



## Interim Management Statement

2 May 2012

Henderson Group plc ('Henderson Group' or 'the Group') is publishing its first Interim Management Statement for 2012 today. The comments below refer to the period from 1 January 2012 to 31 March 2012 ('the period'), unless otherwise stated.

### Key points

- AUM increased by £2.4bn to £66.7bn at 31 March 2012.
- Positive net flows in European retail and Investment Trusts of £291m offset by UK and US retail net outflows of £392m.
- Strong investment performance over one and three years.
- Repayment of £142.6m debt from existing cash resources today.

Commenting on the Interim Management Statement, Andrew Formica, Henderson Group's chief executive said: "Although equity markets are higher than at the beginning of the year, continued market volatility and economic uncertainty during the period have kept investor demand for risk assets subdued. However, I am encouraged that through this period our investment performance has been strong. Whilst we expect markets to remain volatile, I am confident that our product diversity, investment performance and relentless client focus, position us well for the future."

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### AUM by channel

£ million	Opening AUM	Net flows	Market/FX	Closing AUM
	1 Jan 12	1Q12		31 Mar 12
Retail	28,202	(110)	2,273	30,365
Institutional ex Phoenix	29,601	(610)	550	29,541
<b>Total Group ex Phoenix</b>	<b>57,803</b>	<b>(720)</b>	<b>2,823</b>	<b>59,906</b>
Phoenix	6,481	(137)	400	6,744
<b>TOTAL GROUP</b>	<b>64,284</b>	<b>(857)</b>	<b>3,223</b>	<b>66,650</b>

### AUM by asset type

£ million	Opening AUM	Net flows	Market/FX	Closing AUM
	1 Jan 12	1Q12		31 Mar 12
Equities	35,316	(558)	2,834	37,592
Fixed Income	15,513	(310)	402	15,605
Property	12,408	22	21	12,451
Private Equity	1,047	(11)	(34)	1,002
<b>TOTAL GROUP</b>	<b>64,284</b>	<b>(857)</b>	<b>3,223</b>	<b>66,650</b>

### AUM and flows

Total AUM increased by £2.4bn during the period to £66.7bn due to favourable market and FX movements of £3.2bn partially offset by net outflows of £857m.

Net **retail** outflows of £110m, predominantly from the UK OEIC range, were partially offset by net inflows into the European SICAV range.

**Institutional** net outflows, excluding Phoenix, were £610m during the period. These flows have been impacted by clients who continue to rebalance their portfolios in favour of global bond mandates, have participated in pension scheme buy-outs or fund closures as part of the hedge fund rationalisation programme and current weak demand for equity long-short strategies.

**Property** had net inflows of £22m during the period as £136m investment of client commitments was offset by our opportunistic disposals.

**Investment performance**

Henderson's investment performance across asset class and product type is strong. Over one year, 67% and 74% of Equity and Fixed Income funds respectively outperformed, rising to 68% and 100% over three years.

**Gartmore pension fund**

In April 2012, the Trustee of the Gartmore Pension Scheme (the Scheme), a defined benefit pension scheme closed to future service accrual and acquired by the Group as part of the Gartmore acquisition in April 2011, entered into a buy-in insurance agreement with Pension Insurance Corporation that covers the accrued pension of all members of the Scheme. As at 31 December 2011, the Group recognised a surplus for this Scheme, after withholding tax, of £54.1m under the IFRS accounting rules. The cost of the buy-in has been met from the Scheme assets hence no contribution has been made by the Group. It is anticipated that the surplus will reduce to below £10m. However, there will be no material impact on the Group's cash flows, profit and regulatory capital position through this de-risking.

**Balance sheet and debt repayment**

The Group's balance sheet at 31 March 2012 shows total net assets of £808.9m (31 December 2011: £787.4m) including unrestricted cash and cash equivalents of £262.2m (31 December 2011: £264.6m). Today, and as previously disclosed, the Group will repay the outstanding £142.6m 6.5% 2012 Notes from these cash resources.

**Board and Board Committee changes**

As previously announced, Gerry Aherne, who has been on the Board for over seven years as a Director and Chairman of the Remuneration Committee, will stand down today. Tim How will chair the Remuneration Committee, and Duncan Ferguson will join it.

**2012 interim results**

The Group intends to release its 2012 interim results on 14 August 2012.

**Forward-looking statements**

This announcement contains forward-looking statements with respect to the financial condition, results and business of Henderson Group. By their nature, forward-looking statements involve risk and uncertainty because they relate to events, and depend on circumstances, that will occur in the future. Henderson Group's actual future results may differ materially from the results expressed or implied in these forward-looking statements. Nothing in this announcement should be construed as a profit forecast.

### Appendix 1: Number of shares for earnings per share (EPS) calculations<sup>1</sup>

	FY12E
<b>Weighted average</b>	
Issued share capital	1,108.6
Less: own shares held	(66.6)
<b>Weighted average number of ordinary shares for the purpose of basic EPS</b>	<b>1,042.0</b>
Add: dilutive impact of share options and awards <sup>2</sup>	58.8
<b>Weighted average number of ordinary shares for the purpose of diluted EPS</b>	<b>1,100.8</b>

Notes:

<sup>1</sup> This is a full-year weighted average number of shares based on current issued share capital and employee share plans adjusted for expected movements until the end of 2012.

