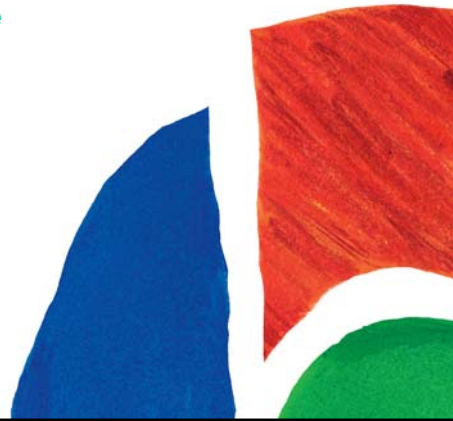


New Star integration update

Andrew Formica, Chief Executive
Toby Hiscock, Chief Financial Officer

16 July 2009

All information in £ unless otherwise stated



Henderson Group Business update 1H09

- Profit before tax¹ estimate of between £25m and £28m
- Effective tax rate expected to be approximately 20%
- Net fund inflows 2Q09 £0.1bn (1Q09: £(3.0)bn)
 - Higher margin² £0.3bn (1Q09: £(0.4)bn)
 - Lower margin² £0.9bn (1Q09: £(0.2)bn)
 - Pearl £(0.4)bn (1Q09: £(2.4)bn)
 - New Star £(0.7)bn
- Good investment performance in key funds
- New Star integration ahead of target
- Able to take advantage of further opportunities
- Changes to Board of Directors

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

² Excluding New Star.

New Star integration update

Overview

- Excellent progress
 - Key investment and distribution staff retained
 - Asset and client retention exceeding expectations
 - Speed of integration stabilised business
 - Cost synergies rigorously implemented ahead of schedule
 - Integration costs within guidance
 - Positive feedback from distributors and IFAs on new UK retail brand
 - Improving investment performance
- No surprises

New Star integration update

AUM and fund flows

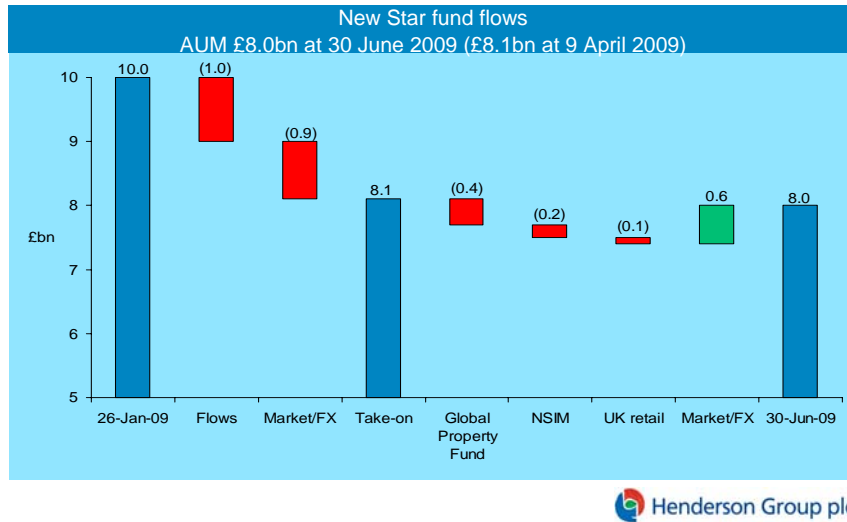
Summary of movements in AUM 1 Jan – 30 June 2009

