2013 Interim Results

8 August 2013

Financial highlights

Amounts in £m unless otherwise stated	6 months to 30 June 2013 Unaudited	6 months to 30 June 2012 Unaudited (Restated)[1]	12 months to 31 December 2012 Audited (Restated)[1]
Underlying profit before tax	**101.1**	82.8	153.0
Intangible amortisation, Gartmore related employee share awards and void property finance charge	**(29.1)**	(33.5)	(64.1)
Recurring profit before tax	**72.0**	49.3	88.9
Non-recurring items	**-**	-	13.8
Profit before tax	**72.0**	49.3	102.7
Tax on recurring profit	**(6.2)**	0.9	(1.0)
Tax on non-recurring items	**-**	-	4.7
Total tax	**(6.2)**	0.9	3.7
Profit after tax	**65.8**	50.2	106.4
Operating margin[2]	**38.8%**	36.2%	35.4%
Assets under management (AUM) at period end	**£67.9bn**	£63.6bn	£65.6bn
Earnings per share (EPS)[3]			
Basic[4]	**8.4p**	7.3p	12.9p
Diluted[5]	**8.0p**	7.0p	12.3p
Ordinary dividend per share	**2.15p**	2.1p	7.15p

1. The results for 2012 have been restated upon the adoption of the amended standard IAS 19 'Employee Benefits'. See notes 2 and 14 of the Interim Condensed Consolidated Financial Statements for further details.
2. Total fee income less operating expenses divided by total fee income.
3. Based on underlying profit after tax attributable to equity holders of the parent.
4. Based on weighted average number of shares in issue less weighted average number of own shares held during the period.
5. Based on weighted average number of shares in issue less weighted average number of own shares held during the period adjusted for the dilutive potential of share options and unconditional awards.

Commenting on the 2013 interim results Chief Executive, Andrew Formica said:

"I am delighted to be reporting a record set of interim results. The strategic initiatives we have made to reposition the Group are having a positive impact and generating momentum across Henderson in terms of both our client and financial performance. The continued strong investment performance on behalf of our clients has in turn translated to an improvement in retail flows, with approximately £600 million of net retail inflows in the first half. Our strong financial position is enabling us to continue to invest in both our investment and distribution capabilities to further our growth. With these solid foundations in place and our strong cash generation and sound balance sheet, I am confident about the outlook for the Group."

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

Key highlights

- Underlying profit before tax of £101.1m, a half year record.
- Positive retail net flows of £587m.
- UK retail net inflows of £154m in second quarter.
- Strong investment performance over three years; 73% of funds meet or exceed benchmarks.
- TIAA Henderson Global Real Estate progressing well to complete next year.
- AUM £67.9bn at 30 June 2013.
- Diluted underlying EPS increases to 8.0p.

Market briefing

Management will present these results on 8 August 2013 at 5.30pm (Sydney time)/8.30am (London 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 5.20pm (Sydney time)/8.20am (London time):

From:	
United Kingdom	0800 694 0257 (free call)
Australia	1800 020 199 (free call)
All other countries	+44 (0) 1452 555 566 (This is not a free call number)
Conference title	Henderson Group, Interim Results Briefing
Conference ID	16984692
Chairperson	Andrew Formica

Replay number from:		
United Kingdom	0800 953 1533	Access code: 16984692#
Australia	1800 613 774	Access code: 16984692#
All other countries	+44 (0) 1452 550 000	Access code: 16984692#
	(Available from 8 August to 15 August 2013)	

Webcast details

You can logon to a webcast of the results briefing which will start at 5.30pm (Sydney time)/8.30am (London time). Go to www.henderson.com/group and click on the relevant link on the homepage. An archive of the webcast will be available shortly after the event.

Further information

www.henderson.com

Investor enquiries
Tony Hockey, Head of Strategy & Investor Relations
+44 (0) 20 7818 3832

Andrea Chen, Deputy Head of Investor Relations
+44 (0) 20 7818 5927 or

investor.relations@henderson.com

Media enquiries
Richard Acworth, Head of Corporate Communications
+44 (0) 20 7818 3010
richard.acworth@henderson.com

Australia: Cannings
Luis Garcia
+61 (0) 2 8284 9910

United Kingdom: Maitland
Peter Ogden
+44 (0) 20 7379 5151

Interim Report and Accounts for the Six Months Ended 30 June 2013

Incorporating the requirements of ASX Appendix 4D
The information contained in this document should be read in conjunction with the Henderson Group plc Annual Report and Accounts for the year ended 31 December 2012 and any public announcements made by Henderson Group plc and its controlled entities (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 interim information required to be provided to the ASX under Listing Rule 4.2A.

CONTENTS

Results for Announcement to the Market

The interim results of Henderson Group plc for announcement to the market are as follows:

	6 months to 30 June 2013 Unaudited £m	6 months to 30 June 2012 Unaudited (Restated) £m	Movement %
Revenue from recurring activities	**373.3**	334.7	11.5
Underlying profit after tax attributable to equity holders of the parent	**88.0**	74.8	17.6
Profit after tax attributable to equity holders of the parent	**65.8**	50.2	31.1

Dividends

On 7 August 2013, the Board of Directors (the Board) declared an interim dividend in respect of the six months ended 30 June 2013 of 2.15 pence per share (1H12: 2.10 pence per share). Henderson Group plc does not offer a dividend reinvestment plan.

A final dividend of 5.05 pence per share was paid on 31 May 2013 in respect of the year ended 31 December 2012.

	Amount per security pence	Franked amount per security pence
2013 interim dividend per share	2.15	-
Record date	30 August 2013	
Payment date	20 September 2013	

Net tangible assets per ordinary share

	30 June 2013 pence	30 June 2012 pence
Net tangible assets per ordinary share	10	-

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

The Interim Condensed Consolidated Financial Statements included within the Interim Report and Accounts have been subject to an independent review by Ernst & Young LLP.

Consolidated Financial Results

	1H13 Unaudited £m	1H12 Unaudited (Restated)[1] £m	FY12 Audited (Restated)[1] £m	FY11 Audited (Restated)[1] £m	FY10 Audited (Restated)[1] £m	FY09 Audited (Restated)[1] £m
Income						
Management fees (net of commissions)	**185.9**	178.8	355.2	360.5	282.5	226.8
Transaction fees	**20.3**	23.3	43.7	51.1	36.8	24.9
Performance fees	**57.5**	22.2	33.9	65.2	42.8	31.6
Total fee income	**263.7**	224.3	432.8	476.8	362.1	283.3
Finance income	**4.3**	9.8	14.1	11.6	5.9	14.1
Total income	**268.0**	234.1	446.9	488.4	368.0	297.4
Expenses						
Fixed employee compensation and benefits	***(50.7)***	*(53.0)*	*(104.9)*	*(104.1)*	*(89.2)*	*(80.8)*
Variable employee compensation and benefits	***(66.1)***	*(38.1)*	*(77.6)*	*(103.3)*	*(77.4)*	*(48.9)*
Employee compensation and benefits	**(116.8)**	(91.1)	(182.5)	(207.4)	(166.6)	(129.7)
Investment administration	**(12.7)**	(14.4)	(25.7)	(28.1)	(23.3)	(22.6)
Information technology	**(7.7)**	(8.0)	(14.4)	(14.0)	(12.7)	(11.5)
Office expenses	**(8.6)**	(9.0)	(16.8)	(16.4)	(16.2)	(16.2)
Depreciation	**(1.4)**	(1.4)	(2.9)	(3.0)	(3.2)	(3.2)
Other expenses	**(14.3)**	(19.1)	(37.3)	(42.3)	(37.0)	(25.2)
Total operating expenses	**(161.5)**	(143.0)	(279.6)	(311.2)	(259.0)	(208.4)
Finance expenses	**(5.4)**	(8.3)	(14.3)	(17.2)	(8.7)	(8.9)
Total expenses	**(166.9)**	(151.3)	(293.9)	(328.4)	(267.7)	(217.3)
Underlying profit before tax	**101.1**	82.8	153.0	160.0	100.3	80.1
Intangible amortisation	**(26.0)**	(26.0)	(52.1)	(41.7)	(11.6)	(8.7)
Gartmore related employee share awards	**(2.5)**	(6.8)	(10.6)	(33.2)	-	-
Void property finance charge	**(0.6)**	(0.7)	(1.4)	(2.1)	(2.1)	(2.0)
Recurring profit before tax	**72.0**	49.3	88.9	83.0	86.6	69.4
Non-recurring items	**-**	-	13.8	(69.2)	(10.5)	(47.5)
Profit before tax	**72.0**	49.3	102.7	13.8	76.1	21.9
Tax on underlying profit	**(13.1)**	(8.0)	(19.5)	(33.6)	(20.6)	(16.3)
Tax on non-operating recurring items	**6.9**	8.9	18.5	19.4	4.5	3.0
Tax on non-recurring items	**-**	-	4.7	16.2	0.6	12.3
Non-recurring tax credit	**-**	-	-	18.9	16.4	-
Total tax	**(6.2)**	0.9	3.7	20.9	0.9	(1.0)
Profit after tax	**65.8**	50.2	106.4	34.7	77.0	20.9
Attributable to:						
Equity holders of the parent	**65.8**	50.2	106.2	34.8	77.5	20.2
Non-controlling interests	**-**	-	0.2	(0.1)	(0.5)	0.7
Operating margin[2] (%)	**38.8**	36.2	35.4	34.7	28.5	26.4
Compensation ratio[3] (%)	**43.6**	38.9	40.8	42.5	45.3	43.6
Average number of full-time employees	**1,006**	1,062	1,062	1,043	941	933
Assets under management (AUM) at period end (£bn)	**67.9**	63.6	65.6	64.3	61.6	58.1
Average AUM for the period (£bn)	**68.8**	65.1	65.0	67.6	58.7	53.0
Total fee margin (bps)	**76.6**	68.9	66.6	70.6	61.7	53.5
Management fee margin (bps)	**54.0**	54.9	54.6	53.3	48.2	42.8
Net margin[4] (bps)	**29.4**	25.4	23.5	23.7	17.1	15.1
Basic and diluted earnings per share (EPS)						
Weighted average number of ordinary shares for basic EPS (m)	**1,050.8**	1,030.0	1,034.0	954.1	788.4	759.3
Weighted average number of ordinary shares for diluted EPS (m)	**1,103.0**	1,074.7	1,082.0	1,012.7	849.2	809.4
Basic on underlying profit[5] (p)	**8.4**	7.3	12.9	13.3	10.2	8.3
Basic (p)	**6.3**	4.9	10.3	3.6	9.8	2.7
Diluted on underlying profit[5] (p)	**8.0**	7.0	12.3	12.5	9.4	7.8
Diluted (p)	**6.0**	4.7	9.8	3.4	9.1	2.5
Dividend per share (p)	**2.15**	2.1	7.15	7.0	6.5	6.1
Investment performance[6]						
Funds at or exceeding benchmark over one year (%)	**70**	61	73	59	70	70
Funds at or exceeding benchmark over three years (%)	**73**	66	69	66	62	64

