



2011 Full Year Results

Andrew Formica
Chief Executive

Shirley Garrod
Chief Financial Officer

All information in £ unless otherwise stated

29 February 2012



2011 Full Year Results

Andrew Formica
Chief Executive

Overview and corporate activity in FY11

FY11 overview

	FY11	vs FY10
Underlying profit	£159.2m	+58%
Diluted EPS ¹	12.4p	+31%
Management fee margin	53.3bps	+11%
Operating margin	36.3%	+21%
Compensation ratio	41.6%	-6%
Dividend	7.0p	+8%
3 year investment performance ²	66%	↑
Net fund flows ³	£5.8bn	-8.2%
Debt ratios	Maintained prudent gearing ratios	
Gartmore acquisition criteria	Exceeded	

¹ On underlying profit after tax.

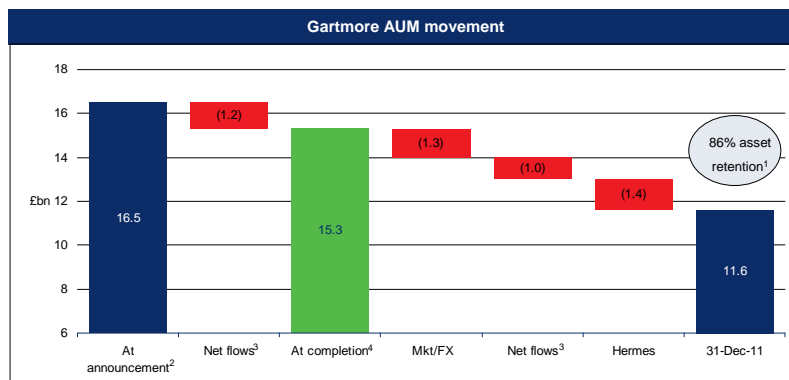
² Asset weighted, percentage of funds achieving or beating benchmark over three years.

³ Excluding Phoenix, including Gartmore AUM at acquisition, % of opening AUM.



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Asset retention above expectations



¹ Based on AUM at announcement, net of previously notified redemptions and before markets and FX and excluding Hermes disposal and £1.2bn of fund mergers.

² Based on 31 Dec 10 and after previously net notified redemptions of £668m.

³ Excludes flows which were previously notified at announcement.

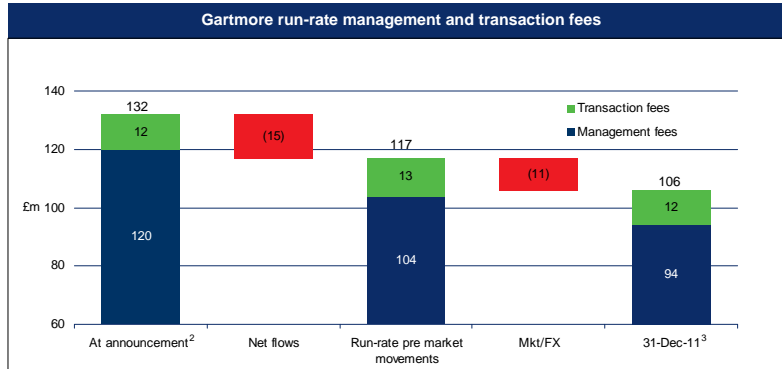
⁴ Net of notified redemptions of £368m.



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Good asset retention drives income

Fee income run-rate at 89%¹



¹ Excluding performance fees and market and FX movements.

² Based on applying average management fee rates on Gartmore funds as at 31 Dec 10, excluding Hermes and previously notified redemptions.

³ Based on applying average management fee rates on Gartmore funds as at 31 Dec 11, excluding impact of fund mergers.



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Divestments enable focus on core business

- Strategy to focus on core business
- Disposal of £4bn non-core assets
- Improved risk profile and efficiency gains offsets lower revenue

1Q11	Henderson Liquid Assets Fund ⇒ DB Advisors	Legacy Henderson
3Q11	New Star Institutional Managers ⇒ Management and CCL	Legacy New Star
4Q11	Hermes GPE ⇒ Hermes and Management	Legacy Gartmore
4Q11	Restructure of investment teams	



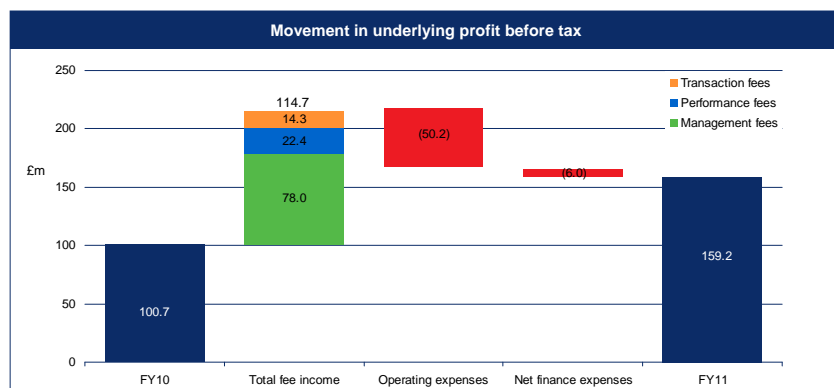
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2011 Full Year Results

