance sheet date was £149.0m, which reflects a narrowing of spreads in the market since 31 December 2008.

13 Provisions

	Restructure £m	Product mis-selling £m	Void properties £m	Staff related £m	Other £m	Total £m
As at 1 January 2009	3.7	6.9	-	-	17.2	27.8
Acquisition through business combinations	-	-	21.0	10.2	-	31.2
Additions	-	-	3.6	-	-	3.6
Utilisation	(0.3)	(0.1)	(2.3)	(5.5)	-	(8.2)
Released	-	-	-	-	(1.8)	(1.8)
Foreign exchange	(0.4)	-	-	-	-	(0.4)
As at 30 June 2009	3.0	6.8	22.3	4.7	15.4	52.2
Non-current	-	4.5	16.2	1.6	15.4	37.7
Current	3.0	2.3	6.1	3.1	-	14.5
	3.0	6.8	22.3	4.7	15.4	52.2

Restructure

The balance brought forward at 1 January 2009 of £3.7m was in respect of business restructuring, of which £0.3m had been utilised by 30 June 2009. There was also a foreign exchange adjustment to this provision during the period of £0.4m.

Product mis-selling

The product mis-selling provision relates to alleged inappropriate advice given to certain investors by Towry Law International prior to the Group's ownership. The £0.1m utilisation of the provision in the period represents the settlement of specific claims and litigation expenses. The remaining balance of £6.8m is being retained for potential further claims arising. See also note 14.

Void properties

The void properties provision reflects the net present value of the excess of lease rentals and other payments on New Star properties that were vacant, or expected to become vacant, on acquisition of New Star, over the amounts to be recovered from subletting these properties. The discounting of the expected cash flows will be unwound during the term of the underlying liabilities (13.5 years) as a void property finance charge to the consolidated income statement. The finance charge in 1H09 amounted to £0.6m.

Staff related

This represents a provision in New Star's closing balance sheet for certain obligations to employee benefit trusts and other staff legacy issues. Just over half of this provision was utilised in the current period.

Other

Other provisions at 30 June 2009 comprise £8.2m for obligations in relation to the disposal of Cogent Investment Operations Limited by the Group in 2002, £6.2m in respect of potential national insurance claims, and £1.0m in respect of long-term staff medical benefits. A £1.8m provision held in connection with VAT rebates due to investment trust clients was released during the period after resolution of this matter with HM Revenue and Customs.

14 Contingent liabilities

The following contingent liabilities existed at 30 June 2009:

- 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 course of managing 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 sale agreement with Pearl Group Limited, tax related warranties and indemnities given by the Group expire up to six years from the disposal date of 13 April 2005; 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 Statement of Financial Position, the Group neither foresees nor has it been notified of any claims under outstanding warranties and indemnities from sale agreements.

15 Business combinations

On 9 April 2009, Henderson Group plc completed its acquisition of 100% of the issued share capital of New Star. The consideration for New Star included cash consideration of £68.1m and equity consideration of £21.7m, being 26,322,572 new ordinary shares at their market price on the London Stock Exchange on the date of issue. Of these shares, 25,774,190 have been issued and 548,382 will be issued on or around 30 September 2009.

The assets and liabilities of New Star at the date of acquisition and subsequent fair value adjustments thereto by the Group were as follows:

	At date of acquisition	Fair value adjustments	Fair value
	£m	£m	£m
Intangible assets	4.1	82.8	86.9
Plant and equipment	4.0	(3.0)	1.0
Deferred tax asset	8.0	-	8.0
Financial assets at fair value through profit or loss	0.3	-	0.3
Trade and other receivables	76.8	0.3	77.1
Current tax asset	0.7	-	0.7
Cash and cash equivalents – unrestricted	29.6	-	29.6
Cash and cash equivalents – restricted	8.7	-	8.7
Debt instrument in issue	(20.0)	-	(20.0)
Provisions	(24.0)	(7.2)	(31.2)
Trade and other payables	(91.6)	(12.4)	(104.0)
Deferred tax on intangible assets	-	(24.3)	(24.3)
Net (liabilities)/assets acquired	(3.4)	36.2	32.8
Goodwill			61.4
Fair value of purchase consideration			94.2
Represented by:			
Cash consideration			68.1
Equity consideration			21.7
Deal costs			4.4
			94.2

The business acquired is now integrated with the Group's existing business and therefore, a separate identification of revenue and results after the acquisition date is impracticable.