	Opening AUM	Net Flows	Market/FX	Closing AUM	New Star	Net Flows	Market/FX	Closing AUM
	1 Jan	1Q09	1Q09	31 March	take-on	2Q09	2Q09	30 June
	£bn	£bn	£bn	£bn	£bn	£bn	£bn	£bn
Higher margin								
Investment Trusts	2.7	(0.1)	(0.2)	2.4	0.1	0.1	0.2	2.8
Horizon funds	2.3	0.1	(0.1)	2.3	0.0	0.2	0.1	2.6
UK Wholesale	3.1	0.1	(0.2)	3.0	4.7	(0.1)	0.5	8.1
US Wholesale	2.3	(0.1)	(0.2)	2.0	0.0	0.0	0.3	2.3
Hedge funds	0.8	(0.3)	0.0	0.5	0.1	0.1	0.0	0.7
Property UK/Europe	7.6	0.0	(0.2)	7.4	0.5	(0.4)	(0.3)	7.2
Property US	1.7	0.0	0.0	1.7	0.0	0.0	(0.4)	1.3
Private Equity	1.2	0.0	(0.2)	1.0	0.0	0.0	(0.1)	0.9
Structured Products	2.2	(0.1)	(0.2)	1.9	0.0	(0.1)	0.0	1.8
Total Higher margin	23.9	(0.4)	(1.3)	22.2	5.4	(0.2)	0.3	27.7
Lower margin								
Institutional	14.1	(0.2)	(1.2)	12.7	0.2	0.9	0.6	14.4
NSIM	0.0	0.0	0.0	0.0	2.5	(0.2)	0.1	2.4
Total Lower margin	14.1	(0.2)	(1.2)	12.7	2.7	0.7	0.7	16.8
	38.0	(0.6)	(2.5)	34.9	8.1	0.5	1.0	44.5
Pearl Group	11.5	(2.4)	(0.6)	8.5	0.0	(0.4)	0.4	8.5
Total AUM	49.5	(3.0)	(3.1)	43.4	8.1	0.1	1.4	53.0

- Pipeline at 30 June 2009
 - Property £1.8bn
 - Pearl £(2.3)bn
 - New Star £(0.3)bn

New Star integration update

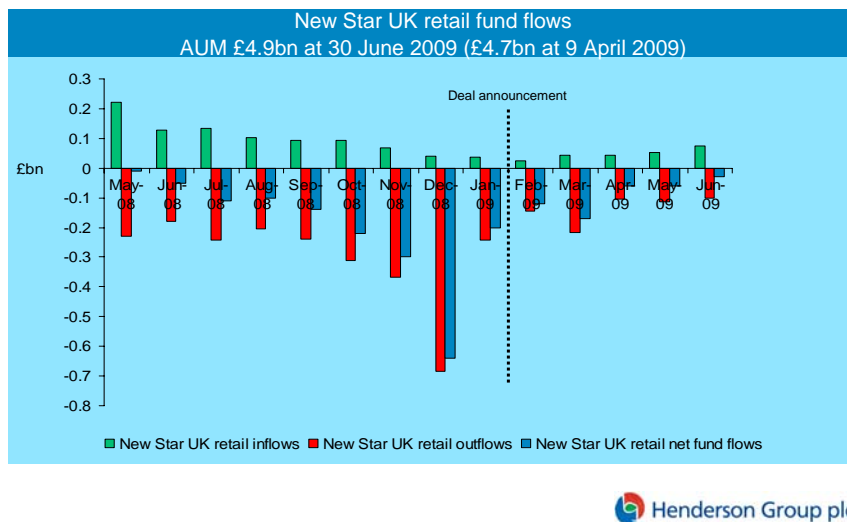
New Star fund flows



4

New Star integration update

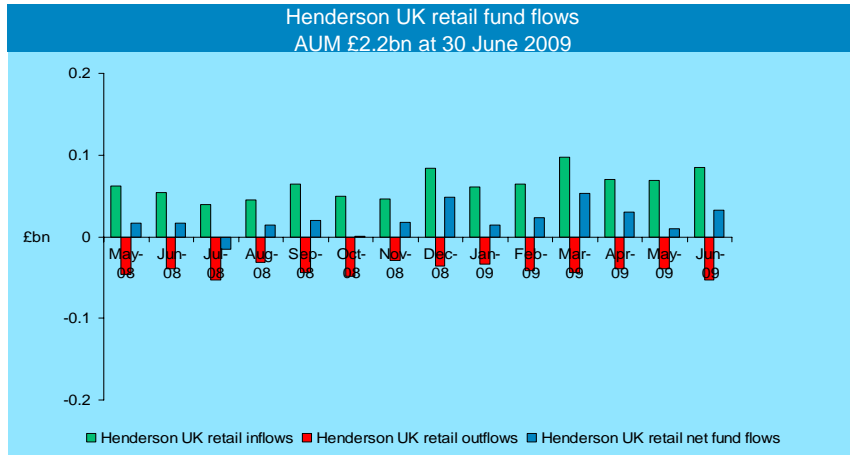
New Star UK retail outflows have slowed significantly



