2012 Interim Results

14 August 2012

Financial highlights

Amounts in £m unless otherwise stated	6 months to 30 June 2012 Unaudited	6 months to 30 June 2011 Unaudited	12 months to 31 December 2011 Audited
Underlying profit before tax	**79.0**	86.4	159.2
Intangible amortisation, Gartmore related employee share awards and void property finance charge	**(33.5)**	(37.8)	(77.0)
Recurring profit before tax	**45.5**	48.6	82.2
Non-recurring items	**-**	(51.7)	(69.2)
Profit/(loss) before tax	**45.5**	(3.1)	13.0
Tax on recurring profit	**0.9**	(7.5)	(14.2)
Tax on non-recurring items	**-**	11.5	16.2
Non-recurring tax	**-**	12.9	18.9
Total tax	**0.9**	16.9	20.9
Profit after tax	**46.4**	13.8	33.9
Operating margin[1]	**36.8%**	36.1%	36.3%
Assets under management (AUM) at period end	**£63.6bn**	£74.4bn	£64.3bn
Earnings per share (EPS)[2]			
Basic[3]	**6.9p**	7.6p	13.2p
Diluted[4]	**6.6p**	7.1p	12.4p
Ordinary dividend per share	**2.1p**	1.95p	7.0p

1 Total fee income less operating expenses divided by total fee income.
2 Based on underlying profit after tax attributable to equity holders of the parent.
3 Based on weighted average number of shares in issue less weighted average number of own shares held during the period.
4 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 2012 interim results Chief Executive, Andrew Formica said:

"In a volatile time for all markets, these financial results are solid. On the positive side, profits and margins have held up; and, crucially for the long term, two-thirds of our funds have matched or beaten their benchmarks over three years. Against these encouraging achievements, we have seen net outflows across our business.

Reviewing this, and in line with our formula for the interim dividend, the Board has approved an increased payment of 2.1p per share.

Looking ahead, we continue to invest in our fund manager and distribution talent, review the number and variety of funds, and control costs across the business: measures all designed to provide high quality service for our clients and to maintain our financial strength."

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

2012 Interim Results
continued

Key highlights

- Underlying profit before tax of £79.0m.
- Management fee margin at 54.9bps.
- Operating margin at 36.8%.
- AUM £63.6bn at 30 June 2012.
- Diluted underlying EPS at 6.6p.
- Good investment performance over three years; 66% of funds meet or exceed benchmarks.
- Interim dividend of 2.1 pence per share.
- Repaid 2012 loan notes in full - £142.6m.

Market briefing
Management will present these results on 14 August 2012 at 6.00pm (Sydney time)/9.00am (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 5.50pm (Sydney time)/8.50am (London time):

From:	
United Kingdom	0800 368 0649 (free call)
Australia	1800 027 219 (free call)
All other countries	+44 (0) 20 3059 8125 (This is not a free call number)
Conference title	Henderson Group, Interim Results Briefing
Chairperson	Andrew Formica

Replay number from:		
United Kingdom	+44 (0) 121 2604 861	Access code: 6550086#
Australia	1800 631 527	Access code: 6550086#
	(available from 14 August to 21 August 2012).	

Webcast details
You can logon to a webcast of the results briefing which will start at 6.00pm (Sydney time)/9.00am (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

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Interim Report and Accounts for the Six Months Ended 30 June 2012

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 2011 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.

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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 2012 Unaudited £m	6 months to 30 June 2011 Unaudited £m	Movement %
Revenue from recurring activities	**334.7**	355.1	(5.7)
Underlying profit after tax attributable to equity holders of the parent	**71.0**	68.3	4.0
Profit after tax attributable to equity holders of the parent	**46.4**	13.8	236.2

Dividends

On 13 August 2012, the Board of Directors (the Board) declared an interim dividend in respect of the six months ended 30 June 2012 of 2.1 pence per share (1H11: 1.95 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 25 May 2012 in respect of the year ended 31 December 2011.

	Amount per security pence	Franked amount per security pence
2012 interim dividend per share	2.1	-
Record date	31 August 2012	
Payment date	21 September 2012	

Net tangible assets per ordinary share

	30 June 2012 pence	30 June 2011 pence
Net tangible assets per ordinary share	**-**	(5)

Net tangible assets are defined by the ASX as being total assets less intangible assets less total liabilities ranking ahead of, or equally with, claims of ordinary shares. The net tangible assets per ordinary share at 30 June 2011 have been restated for the finalisation of acquisition accounting in accordance with IFRS 3, Business Combinations.