The goodwill recognised above is attributable to the expected synergies and other benefits from combining the activities of New Star and those of the Group. The intangible assets represent the fair value of investment management contracts acquired which is being amortised over a period of seven years and nine months.

16 Movements in controlled entities

As a result of the acquisition of New Star, see note 15, the Group gained control of the following entities during the six months ended 30 June 2009:

Name of entity	Date control gained over entity
New Star Administration Services Limited	9 April 2009
New Star Asset Management (Bermuda) Limited	9 April 2009
New Star Asset Management (Guernsey) Limited	9 April 2009
New Star Asset Management Group Holdings Limited	9 April 2009
New Star Asset Management Group PLC	9 April 2009
New Star Asset Management Holdings (Bermuda) Limited	9 April 2009
New Star Asset Management Holdings Limited	9 April 2009
New Star Asset Management Limited	9 April 2009
New Star Asset Management Services Limited	9 April 2009
New Star GP (Bermuda) Limited	9 April 2009
New Star Institutional Managers Holdings Limited	9 April 2009
New Star Institutional Managers Limited	9 April 2009
New Star International Investment Products (Asia) Limited	9 April 2009
New Star International Investment Products Limited	9 April 2009
New Star Investment Funds (Ireland) Limited	9 April 2009
New Star Investment Funds Limited	9 April 2009
New Star Nominees (1) Limited	9 April 2009
New Star Nominees (2) Limited	9 April 2009
New Star Nominees (3) Limited	9 April 2009
New Star Nominees (4) Limited	9 April 2009
New Star Nominees (Multi-Currency Services) Limited	9 April 2009
New Star Property Asset Management Limited	9 April 2009
New Star UK Leveraged Property Asset General Partner Limited	9 April 2009
New Star UK Leveraged Property Nominee 1 Limited	9 April 2009
New Star UK Leveraged Property Nominee 2 Limited	9 April 2009
Worldinvest Management Limited	9 April 2009

The Group has not lost control of any entities during the six months to 30 June 2009.

17 Related parties

Transactions between the Company and its controlled entities, which are related parties, have been eliminated on consolidation.

Disclosures relating to the Henderson Group Pension Scheme are contained within note 10.

There were no transactions with key management personnel during the period.

18 Events after the balance sheet date

Apart from the declaration of the interim dividend, the Board of Directors has not received, as at 26 August 2009, 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 Condensed Consolidated Financial Statements.

GLOSSARY

1H06

Six months ended 30 June 2006

1H07

Six months ended 30 June 2007

1H08

Six months ended 30 June 2008

1H09

Six months ended 30 June 2009

2H06

Six months ended 31 December 2006

2H07

Six months ended 31 December 2007

2H08

Six months ended 31 December 2008

2H09

Six months ending 31 December 2009

2Q09

Three months ended 30 June 2009

FY07

Twelve months ended 31 December 2007

FY08

Twelve months ended 31 December 2008

FY09

Twelve months ending 31 December 2009

ASX

Australian Securities Exchange

AUM

Assets Under Management

BAYE

Buy As You Earn Share Plan

Board

The board of directors of Henderson Group plc

BP

Banco Popolare Gruppo Bancario

bps

Basis points

Company

Henderson Group plc

Corporate or Corporate office

Henderson Group excluding Henderson Global Investors

Cost to income ratio

Henderson expenses divided by Henderson income before intangible amortisation, void property finance charge and non-recurring items

GLOSSARY (continued)

Directors

The directors of Henderson Group plc

EBT

Employee Benefit Trust

FSA

The UK Financial Services Authority

FX

Foreign exchange

Hedge funds

Hedge funds including absolute return funds

Henderson Global Investors or Henderson

Controlled entities of Henderson Group plc carrying out core investment management activities

Henderson Group or Group

Henderson Group plc and its controlled entities

IAS

International Accounting Standard

IFRS

International Financial Reporting Standard

LIBOR

London Interbank Offered Rate

New Star

New Star Asset Management Group PLC

OEIC

Open Ended Investment Company

Pearl

Pearl Group Limited and its subsidiaries

Pension Scheme

The Henderson Group Pension Scheme

SAYE

Sharesave scheme

SICAV

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

Towry Law International

The international division (now closed) of Towry Law plc

Towry Law UK

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

UK or United Kingdom

United Kingdom of Great Britain and Northern Ireland

US

United States of America

VAT

Value Added Tax