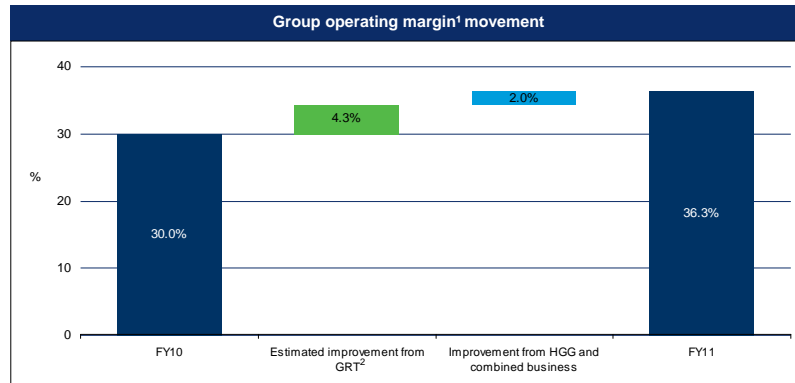
Shirley Garrod
Chief Financial Officer

Financial results

Underlying profit before tax



Improvement in operating margin



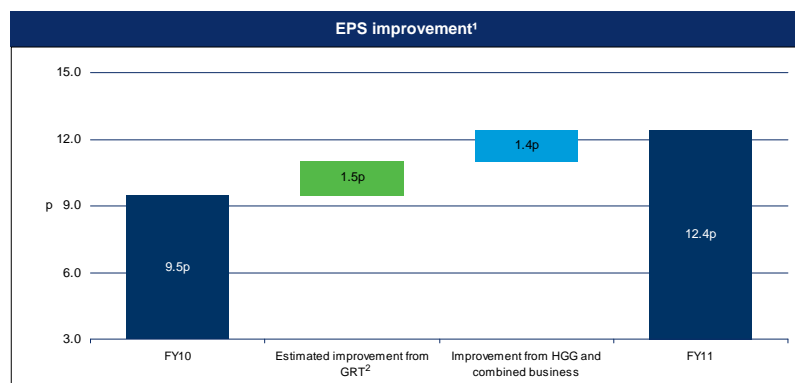
¹ Calculated as total fee income divided by operating expenses.

² Based on estimates at announcement.



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Significant EPS accretion



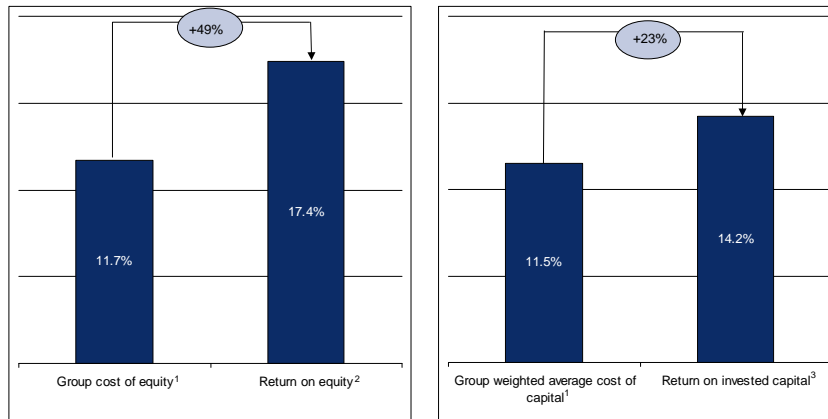
¹ Based on underlying fully diluted EPS.

² Based on estimates at announcement.



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Financial benefits from Gartmore achieved



¹ Calculated based on data as at 31 Dec 11.

² Based on the cost of acquisition at announcement, including shares issued to employee benefit trusts, and FY11 management and transaction fee revenue earned, annualised and FY11 actual performance fees and estimated operating margin.

³ Based on the cost of invested capital at announcement, including shares issued to employee benefit trusts, and FY11 management and transaction fee revenue earned, annualised and FY11 actual performance fees and estimated operating margin.



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Drivers of net increase in total fee income

- 68% of increase from management fees
 - Gartmore fees for nine months
- 20% of increase from performance fees
 - Absolute return funds, including three AlphaGen funds
 - Henderson SICAVs
- 12% of increase from transaction fees
 - Gartmore fees for nine months