1. The results for prior periods have been restated upon the adoption of the amended standard IAS 19 'Employee Benefits'. See notes 2 and 14 of the Interim Condensed Consolidated Financial Statements for further details.
2. Total fee income less operating expenses divided by total fee income.
3. Employee compensation and benefits divided by total income.
4. Net margin calculated on underlying profit before tax.
5. Based on underlying profit after tax attributable to equity holders of the parent.
6. Asset weighted of funds measured over one and three years to 30 June 2013.

Business Review

After a challenging 2012, I am pleased to report a record first half underlying profit before tax of £101.1m, helped by performance fees of £57.5m. With the key objective of the Group to deliver strong investment returns for our clients, I am pleased with the sustained strength of our investment performance. Overall, 70% and 73% of our funds are at or exceeding their benchmark or peers over one year and three years respectively, both an improvement from the first half of last year.

Sustained strong investment performance is a good lead indicator of flows and we are beginning to see this in our business, in particular with an improvement in net retail flows, demonstrated by approximately £600m of net inflows in the first half. Importantly, we saw positive UK retail net flows of approximately £150m in the second quarter, driven by flows into Credit Alpha, European Special Situations and the UK Property Unit Trust along with solid flows into the new joint ventures we established last year with Sesame Bankhall Group and Intrinsic Financial Services Limited. In Europe, our SICAVs, particularly European Corporate Bond, Global Property Equities and Global Technology, generated over £400m of net flows in the first half. Our US Mutual fund range experienced near record highs for both gross and net flows in the first half with approximately £300m net inflows with our Henderson Global Equity Income fund receiving particularly strong support from clients and advisers. The increasing penetration of our global distribution teams is a key strategic objective for the Group and therefore it is pleasing to see net inflows in excess of £100m into our retail funds by our Asian team driven by our Asian Dividend and Global Property Securities funds. Offsetting two Investment Trust departures in the first quarter, the Henderson Value Trust transferred to the Group during the second quarter with approximately £140m of AUM. The positive momentum seen in the second quarter across all retail ranges has continued into the third quarter.

Despite institutional net outflows for the first half, outflows in the second quarter slowed and we are encouraged by a strong positive unfunded pipeline, including credit and secured credit mandates, reflecting our strong fixed income performance over many years. At the end of July, funded mandates matched the outflows we saw in the second quarter.

I am encouraged by investors returning to European equities, one of our core areas of strength, after being out of favour last year. Despite the US Federal Reserve's intention to slow quantitative easing, we have experienced less of the anticipated Great Rotation from bonds to equities. Instead, we experienced more of an "Inner Rotation" as certain clients have started to shift from traditional, and currently low yielding, index managed government and corporate bond funds to more diversified, higher return seeking alternatives. We have seen this with improved flows into our Total Return Bond and Multi-Asset Credit funds.

I am equally encouraged by the positive net flows into our Absolute Return funds in the first half. We have seen more interest in equity long/short strategies as sentiment and investment performance improved, as well as strong interest in our credit long short fund – Credit Alpha. We also launched a new fund to capitalise on opportunities in the small cap end of the UK market, with the AlphaGen Volantis Catalyst fund launched in April with over US$50m on first closing.

Regarding our Property business, we announced in June the global real estate alliance with TIAA-CREF, a Fortune 100 company and leading financial services provider headquartered in New York, forming a new £13.0bn global real estate joint venture, TIAA Henderson Global Real Estate, of which the Group will retain a 40% stake. The steps to completion are on track and clients have responded positively to the joint venture. As highlighted earlier in the year, we experienced outflows of approximately £300m due to the winding up of a 10-year old fund, and in the second quarter we saw a client, who worked with us during the financial crisis, realise profits in excess of 50% on their initial investment. These resulted in just under £400m of outflows overall in the first half. These largely one-off reductions in assets should therefore mean that the second half should resume a positive trajectory in terms of new business growth, and we retain a pipeline of approximately £1.0bn of uninvested client commitments.

The Private Equity business remains focused on maximising the value of our existing portfolio companies. Infrastructure is progressing its strategic and business initiatives at John Laing, and our Asian and Fund of Funds businesses continue to perform well.

Our growth initiatives supporting our core strategy have continued to progress during the first half, growing Henderson into a more global business with strengthened investment and distribution capabilities. Adding to the bolt-on acquisitions made last year, we acquired approximately 33% of 90 West Asset Management in April, an Australian-based manager specialising in global natural resources, as part of our strategic growth plans for Australia. Following the hire of the US credit specialist team in the first quarter, we launched our US High Yield Opportunities mutual fund and expect to launch a Global High Yield SICAV fund in the second half of this year.

The Phoenix Group has been a major client since the sale of Pearl in 2005 and operated under a minimum compensation arrangement (MCA) that expires in April 2015. Recognising the strength of the relationship between both organisations, new contractual terms have been agreed which remove the MCA and replaces it with a standard Investment Management Agreement (IMA). The new terms, which apply from 1 January 2013, have been reflected in the first half revenues and the closing run rate management fees on page 8. The new IMA extends the management agreement by a minimum of nine months to the end of 2015, with a rolling two year notice period from 1 January 2014.

Overall, I am optimistic about the business's outlook. We have laid the foundation for growth over the past few years by streamlining and simplifying the business. This has enabled us to focus on our core capabilities in Global and European Equities, Absolute Return, Multi-Asset and Global Fixed Income whilst continuing to deliver strong investment returns and client service. I am pleased with the momentum in the business, the record profits year to date, our strong cash generation and sound balance sheet, all of which allow us to face the future with renewed confidence.

Andrew Formica
Chief Executive

7 August 2013

Financial Review

Financial performance
The Group achieved an underlying profit before tax of £101.1m, an increase compared to 1H12 mainly as a result of increased performance fees being earned. Variable compensation increased compared to 1H12 reflecting the impact of the staff's share of the increased performance fees and an improvement in the performance of the business. The Group maintained its cost control on discretionary spend with non-staff operating costs falling compared to 1H12. The increase in revenues, particularly performance fees, and effective cost control are reflected in an improved operating margin of 38.8% and increased diluted underlying EPS compared to 1H12.