5

New Star integration update

Henderson UK retail flows positive in 1H09¹



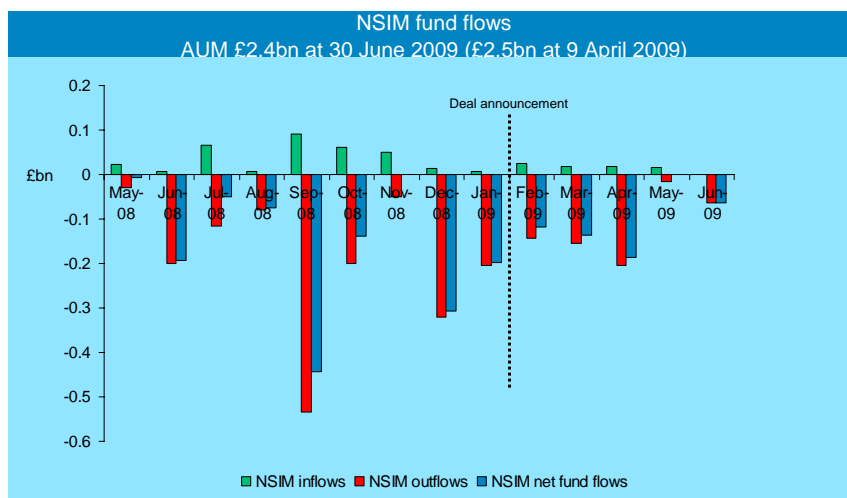
¹ Excluding direct and legacy business.

Henderson Group plc

6

New Star integration update

New Star Institutional Managers (NSIM) fund flows stabilised in 1H09



Henderson Group plc

7

New Star integration update

NSIM earn-out agreed

- Institutional international equity manager servicing long-standing US and Canadian client base
 - Comprises majority of New Star institutional business acquired by Henderson
 - £2.4bn (US\$4.0bn) AUM at 30 June 2009
 - Proven investment process
- Run as a standalone business
 - Part of Henderson Group until earn-out complete
 - Retains its own brand
 - Joint board
- Earn-out mechanics
 - Ability to earn-out 75% equity over time
 - Subject to profitability hurdles above preferred return to Henderson

New Star integration update

Investment performance of key New Star UK retail funds¹

Fund	AUM 30 June 09	Fund manager	3 months	Year-to-date	3 years	5 years
UK Property Trust	643	Dossett/Pearse				
European Growth Fund	566	Pease/Rowe				
Fixed Interest Unit Trust	505	Gledhill/Pattullo/Barnard				
International Property Fund	313	Dossett			n/a	n/a
Sterling Bond Unit Trust	293	Thariyan/Payne				
Managed Distribution Fund	242	Pattullo/Barnard/Green				
European Portfolio	204	Harris/Heron				
High Yield Bond	200	Gledhill				
Managed Portfolio	190	Harris/Heron				
Technology Unit Trust	157	O'Gorman/Warmerdam				
UK Alpha Fund ²	148	Peak				
Higher Income Fund	144	Kitchen/ Jones				
Extra High Yield Bond Unit Trust	136	Gledhill				
Tactical Portfolio	133	Harris				
Global Financials Fund	124	de Blonay				
Equity Income Unit Trust	123	Kitchen/ Jones				
UK Growth Fund	108	Green				
GIF European Growth	68	Pease				
Balanced Portfolio	67	Harris/ Heron				
Pacific Growth Unit Trust	62	Beal				
Diversified Absolute Return Fund	51	Craig				
Global Strategic Capital Unit Trust	48	Craig				
Active Portfolio	41	Harris/Heron				
UK Strategic Capital Unit Trust	33	Craig				
Select Opportunities Fund ²	31	Peak				
Total	4,630					

¹ Percentile ranking measured at 30 June 2009.

² Select Opportunities Fund and the Hidden Value Fund are merging into the UK Alpha Fund Q3-Q4 2009.



New Star integration update

UK retail brand



Duration

Why isn't anyone else talking about it?