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

	1H12 Unaudited £m	1H11 Unaudited £m	FY11 Audited £m	FY10 Audited £m	FY09 Audited £m	FY08 Audited £m
Income						
Management fees (net of commissions)	**178.8**	176.0	360.5	282.5	226.8	221.9
Transaction fees	**23.3**	24.2	51.1	36.8	24.9	16.5
Performance fees	**22.2**	54.3	65.2	42.8	31.6	32.0
Total fee income	**224.3**	254.5	476.8	362.1	283.3	270.4
Finance income	**4.8**	1.6	3.3	0.8	4.3	15.3
Total income	**229.1**	256.1	480.1	362.9	287.6	285.7
Expenses						
Fixed employee compensation and benefits	***(51.8)***	*(46.4)*	*(96.6)*	*(83.7)*	*(77.4)*	*(74.9)*
Variable employee compensation and benefits	***(38.1)***	*(65.1)*	*(103.3)*	*(77.4)*	*(48.9)*	*(51.6)*
Employee compensation and benefits	**(89.9)**	(111.5)	(199.9)	(161.1)	(126.3)	(126.5)
Investment administration	**(14.4)**	(14.1)	(28.1)	(23.3)	(22.6)	(16.4)
Information technology	**(8.0)**	(6.3)	(14.0)	(12.7)	(11.5)	(9.6)
Office expenses	**(9.0)**	(8.9)	(16.4)	(16.2)	(16.2)	(13.2)
Depreciation	**(1.4)**	(1.5)	(3.0)	(3.2)	(3.2)	(2.3)
Other expenses	**(19.1)**	(20.2)	(42.3)	(37.0)	(25.2)	(25.0)
Total operating expenses	**(141.8)**	(162.5)	(303.7)	(253.5)	(205.0)	(193.0)
Finance expenses	**(8.3)**	(7.2)	(17.2)	(8.7)	(8.9)	(12.3)
Total expenses	**(150.1)**	(169.7)	(320.9)	(262.2)	(213.9)	(205.3)
Underlying profit	**79.0**	86.4	159.2	100.7	73.7	80.4
Intangible amortisation	**(26.0)**	(15.8)	(41.7)	(11.6)	(8.7)	(0.1)
Gartmore related employee share awards	**(6.8)**	(21.1)	(33.2)	-	-	-
Void property finance charge	**(0.7)**	(0.9)	(2.1)	(2.1)	(2.0)	-
Recurring profit before tax	**45.5**	48.6	82.2	87.0	63.0	80.3
Non-recurring items	**-**	(51.7)	(69.2)	(10.5)	(47.5)	(97.3)
Profit/(loss) before tax	**45.5**	(3.1)	13.0	76.5	15.5	(17.0)
Tax on underlying profit	**(8.0)**	(18.1)	(33.6)	(20.6)	(16.3)	(8.6)
Tax on non-operating recurring items	**8.9**	10.6	19.4	4.5	3.0	-
Tax on non-recurring items	**-**	11.5	16.2	0.6	12.3	4.8
Non-recurring tax credit	**-**	12.9	18.9	16.4	-	-
Total tax	**0.9**	16.9	20.9	0.9	(1.0)	(3.8)
Profit/(loss) after tax	**46.4**	13.8	33.9	77.4	14.5	(20.8)
Attributable to:						
Equity holders of the parent	**46.4**	13.8	34.0	77.9	13.8	(20.9)
Non-controlling interests	**-**	-	(0.1)	(0.5)	0.7	0.1
Operating margin[1]	**36.8%**	36.1%	36.3%	30.0%	27.6%	28.6%
Compensation ratio[2]	**39.2%**	43.5%	41.6%	44.4%	43.9%	44.3%
Average number of full-time employees	**1,062**	1,021	1,043	941	933	920
Assets under management (AUM) at period end (£bn)	**63.6**	74.4	64.3	61.6	58.1	49.5
Average AUM for the period (£bn)	**65.1**	68.0	67.6	58.7	53.0	53.7
Total fee margin (bps)	**68.9**	74.9	70.6	61.7	53.5	50.4
Management fee margin (bps)	**54.9**	51.8	53.3	48.2	42.8	41.3
Net margin[3] (bps)	**24.3**	25.4	23.6	17.2	13.9	15.0
Basic and diluted earnings per share (EPS)						
Weighted average number of ordinary shares for basic EPS (m)	**1,030.0**	893.1	954.1	788.4	759.3	660.6
Weighted average number of ordinary shares for diluted EPS (m)	**1,074.7**	964.2	1,012.7	849.2	809.4	715.0
Basic on underlying profit[4] (p)	**6.9**	7.6	13.2	10.2	7.5	10.8
Basic (p)	**4.5**	1.5	3.6	9.9	1.8	(3.2)
Diluted on underlying profit[4] (p)	**6.6**	7.1	12.4	9.5	7.0	10.0
Diluted (p)	**4.3**	1.4	3.4	9.2	1.7	(3.2)
Dividend per share (p)	**2.1**	1.95	7.0	6.5	6.1	6.1
Investment performance[5]						
Funds at or exceeding benchmark over one year	**61%**	66%	59%	70%	70%	41%
Funds at or exceeding benchmark over three years	**66%**	67%	66%	62%	64%	49%

1 Total fee income less operating expenses divided by total fee income.
2 Employee compensation and benefits divided by total income.
3 Net margin calculated on underlying profit before tax.
4 Based on underlying profit after tax attributable to equity holders of the parent.
5 Asset weighted of funds measured over one and three years to 30 June 2012.

Business Review

At the start of this year, I was concerned about the challenging outlook for global economic growth and, consequently for financial markets, particularly in our core European markets. Politicians and policy makers continue to struggle with the eurozone crisis. My concerns, unfortunately, have been justified.

In these circumstances we have continued to build on our strengths – the depth and diversity of our business, providing clients with good investment performance and service, maintaining our discipline on costs and improving operational efficiency – whilst, enhancing and strengthening our product offering, distribution capabilities and opening new distribution channels; all in a manner closely aligned with our strategy.

As a result, despite the weakness in the economies in which we operate we are better positioned strategically and continue to produce strong financial results for our shareholders whilst retaining the ability to invest in our business.

Our UK Retail business is well-positioned for the post Retail Distribution Review (RDR) world with both distribution platforms and Independent Financial Advisers (IFA). We have formed a strategic alliance with Sesame Bankhall Group, the largest IFA network in the UK, and under the 'Optimum' banner, we have launched a range of multi-asset, multi-manager funds which can be blended and rebalanced to create bespoke, risk-rated portfolios for their clients. These funds are being managed by our highly rated multi-manager team. We have also launched our RDR compliant 'unbundled' share classes and our product range has been rationalised to present a clearer fund range to our clients. Our closed-ended business, with its well-established range of Investment Trusts, should also be a natural beneficiary of these developments. For the six months under review we have had solid gross flows into our UK retail range, although net flows have been below our expectations, unsurprisingly, given the extent of portfolio repositioning.

In our US business, consistent with our strategy, we have diversified our fund offerings to reduce our dependency on European equities and I am particularly pleased with the successful launch of our All Asset Fund in the first quarter and more recently, our Dividend and Income Builder Fund. Both funds draw on the expertise and successful investment track records of our existing fund managers. We anticipate continued demand for global equities and have strengthened the team with the appointment of Matt Beesley, a highly respected fund manager who has revitalised our global equity proposition.

Our European SICAV fund range continues to have excellent investment performance and although net inflows have been inevitably constrained with the eurozone crisis, it remains an important strategic strength of our business which should prove rewarding when investor appetite returns.

Along with the industry, our absolute return funds were tested by the volatility in markets. Outflows continued in 2012 due to some underperformance and the lower demand for Europe, Japan and Asian strategies. This remains a priority growth area for us and we continue to focus on strengthening our current range, developing new products and diversifying into other strategies.

The Institutional business investment performance continued to be strong and we saw outflows slow in the first half. However, we are impacted by clients rebalancing their portfolios into global mandates or where clients have been subject to pension buy-out arrangements. That said, we are encouraged by the pipeline of client commitments, ongoing strong investment performance and positive consultant ratings in our Institutional business.

The Property business has had a productive and busy start to the year investing client money in Germany, Austria and France, with new fund launches, opening an office in Sweden, becoming investment adviser to our first Chinese joint venture, entering into a strategic alliance in Italy and more recently acquiring Horizon Investment Management France SAS. A large portion of our Property assets are in long-term closed ended funds which expire periodically and we are pleased to recently have agreed with our clients a seven year extension for our flagship UK Shopping Centre Fund.