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Sources of performance fees

Henderson: £49.5m; Gartmore: £15.7m

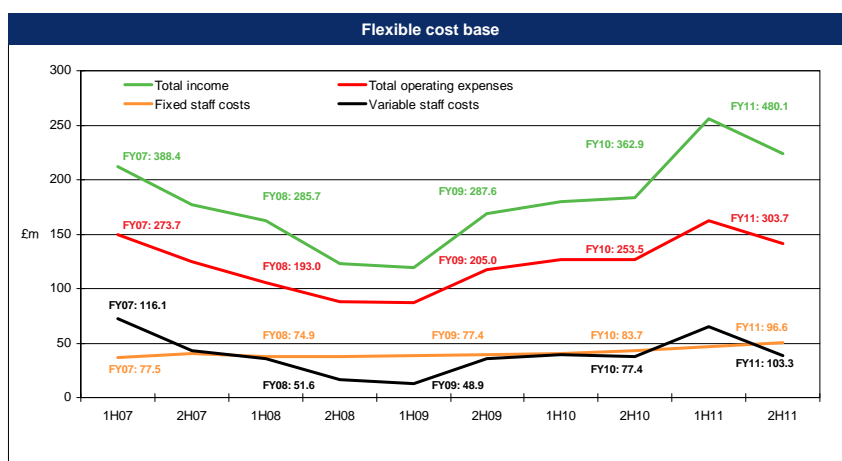
Sourced from	FY11 £m ¹	FY10 £m	FY09 £m	Benchmark	FY11 No. of funds	FY10 No. of funds	FY09 No. of funds
Institutional clients	21.1	30.8	21.0	Rel	31	35	21
Absolute return funds	22.5	4.5	7.8	Abs	21	13	9
SICAVs	13.9	1.3	0.2	Abs/Rel	13	7	1
Property	1.8	0.5	1.6	Abs/Rel	5	6	4
Investment Trusts	4.2	0.9	1.0	Abs/Rel	5	3	2
Private Equity	0.1	4.8	-	Abs	1	1	-
UK OEICs	1.6	-	-	Abs/Rel	2	-	-
Total	65.2	42.8	31.6		78	65	37

¹ Excludes £12.8m of Gartmore performance fees earned in FY11, but prior to completion.



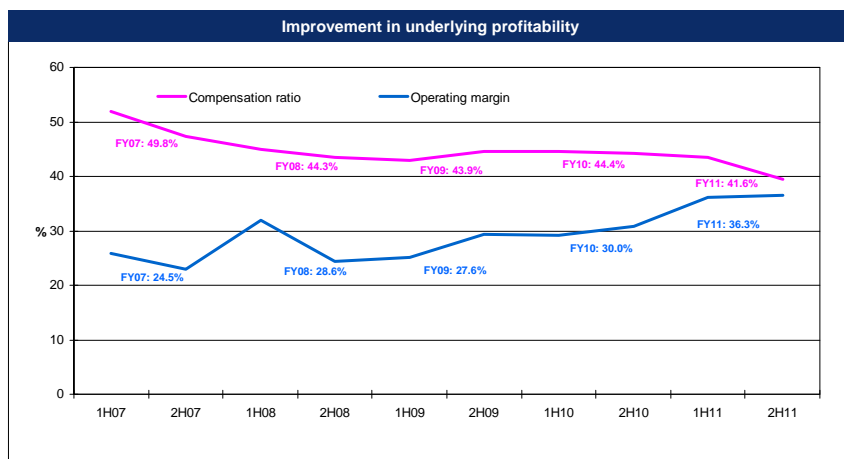
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Total income and operating expenses



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Compensation ratio and operating margin



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Continued cost discipline

	FY11 £m	FY10 £m	% change	2H11	1H11
Investment administration	28.1	23.3	21	14.0	14.1
Office expenses	16.4	16.2	1	7.5	8.9
Information technology	14.0	12.7	10	7.7	6.3
Other expenses	42.3	37.0	14	22.1	20.2
Depreciation	3.0	3.2	(6)	1.5	1.5
Other operating expenses	103.8	92.4	12	52.8	51.0

- Other operating expenses increase 12% largely due to Gartmore
- Investment admin costs up to service more funds
- IT spend accelerated in 2H11 as projects resumed post Gartmore
- Other expenses increased mainly due to business development spend and a number of smaller other items

Manage costs whilst selectively investing in the business



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Non-recurring items

Non-recurring items	FY11 £m
Gartmore integration costs	(69.7)
Restructuring costs	(6.0)
New Star void property provision release	6.5
Non-recurring items before tax	(69.2)
Tax on non-recurring items	16.2
Non-recurring tax	18.9
Non-recurring items after tax	(34.1)

- Gartmore integration costs
 - Staff related, deal and structuring, fund mergers, office relocation and reorganisation, transition of outsourced retail and investment operations
 - Post-tax impact of Gartmore integration is c.£35m
- Restructuring costs
 - Incurred in 4Q11 as cost reduction measures taken in response to market downturn
- New Star void property provision release
 - A void property provision recognised on the acquisition of New Star in 2009 released
- Non-recurring tax
 - Post the Gartmore acquisition, reassessed future utilisation of unrecognised tax losses and Gartmore's own tax liabilities



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Tax, earnings and dividend per share

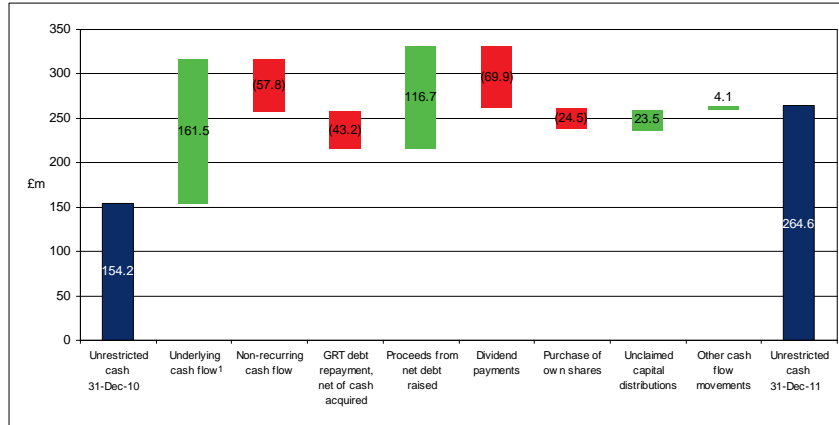
	FY11 £m	FY10 £m	% change
Underlying profit before tax	159.2	100.7	58
Tax on underlying profit	(33.6)	(20.6)	(63)
Non-controlling interests after tax	0.1	0.5	-
Underlying profit after tax	125.7	80.6	57
Effective tax rate on underlying profit	21.1%	20.5%	-
Diluted EPS ¹	12.4p	9.5p	31
Basic EPS ¹	13.2p	10.2p	29
Dividend per share	7.0p	6.5p	7.7

¹ On underlying profit after tax attributable to equity holders of the parent.