Today's exceptionally low interest rates have made the relatively high yields and perceived lower risks offered by fixed income funds an attractive proposition for many investors. While many fixed income fund investors recognize the credit risk associated with governments or companies defaulting on their interest payments, we suspect that investors may be less aware of the risks posed by potential increases in interest rates.

Duration is a measure of a fund's sensitivity to changes in interest rates. For example, a fund with a duration of 10 years will fall 10% for every 1% increase in interest rates, whereas a fund with a duration of 2 years will fall by only 2%.

In an environment where the most movement in interest rates is likely to be up, our fixed income team takes duration very seriously. By actively managing the duration of their funds, our managers aim to offer investors good levels of income while trying to lessen the potential impact of rising interest rates. To do this effectively, we believe, requires experience and resources. Henderson New Star has one of the largest and well-resourced fixed income teams in the industry with more than 50 professionals in total. This includes highly regarded fixed fund managers John Patten, Steve Bennett and James Gibson.

As tentative signs of economic recovery start to emerge across the world, so does the likelihood of interest rate rises. When recommending fixed income funds as long-term holdings for your clients, make sure you consider managers such as those who are responsible for the management of the Henderson Strategic Bond Fund with their ability to invest across the fixed income spectrum. Secondly, check that their head is not stuck in the sand.

ifaxsales@henderson.com www.hendersonnewstar.com 0800 90 11 44



10

New Star integration update

Sales and marketing

- Significant increase in distribution capability in UK retail market
- Effectiveness of sales and marketing team already evident
- Number of distribution partners¹
 - Before: 23
 - After: 47
- Over two-thirds of sales and marketing team ex New Star

¹ Platforms and life companies, including international life companies.

11

New Star integration update

Systems and infrastructure

PHASE 1 Completion	Legal completion	9 April 2009
	Retained New Star staff at 201 Bishopsgate	14 April 2009
PHASE 2 Brand integration	Launch Henderson New Star brand	18 May 2009
	Complete range of fund information, websites, client communications, promotional activity	
PHASE 3 Full administration integration	Client administration on one system, close/merge funds, harmonise fund names	1H2010

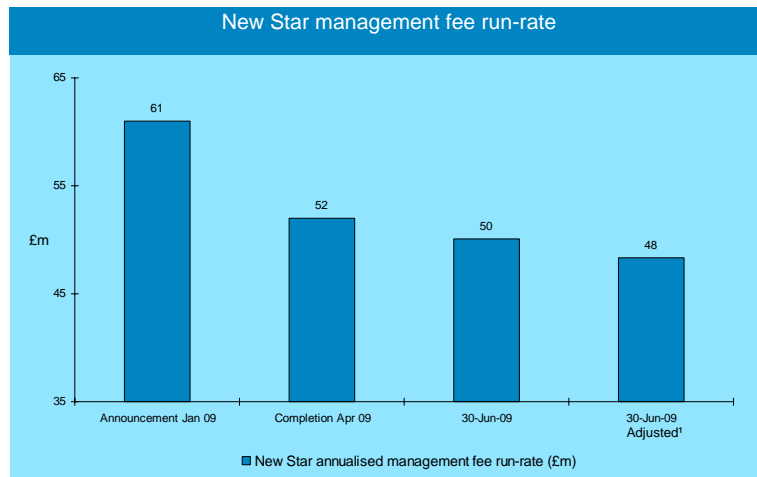
New Star integration update

Systems and infrastructure

- Day 1 operational cut over on 14 April
 - All New Star funds operating on Henderson platforms including all trade processing and fund manager systems
- All New Star systems and main offices decommissioned by 18 May
- Phase 3 integration
 - Consolidate fund accounting by transition of New Star retail funds from HSBC to BPSS
 - Consolidate Transfer Agency by transition of Henderson UK funds from BPSS to IFDS