In our infrastructure business, the valuation of Fund I continued to improve in line with our expectations. However, the overall valuation of Fund II, as at 31 March 2012, declined slightly despite good trading at John Laing. Our Asian and Fund of Funds businesses continued to perform well.

As I said at the outset, we continue to deliver solid financial results in these challenging markets whilst being able to strengthen, reposition and invest in the business for the benefit of our shareholders, clients and staff as well as all our other stakeholders.

Andrew Formica
Chief Executive

13 August 2012

Financial Review

Financial performance
The Group achieved an underlying profit before tax of £79.0m, a reduction compared to 1H11 mainly as a result of reduced performance fees being earned. Continued cost control and the impact of lower variable staff costs increased the operating margin to 36.8%. These factors and the increase in shares in issue due to the Gartmore acquisition, partly offset by a lower tax charge, combined to reduce the diluted earnings per share on underlying profit after tax to 6.6 pence per share.

Total income and fee margins
Total income decreased to £229.1m, driven by a reduction in performance fees earned compared to 1H11, principally on Hedge and European SICAV products. Management fees increased to £178.8m, due to an extra quarter of Gartmore, partly offset by the impact of lower equity markets and net fund outflows in 2H11 and 1H12. Transaction fees were marginally down at £23.3m. Finance income increased to £4.8m as a result of profit on disposal of certain seed investments held by the Property business. The reduction in performance fees has resulted in a drop in both the net margin and total fee margin compared to 1H11. The impact of higher margin business acquired from Gartmore and outflows from lower margin Institutional business has helped improve the management fee margin in 1H12 to 54.9bps.

Total operating expenses
Total operating expenses decreased to £141.8m, helped by a significant reduction in variable staff costs driven by lower performance fees earned and other incentive payments being reduced given the challenging market conditions. Fixed staff costs increased to £51.8m due to an extra quarter of Gartmore and higher pension costs following a decision by the trustee of the Henderson Group Pension Scheme to reduce the asset allocation from return seeking to risk reducing which has resulted in a lower expected return on assets. The compensation ratio improved to 39.2% reflecting the fall in variable staff costs. Other operating expenses increased slightly in 1H12, reflecting an additional quarter of Gartmore costs and a normalised run rate for information technology costs.

Pension schemes
In April 2012, the trustee of the Gartmore Pension Scheme, a defined benefit pension scheme closed to future service accrual and acquired by the Group as part of the Gartmore acquisition in April 2011, entered into a buy-in insurance agreement with Pension Insurance Corporation that covers the accrued pension of all members of the scheme. As a result, the Group has reduced its exposure to the risks associated with the scheme.

Tax
The tax charge on underlying profit was £8.0m, resulting in an effective tax rate of 10.1%. The effective tax rate on underlying profit is less than the pro rata UK corporation tax rate of 24.5%, primarily as a result of the difference in tax rate on earnings generated overseas and the recognition of previously unrecognised tax losses.

AUM and fund flows
Total AUM at 30 June 2012 were £63.6bn, a reduction of £0.7bn from 31 December 2011 as shown on page 8. During 1H12, the Group experienced net fund outflows of £2.1bn as clients continued to shift out of risk assets given concerns over economic growth and the eurozone debt crisis. Market and FX movements during the year resulted in an increase of £1.4bn.

Investment performance
Investment performance of the Group's funds continues to remain good over three years, and one year figures showed improvement compared to 31 December 2011. Overall, 61% and 66% of funds exceeded their benchmarks over one and three years respectively. Looking at the various asset classes, 58% and 66% of equity funds and 78% and 98% of fixed income funds were either achieving or beating their benchmarks for one year and three years respectively. Property performance as at 31 December 2011 was 48% and 23% for one year and three years respectively, where in particular the lack of economic growth in the UK and Europe continued to impact performance.

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 £44.7m (including the manager's dealing account). The Group repaid its 2012 loan notes in full on 2 May 2012. The regulatory capital surplus of the Group under the Parent Financial Holding Company Test amounted to £661m at 30 June 2012, £623m at 31 December 2011 and £629m at 30 June 2011.

Dividends
The Board has declared an interim dividend of 2.1 pence per share (1H11: 1.95 pence per share). The interim dividend will be paid on 21 September 2012 to shareholders on the register on 31 August 2012.

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 2012.

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.

Summary of movements in AUM

£m		Opening AUM 1 Jan 12	Net flows 1H12	Markets/FX 1H12	Closing AUM 30 Jun 12	Closing AUM average net management fee bps[3]
INVESTMENT MANAGEMENT						
Retail						
	UK OEICs/Unit Trusts	14,726	(734)	318	14,310	
	SICAVs	6,167	(6)	63	6,224	
	US Mutuals	2,881	(189)	112	2,804	
	Investment Trusts	3,583	36	205	3,824	
	Total Retail	**27,357**	**(893)**	**698**	**27,162**	
Institutional						
	UK OEICs/Unit Trusts	4,320	(338)	176	4,158	
	SICAVs	280	394	39	713	
	US Mutuals	-	16	-	16	
	Offshore Absolute Return Funds	2,979	(255)	(111)	2,613	
	Investment Trusts	27	(5)	4	26	
	Managed CDOs	1,036	(83)	(8)	945	
	Segregated Mandates	7,982	(516)	283	7,749	
	Liquidity Funds	459	(110)	2	351	
	Total Institutional	**17,083**	**(897)**	**385**	**16,571**	
Total Investment Management		**44,440**	**(1,790)**	**1,083**	**43,733**	**56**
Consisting of:						
	Absolute Return Retail	*1,315*	*(141)*	*(47)*	*1,127*	
	Absolute Return Institutional	*3,255*	*(277)*	*(99)*	*2,879*	
Total Absolute Return		***4,570***	***(418)***	***(146)***	***4,006***	
PROPERTY						
Retail						
	UK OEICs/Unit Trusts	782	(9)	(6)	767	
	Total Retail	**782**	**(9)**	**(6)**	**767**	
Institutional						
	Property Funds[1]	9,513	160	(342)	9,331	
	Segregated Mandates	2,113	(12)	45	2,146	
	Total Institutional	**11,626**	**148**	**(297)**	**11,477**	
Total Property		**12,408**	**139**	**(303)**	**12,244**	**46**
PRIVATE EQUITY						
Retail						
	Investment Trusts	63	-	2	65	
		63	**-**	**2**	**65**	
Institutional						
	Private Equity Funds[2]	892	(15)	(22)	855	
		892	**(15)**	**(22)**	**855**	
Total Private Equity		**955**	**(15)**	**(20)**	**920**	
PHOENIX						
Institutional						
	UK OEICs/Unit Trusts	2,832	(83)	80	2,829	
	Segregated Mandates	3,557	(323)	570	3,804	
	Private Equity Funds	92	-	(6)	86	
Total Phoenix		**6,481**	**(406)**	**644**	**6,719**	
TOTAL GROUP		**64,284**	**(2,072)**	**1,404**	**63,616**	**54**