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Summary of cash flow



¹ Excludes the reduction in the restricted cash, relating primarily to the Group's manager dealing accounts: £13.1m.

Net debt/EBITDA unchanged at 0.2x



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Financial position – debt, equity and ratios

£m	31 Dec 11	31 Dec 10
2012 Notes	142.6	175.0
2016 Notes	150.0	-
Gross debt at par	292.6	175.0
Unrestricted cash and cash equivalents ¹	264.6	154.2
Net debt	28.0	20.8
Total equity	787.4	354.9
Available facilities ²	75.0	25.0
Gearing ratios and interest cover	31 Dec 11	31 Dec 10
Gross debt/total equity	0.4x	0.5x
Net debt/total equity	-	0.1x
Gross debt/EBITDA	1.7x	1.5x
Net debt/EBITDA	0.2x	0.2x
Interest cover	10x	13x

¹ Unrestricted cash and cash equivalents excludes £4.7m (31 Dec 10: £5.0m) held in escrow and £4.6m (31 Dec 10: £17.4m) held in the Group's manager dealing accounts.

² Represents a £75m revolving credit facility, as at 31 Dec 11, expiring in Apr 14 and excludes facilities cancelled after 31 Dec 11.



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2011 Full Year Results

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Chief Executive

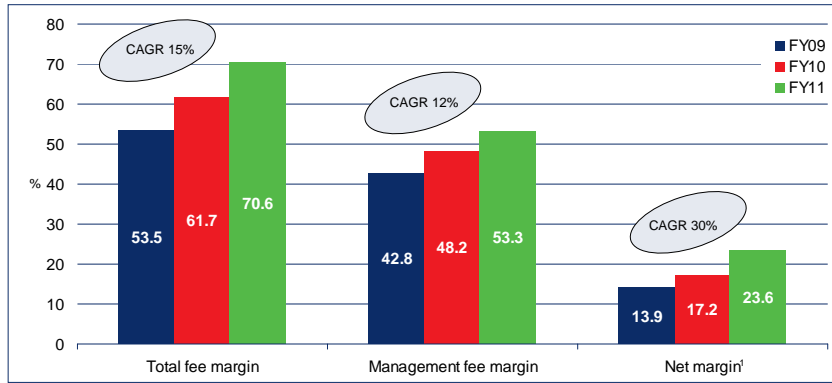
Investment performance

Asset weighted of funds measured¹

Funds at/above benchmark (%) ²	1 year %	3 years %
Investment Management		
UK OEICs/Unit Trusts	57	70
SICAVs	75	94
US mutuals	24	18
Investment Trusts	64	75
Offshore absolute return funds	52	89
Segregated institutional mandates	71	97
Liquidity funds	100	100
Total	61	76
Asset class		
Equities	53	71
Fixed Income	79	87
Property ³	48	23
Total	59	66

¹ Includes Gartmore. Excludes NSIM as the Group's interest was disposed of on 1 Jul 11.
² Asset weighted of funds measured as at 31 Dec 11. Retail fund ranges are measured relative to peers.
³ Based on estimated performance as at 31 Dec 11; IPD benchmarks for FY11 will be available in Mar 12.

Fee margins



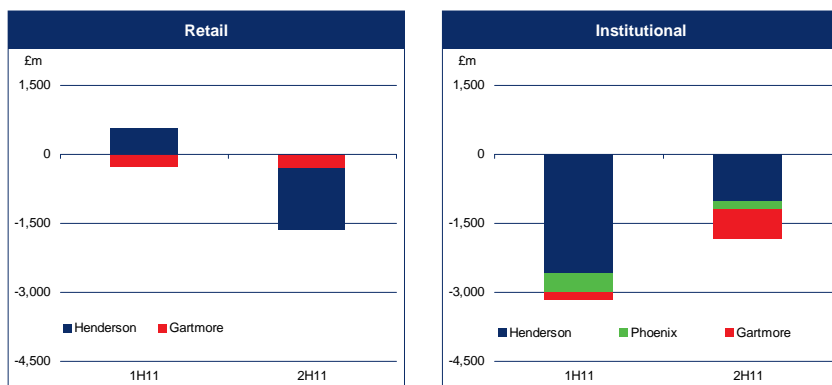
¹ Based on underlying profit before tax.