<sup>2</sup> Based on the achievement of performance conditions at 30 March 2012, that all options will be exercised at the earliest opportunity and the dilutive impact calculated versus the Group share price as at 30 March 2012.

## Appendix 2: Detailed fund flows and AUM

£ million	Opening AUM	Net flows	Market/FX	Closing AUM
	1 Jan 12	1Q12		31 Mar 12
<b>INVESTMENT MANAGEMENT</b>				
UK OEICs/Unit Trusts	14,726	(367)	903	15,262
SICAVs	6,167	246	707	7,120
US Mutuals	2,881	(25)	318	3,174
Investment Trusts	3,583	45	344	3,972
<b>Total Retail</b>	<b>27,357</b>	<b>(101)</b>	<b>2,272</b>	<b>29,528</b>
UK OEICs/Unit Trusts	4,320	(251)	87	4,156
SICAVs	280	(11)	68	337
US Mutuals	-	16	2	18
Offshore Absolute Return Funds	2,979	(174)	29	2,834
Investment Trusts	27	(5)	4	26
Managed CDOs	1,036	(49)	5	992
Segregated Mandates	7,982	(53)	362	8,291
Liquidity Funds	459	(103)	2	358
<b>Total Institutional</b>	<b>17,083</b>	<b>(630)</b>	<b>559</b>	<b>17,012</b>
<b>Total Investment Management</b>	<b>44,440</b>	<b>(731)</b>	<b>2,831</b>	<b>46,540</b>
<i>Absolute Return Retail</i>	<i>1,315</i>	<i>(18)</i>	<i>7</i>	<i>1,304</i>
<i>Absolute Return Institutional</i>	<i>3,255</i>	<i>(202)</i>	<i>(1)</i>	<i>3,052</i>
<i>Total Absolute Return</i>	<i>4,570</i>	<i>(220)</i>	<i>6</i>	<i>4,356</i>
<b>PROPERTY</b>				
UK OEICs/Unit Trusts	782	(9)	1	774
<b>Total Retail</b>	<b>782</b>	<b>(9)</b>	<b>1</b>	<b>774</b>
Property Funds	9,513	31	6	9,550
Segregated Mandates	2,113	-	14	2,127
<b>Total Institutional</b>	<b>11,626</b>	<b>31</b>	<b>20</b>	<b>11,677</b>
<b>Total Property</b>	<b>12,408</b>	<b>22</b>	<b>21</b>	<b>12,451</b>
<b>PRIVATE EQUITY</b>				
Investment Trusts	63	-	-	63
<b>Total Retail</b>	<b>63</b>	<b>-</b>	<b>-</b>	<b>63</b>
Private Equity Funds	892	(11)	(29)	852
<b>Total Institutional</b>	<b>892</b>	<b>(11)</b>	<b>(29)</b>	<b>852</b>
<b>Total Private Equity</b>	<b>955</b>	<b>(11)</b>	<b>(29)</b>	<b>915</b>
<b>PHOENIX</b>				
UK OEICs/Unit Trusts	2,832	(39)	161	2,954
Segregated Mandates	3,557	(98)	244	3,703
Private Equity Funds	92	-	(5)	87
<b>Total Phoenix</b>	<b>6,481</b>	<b>(137)</b>	<b>400</b>	<b>6,744</b>
<b>TOTAL GROUP</b>	<b>64,284</b>	<b>(857)</b>	<b>3,223</b>	<b>66,650</b>

## Notes to editors

### About Henderson Group plc

Henderson Group plc ('Henderson Group' or 'Group') is the holding company of the investment management group Henderson Global Investors ('Henderson'). Henderson Group's principal place of business is in London and since December 2003 it has been dual-listed on the London Stock Exchange and Australian Securities Exchange ('ASX'). Henderson Group is a constituent of the FTSE 250 and S&P/ASX 200 indices. Since 31 October 2008, the Group has been incorporated in Jersey and tax-resident in the Republic of Ireland.

Established in 1934, Henderson is a leading independent global asset management firm. The company provides its institutional, retail and high net-worth clients with access to skilled investment professionals representing a broad range of asset classes, including equities, fixed income, property and private equity. Henderson is one of Europe's largest investment managers, with £66.7bn assets under management and employed 1,056 people worldwide (as at 31 March 2012).

### About CHESS Depository Interests

In this announcement, the term "shareholders" refers to all holders of Henderson Group plc shares, including those whose holdings are in the form of CHESS Depository Interests on the Australian Securities Exchange.

CHESS Depository Interests, or CDIs, are a way of allowing securities of foreign companies to be traded on the Australian Securities Exchange. CDIs afford shareholders all the same direct economic benefits as ordinary shares, like the right to dividends and the right to participate in rights offers.

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