CHANNEL					
Retail	28,202	(902)	694	27,994	**76**
Institutional excl Phoenix	29,601	(764)	66	28,903	**38**[4]
Total Group excl Phoenix	**57,803**	**(1,666)**	**760**	**56,897**	
Phoenix	6,481	(406)	644	6,719	
TOTAL GROUP	**64,284**	**(2,072)**	**1,404**	**63,616**	**54**

ASSET TYPE					
Equities	35,316	(1,739)	468	34,045	**71**
Fixed Income	15,513	(457)	1,265	16,321	**27**
Property	12,408	139	(303)	12,244	**46**
Private Equity	1,047	(15)	(26)	1,006	
TOTAL GROUP	**64,284**	**(2,072)**	**1,404**	**63,616**	**54**

1 Includes £183m of net inflows as a result of the Group's acquisition of Horizon Investment Management France SAS.
2 Private Equity funds' AUM is based on 31 March 2012 valuations.
3 Private Equity AUM and net management fees are excluded from this analysis due to the confidential nature of these fee arrangements.
4 Calculated including all Phoenix AUM and revenue.

Risk Management

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 2011 Annual Report and Accounts on pages 18 and 19 and the related governance framework is set out on pages 30, 37 and 38. These risks and the Group's response to them have not changed significantly from that described in the Group's 2011 Annual Report and Accounts.

Throughout 2011, the Group evaluated eurozone developments and put in place heightened monitoring procedures and contingency plans. The effects of the eurozone debt crisis have continued into 2012 and we have maintained our close monitoring of the situation, with particular focus on the oversight of counterparties, with respect to exposures and limits, evaluation of specific eurozone stress indicators and heightened monitoring of euro denominated assets. Contingency plans are periodically reviewed to ensure that scenarios are current and that appropriate governance structures and procedures are in place, should an event occur.

Directors' Report

The directors of Henderson Group plc (the Directors) present their report for the six months ended 30 June 2012. The Board approved the financial results for the six months ended 30 June 2012 on 13 August 2012.

Directors
The Directors who served during the six months ended 30 June 2012 and up to the date of this report, unless otherwise stated are shown below:

Rupert Pennant-Rea (Chairman)
Andrew Formica (Chief Executive)
Shirley Garrood (Chief Financial Officer)
James Darkins
David Jacob
Gerald Aherne (resigned 2 May 2012)
Kevin Dolan
Duncan Ferguson
Tim How
Robert Jeens

All current Directors are expected to stand for reappointment at the 2013 Annual General Meeting.

Business review and results
The Group's results for the six months ended 30 June 2012 are shown in the Interim Condensed Consolidated Income Statement on page 13. A review of the six months ended 30 June 2012 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 27:

  - 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 2012 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 FSA 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

13 August 2012

Shirley Garrood
Chief Financial Officer

13 August 2012

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

13 August 2012

Shirley Garrood
Chief Financial Officer

13 August 2012

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 2012 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 Services 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 2012 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 Services Authority.

Ernst & Young LLP
London

13 August 2012

Interim Condensed Consolidated Income Statement

For the six months ended 30 June 2012

	Notes	6 months to 30 June 2012 Unaudited £m	6 months to 30 June 2011 Unaudited £m	12 months to 31 December 2011 Audited £m
Income				
Gross fee income and commissions	3	**334.7**	355.1	682.8
Finance income		**4.8**	1.6	3.3
Gross income		**339.5**	356.7	686.1
Commissions and fees payable		**(110.4)**	(100.6)	(206.0)
Total income		**229.1**	256.1	480.1
Expenses				
Operating costs		**(140.4)**	(161.0)	(300.7)
Depreciation		**(1.4)**	(1.5)	(3.0)
Total expenses before finance expenses		**(141.8)**	(162.5)	(303.7)
Finance expenses		**(8.3)**	(7.2)	(17.2)
Total expenses		**(150.1)**	(169.7)	(320.9)
Underlying profit before tax		**79.0**	86.4	159.2
Intangible amortisation		**(26.0)**	(15.8)	(41.7)
Gartmore related employee share awards		**(6.8)**	(21.1)	(33.2)
Void property finance charge	11	**(0.7)**	(0.9)	(2.1)
Recurring profit before tax		**45.5**	48.6	82.2
Non-recurring items		**-**	(51.7)	(69.2)
Profit/(loss) before tax		**45.5**	(3.1)	13.0
Tax on recurring profit		**0.9**	(7.5)	(14.2)
Tax on non-recurring items		**-**	11.5	16.2
Non-recurring tax		**-**	12.9	18.9
Total tax	5	**0.9**	16.9	20.9
Profit after tax		**46.4**	13.8	33.9
Attributable to:				
Equity holders of the parent		**46.4**	13.8	34.0
Non-controlling interests		**-**	-	(0.1)
		46.4	13.8	33.9
Dividends				
Dividends declared and charged to equity in the period	6	**54.8**	49.2	69.9
Dividends declared post the reporting date	6	**23.3**	21.3	54.8
Basic and diluted earnings per share (pence)				
Basic	7.2.2	**4.5**	1.5	3.6
Diluted	7.2.2	**4.3**	1.4	3.4

Interim Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2012

	Notes	6 months to 30 June 2012 Unaudited £m	6 months to 30 June 2011 Unaudited £m	12 months to 31 December 2011 Audited £m
Profit after tax		**46.4**	13.8	33.9
Other comprehensive (loss)/income				
Exchange differences on translation of foreign operations		**(1.4)**	0.9	0.2
Available-for-sale financial assets:				
Net gains on revaluation		**0.6**	3.8	5.5
Tax credited/(charged) in relation to available-for-sale financial assets	5	**0.4**	(0.2)	(0.2)
Actuarial (losses)/gains:				
Actuarial (losses)/gains on defined benefit pension schemes	9.3	**(68.4)**	22.7	41.6
Actuarial gains on post-retirement medical benefits		**-**	-	0.1
Tax charged in relation to actuarial gains	5	**-**	(4.9)	-
Other comprehensive (loss)/income after tax		**(68.8)**	22.3	47.2
Total comprehensive (loss)/income		**(22.4)**	36.1	81.1
Attributable to:				
Equity holders of the parent		**(22.4)**	36.1	81.2
Non-controlling interests		**-**	-	(0.1)
		(22.4)	36.1	81.1