Continued improvement in margins



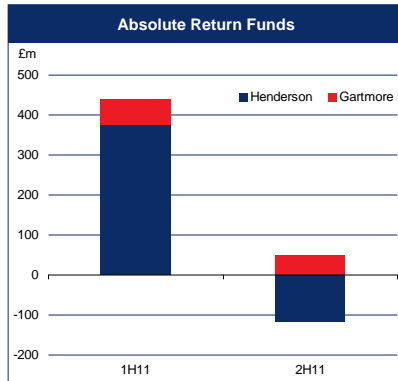
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Net flows in FY11

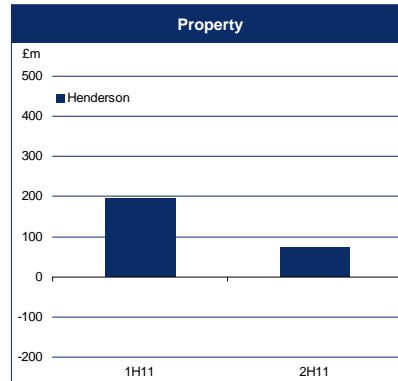


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Net flows in FY11



Absolute return flows are included in retail and institutional flows in previous slide.

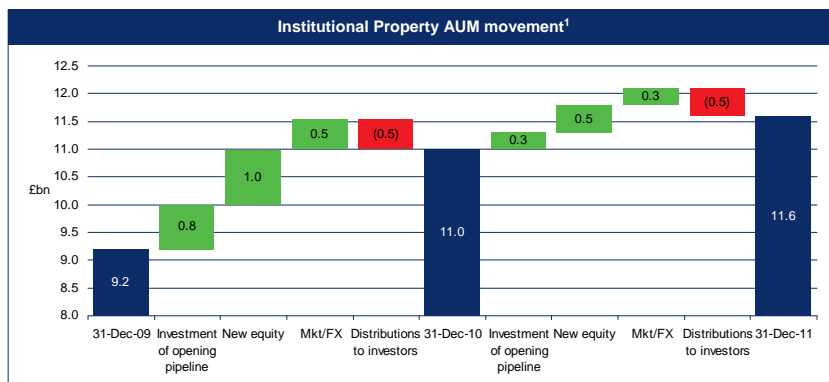


Property flows are included in retail and institutional flows in previous slide.



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Property AUM movement 2009 – 2011

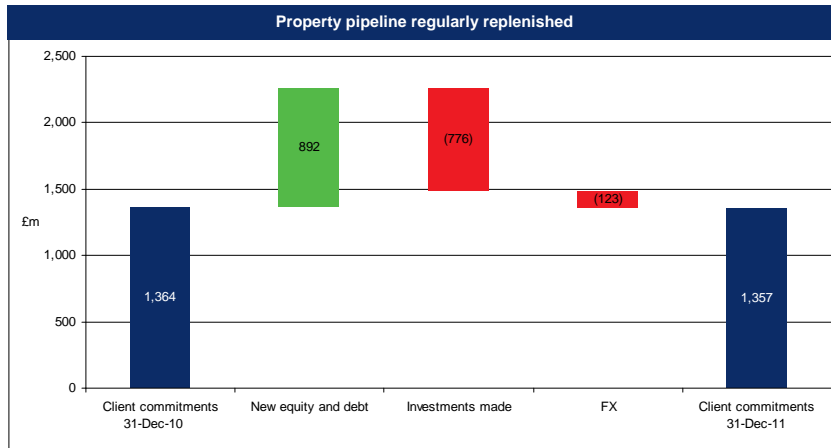


¹ Excludes the transfer of New Star International Property Fund 3Q10 and Property Retail OEICs and Unit Trusts.



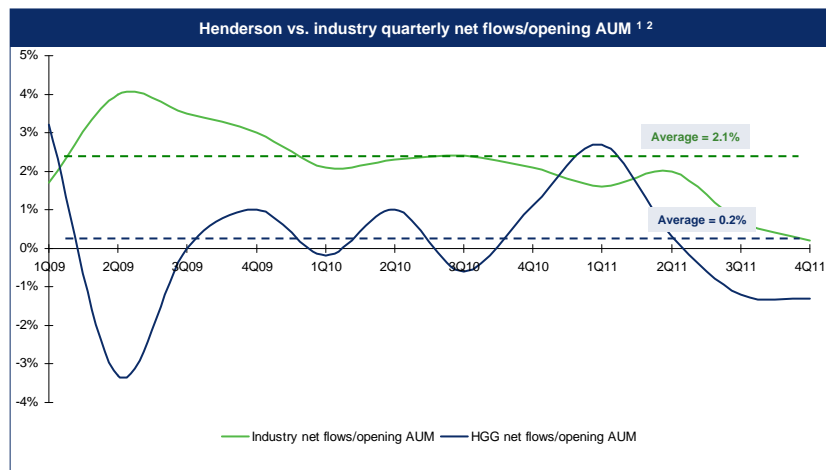
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Movement in Property pipeline



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UK retail quarterly net flows



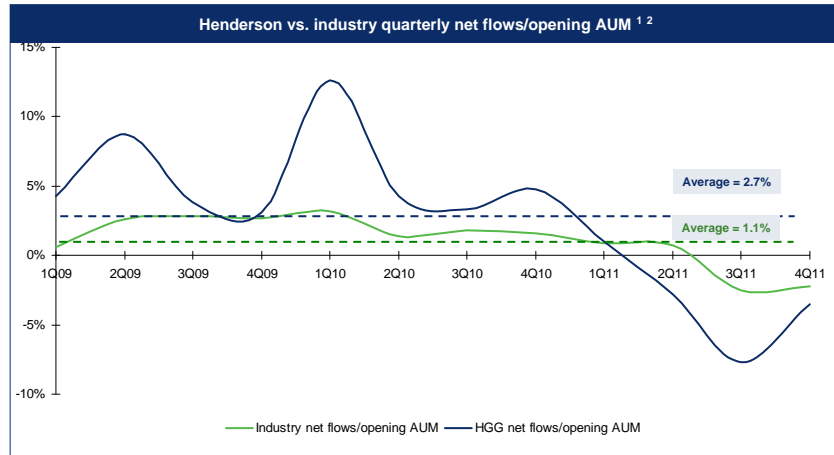
¹ Henderson data includes UK Retail OEICs and Unit Trusts.