Total income and fee margins
Total income increased to £268.0m, driven principally by an increase in performance fees earned compared to 1H12, particularly in the Offshore Absolute Return and European SICAV fund ranges. Management fees increased to £185.9m helped by the impact of positive markets offsetting the impact of net outflows in FY12. Transaction fees reduced slightly to £20.3m. Finance income reduced to £4.3m as income from a seed investment disposal in 1H12 did not repeat. The increase in performance fees has resulted in an increase in both the net and total fee margins compared to 1H12. The management fee margin reduced slightly to 54 bps mainly due to the mix of flows during FY12 and 1H13.

Total operating expenses
Total operating expenses increased to £161.5m, mainly due to an increase in variable compensation reflecting the staff's share of the increase in performance fees earned and an improvement in the performance of the business. Fixed staff costs decreased to £50.7m reflecting the restructuring exercise commenced at the end of 2012. The level of variable compensation has increased the Group's compensation ratio to 43.6%. Other operating expenses decreased compared to 1H12 as a result of continued cost control and the settlement of certain exposures previously recognised by the Group.

Pension schemes
As part of its arrangement with Pension Insurance Corporation, the trustee of the Gartmore Pension Scheme (GPS) has now commenced winding up GPS. This will remove any residual risk to the Group. The surplus after the buyout is estimated to be £6.8m after tax. In addition, the accounting rules for pensions changed in 2013 and the Group has adopted the changes for 1H13 and therefore restated prior period comparatives.

Tax
The tax charge on underlying profit was £13.1m, resulting in an effective tax rate of 13.0%. The effective tax rate on underlying profit is less than the pro rata UK corporation tax rate of 23.25%, primarily as a result of the difference in tax rates on earnings generated overseas.

Investment performance
Investment performance of the Group's funds has remained strong over one and three years. At an asset class level, 81% and 73% of equity funds and 66% and 81% of fixed income funds were either achieving or beating their benchmark or peers over one and three years respectively. Property performance is updated annually once IPD benchmark data is available and as at 31 December 2012 34% and 61% of funds over one year and three years respectively achieved or beat their benchmark.

AUM and fund flows
Total AUM at 30 June 2013 were £67.9bn, an increase of £2.3bn from 31 December 2012 as shown on page 8. During 1H13, the Group experienced net inflows of £0.6bn in retail but this was offset by £2.0bn of institutional outflows, a large proportion of which was a result of a legacy Gartmore client withdrawing their funds due to historical performance issues. Market and FX movements during the period resulted in an increase of £3.7bn.

Liquidity and capital resources
The Group's business continued to generate positive operating cash flows during the period with net cash flows from operating activities totalling £58.5m resulting in net unrestricted cash of £16.7m as at 30 June 2013 (£17.9m at 31 December 2012). The regulatory capital surplus of the Group under the Parent Financial Holding Company Test amounted to £1,033m at 30 June 2013 (31 December 2012: £954m).

Dividends
The Board has declared an interim dividend of 2.15 pence per share (1H12: 2.10 pence per share). The interim dividend will be paid on 20 September 2013 to shareholders on the register at 30 August 2013.

Related party transactions
No related party transactions that materially affect the financial position or performance of the Group have taken place during the period, and there have been no changes in the related party transactions described in the last Annual Report and Accounts that could have a material effect on the financial position or performance of the Group in the six months ended 30 June 2013.

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.

Financial Review
continued

Summary of movements in AUM

£ million	Opening AUM 1 Jan 2013	Net flows 1H13	Market/FX 1H13	Closing AUM 30 Jun 2013	Closing AUM average net management fee bps 30 Jun 2013
RETAIL					
UK OEICs/Unit Trusts/Other	15,814	(5)	1,115	16,924	
SICAVs	7,226	444	611	8,281	
US Mutuals	3,006	284	347	3,637	
Investment Trusts	4,220	(136)	424	4,508	
Total Retail	**30,266**	**587**	**2,497**	**33,350**	**73**
INSTITUTIONAL					
UK OEICs/Unit Trusts	7,215	(439)	233	7,009	
SICAVs	762	516	82	1,360	
Offshore Absolute Return funds	2,165	(146)	199	2,218	
Managed CDOs	740	(132)	12	620	
Segregated Mandates	13,833	(1,553)	330	12,610	
Property funds	9,363	(270)	390	9,483	
Private Equity funds[1]	903	(17)	(19)	867	
Other[2]	403	3	13	419	
Total Institutional	**35,384**	**(2,038)**	**1,240**	**34,586**	**35**
TOTAL GROUP	**65,650**	**(1,451)**	**3,737**	**67,936**	**54**

By asset class					
Equity[3]	34,381	(1,239)	3,498	36,640	69
Fixed Income[3]	17,828	192	(265)	17,755	28
Property[4]	12,523	(387)	524	12,660	42
Private Equity[1]	918	(17)	(20)	881	134
TOTAL GROUP	**65,650**	**(1,451)**	**3,737**	**67,936**	**54**

Absolute Return sub-analysis					
Retail	957	214	56	1,227	
Institutional	2,418	(136)	188	2,470	
TOTAL ABSOLUTE RETURN	**3,375**	**78**	**244**	**3,697**	

1. Private Equity funds' AUM is based on 31 March 2013 valuations.
2. Other includes US Mutuals, Investment Trusts and Liquidity funds.
3. Approximately £1.0bn of assets have been reclassified from Equity to Fixed Income as at 1 January 2013 to conform with the Group's ongoing presentation.
4. Of the £12.7bn of Property AUM at 30 June 2013, £1.1bn relates to the Henderson UK Property Unit Trust which will remain with the Group following completion of the transactions with TIAA-CREF announced on 24 June 2013 with the remaining £11.6bn being subject to those transactions.

Risk Management

The key risks within the Group fall into a number of distinct categories and the means adopted to mitigate them are both varied and relevant to the particular risk concerned. Information regarding the key risks and their mitigation is set out in the Group's 2012 Annual Report and Accounts on pages 30 and 31 and the related governance framework is set out on pages 34 to 41. These risks and the Group's response to them have not changed significantly from those described in the Group's 2012 Annual Report and Accounts.

On 24 June 2013, the Group announced that it had entered into an agreement to contribute its European and Asian property business to a new joint venture with TIAA-CREF. In addition, the Group will sell its North American property business to TIAA-CREF. These transactions are expected to be completed in early 2014. An appropriate governance structure has been established with the risks assessed and resources assigned. The existing risk appetite thresholds have not been exceeded, nor are they likely to be.

Directors' Report

The directors of Henderson Group plc (the Directors) present their report for the six months ended 30 June 2013. The Board approved the financial results for the six months ended 30 June 2013 on 7 August 2013.

Directors
The Directors who served during the six months ended 30 June 2013 and up to the date of this report, unless otherwise stated, are shown below:

Rupert Pennant-Rea (Chairman) (resigned 1 May 2013)
Richard Gillingwater (Chairman) (appointed as a Non-Executive Director and Chairman Designate on 6 February 2013 and as Chairman on 1 May 2013)
Andrew Formica (Chief Executive)
Shirley Garrood (Chief Financial Officer) (resigned 26 June 2013)
Roger Thompson (Chief Financial Officer) (appointed 26 June 2013)
Sarah Arkle
Kevin Dolan
Duncan Ferguson
Tim How
Robert Jeens.

Duncan Ferguson will retire on 9 December 2013 after nine years as a Non-Executive Director and a search for his replacement is underway. All other Directors are expected to stand for reappointment at the 2014 Annual General Meeting.

Business review and results
The Group's results for the six months ended 30 June 2013 are shown in the Interim Condensed Consolidated Income Statement on page 13. A review of the six months ended 30 June 2013 and future business developments are covered in the Business and Financial Reviews on pages 6 to 8.

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

Directors' declaration
In the opinion of the Directors:

- the Interim Condensed Consolidated Financial Statements 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 2013 and of its performance for the six months ended on that date; and
  - have been prepared in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority which require that the accounting policies and presentation applied to the interim figures should be consistent with those applied in preparing the preceding annual accounts except where any changes, and the reasons for them, are disclosed; and
- there are reasonable grounds to believe that the Group will be able to pay its debts as and when they fall due.