Interim Condensed Consolidated Statement of Financial Position

As at 30 June 2012

	Notes	30 June 2012 Unaudited £m	30 June 2011 Unaudited £m	31 December 2011 Audited £m
Non-current assets				
Intangible assets		**741.8**	788.4	765.1
Investments accounted for using the equity method	8	**4.6**	22.6	3.7
Plant and equipment		**19.2**	20.7	19.7
Retirement benefit assets	9.1	**123.5**	173.3	190.9
Deferred tax assets		**41.3**	52.1	45.3
Deferred acquisition and commission costs		**66.3**	69.1	71.4
		996.7	1,126.2	1,096.1
Current assets				
Available-for-sale financial assets		**51.5**	63.2	54.3
Financial assets at fair value through profit or loss		**15.9**	2.0	10.5
Current tax assets		**2.0**	-	3.9
Trade and other receivables		**223.6**	245.0	168.3
Deferred acquisition and commission costs		**84.9**	71.9	83.3
Cash and cash equivalents		**112.8**	170.7	273.9
Assets classified as held for sale		**-**	2.1	-
		490.7	554.9	594.2
Total assets		**1,487.4**	1,681.1	1,690.3
Non-current liabilities				
Debt instruments in issue	10	**148.2**	147.8	148.0
Trade and other payables		**4.7**	-	2.7
Retirement benefit obligations		**6.7**	6.6	6.5
Provisions	11	**19.0**	24.5	18.7
Deferred tax liabilities		**78.1**	109.3	88.5
Deferred income		**67.7**	70.7	72.8
		324.4	358.9	337.2
Current liabilities				
Debt instruments in issue	10	**-**	144.7	143.4
Trade and other payables		**308.9**	341.3	303.3
Provisions	11	**15.6**	23.6	20.7
Deferred income		**86.5**	72.8	85.4
Current tax liabilities		**15.3**	10.0	12.9
		426.3	592.4	565.7
Total liabilities		**750.7**	951.3	902.9
Net assets		**736.7**	729.8	787.4
Capital and reserves				
Share capital		**138.8**	136.5	137.2
Share premium		**690.2**	672.6	679.0
Own shares held		**(101.8)**	(129.6)	(115.6)
Translation reserve		**5.0**	7.1	6.4
Revaluation reserve		**11.5**	8.8	10.5
Profit and loss reserve		**(7.4)**	33.9	69.5
Shareholders' equity		**736.3**	729.3	787.0
Non-controlling interests		**0.4**	0.5	0.4
Total equity		**736.7**	729.8	787.4

Approved by the Board on 13 August 2012.

Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2012

	Share capital	Share premium	Own shares held	Translation reserve	Revaluation reserve	Profit and loss reserve	Non-controlling interests	Total equity
	£m	£m	£m	£m	£m	£m	£m	£m
At 1 January 2011	104.2	261.0	(52.4)	6.2	5.0	30.4	0.5	354.9
Total comprehensive income	-	-	-	0.9	3.8	31.4	-	36.1
Dividends paid to equity shareholders	-	-	-	-	-	(49.2)	-	(49.2)
Purchase of own shares	-	-	(21.5)	-	-	-	-	(21.5)
Issue of shares for Gartmore acquisition	30.3	389.7	(70.0)	-	-	-	-	350.0
Share allotment	0.1	1.0	-	-	-	-	-	1.1
Share issue costs	-	(0.1)	-	-	-	-	-	(0.1)
Vesting of share schemes	-	-	34.4	-	-	(34.4)	-	-
Issue of shares for share schemes	1.9	21.0	(20.1)	-	-	(0.7)	-	2.1
Fair value of share-based payment awards exchanged	-	-	-	-	-	15.4	-	15.4
Movement in equity-settled share scheme expenses	-	-	-	-	-	34.3	-	34.3
Tax on equity-settled share schemes	-	-	-	-	-	6.7	-	6.7
At 30 June 2011	136.5	672.6	(129.6)	7.1	8.8	33.9	0.5	729.8
Total comprehensive income/(loss)	-	-	-	(0.7)	1.7	44.1	(0.1)	45.0
Dividends paid to equity shareholders	-	-	-	-	-	(20.7)	-	(20.7)
Purchase of own shares	-	-	(3.0)	-	-	-	-	(3.0)
Vesting of share schemes	-	-	23.0	-	-	(23.0)	-	-
Issue of shares for share schemes	0.7	6.4	(6.0)	-	-	(0.9)	-	0.2
Movement in equity-settled share scheme expenses	-	-	-	-	-	19.7	-	19.7
Tax on equity-settled share schemes	-	-	-	-	-	(7.1)	-	(7.1)
Recognition of unclaimed capital distributions	-	-	-	-	-	23.5	-	23.5
At 31 December 2011	137.2	679.0	(115.6)	6.4	10.5	69.5	0.4	787.4
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**

Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2012

	Notes	6 months to 30 June 2012 Unaudited £m	6 months to 30 June 2011 Unaudited £m	12 months to 31 December 2011 Audited £m
Cash flows from operating activities				
Profit/(loss) before tax		**45.5**	(3.1)	13.0
Adjustments to reconcile profit/(loss) before tax to net cash flows from operating activities:				
- debt instruments in issue interest expense		**7.9**	6.8	16.0
- financing arrangement fees		**0.4**	2.8	3.6
- share-based payment charges		**16.3**	13.2	23.9
- Gartmore related employee share awards charge		**6.8**	21.1	30.1
- intangible amortisation		**26.0**	15.8	41.7
- void property finance charge	11	**0.7**	0.9	2.1
- share of profit of associates and joint ventures	8	**(0.9)**	(1.8)	(0.7)
- plant and equipment depreciation		**1.5**	1.9	3.3
- net deferred acquisition and commission costs and deferred income amortisation		**(5.3)**	(2.7)	(5.6)
- contributions to retirement benefit schemes in excess of costs recognised		**(0.8)**	(2.9)	(6.8)
- impairment of investment in associate		**-**	-	0.3
- (gain)/loss on disposal of available-for-sale financial asset		**(3.1)**	-	0.5
- loss on disposal of plant and equipment		**0.2**	-	-
- void property provision release		**-**	-	(6.5)
- other provisions releases		**(0.7)**	-	(0.5)
Cash flows from operating activities before changes in operating assets and liabilities		**94.5**	52.0	114.4
Changes in operating assets and liabilities		**(51.4)**	(45.1)	(11.0)
Net tax received/(paid)		**1.6**	(6.5)	(12.8)
Net cash flows from operating activities		**44.7**	0.4	90.6
Cash flows from investing activities				
Acquisition of subsidiaries, including cash acquired		**(0.8)**	202.1	200.8
Proceeds from sale of associates and joint ventures		**-**	-	15.9
Proceeds from sale of available-for-sale financial assets		**7.5**	3.6	13.6
Dividends from associates and distributions from joint ventures		**0.5**	3.3	4.4
Computer software costs capitalised		**(1.8)**	-	(0.2)
Purchases of:				
- available-for-sale financial assets		**(1.5)**	(7.1)	(7.2)
- plant and equipment		**(1.2)**	(0.9)	(1.4)
- investments in associates and joint ventures		**(0.5)**	-	-
Cash classified as held for sale		**-**	(0.9)	-
Net cash flows from investing activities		**2.2**	200.1	225.9
Cash flows from financing activities				
Proceeds from issue of shares		**1.5**	2.0	2.1
Purchase of own shares		**(0.3)**	(21.5)	(24.5)
Dividends paid to equity shareholders	6	**(54.8)**	(49.2)	(69.9)
Interest paid on debt instruments in issue		**(10.0)**	(5.4)	(15.5)
Recognition of unclaimed capital distributions		**-**	-	23.5
Financing arrangement fees		**(0.4)**	(2.8)	(3.6)
Debt issue costs		**-**	(1.7)	(2.1)
Proceeds from issue of 2016 Notes		**-**	116.7	116.7
Repayment of Gartmore borrowings		**-**	(245.4)	(245.4)
Repayment of 2012 Notes		**(142.6)**	-	-
Net cash flows from financing activities		**(206.6)**	(207.3)	(218.7)
Effects of exchange rate changes		**(1.4)**	0.9	(0.5)
Net (decrease)/increase in cash and cash equivalents		**(161.1)**	(5.9)	97.3
Cash and cash equivalents at beginning of period		**273.9**	176.6	176.6
Cash and cash equivalents at end of period		**112.8**	170.7	273.9

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 Republic of Ireland. 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 2012 were authorised for issue by the Board on 13 August 2012.

The results for the six months ended 30 June 2012 and the six months ended 30 June 2011 are unaudited but have been reviewed by the auditors, Ernst & Young LLP. The condensed comparative figures for the full year ended 31 December 2011 have been taken from the Henderson Group plc Annual Report and Accounts. The auditors have reported on the 2011 financial statements in the Annual Report and Accounts and their report was unqualified. Henderson Group plc's 2011 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 2012 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 2011 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 2011 Annual Report and Accounts. The 30 June 2011 comparatives have been restated for the finalisation of acquisition accounting in accordance with IFRS 3, Business Combinations.

3 Segmental information

Group fee income and non-current assets

Henderson is an asset manager, operating throughout Europe with operations in North America and Asia. It 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, being 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 asset management business.

Entity-wide disclosures

Gross fee income and commissions by product

	6 months to 30 June 2012 Unaudited £m	6 months to 30 June 2011 Unaudited £m	12 months to 31 December 2011 Audited £m
UK OEICs/Unit Trusts	**166.8**	144.0	313.7
SICAVs	**49.4**	63.5	112.2
Property segregated mandates and funds	**36.7**	30.0	63.0
Institutional segregated mandates and cash funds	**30.6**	27.6	57.5
Offshore absolute return funds	**16.6**	30.2	52.2
US Mutuals	**14.6**	17.7	33.3
Other	**20.0**	42.1	50.9
	334.7	355.1	682.8

Geographic information

Gross fee income and commissions from clients

	6 months to 30 June 2012 Unaudited £m	6 months to 30 June 2011 Unaudited £m	12 months to 31 December 2011 Audited £m
UK	**259.5**	301.4	513.1
Luxembourg	**40.4**	17.4	86.0
Americas	**12.9**	15.3	29.8
Singapore	**5.5**	4.2	13.0
Japan	**4.6**	7.4	13.3
Ireland	**0.1**	3.9	4.6
Other	**11.7**	5.5	23.0
	334.7	355.1	682.8

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 2012 Unaudited £m	30 June 2011 Unaudited £m	31 December 2011 Audited £m
UK	**825.2**	890.8	853.5
Other	**6.7**	10.0	6.4
	831.9	900.8	859.9

Non-current assets for this purpose consist of intangible assets, investments accounted for using the equity method, plant and equipment and deferred acquisition and commission costs.

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 occurs 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 2012 Unaudited £m	6 months to 30 June 2011 Unaudited £m	12 months to 31 December 2011 Audited £m
Current tax:			
- charge/(credit) for the period	**7.3**	(1.7)	5.9
- prior period adjustments	**(1.3)**	(1.6)	(2.1)
Deferred tax:			
- credit for the period	**(5.3)**	(14.2)	(23.4)
- prior period adjustments	**(1.6)**	0.6	(1.3)
Total tax credited to the Interim Condensed Consolidated Income Statement	**(0.9)**	(16.9)	(20.9)

Tax recognised in the Interim Condensed Consolidated Statement of Comprehensive Income

	6 months to 30 June 2012 Unaudited £m	6 months to 30 June 2011 Unaudited £m	12 months to 31 December 2011 Audited £m
Deferred tax (credited)/charged in relation to available-for-sale financial assets	**(0.4)**	0.2	0.2
Deferred tax charged in relation to actuarial gains	**-**	4.9	-
Total tax (credited)/charged to the Interim Condensed Consolidated Statement of Comprehensive Income	**(0.4)**	5.1	0.2