² Investment Management Association as at 16 Jan 12. Excludes institutional mutual fund, cash and money market AUM and flows.



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European retail quarterly net flows



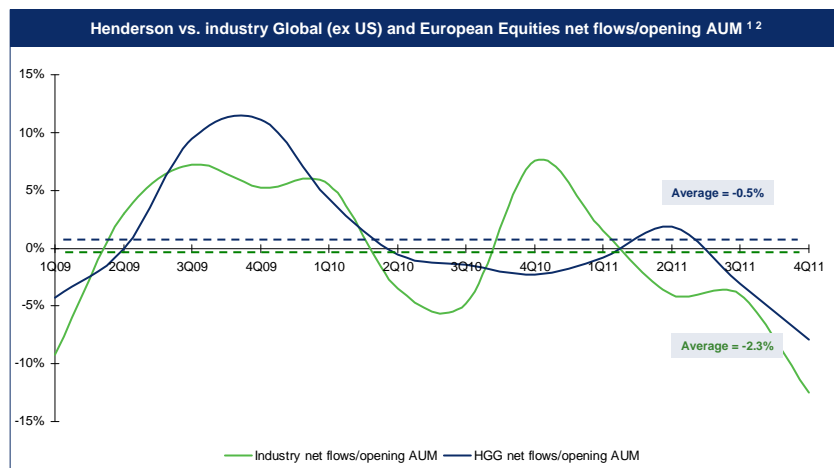
¹ Henderson data includes Retail SICAVs.

² Morningstar as at 16 Jan 12. Excludes short-term government bonds and money market funds.



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US retail quarterly net flows¹



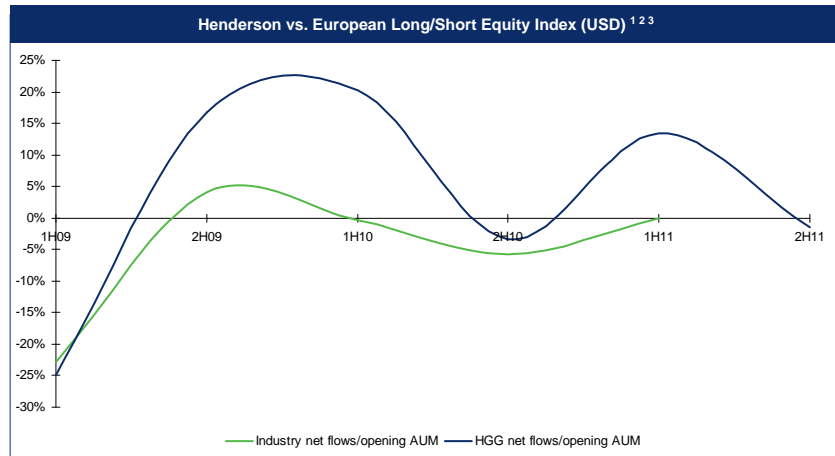
¹ Henderson data includes US mutual funds.

² Morningstar as at 16 Jan 12. Includes Global and European equities but excludes US.



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Absolute return fund flows

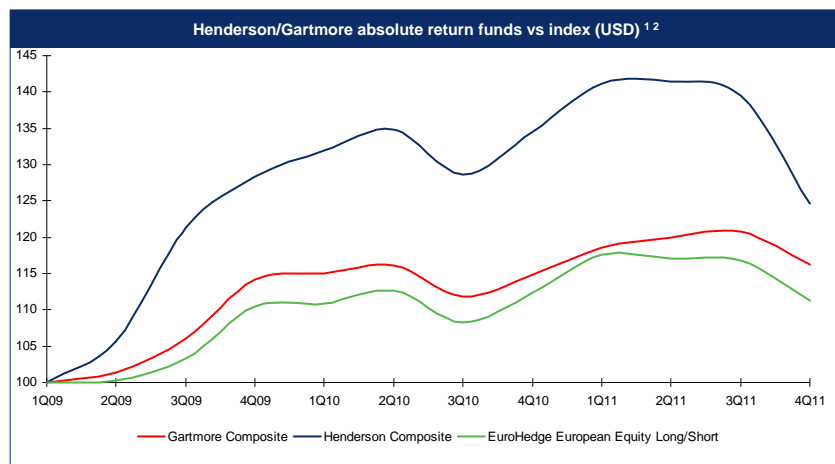


¹ Industry data available half yearly, EuroHedge as at 16 Jan 12; 2H11 not available.
² Net inflows calculated using the % change in the index AUM less performance over the period.
³ Henderson data includes offshore absolute return funds.