Signed in accordance with a resolution of the Board:

Andrew Formica
Chief Executive

7 August 2013

Roger Thompson
Chief Financial Officer

7 August 2013

Statement of Directors' Responsibilities

The Directors confirm that to the best of their knowledge, in relation to the Interim Condensed Consolidated Financial Statements, that:

- 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 Report and Accounts include 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 Interim Condensed Consolidated Financial Statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and

- the Interim Report and Accounts include a fair review of the information required by Disclosure and Transparency Rule 4.2.8R, being disclosure of related party 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 party 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 Board:

Andrew Formica
Chief Executive

7 August 2013

Roger Thompson
Chief Financial Officer

7 August 2013

Independent Review Report
to the members of Henderson Group plc

Introduction
We have been engaged by Henderson Group plc (the Company) to review the Interim Condensed Consolidated Financial Statements in the Interim Report and Accounts for the six months ended 30 June 2013 which comprise 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 being notes 1 to 15. We have read the other information contained in the Interim Report and Accounts and considered whether it contains any apparent misstatements or material inconsistencies with the information in the Interim Condensed Consolidated Financial Statements.

This report is made solely to the Company in accordance with guidance contained in the International Standard on Review Engagements 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 Interim Report and Accounts are the responsibility of, and have been approved by, the Directors. The Directors are responsible for preparing the Interim Report and Accounts in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in note 2, the annual financial statements of the Group are prepared in accordance with International Financial Reporting Standards as adopted by the European Union. The Interim Condensed Consolidated Financial Statements included in the Interim Report and Accounts have 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 Interim Condensed Consolidated Financial Statements in the Interim Report and Accounts based on our review.

Scope of review
We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 '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 consequently 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.

Conclusion
On the basis of our review, nothing has come to our attention that causes us to believe that the Interim Condensed Consolidated Financial Statements in the Interim Report and Accounts for the six months ended 30 June 2013 are 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 Conduct Authority.

Ernst & Young LLP
London

7 August 2013

Interim Condensed Consolidated Income Statement

For the six months ended 30 June 2013

	Notes	6 months to 30 June 2013 Unaudited £m	6 months to 30 June 2012 Unaudited (Restated) £m	12 months to 31 December 2012 Audited (Restated) £m
Income				
Gross fee income and commissions	3	**373.3**	334.7	651.9
Finance income		**4.3**	9.8	14.1
Gross income		**377.6**	344.5	666.0
Commissions and fees payable		**(109.6)**	(110.4)	(219.1)
Total income		**268.0**	234.1	446.9
Expenses				
Operating expenses		**(160.1)**	(141.6)	(276.7)
Depreciation		**(1.4)**	(1.4)	(2.9)
Total operating expenses		**(161.5)**	(143.0)	(279.6)
Finance expenses		**(5.4)**	(8.3)	(14.3)
Total expenses		**(166.9)**	(151.3)	(293.9)
Underlying profit before tax		**101.1**	82.8	153.0
Intangible amortisation		**(26.0)**	(26.0)	(52.1)
Gartmore related employee share awards		**(2.5)**	(6.8)	(10.6)
Void property finance charge		**(0.6)**	(0.7)	(1.4)
Recurring profit before tax		**72.0**	49.3	88.9
Non-recurring items		**-**	-	13.8
Profit before tax		**72.0**	49.3	102.7
Tax on recurring profit		**(6.2)**	0.9	(1.0)
Tax on non-recurring items		**-**	-	4.7
Total tax	5	**(6.2)**	0.9	3.7
Profit after tax		**65.8**	50.2	106.4
Attributable to:				
Equity holders of the parent		**65.8**	50.2	106.2
Non-controlling interests		**-**	-	0.2
		65.8	50.2	106.4
Dividends				
Dividends declared and charged to equity in the period	6	**55.1**	54.8	77.6
Dividends declared post the reporting date	6	**24.0**	23.3	56.3
Basic and diluted earnings per share				
Basic	7.2.2	**6.3p**	4.9p	10.3p
Diluted	7.2.2	**6.0p**	4.7p	9.8p

Interim Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2013

	Notes	6 months to 30 June 2013 Unaudited £m	6 months to 30 June 2012 Unaudited (Restated) £m	12 months to 31 December 2012 Audited (Restated) £m
Profit after tax		**65.8**	50.2	106.4
Other comprehensive income/(loss)				
Items that may be reclassified to the Consolidated Income Statement				
Exchange differences on translation of foreign operations		**2.2**	(1.4)	(1.1)
Available-for-sale financial assets:				
Net gains/(losses) on revaluation		**-**	0.6	(3.7)
Tax effect of revaluation	5	**-**	0.4	0.6
Items that will not be reclassified to the Consolidated Income Statement				
Actuarial losses:				
Actuarial losses on defined benefit pension schemes	9.3	**(9.4)**	(72.2)	(70.0)
Tax effect of actuarial losses	5	**-**	-	0.2
Other comprehensive loss after tax		**(7.2)**	(72.6)	(74.0)
Total comprehensive income/(loss)		**58.6**	(22.4)	32.4
Attributable to:				
Equity holders of the parent		**58.6**	(22.4)	32.2
Non-controlling interests		**-**	-	0.2
		58.6	(22.4)	32.4

Interim Condensed Consolidated Statement of Financial Position

As at 30 June 2013

	Notes	30 June 2013 Unaudited £m	30 June 2012 Unaudited (Restated) £m	31 December 2012 Audited (Restated) £m
Non-current assets				
Intangible assets		**694.2**	741.8	717.7
Investments accounted for using the equity method	8	**10.5**	4.6	8.4
Property and equipment		**16.2**	19.2	18.0
Retirement benefit assets	9.1	**124.0**	123.5	130.2
Deferred tax assets		**35.5**	41.3	40.3
Trade and other receivables		**33.1**	0.5	29.6
		913.5	930.9	944.2
Current assets				
Available-for-sale financial assets	10	**49.4**	51.5	44.9
Financial assets at fair value through profit or loss	10	**17.5**	15.9	14.2
Current tax assets		**1.9**	2.0	2.0
Trade and other receivables		**222.6**	225.1	146.0
Cash and cash equivalents		**189.0**	112.8	196.9
		480.4	407.3	404.0
Total assets		**1,393.9**	1,338.2	1,348.2
Non-current liabilities				
Debt instrument in issue	10	**148.7**	148.2	148.5
Trade and other payables		**9.0**	6.5	11.8
Retirement benefit obligations		**7.4**	6.7	7.2
Provisions		**11.3**	19.0	12.1
Deferred tax liabilities		**62.9**	78.1	69.1
		239.3	258.5	248.7
Current liabilities				
Trade and other payables		**329.5**	312.1	293.8
Provisions		**5.3**	15.6	9.9
Current tax liabilities		**18.4**	15.3	14.6
		353.2	343.0	318.3
Total liabilities		**592.5**	601.5	567.0
Net assets		**801.4**	736.7	781.2
Capital and reserves				
Share capital		**139.8**	138.8	139.3
Share premium		**698.6**	690.2	693.8
Own shares held		**(79.0)**	(101.8)	(100.8)
Translation reserve		**7.5**	5.0	5.3
Revaluation reserve		**7.4**	11.5	7.4
Profit and loss reserve		**26.5**	(7.4)	35.6
Shareholders' equity		**800.8**	736.3	780.6
Non-controlling interests		**0.6**	0.4	0.6
Total equity		**801.4**	736.7	781.2

Approved by the Board on 7 August 2013.

Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2013

	Share capital £m	Share premium £m	Own shares held £m	Translation reserve £m	Revaluation reserve £m	Profit and loss reserve £m	Non-controlling interests £m	Total equity £m
At 1 January 2012	137.2	679.0	(115.6)	6.4	10.5	69.5	0.4	787.4
Profit after tax (restated)	-	-	-	-	-	50.2	-	50.2
Other comprehensive (loss)/income after tax (restated)	-	-	-	(1.4)	1.0	(72.2)	-	(72.6)
Total comprehensive (loss)/income	-	-	-	(1.4)	1.0	(22.0)	-	(22.4)
Dividends paid to equity shareholders	-	-	-	-	-	(54.8)	-	(54.8)
Purchase of own shares	-	-	(0.3)	-	-	-	-	(0.3)
Vesting of share schemes	-	-	25.3	-	-	(25.3)	-	-
Issue of shares for share schemes	1.6	11.2	(11.2)	-	-	(0.8)	-	0.8
Movement in equity-settled share scheme expenses	-	-	-	-	-	23.7	-	23.7
Tax on equity-settled share schemes	-	-	-	-	-	2.3	-	2.3
At 30 June 2012	138.8	690.2	(101.8)	5.0	11.5	(7.4)	0.4	736.7
Profit after tax (restated)	-	-	-	-	-	56.0	0.2	56.2
Other comprehensive (loss)/income after tax (restated)	-	-	-	0.3	(4.1)	2.4	-	(1.4)
Total comprehensive income/(loss)	-	-	-	0.3	(4.1)	58.4	0.2	54.8
Dividends paid to equity shareholders	-	-	-	-	-	(22.8)	-	(22.8)
Purchase of own shares	-	-	(5.8)	-	-	-	-	(5.8)
Vesting of share schemes	-	-	10.5	-	-	(10.5)	-	-
Issue of shares for share schemes	0.5	3.6	(3.7)	-	-	(0.9)	-	(0.5)
Movement in equity-settled share scheme expenses	-	-	-	-	-	16.9	-	16.9
Tax on equity-settled share schemes	-	-	-	-	-	1.9	-	1.9
At 31 December 2012	139.3	693.8	(100.8)	5.3	7.4	35.6	0.6	781.2
Profit after tax	**-**	**-**	**-**	**-**	**-**	**65.8**	**-**	**65.8**
Other comprehensive (loss)/income after tax	**-**	**-**	**-**	**2.2**	**-**	**(9.4)**	**-**	**(7.2)**
Total comprehensive income	**-**	**-**	**-**	**2.2**	**-**	**56.4**	**-**	**58.6**
Dividends paid to equity shareholders	**-**	**-**	**-**	**-**	**-**	**(55.1)**	**-**	**(55.1)**
Purchase of own shares	**-**	**-**	**(4.6)**	**-**	**-**	**-**	**-**	**(4.6)**
Vesting of share schemes	**-**	**-**	**31.2**	**-**	**-**	**(31.2)**	**-**	**-**
Issue of shares for share schemes	**0.5**	**4.8**	**(4.8)**	**-**	**-**	**-**	**-**	**0.5**
Movement in equity-settled share scheme expenses	**-**	**-**	**-**	**-**	**-**	**19.0**	**-**	**19.0**
Tax on equity-settled share schemes	**-**	**-**	**-**	**-**	**-**	**1.8**	**-**	**1.8**
At 30 June 2013	**139.8**	**698.6**	**(79.0)**	**7.5**	**7.4**	**26.5**	**0.6**	**801.4**

Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2013

	Notes	6 months to 30 June 2013 Unaudited £m	6 months to 30 June 2012 Unaudited (Restated) £m	12 months to 31 December 2012 Audited (Restated) £m
Cash flows from operating activities				
Profit before tax		**72.0**	49.3	102.7
Adjustments to reconcile profit before tax to net cash flows from operating activities:				
- share-based payment charges		**15.0**	16.3	29.2
- Gartmore related employee share awards charge		**2.1**	6.8	9.3
- debt instrument interest expense, facility and arrangement fees		**5.6**	8.3	14.3
- intangible amortisation		**26.1**	26.0	52.2
- share of profit of associates and joint ventures	8	**(1.8)**	(0.9)	(1.7)
- impairment of associate		**-**	-	1.0
- gain on disposal of available-for-sale financial assets		**(0.4)**	(3.1)	(3.3)
- property and equipment depreciation		**1.4**	1.5	2.9
- loss on disposal of property and equipment		**0.6**	0.2	0.2
- net deferred acquisition and commission costs and deferred income amortisation		**(7.1)**	(5.3)	(7.9)
- contributions to retirement benefit schemes in excess of costs recognised		**(3.1)**	(4.6)	(8.8)
- provision releases		**(3.1)**	(0.7)	(9.8)
- void property finance charge		**0.6**	0.7	1.4
- void property provision charge		**-**	-	1.2
Cash flows from operating activities before changes in operating assets and liabilities		**107.9**	94.5	182.9
Changes in operating assets and liabilities		**(48.4)**	(51.4)	(14.5)
Net tax (paid)/received		**(1.0)**	1.6	(1.6)
Net cash flows from operating activities		**58.5**	44.7	166.8
Cash flows from investing activities				
Acquisition of subsidiaries, including cash acquired		**-**	(0.8)	(0.8)
Proceeds from sale of available-for-sale financial assets		**6.2**	7.5	15.7
Dividends from associates and distributions from joint ventures		**1.9**	0.5	0.5
Purchases of:				
- computer software intangible assets		**(2.6)**	(1.8)	(3.8)
- investments in associates and joint ventures		**(2.2)**	(0.5)	(3.8)
- property and equipment		**(0.2)**	(1.2)	(1.5)
- available-for-sale financial assets		**(8.8)**	(1.5)	(7.6)
Net cash flows from investing activities		**(5.7)**	2.2	(1.3)
Cash flows from financing activities				
Proceeds from issue of shares		**2.4**	1.5	1.9
Purchase of own shares		**(4.6)**	(0.3)	(6.1)
Dividends paid to equity shareholders	6	**(55.1)**	(54.8)	(77.6)
Repayment of 2012 Notes		**-**	(142.6)	(142.6)
Interest paid on debt instruments in issue		**(5.4)**	(10.0)	(15.5)
Facility and arrangement fees		**-**	(0.4)	(0.7)
Net cash flows from financing activities		**(62.7)**	(206.6)	(240.6)
Effects of exchange rate changes		**2.0**	(1.4)	(1.9)
Net decrease in cash and cash equivalents		**(7.9)**	(161.1)	(77.0)
Cash and cash equivalents at beginning of period		**196.9**	273.9	273.9
Cash and cash equivalents at end of period		**189.0**	112.8	196.9

Notes to the Interim Condensed Consolidated Financial Statements

1 Corporate information

Henderson Group plc (the Company) is a public limited company incorporated in Jersey and tax resident in the United Kingdom. The Company's ordinary shares are traded on the LSE and CHESS Depositary Interests are traded on the ASX.

The Interim Condensed Consolidated Financial Statements of the Group for the six months ended 30 June 2013 were authorised for issue by the Board on 7 August 2013.

The results for the six months ended 30 June 2013 and the six months ended 30 June 2012 are unaudited but have been reviewed by the auditors, Ernst & Young LLP. The condensed comparative figures for the full year ended 31 December 2012 have been taken from the Henderson Group plc Annual Report and Accounts subject to the restatements as set out in notes 2 and 14. The auditors have reported on the 2012 financial statements in the Annual Report and Accounts and their report was unqualified. Henderson Group plc's 2012 Annual Report and Accounts have been filed with the Jersey Financial Services Commission Companies Registry. The Interim Condensed Consolidated Financial Statements do not constitute statutory accounts.

2 Basis of preparation and significant accounting policies

Basis of preparation

The Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2013 have been prepared in accordance with IAS 34 'Interim Financial Reporting' 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 therefore should be read in conjunction with Henderson Group plc's 2012 Annual Report and Accounts, which have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union.

The Directors are satisfied that the Group 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 2012 Annual Report and Accounts with the following exceptions caused by the adoption of the following standards on 1 January 2013:

- IFRS 13 'Fair Value Measurement' (IFRS 13); and
- IAS 19 'Employee Benefits' amended (IAS 19a).

IFRS 13 has been applied prospectively and has only resulted in amendments to disclosures.

IAS 19a has been applied retrospectively in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' and has led to the restatement of prior period amounts. The significant impact of adopting IAS 19a on the Group's financial statements is the replacement of interest costs on scheme liabilities and the expected return on scheme assets with a net interest cost that is calculated by applying a discount rate to the net defined benefit asset or liability. The impact of the restatement is set out in note 14.

3 Segmental information

Group fee income and non-current assets

Henderson is a global asset manager, operating throughout Europe, North America and Asia. The Group manages 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 investment product types are sold in most, if not all, of these regions, and are managed in various locations.

Information is reported to the chief operating decision maker, the Board, on an aggregated basis. Strategic and financial management decisions are determined centrally by the Board and, on this basis, the Group is a single segment investment management business.