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

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

	6 months to 30 June 2012 Unaudited £m	6 months to 30 June 2011 Unaudited £m	12 months to 31 December 2011 Audited £m
Profit/(loss) before tax	**45.5**	(3.1)	13.0
Tax charge/(credit) at the pro rata UK statutory corporation tax rate of 24.5% (1H11 and FY11: 26.5%)	**11.1**	(0.8)	3.4
Factors affecting the tax charge/(credit):			
Disallowable expenditure and non-taxable income	**3.2**	1.8	5.8
Other taxable income	**-**	1.8	-
Prior period adjustments	**(2.9)**	(1.0)	(3.4)
Differences in effective tax rates on overseas earnings	**(3.9)**	(3.2)	(9.6)
Non-recurring tax items	**-**	(12.9)	(18.9)
Changes in applicable statutory tax rates	**(1.9)**	(1.0)	(3.4)
Recognition of previously unrecognised tax losses	**(8.0)**	-	-
Non-recognition of net tax losses	**-**	-	4.6
Utilisation of previously unrecognised tax losses	**-**	(0.9)	-
Other items	**1.5**	(0.7)	0.6
Total tax credited in the Interim Condensed Consolidated Income Statement	**(0.9)**	(16.9)	(20.9)

6 Dividends

	6 months to 30 June 2012 Unaudited £m	6 months to 30 June 2011 Unaudited £m	12 months to 31 December 2011 Audited £m
Dividends on ordinary shares declared and paid in the period:			
Final dividend in respect of 2010	**-**	49.2	49.2
Interim dividend in respect of 2011	**-**	-	20.7
Final dividend in respect of 2011	**54.8**	-	-
Total dividends paid and charged to equity	**54.8**	49.2	69.9
Dividends on ordinary shares declared post the reporting date:			
Interim dividend in respect of 1H12 profit: 2.1 pence per share payable in 2H12	**23.3**	n/a	n/a

An interim dividend of £23.3m (2.1 pence per share) was declared by the Board on 13 August 2012. This will be payable on 21 September 2012 to shareholders on the register on 31 August 2012.

The difference between the proposed final dividends as reported in the 2011 Annual Report and Accounts (£55.4m) and the dividends paid out during the period (£54.8m), 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 2011 and the dividend record date. The amount waived in respect of the interim dividend declared for 2012 will be established by the trustees of the employee benefit trusts on 31 August 2012, 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 2012 Unaudited m	6 months to 30 June 2011 Unaudited m	12 months to 31 December 2011 Audited m
Weighted average			
Issued share capital	**1,103.7**	957.6	1,027.0
Less: own shares held	**(73.7)**	(64.5)	(72.9)
Weighted average number of ordinary shares for the purpose of basic earnings per share	**1,030.0**	893.1	954.1
Add: dilutive potential of share options and unconditional awards	**44.7**	71.1	58.6
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**1,074.7**	964.2	1,012.7

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 2012 Unaudited £m	6 months to 30 June 2011 Unaudited £m	12 months to 31 December 2011 Audited £m
Profit after tax attributable to equity holders of the parent	**46.4**	13.8	34.0
Add back: Intangible amortisation, Gartmore related employee share awards and void property finance charge adjusted for tax effect	**24.6**	27.2	57.6
Non-recurring items adjusted for tax effect and non-recurring tax item	**-**	27.3	34.1
Underlying profit after tax attributable to equity holders of the parent	**71.0**	68.3	125.7

7.1.2 Earnings per share

	6 months to 30 June 2012 Unaudited pence	6 months to 30 June 2011 Unaudited pence	12 months to 31 December 2011 Audited pence
Basic	**6.9**	7.6	13.2
Diluted	**6.6**	7.1	12.4

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

7.2.1 Earnings

	6 months to 30 June 2012 Unaudited £m	6 months to 30 June 2011 Unaudited £m	12 months to 31 December 2011 Audited £m
Profit after tax attributable to equity holders of the parent	**46.4**	13.8	34.0

7.2.2 Earnings per share

	6 months to 30 June 2012 Unaudited pence	6 months to 30 June 2011 Unaudited pence	12 months to 31 December 2011 Audited pence
Basic	**4.5**	1.5	3.6
Diluted	**4.3**	1.4	3.4

8 Associates and joint ventures

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 2012	Percentage owned as at 30 June 2011	Percentage owned as at 31 December 2011
Asia Real Estate Fund Management Limited	Singapore	SGD	**50%**	50%	50%
Asia Real Estate Fund Management BVI	British Virgin Islands and Singapore	USD	**50%**	50%	50%
Attunga Capital Pty Limited	Australia	AUD	**30%**	30%	30%
Henderson-mfi Shopping Centre Verwaltungs GmbH	Germany	EUR	**50%**	50%	50%
Hermes GPE LLP	United Kingdom	GBP	**-**	50%	-
HGI Immobilien GmbH	Germany	EUR	**50%**	50%	50%
New Star Canada Inc.	Canada	CAD	**-**	50%	-
Optimum Investment Management Limited	United Kingdom	GBP	**50%**	-	-
Warburg-Henderson Kapitalanlagegesellschaft für Immobilien mbH	Germany	EUR	**50%**	50%	50%

	30 June 2012 £m	30 June 2011 £m	31 December 2011 £m
Share of aggregate net assets	**4.6**	22.6	3.7
Share of profit for the six month or twelve month period	**0.9**	1.8	0.7

9 Retirement benefits

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

	30 June 2012 Unaudited £m	30 June 2011 Unaudited £m	31 December 2011 Audited £m
Henderson Group Pension Scheme (HGPS)	**119.2**	135.9	136.8
Gartmore Pension Scheme (GPS)	**4.3**	37.4	54.1
	123.5	173.3	190.9

The retirement benefit assets in respect of the pension schemes, after tax deducted at source, were £123.5m at 30 June 2012.

The decrease in HGPS of £17.6m during 1H12 is primarily due to actuarial losses of £29.0m, offset by a reduction in tax deducted at source of £10.2m. These actuarial losses mainly resulted from the decrease in the discount rate to 4.6% per annum at 30 June 2012 from 4.9% per annum at 31 December 2011.

The decrease in GPS of £49.8m during 1H12 is primarily due to actuarial losses of £76.3m, offset by a reduction in tax deducted at source of £26.7m. These actuarial losses mainly resulted from the trustee entering into a bulk insurance agreement on 4 April 2012, which reduced the Group's exposure to the risks associated with the scheme. The decrease in the discount rate to 4.6% per annum at 30 June 2012 from 4.9% per annum at 31 December 2011 was a further contributing factor to the actuarial losses.