New Star integration update

Financials – revenue run-rate exceeds expectations



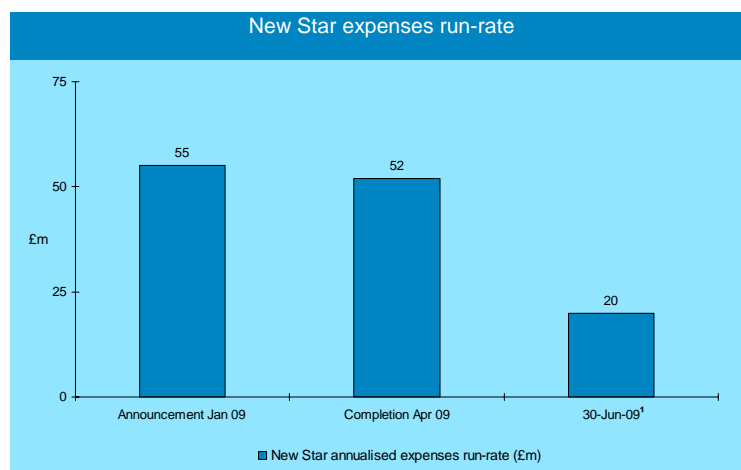
¹ Adjusted for notified or expected client withdrawals.

Henderson Group plc

14

New Star integration update

Financials – good progress on cost synergies



¹ Based on 2009 recurring costs.

Henderson Group plc

15

New Star integration update

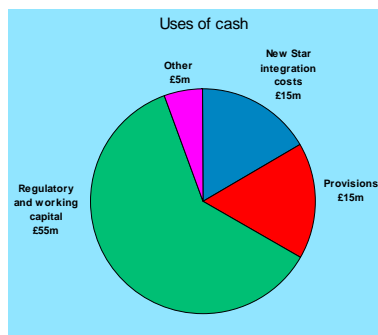
Financials – acquisition accounting

	£m
Balance sheet:	
Purchase consideration	94.2
Fair value net liabilities acquired	29.8
Total intangibles before tax	124.0
Deferred tax on investment management contracts	24.3
Total intangibles	148.3
<i>Investment management contracts</i>	86.9
<i>Purchased goodwill</i>	61.4
Profit and loss:	
Other costs (before tax)	
<i>FY09 Intangible amortisation</i>	8.4
<i>FY09 Void property finance charge</i>	1.9
<i>Non-recurring costs</i>	40.0

New Star integration update

Financials – sound balance sheet

- Group unrestricted cash balance at 30 June 2009 of £90m
- Prudent gearing ratios



Gearing ratios	30 June 09
Debt/EBITDA ^{1,2}	2.7
EBITDA/interest ^{1,2}	8x
Net debt ³	£85m

¹ Based on nominal value of debt £175m.

² Based on annualised EBITDA and interest expense.

³ Based on nominal value of debt £175m and unrestricted cash of £90m.

New Star integration update

Wrap up

- Integration progressing well
- Deal metrics meeting or exceeding assumptions
- Markets continue to be challenging
- But investor appetite improving
- Able to take advantage of further opportunities

Appendix

- Purchase consideration
- Fair value net liabilities acquired
- Non-recurring costs
- Split of AUM by line of business and asset class
- Geographic source of clients
- Number of shares for EPS calculation

New Star integration update

Purchase consideration

	No. of shares	Share price (pence)	£m
Cash			
Ordinary shareholders	1,077,753,603	2.0	21.6
Preference shareholders ¹	96,000,000	48.4	46.5
			<u>68.1</u>
Equity			
Preference shareholders ^{2,3}	26,322,572	82.5	21.7
			<u>21.7</u>
Cost of acquisition			4.4
			<u>94.2</u>

¹ 94,000,000 Banks + 1/3*(6,000,000) New Star staff. 2/3 treated as non-recurring cost under IFRS.
² 25,774,190 Banks + 1/3*(1,645,174) New Star staff. 2/3 treated as non-recurring cost under IFRS.
³ Based on Henderson Group share price on 9 April 2009.

New Star integration update

Fair value net liabilities acquired

	£m
Net liabilities of New Star at Acquisition	3.4
Fair value adjustments, reduction in assets	7.1
Fair value adjustments, increase in liabilities	19.3
Adjusted net liabilities acquired	<u>29.8</u>