Entity-wide disclosures

Revenues by product

	6 months to 30 June 2013 Unaudited £m	6 months to 30 June 2012 Unaudited £m	12 months to 31 December 2012 Audited £m
UK OEICs/Unit Trusts/Other	**170.1**	166.8	331.9
SICAVs	**75.3**	49.4	95.4
Property Segregated Mandates and funds	**35.3**	36.7	68.9
Institutional Segregated Mandates and Cash funds	**25.0**	30.6	50.9
Offshore Absolute Return funds	**28.1**	16.6	32.4
US Mutuals	**16.3**	14.6	28.9
Other	**23.2**	20.0	43.5
Gross fee income and commissions	**373.3**	334.7	651.9

Geographic information

Revenues from clients

	6 months to 30 June 2013 Unaudited £m	6 months to 30 June 2012 Unaudited £m	12 months to 31 December 2012 Audited £m
UK	**280.7**	259.5	497.1
Luxembourg	**55.4**	40.4	83.5
Americas	**14.6**	12.9	25.3
Singapore	**5.6**	5.5	11.4
Australia	**2.5**	0.1	1.4
Japan	**2.4**	4.6	8.0
Other	**12.1**	11.7	25.2
Gross fee income and commissions	**373.3**	334.7	651.9

The geographical revenue information is split according to the country in which the revenue is generated, not necessarily where the client is based.

The Group does not have a single client which accounts for more than 10% of revenues.

Non-current assets

	30 June 2013 Unaudited £m	30 June 2012 Unaudited £m	31 December 2012 Audited £m
UK	**710.4**	759.2	734.4
Other	**10.5**	6.4	9.7
	720.9	765.6	744.1

Non-current assets for this purpose consist of intangible assets, investments accounted for using the equity method and property and equipment.

4 Seasonality of operations

The Group's revenue streams are not generally seasonal in nature, with management fees and elements of finance income accruing evenly during the year. Transaction fees accrue mainly throughout the year. However, an element of these fees occur on an ad hoc basis. 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. The year ends of offshore Absolute Return funds and SICAVs are biased to the first half of the year. In addition, given the uncertain nature of performance fees, these can fluctuate from period to period.

5 Tax

Tax recognised in the Interim Condensed Consolidated Income Statement

	6 months to 30 June 2013 Unaudited £m	6 months to 30 June 2012 Unaudited £m	12 months to 31 December 2012 Audited £m
Current tax:			
- charge for the period	**10.7**	7.3	16.9
- prior period adjustments	**(2.3)**	(1.3)	(7.4)
Deferred tax:			
- credit for the period	**(3.6)**	(5.3)	(16.5)
- prior period adjustments	**1.4**	(1.6)	3.3
Total tax charged/(credited) to the Interim Condensed Consolidated Income Statement	**6.2**	(0.9)	(3.7)

Tax recognised in the Interim Condensed Consolidated Statement of Comprehensive Income

	6 months to 30 June 2013 Unaudited £m	6 months to 30 June 2012 Unaudited £m	12 months to 31 December 2012 Audited £m
Deferred tax credit in relation to available-for-sale financial assets	**-**	(0.4)	(0.6)
Deferred tax credit in relation to actuarial losses	**-**	-	(0.2)
Total tax credited to the Interim Condensed Consolidated Statement of Comprehensive Income	**-**	(0.4)	(0.8)

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

The tax charge/(credit) for the period is reconciled to the profit before tax in the Interim Condensed Consolidated Income Statement as follows:

	6 months to 30 June 2013 Unaudited £m	6 months to 30 June 2012 Unaudited (Restated) £m	12 months to 31 December 2012 Audited (Restated) £m
Profit before tax	**72.0**	49.3	102.7
Tax charge at the pro rata UK statutory corporation tax rate of 23.25% (1H12 and FY12: 24.50%)	**16.7**	12.1	25.2
Factors affecting the tax charge/(credit):			
Differences in effective tax rates on overseas profits	**(7.6)**	(3.9)	(8.5)
Disallowable expenditure and non-taxable income	**(2.6)**	2.2	(4.2)
Prior period adjustments	**(0.9)**	(2.9)	(4.1)
Recognition of previously unrecognised tax losses	**(0.1)**	(8.0)	(8.9)
Changes in applicable statutory tax rates	**0.1**	(1.9)	(3.5)
Other items	**0.6**	1.5	0.3
Total tax charged/(credited) in the Interim Condensed Consolidated Income Statement	**6.2**	(0.9)	(3.7)

6 Dividends

	6 months to 30 June 2013 Unaudited £m	6 months to 30 June 2012 Unaudited £m	12 months to 31 December 2012 Audited £m
Dividends on ordinary shares declared and paid in the period:			
Final dividend in respect of 2011	**-**	54.8	54.8
Interim dividend in respect of 2012	**-**	-	22.8
Final dividend in respect of 2012	**55.1**	-	-
Total dividends paid and charged to equity	**55.1**	54.8	77.6
Dividends on ordinary shares declared post the reporting date:			
Interim dividend in respect of 1H13 profit: 2.15 pence per share payable in 2H13	**24.0**	n/a	n/a

An interim dividend of £24.0m (2.15 pence per share) was declared by the Board on 7 August 2013. This will be payable on 20 September 2013 to shareholders on the register at 30 August 2013.

The difference between the proposed final dividends as reported in the 2012 Annual Report and Accounts (£56.3m) and the dividends paid out during the period (£55.1m), represents the dividends waived by employee benefit trusts on shares held in the trust on behalf of Group employees partly offset by the dividends payable on the new shares issued between 31 December 2012 and the dividend record date. The amount waived in respect of the interim dividend declared for 2013 will be established by the trustees of the employee benefit trusts on 30 August 2013, being the dividend record date.

7 Earnings per share

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 2013 Unaudited m	6 months to 30 June 2012 Unaudited m	12 months to 31 December 2012 Audited m
Weighted average			
Issued share capital	**1,115.1**	1,103.7	1,108.3
Less: own shares held	**(64.3)**	(73.7)	(74.3)
Weighted average number of ordinary shares for the purpose of basic earnings per share	**1,050.8**	1,030.0	1,034.0
Add: dilutive potential of share options and unconditional awards	**52.2**	44.7	48.0
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**1,103.0**	1,074.7	1,082.0

Basic and diluted earnings per share have been calculated on the profit attributable to equity holders of the parent. 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 outstanding share options and unconditional awards of shares granted to employees of the Group.

7 Earnings per share continued

7.1 On underlying profit after tax attributable to equity holders of the parent

7.1.1 Earnings

		6 months to 30 June 2013 Unaudited £m	6 months to 30 June 2012 Unaudited (Restated) £m	12 months to 31 December 2012 Audited (Restated) £m
Profit after tax attributable to equity holders of the parent		**65.8**	50.2	106.2
Add back:	Intangible amortisation, Gartmore related employee share awards and void property finance charge adjusted for tax effect	**22.2**	24.6	45.6
Deduct:	Non-recurring items adjusted for tax effect	**-**	-	(18.5)
Underlying profit after tax attributable to equity holders of the parent		**88.0**	74.8	133.3

7.1.2 Earnings per share

	6 months to 30 June 2013 Unaudited pence	6 months to 30 June 2012 Unaudited (Restated) pence	12 months to 31 December 2012 Audited (Restated) pence
Basic	**8.4**	7.3	12.9
Diluted	**8.0**	7.0	12.3

7.2 On profit after tax attributable to equity holders of the parent

7.2.1 Earnings

	6 months to 30 June 2013 Unaudited £m	6 months to 30 June 2012 Unaudited (Restated) £m	12 months to 31 December 2012 Audited (Restated) £m
Profit after tax attributable to equity holders of the parent	**65.8**	50.2	106.2

7.2.2 Earnings per share

	6 months to 30 June 2013 Unaudited pence	6 months to 30 June 2012 Unaudited (Restated) pence	12 months to 31 December 2012 Audited (Restated) pence
Basic	**6.3**	4.9	10.3
Diluted	**6.0**	4.7	9.8

8 Investments accounted for using the equity method

The Group holds interests in the following associates and joint ventures:

	Country of incorporation and principal place of operation	Functional currency	Percentage owned as at 30 June 2013	Percentage owned as at 30 June 2012	Percentage owned as at 31 December 2012
90 West Asset Management Limited	Australia	AUD	**32%**	-	-
Asia Real Estate Fund Management BVI	British Virgin Islands and Singapore	USD	**50%**	50%	50%
Asia Real Estate Fund Management Limited	Singapore	SGD	**50%**	50%	50%
Attunga Capital Pty Limited	Australia	AUD	**30%**	30%	30%
HGI Immobilien GmbH	Germany	EUR	**50%**	50%	50%
Intrinsic Cirilium Investment Company Limited (formerly New Star Investment Funds Limited)[1]	UK	GBP	**50%**	100%	50%
Northern Pines Henderson Capital GP LLC	USA	USD	**50%**	-	50%
Northern Pines Henderson Capital LLC	USA	USD	**50%**	-	50%
Optimum Investment Management Limited	UK	GBP	**50%**	50%	50%
Warburg-Henderson Kapitalanlagegesellschaft für Immobilien mbH	Germany	EUR	**50%**	50%	50%