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Absolute return fund performance



¹ EuroHedge as at 16 Jan 12.
² Henderson and Gartmore internal data, includes funds investing outside of Europe.



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Key points from FY11 – recap

- Strong growth in profitability
- Good investment performance
- Net inflows into absolute return and property funds
- Improving fee and operating margins
- Prudent capital position
- Successful Gartmore acquisition



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Strategy and priorities for FY12

- Be client led
- Grow retail business
- Expand global and absolute return product
- Foster strategic relationships
- Operate efficiently



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2011 Full Year Results

Appendix

- Profit and loss
- AUM and fund flows in FY11
- Investment performance
- AUM with performance fee potential
- Number of shares for EPS calculation
- EPS calculation
- Gartmore purchase consideration
- Gartmore acquisition accounting

Profit and loss

	FY11 £m	FY10 £m	% change
Management fees (net of commissions)	360.5	282.5	28
Transaction fees	51.1	36.8	39
Performance fees	65.2	42.8	52
Total fee income	476.8	362.1	32
Finance income	3.3	0.8	313
Total income	480.1	362.9	32
Total operating expenses	(303.7)	(253.5)	20
Finance expenses	(17.2)	(8.7)	98
Total expenses	(320.9)	(262.2)	22
Underlying profit	159.2	100.7	58
Gartmore related employee share awards	(33.2)	-	n.m.
Intangible amortisation	(41.7)	(11.6)	(259)
Void property finance charge	(2.1)	(2.1)	-
Recurring profit before tax	82.2	87.0	(6)
Non-recurring items	(69.2)	(10.5)	559
Profit before tax	13.0	76.5	(83)
Tax on underlying profit	(33.6)	(20.6)	(63)
Tax on non-operating recurring items	19.4	4.5	n.m.
Tax on non-recurring items	16.2	0.6	n.m.
Non-recurring tax credit	18.9	16.4	n.m.
Total tax	20.9	0.9	n.m.
Profit after tax	33.9	77.4	(56)



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AUM and fund flows in FY11

£m	AUM by channel								Closing AUM ave net mngmt fee
	Opening AUM	Gartmore take-on AUM ¹	HGG net flows	GRT net flows ²	Group net flows	Transfers ³	Mkt/FX	Closing AUM	
	1 Jan 11							31 Dec 11	
Retail	23,039	9,866	(776)	(602)	(1,378)	207	(3,532)	28,202	75
Institutional ex Phoenix	31,817	5,849	(3,607)	(809)	(4,416)	(4,209)	560	29,601	42 ⁴
Total Group ex Phoenix	54,856	15,715	(4,383)	(1,411)	(5,794)	(4,002)	(2,972)	57,803	
Phoenix	6,753	-	(582)	-	(582)	-	310	6,481	
Total Group	61,609	15,715	(4,965)	(1,411)	(6,376)	(4,002)	(2,662)	64,284	55

£m	AUM by asset type								
	Opening AUM	Gartmore take-on AUM ¹	HGG net flows	GRT net flows ²	Group net flows	Transfers ³	Mkt/FX	Closing AUM	
Equities	30,515	13,843	(4,127)	(1,222)	(5,349)	(1,137)	(2,556)	35,316	69
Fixed Income	18,349	538	(1,021)	(152)	(1,173)	(1,463)	(738)	15,513	31
Property	11,821	-	270	-	270	-	317	12,408	45
Private Equity	924	1,334	(87)	(37)	(124)	(1,402)	315	1,047	
Total Group	61,609	15,715	(4,965)	(1,411)	(6,376)	(4,002)	(2,662)	64,284	55

¹ Before notified redemptions of £368m at completion.

² Since completion of the Gartmore acquisition, including notified redemptions.

³ The transfer of Henderson Liquid Assets Fund to DB Advisors, NSIM sale and Hermes disposal.

⁴ Private Equity AUM and net management fees are excluded from this analysis due to the confidential nature of these fee arrangements and, therefore, excluded from the average management fee basis points.

⁵ Calculated including all Phoenix AUM and revenue.



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Investment performance

Top 20 investment management funds by AUM

Fund	AUM		Fund range	Fund manager	1 year	3 years	5 years
	£m	31 Dec 11					
All Stock Credit ¹	1,871		Institutional OEIC	Payne			
International Opportunities ²	1,678		US Wholesale	Team			
Horizon Pan-European Equity ²	1,244		SICAV	Stevenson			
European Selected Opportunities ²	1,188		Retail OEIC	Bennett			
Latin American ²	1,112		SICAV	Palmer			
Strategic Bond ²	1,038		Retail OEIC	Pattullo/Barnard			
Long Dated Credit ¹	1,014		Institutional OEIC	Payne			
UK Enhanced ²	945		Institutional OEIC	Elms			
Horizon Global Technology ²	914		SICAV	O'Gorman/Warmerdam			
European Growth ²	839		Retail OEIC	Pease/Rowe			
Cautiously Managed ²	813		Retail OEIC	Burvill			
Continental European ²	683		SICAV	Bennett			
Multi-Manager Income and Growth ²	681		Retail OEIC	McQuaker			
Global Equity Income ²	651		US Wholesale	Crooke/Curtis			
China Opportunities ²	601		Retail OEIC	Awdry			
Preference and Bond ²	568		Retail OEIC	Pattullo/Barnard			
Higher Income ²	557		Retail OEIC	Kitchen/Jones			
High Alpha Credit ¹	522		Institutional OEIC	Thariyan/Adams			n/a
Credit Alpha ¹	515		Institutional OEIC	Ross			n/a
UK Alpha ²	493		Retail OEIC	Peak			
Total	17,927						

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

¹ Performance relative to benchmark.
² Percentile ranking measured 31 Dec 11.