9 Retirement benefits continued

9.2 Pension service expense recognised in the Interim Condensed Consolidated Income Statement

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

	6 months to 30 June 2012 Unaudited £m	6 months to 30 June 2011 Unaudited £m	12 months to 31 December 2011 Audited £m
Henderson Group Pension Scheme	**0.7**	(1.7)	(3.3)
Gartmore Pension Scheme	**0.3**	0.3	(0.7)
Henderson Money Purchase Scheme	**2.8**	2.7	5.4
Henderson Group unapproved pension schemes	**0.2**	0.2	0.3
	4.0	1.5	1.7

9.3 Actuarial (losses)/gains recognised in the Interim Condensed Consolidated Statement of Comprehensive Income

	6 months to 30 June 2012 Unaudited £m	6 months to 30 June 2011 Unaudited £m	12 months to 31 December 2011 Audited £m
Henderson Group Pension Scheme	**(29.0)**	20.0	38.6
Gartmore Pension Scheme	**(76.3)**	3.7	28.6
Tax at source	**36.9**	(1.0)	(31.6)
Reclassification from deferred tax	**-**	-	6.1
Henderson Group unapproved pension schemes	**-**	-	(0.1)
Actuarial (losses)/gains recognised in the Interim Condensed Consolidated Statement of Comprehensive Income	**(68.4)**	22.7	41.6

10 Debt instruments in issue

	30 June 2012 Unaudited £m	30 June 2011 Unaudited £m	31 December 2011 Audited £m
Carrying value			
Senior, unrated, fixed rate notes due 2012 (2012 Notes)	**-**	144.7	143.4
Senior, unrated, fixed rate notes due 2016 (2016 Notes)	**148.2**	147.8	148.0
	148.2	292.5	291.4
Non-current	**148.2**	147.8	148.0
Current	**-**	144.7	143.4
	148.2	292.5	291.4

The debt instrument in issue at 30 June 2012 is £150.0m of senior, unrated, fixed rate notes listed on the LSE at par. The 2012 Notes were repaid in full on 2 May 2012.

11 Provisions

	Void properties £m	Staff related £m	Other £m	Total £m
At 1 January 2012	14.0	3.5	21.9	39.4
Additions	-	0.9	0.7	1.6
Finance charge	0.7	-	-	0.7
Provisions utilised	(1.4)	(0.3)	(4.7)	(6.4)
Provisions released	-	(0.3)	(0.4)	(0.7)
At 30 June 2012	**13.3**	**3.8**	**17.5**	**34.6**
Non-current	**10.7**	**0.2**	**8.1**	**19.0**
Current	**2.6**	**3.6**	**9.4**	**15.6**
At 30 June 2012	**13.3**	**3.8**	**17.5**	**34.6**

Void properties
The void properties provision reflects the net present value of the excess of lease rentals and other payments, on legacy New Star and Gartmore properties with onerous contracts, over the amounts expected to be recovered from subletting these properties. The discounting of expected net cash outflows will be unwound during the term of the underlying leases (maximum of 14 years) as a void property finance charge in the income statement.

Staff related
Staff related provisions have been recognised in respect of business restructures and New Star and Gartmore staff legacy issues.

Other
Other provisions relate to issues which have arisen as a result of litigation and obligations during the course of the Group’s business activities.

The provisions reflect the current estimates of amounts and timings.

12 Contingent liabilities

The following contingent liabilities existed or may exist at 30 June 2012:

- 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 foreign exchange contracts for Group hedging purposes and for facilitating foreign currency transactions for its clients. 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 (Fund), the Group has provided indemnities for certain losses arising from any breach of the Group's responsibilities whilst performing its functions in respect of the Fund, employment warranties for a period of two years after the date of the agreement and tax related warranties for a period of six years after 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 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: (a) 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; and (b) warranties relating to Gartmore JV Limited that will expire on 30 June 2013. The indemnity and warranties are subject to certain exclusions and limitations, including a financial cap;
- in December 2011, two subsidiaries of Henderson Group plc, Henderson Equity Partners (GP) Limited and Henderson Equity Partners Limited, were served with legal proceedings, which allege breach of mandate and misrepresentation, by a majority of the investors in Henderson PFI Secondary Fund II L.P.. The proceedings do not quantify the sums claimed and will be defended vigorously; and
- under the Joint Venture and Shareholders Agreement dated 17 May 2012 relating to the operation of Optimum Investment Management Limited (OIML), a joint venture company acting as the authorised corporate director of the Optimum range of funds, the Group has provided certain indemnities, including specific losses arising from the activities of OIML prior to the effective date of the joint venture and some warranted statements being untrue. These indemnities are subject to certain exclusions and limitations, including a limitation on claims of seven years.

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.

13 Movement in controlled entities

The Group acquired 100% of the share capital of Horizon Investment Management France SAS on 27 June 2012 for €1.0m (£0.8m) which consisted of intangible assets of £0.7m and other net assets of £0.1m.

The Group disposed of Henderson (Buchanan Galleries) Limited and Henderson Buchanan plc, which held certain available-for-sale financial assets, on 30 May 2012.

Optimum Investment Management Limited (previously Gartmore Fund Managers Limited) is no longer a controlled entity as it became a joint venture entity, on 17 May 2012 (refer to note 8), entered into by the Group and the Sesame Bankhall Group.

Notes to the Interim Condensed Consolidated Financial Statements
continued

14 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, representing key management personnel, is disclosed below:

	6 months to 30 June 2012 Unaudited £m	6 months to 30 June 2011 Unaudited £m	12 months to 31 December 2011 Audited £m
Short-term employee benefits	**2.1**	1.6	12.1
Post-employment benefits	**0.2**	0.1	0.4
Share-based payments	**6.1**	4.3	7.7
	8.4	6.0	20.2

As part of standard employee benefits available to all staff, the Group makes available interest free loans to staff to cover annual season ticket loans and cycle schemes. Loans provided to key management personnel during the period amounted to £2,376 (31 December 2011: £7,208) with repayments during the period of £5,188 (31 December 2011: £3,208). Loans outstanding at 30 June 2012 were £1,188 (31 December 2011: £4,000).

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 13 August 2012, an interim dividend of 2.1 pence per share was declared by the Board payable on 21 September 2012 to shareholders on the register on 31 August 2012.

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

FSA
The UK Financial Services Authority

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

hedge funds
Hedge funds including absolute return funds

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

HGPS
Henderson Group Pension Scheme

HLAF
Henderson Liquid Asset Fund

IAS
International Accounting Standard

IFRS
International Financial Reporting Standard

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

New Star
New Star Asset Management Group PLC and its controlled entities

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 Gartmore related employee share awards, intangible amortisation and void property finance charge

US
United States of America