1. This entity was formerly controlled by the Group and became a joint venture entity during 2H12.

The Group's share of net assets and share of net profits from associates and joint ventures are as follows:

	30 June 2013 Unaudited £m	30 June 2012 Unaudited £m	31 December 2012 Audited £m
Share of aggregate net assets	**10.5**	4.6	8.4
Share of profit for the period	**1.8**	0.9	1.7

9 Retirement benefits

9.1 Retirement benefit assets recognised in the Interim Condensed Consolidated Statement of Financial Position

The retirement benefit assets in respect of the pension schemes, after tax deducted at source, were as follows at 30 June 2013:

	30 June 2013 Unaudited £m	30 June 2012 Unaudited £m	31 December 2012 Audited £m
Henderson Group Pension Scheme	**117.1**	119.2	125.4
Gartmore Pension Scheme	**6.9**	4.3	4.8
	124.0	123.5	130.2

9.2 Pension expense recognised in the Interim Condensed Consolidated Income Statement

The pension expense recognised in the Interim Condensed Consolidated Income Statement comprises the following:

	6 months to 30 June 2013 Unaudited £m	6 months to 30 June 2012 Unaudited (Restated) £m	12 months to 31 December 2012 Audited (Restated) £m
Henderson Group Pension Scheme	**(1.8)**	(2.2)	(4.6)
Gartmore Pension Scheme	**0.2**	(0.6)	(0.6)
Henderson Money Purchase Scheme	**2.6**	2.8	5.5
Henderson Group unapproved pension schemes	**0.2**	0.2	0.4
Pension expense recognised in the Interim Condensed Consolidated Income Statement	**1.2**	0.2	0.7

9 Retirement benefits continued

9.3 Actuarial losses recognised in the Interim Condensed Consolidated Statement of Comprehensive Income

	6 months to 30 June 2013 Unaudited £m	**6 months to 30 June 2012 Unaudited (Restated) £m**	**12 months to 31 December 2012 Audited (Restated) £m**
Henderson Group Pension Scheme	**(16.4)**	(31.9)	(27.3)
Gartmore Pension Scheme	**3.5**	(77.2)	(76.4)
Tax at source	**3.5**	36.9	34.1
Henderson Group unapproved pension schemes	**-**	-	(0.4)
Actuarial losses recognised in the Interim Condensed Consolidated Statement of Comprehensive Income	**(9.4)**	(72.2)	(70.0)

10 Fair value of financial instruments

The Group uses the following hierarchy for determining and disclosing the fair value of financial assets and liabilities by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: other techniques where all inputs, which have a significant effect on the recorded fair value, are observable, either directly or indirectly; and
- Level 3: techniques where inputs which have a significant effect on the recorded fair value that are not based on observable market data.

	30 June 2013 Unaudited £m	**Level 1 £m**	**Level 2 £m**	**Level 3 £m**
Available-for-sale financial assets	**49.4**	10.6	-	38.8
Financial assets at fair value through profit or loss	**17.5**	14.1	3.4	-
Derivative financial instruments	**0.2**	0.2	-	-
Total financial instruments	**67.1**	24.9	3.4	38.8

	30 June 2012 Unaudited £m	**Level 1 £m**	**Level 2 £m**	**Level 3 £m**
Available-for-sale financial assets	51.5	3.9	-	47.6
Financial assets at fair value through profit or loss	15.9	12.7	3.2	-
Derivative financial instruments	(0.2)	(0.2)	-	-
Total financial instruments	67.2	16.4	3.2	47.6

	31 December 2012 Audited £m	**Level 1 £m**	**Level 2 £m**	**Level 3 £m**
Available-for-sale financial assets	44.9	5.5	-	39.4
Financial assets at fair value through profit or loss	14.2	10.5	3.7	-
Derivative financial instruments	0.5	0.5	-	-
Total financial instruments	59.6	16.5	3.7	39.4

10 Fair value of financial instruments continued

During the period, there were no transfers in or out of Level 1, Level 2 and Level 3 (1H12: £nil; FY12: £nil).

The following is a reconciliation of the movements in the Group's financial instruments classified as Level 3 during the period:

	6 months to 30 June 2013 Unaudited £m	6 months to 30 June 2012 Unaudited £m	12 months to 31 December 2012 Audited £m
Fair value at 1 January	**39.4**	51.8	51.8
Additions	**0.4**	0.2	0.3
Disposals	**(2.2)**	(4.3)	(7.7)
Fair value movements recognised in the Consolidated Statement of Comprehensive Income	**1.2**	(0.1)	(5.0)
	38.8	47.6	39.4

With the exception of the senior, unrated, fixed rate notes due 2016 (2016 Notes), the carrying value of the financial instruments measured at amortised cost is considered to be materially equal to their carrying value after taking into account any impairment.

The fair value of the 2016 Notes is disclosed below:

	30 June 2013 Unaudited Carrying value £m	30 June 2013 Unaudited Fair value £m	30 June 2012 Unaudited Carrying value £m	30 June 2012 Unaudited Fair value £m	31 December 2012 Audited Carrying value £m	31 December 2012 Audited Fair value £m
2016 Notes	**148.7**	**158.2**	148.2	153.7	148.5	158.9
	148.7	**158.2**	148.2	153.7	148.5	158.9

The debt instrument in issue at 30 June 2013 is £150.0m of senior, unrated, fixed rate notes listed on the LSE at par.

11 Contingent liabilities

The following contingent liabilities existed or may exist at 30 June 2013:

- In the normal course of business, the Group is exposed to certain legal issues, which can involve litigation and arbitration, and may result in contingent liabilities;
- In the normal course of business, the Group enters into forward foreign currency contracts for Group hedging purposes. Such contracts can give rise to contingent liabilities;
- Under the Implementation Agreement dated 6 July 2010 relating to the transfer of management responsibilities to Aviva Investors for the Henderson International Property fund, the Group gave certain tax related warranties for a period of six years from the date of the agreement. These indemnities are subject to certain exclusions and limitations, including a financial cap;
- Under the Facilitation Agreement dated 8 December 2010 relating to the merger of the assets of the Henderson Liquid Asset Fund (HLAF) into the Deutsche Managed Sterling Fund, the Group gave: (a) certain warranties relating to itself and HLAF; and (b) indemnities against certain losses arising from liabilities of HLAF existing prior to the effective date of the merger, certain warranted statements being untrue and any miscalculation of the net asset value of HLAF in the period prior to the effective date of the merger. These warranties and indemnities are subject to certain exclusions and limitations, including a financial cap. The warranties relating to taxation will expire on 28 February 2018 and all other warranties will expire on 28 February 2015; the indemnities will expire on 28 February 2017;
- Under the Share Purchase Agreement dated 13 May 2011 relating to the sale of the entire issued share capital of WorldInvest Management Ltd. to Connor, Clark & Lunn UK Limited (CC&L), the Group gave an indemnity against losses suffered by CC&L arising from prior acts, omissions, liabilities or obligations of New Star Institutional Managers Limited that do not relate to its business, with no expiry date;
- Under the Share Sale Agreement dated 1 November 2011 relating to the sale of the entire issued share capital of Gartmore JV Limited to Hermes Fund Managers Limited, the Group gave an indemnity against any liabilities of Gartmore JV Limited existing prior to, or arising as a result of, completion of the sale, subject to certain exceptions. The indemnity is subject to certain exclusions and limitations, including a financial cap, with no expiry date;
- Under the Joint Venture and Shareholder Agreement dated 17 May 2012 with Sesame Bankhall Group Limited (Sesame) relating to Optimum Investment Management Limited (OIML) which acts as authorised corporate director of an OEIC: (a) the Group gave to Sesame and OIML certain warranties relating to OIML; and (b) the Group gave to OIML certain indemnities in respect of losses that may be suffered by OIML and which arise from acts, omissions or circumstances occurring prior to completion of that agreement. Those warranties and indemnities are subject to certain exclusions and limitations and will expire on 17 May 2019;
- Under the Joint Venture and Shareholder Agreement dated 1 August 2012 with Intrinsic Financial Services Limited relating to Intrinsic Cirilium Investment Company Limited (ICICL) which acts as authorised corporate director of an OEIC, the Group gave to ICICL certain indemnities in respect of losses that may be suffered by ICICL and which arise from acts, omissions or circumstances occurring prior to completion of that agreement. Those indemnities are subject to certain exclusions and limitations, with no expiry date;
- Under the Implementation Agreement dated 24 June 2013 relating to the contribution of the Henderson property business outside North America (the non-US Property Business) to a joint venture company (named TIAA Henderson Global Real Estate Limited) with TIAA-CREF Asset Management, Inc, the Group gave: (a) certain warranties and tax covenants relating to itself and the non-US Property Business; and (b) certain indemnities against (i) certain losses that may be incurred by certain companies prior to completion of the transaction or that may arise as a result of completion, (ii) certain undertakings being breached and (iii) stamp duty being incurred in connection with the transfer of shares in certain companies to be transferred to the joint venture. These warranties, covenants and indemnities are subject to certain exclusions and limitations, including (other than in relation to certain of the indemnities referred to in (b) (i) above) a financial cap. The warranties relating to matters other than taxation will expire on the date being six months after delivery to the shareholders of TIAA Henderson Global Real Estate Limited of its audited consolidated accounts for the year ending 31 December 2014. The tax warranties and tax covenant will expire on the seventh anniversary of completion of the transaction; and
- Under the Asset Purchase Agreement dated 24 June 2013 relating to the sale and purchase of the Henderson property business in North America (the US Property Business) to Teachers Insurance and Annuity Association of America (TIAA), the Group gave: (a) certain representations and warranties relating to itself and the US Property Business; and (b) an indemnity against certain losses that may arise from (i) any inaccuracy in any representation or warranty given under the Asset Purchase Agreement, (ii) failure to perform any covenant or agreement under the Asset Purchase Agreement, (iii) any liabilities specifically excluded from the transaction, (iv) all taxes of the Group not relating to the US Property Business and any pre-completion taxes and (v) certain employee related liabilities other than any that may be assumed by TIAA under the Asset Purchase Agreement. These representations, warranties and indemnities are subject to certain exclusions and limitations, including a financial cap. The representations and warranties (other than those relating to authorisation, corporate status and taxes) will expire 18 months after completion of the transaction.