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AUM with performance fee potential

	31 Dec 11		31 Dec 10 ¹	
	No. of funds	% of AUM with performance fee potential	No. of funds	% of AUM with performance fee potential
Institutional clients	59	37	63	34
Absolute return funds	34	80	17	84
Property	32	73	29	73
SICAVs	22	66	21	99 ²
Investment Trusts	14	78	13	83
Private Equity	6	100	6	100
UK OEICs	4	4	1	2
Total	171	42	150	44

¹ Data restated to reflect new AUM disclosure and reclassifications.
² Includes fund switch from UK Retail which does not have a performance fee opportunity.



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Number of shares for EPS calculation

	FY11 No. m	FY10 No. m
Weighted average		
Issued share capital	1,027.0	826.7
Less: own shares held	(72.9)	(38.3)
Weighted average number of ordinary shares for the purpose of basic EPS	954.1	788.4
Add: dilutive impact of share options and awards	58.6	60.8
Weighted average number of ordinary shares for the purpose of diluted EPS	1,012.7	849.2



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EPS calculation¹

	FY11 £m	FY10 £m
Underlying profit before tax	159.2	100.7
Less: tax on underlying profit	(33.6)	(20.6)
Underlying profit after tax	125.6	80.1
Add: non-controlling interests after tax	0.1	0.5
Underlying profit after tax attributable to equity holders of the parent	125.7	80.6
Less: Gartmore related employee share awards after tax	(28.3)	-
Less: intangible amortisation and void property finance charge after tax	(29.3)	(9.2)
(Less)/add: non-recurring items after tax	(34.1)	6.5
Profit after tax attributable to equity holders of the parent	34.0	77.9
Weighted average number of ordinary shares for the purpose of basic EPS (m)	954.1	788.4
Weighted average number of ordinary shares for the purpose of diluted EPS (m)	1,012.7	849.2
Basic EPS based on underlying profit after tax	13.2p	10.2p
Basic EPS	3.6p	9.9p
Diluted EPS based on underlying profit after tax	12.4p	9.5p
Diluted EPS	3.4p	9.2p

¹ All EPS calculations based on profit attributable to equity holders of the parent.



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Gartmore purchase consideration

	No. of shares	Share price £	Amount £m
Equity consideration at acquisition announcement	242,639,403	1.382	335.3
Increase in share price		0.349	84.7
Equity consideration at completion	242,639,403	1.731	420.0
Comprising:			
Gartmore external shareholders	202,223,894	1.731	350.0
Gartmore employee benefit trust (own shares)	40,415,509	1.731	70.0
Add: fair value of Gartmore related employee share awards to date of completion ¹			15.4
Fair value of purchase consideration			435.4
Less: Gartmore employee benefit trust (own shares)	40,415,509		(70.0)
Cost of acquisition			365.4

¹ Gartmore related employee share awards represent the pre-acquisition share-based payment charge for 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.



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Gartmore acquisition accounting

	£m
Gartmore net assets at acquisition	198.2
Fair value adjustments	(234.6)
Recognition of investment management contracts	220.9
Deferred tax on recognition of investment management contracts	(57.4)
Total fair value adjustments	(71.1)
Fair value of assets and liabilities acquired	127.1
Goodwill	238.3
Cost of acquisition	365.4



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Gartmore acquisition accounting

	Period	£m
Gartmore related employee share awards		
Post-acquisition share-based payment charge for awards to Gartmore employees made in 2010; amounts assume 100% vesting	FY11	33.2
	FY12	12.1
FY11 includes acceleration of vesting for departing Gartmore employees	FY13	4.9
Intangible amortisation		
Investment management contracts amortised on a straight-line basis	FY11	30.1
Deferred tax liability recognised at acquisition (£57.4m) will be credited to the income statement matching the amortisation of the investment management contracts	FY12	40.2
	FY13	40.2
	FY14	40.2
	FY15	36.1
	FY16	27.8
	FY17	6.3
Void property finance charge		
A 15 year lease agreement entered into by Gartmore in Sep 10: £4.2m over 15 years, declining over time		



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Forward-looking statements

This presentation issued by Henderson Group plc is a summary of certain information contained in the stock exchange announcements dated 29 February 2012 (relating to the full year results of Henderson Group for the period ended 31 December 2011) and should be read in conjunction with, and subject to, the full text of those announcements.

This presentation contains forward-looking statements with respect to the financial condition, results and business of Henderson Group. By their nature, forward-looking statements involve risk and uncertainty because they relate to events, and depend on circumstances, that may or may not occur in the future. There are a number of factors that could cause Henderson Group's actual future performance and results to differ materially from the results expressed or implied in these forward-looking statements. The forward-looking statements are based on the Directors' current view and information available to them at the date of this presentation. Henderson Group makes no undertaking to update or revise any forward-looking statements whether as a result of new information, future events or otherwise. Nothing in this presentation should be construed as a profit forecast.



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