New Star integration update

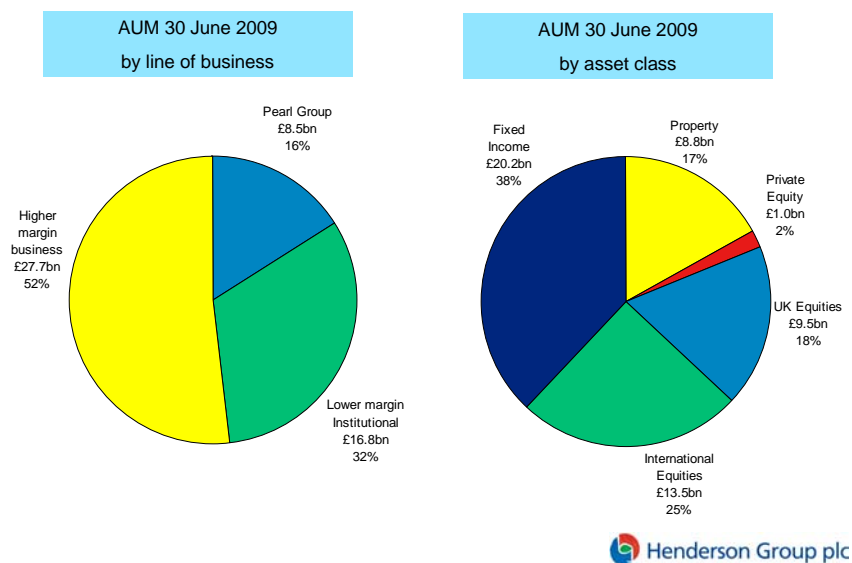
Non-recurring costs¹

	£m
People	16.1
Administration and IT	9.4
Products/ brand	6.7
Property	5.1
Other	2.7
	<hr/>
	40.0

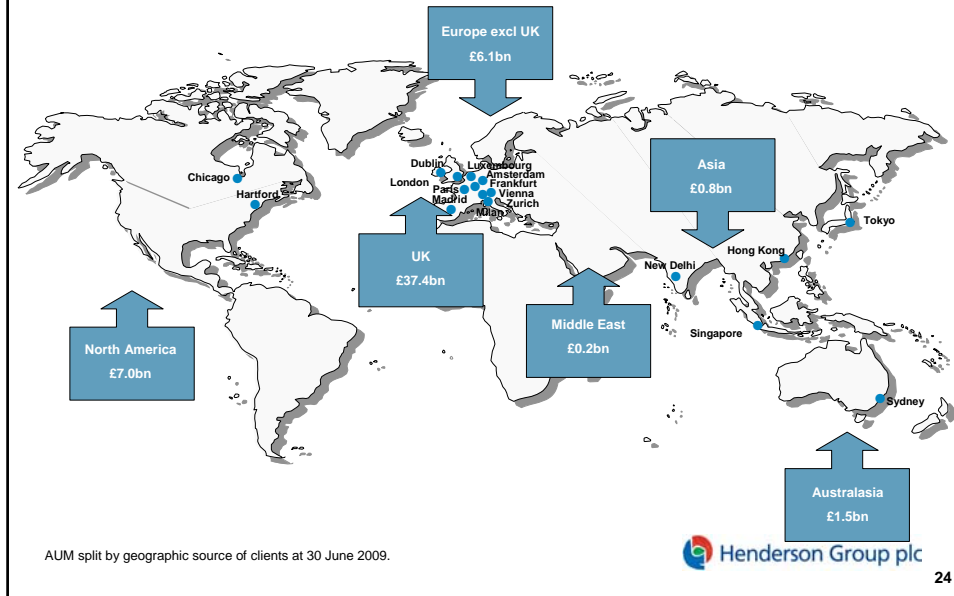
¹ Pre-tax estimate of total non-recurring costs to be recognised by the Group.

Henderson Global Investors

Split of assets under management



Henderson Global Investors Geographic source of clients



24

Number of shares for EPS calculations¹

	1H09 (A) No. (millions)	FY09 (E) No. (Millions)
Issued share capital	795.2	810.4
Less: own shares (unconditional awards)	(51.3)	(45.6)
Less: own shares (conditional – LTIP)	(4.9)	(5.2)
Shares for basic EPS calculation	739.0	759.6
Add back: own shares (unconditional awards)	51.3	45.6
Add back: share options	1.1	1.7
Shares for diluted EPS calculation	791.4	806.9

¹ Weighted average number of shares based on issued share capital and employee share plans.

25

Forward-looking statements

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 will occur in the future. Henderson Group's actual future results may differ materially from the results expressed or implied in these forward-looking statements. Nothing in this presentation should be construed as a profit forecast.