As at the approval date 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 the abovementioned.

12 Movement in controlled entities

On 24 June 2013, the Group announced that it had entered into an agreement to contribute its European and Asian property business to a new joint venture with TIAA-CREF. In addition, the Group will sell its North American property business to TIAA-CREF. These transactions are expected to be completed in early 2014.

13 Related parties

Disclosures relating to associates and joint ventures and Group pension schemes are covered in notes 8 and 9 respectively.

Compensation of key management personnel (including Directors)
The remuneration of Code Staff and all Directors, representing key management personnel, is disclosed below:

	6 months to 30 June 2013 Unaudited £m	6 months to 30 June 2012 Unaudited £m	12 months to 31 December 2012 Audited £m
Short-term employee benefits	**2.2**	2.1	10.6
Post-employment benefits	**0.2**	0.2	0.4
Share-based payments	**7.1**	6.1	6.2
	9.5	8.4	17.2

14 Restatements

IAS 19a restatement
As disclosed in note 2, the Group adopted IAS 19a on 1 January 2013, which has led to the Consolidated Income Statement and Consolidated Statement of Comprehensive Income being restated. The impact on the six month period ended 30 June 2012 and year ended 31 December 2012 is set out below:

Consolidated Income Statement

	6 months to 30 June 2012 Reported £m	Adjustment £m	6 months to 30 June 2012 Restated £m	12 months to 31 December 2012 Reported £m	Adjustment £m	12 months to 31 December 2012 Restated £m
Finance income	4.8	5.0	9.8	5.0	9.1	14.1
Operating expenses	(140.4)	(1.2)	(141.6)	(274.1)	(2.6)	(276.7)
Underlying profit before tax	**79.0**	**3.8**	**82.8**	**146.5**	**6.5**	**153.0**
Profit before tax	**45.5**	**3.8**	**49.3**	**96.2**	**6.5**	**102.7**
Profit after tax	**46.4**	**3.8**	**50.2**	**99.9**	**6.5**	**106.4**
Attributable to:						
Equity holders of the parent	46.4	3.8	50.2	99.7	6.5	106.2
Non-controlling interests	-	-	-	0.2	-	0.2
	46.4	**3.8**	**50.2**	**99.9**	**6.5**	**106.4**

14 **Restatements** continued

Earnings per share

	6 months to 30 June 2012 Reported pence	Adjustment pence	6 months to 30 June 2012 Restated pence	12 months to 31 December 2012 Reported pence	Adjustment pence	12 months to 31 December 2012 Restated pence
On underlying profit after tax attributable to equity holders of the parent						
Basic	6.9	0.4	7.3	12.3	0.6	12.9
Diluted	6.6	0.4	7.0	11.7	0.6	12.3
On profit after tax attributable to equity holders of the parent						
Basic	4.5	0.4	4.9	9.6	0.7	10.3
Diluted	4.3	0.4	4.7	9.2	0.6	9.8

Consolidated Statement of Comprehensive Income

	6 months to 30 June 2012 Reported £m	Adjustment £m	6 months to 30 June 2012 Restated £m	12 months to 31 December 2012 Reported £m	Adjustment £m	12 months to 31 December 2012 Restated £m
Profit after tax	46.4	3.8	50.2	99.9	6.5	106.4
Other comprehensive loss						
Actuarial losses on defined benefit pension schemes	(68.4)	(3.8)	(72.2)	(63.5)	(6.5)	(70.0)
Other comprehensive loss after tax	**(68.8)**	**(3.8)**	**(72.6)**	**(67.5)**	**(6.5)**	**(74.0)**
Total comprehensive (loss)/income after tax	**(22.4)**	**-**	**(22.4)**	**32.4**	**-**	**32.4**
Attributable to:						
Equity holders of the parent	(22.4)	-	(22.4)	32.2	-	32.2
Non-controlling interests	-	-	-	0.2	-	0.2
	(22.4)	**-**	**(22.4)**	**32.4**	**-**	**32.4**

Restatement of the Consolidated Statement of Financial Position

As part of the Group's OEIC trading activities, the Group capitalises initial charges and commissions which have previously been recognised gross of discounts. As part of a review undertaken in 1H13, the Group has determined that these amounts should be recognised net of discounts. Therefore, the Group has re-presented its Consolidated Statement of Financial Position to reflect this, which has the effect of reducing both total assets and total liabilities by £149.2m at 30 June 2012 and £141.0m at 31 December 2012. The adjustments have no impact on the Group's net assets nor on the Consolidated Income Statement for any periods.

15 Events after the reporting date

The Board has not, as at the approval date of the Interim Condensed Consolidated Financial Statements, received any information concerning significant conditions in existence at the reporting date, which have not been reflected in the Interim Condensed Consolidated Financial Statements as presented. However, the Board has given due regard to the event described below which occurred after the reporting date.

On 7 August 2013, an interim dividend of 2.15 pence per share was declared by the Board payable on 20 September 2013 to shareholders on the register at 30 August 2013.

Glossary

2012 Notes
Senior, unrated, fixed rate notes due 2012

2016 Notes
Senior, unrated, fixed rate notes due 2016

ASX
Australian Securities Exchange

AUM
Assets under management

Board
The board of directors of Henderson Group plc

bps
Basis points

Code Staff
Employees who perform a significant influence function, senior management and risk takers whose professional activities could have a material impact on the Group's risk profile

Company
Henderson Group plc

compensation ratio
Employee compensation and benefits divided by total income

Directors
The directors of Henderson Group plc

EPS
Earnings per share

FX
Foreign exchange

Gartmore
Gartmore Group Limited and its controlled entities

Gartmore related employee share awards
Awards to Gartmore employees originally made in 2010 and exchanged into Henderson Group plc shares upon completion on the same terms as the original awards

GPS
Gartmore Pension Scheme

Group
Henderson Group plc and its controlled entities

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

HGPS
Henderson Group Pension Scheme

IAS
International Accounting Standard

IAS 19a
IAS 19 'Employee Benefits' amended

IFRS
International Financial Reporting Standard

IPD
Investment Property Databank

LSE
London Stock Exchange

management fee margin
Annualised management fees divided by average AUM

net margin
Annualised underlying profit before tax divided by average AUM

net tangible assets
Total assets less intangible assets less total liabilities ranking ahead of, or equally with, claims of ordinary shares

OEIC
Open-ended investment company

operating margin
Total fee income less operating expenses divided by total fee income

Phoenix
Phoenix Group Holdings previously known as Pearl Group Limited

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

total fee margin
Annualised total fee income divided by average AUM

UK or **United Kingdom**
United Kingdom of Great Britain and Northern Ireland

underlying profit
Recurring profit before intangible amortisation, Gartmore related employee share awards and void property finance charge