



2012 Full Year Results

Andrew Formica
Chief Executive

Shirley Garrod
Chief Financial Officer

All information in £ unless otherwise stated

27 February 2013



2012 Full Year Results

Andrew Formica
Chief Executive

Overview

FY12 overview

	FY12	FY11
Underlying profit before tax	£146.5m	£159.2m
Diluted EPS ¹	11.7p	12.4p
Management fee margin	54.6bps	53.3bps
Operating margin	36.0%	36.3%
Compensation ratio	41.1%	41.6%
Dividend per share	7.15p	7.0p
3 year investment performance ²	69%	66%
AUM	£65.6bn	£64.3bn
Net fund flows ³	£(3.9)bn	£(6.4)bn
Net cash/(debt) ⁴	£17.9m	£(28.0)m

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

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

³ FY11 includes Henderson and Gartmore net flows, but excludes transfers and sales of £4.0bn: transfer of HIAF to DB Advisors, and sales of NSIM and Hermes GPE JV.

⁴ Excluding restricted cash.



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Investment performance

Asset weighted of funds measured

Funds at/above benchmark (%) ¹	1 year %	3 years %
Investment Management: Equities and Fixed Income		
UK OEICs/Unit Trusts	67	65
SICAVs	88	91
US Mutuals	100	48
Investment Trusts	96	82
Offshore Absolute Return Funds	98	88
Segregated Institutional Mandates	87	84
Liquidity Funds	100	100
Total	80	74
Asset class		
Equities	81	72
Fixed Income	79	79
Property ²	34	47
Total	73	69

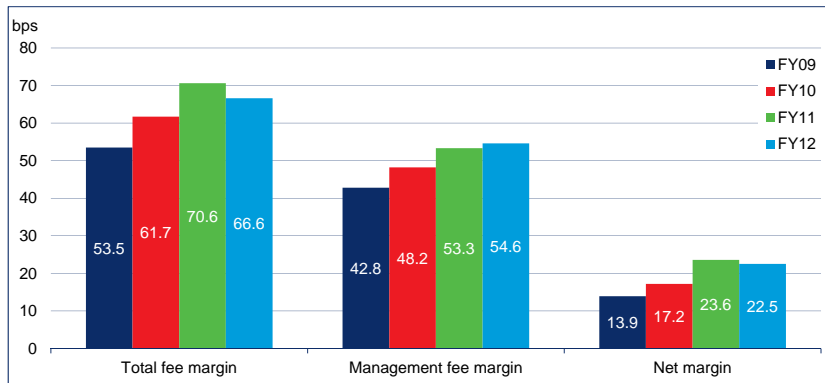
¹ Asset weighted of funds measured as at 31 Dec 12. Retail fund ranges are measured relative to peers.

² Based on estimated performance as at 31 Dec 12; IPD benchmarks for FY12 will be available in Mar 13.



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Fee margins

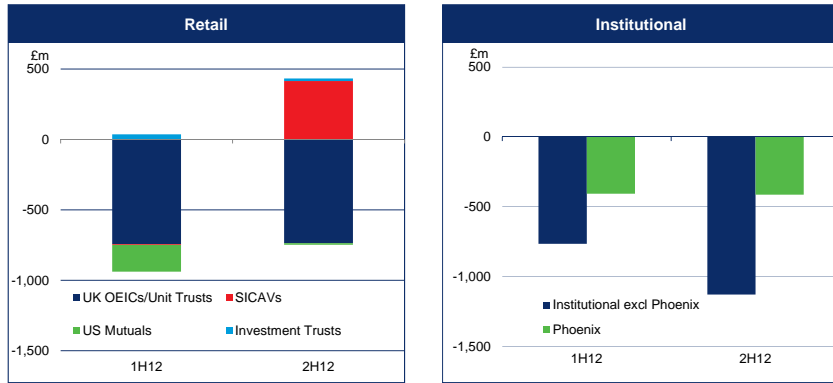


AUM and fund flows in FY12

	Opening AUM 1 Jan 12	Net flows FY12	Market/FX FY12	Closing AUM 31 Dec 12	Closing AUM ave net mgmt fee bps
AUM by channel (£m)					
Retail	28,202	(1,244)	3,308	30,266	75
Institutional excl Phoenix	29,601	(1,892)	929	28,638	37 ¹
Total Group ex Phoenix	57,803	(3,136)	4,237	58,904	
Phoenix	6,481	(819)	1,084	6,746	
Total Group	64,284	(3,955)	5,321	65,650	54
AUM by asset type (£m)					
Equities	35,316	(3,294)	3,401	35,423	70
Fixed Income	15,513	(871)	2,144	16,786	25
Property	12,408	276	(161)	12,523	44
Private Equity	1,047	(66)	(63)	918	137
Total Group	64,284	(3,955)	5,321	65,650	54

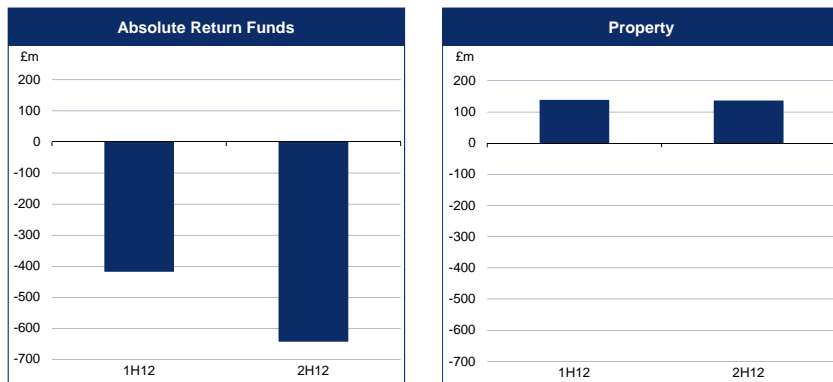
¹ Calculated including Phoenix AUM and revenue.

Net flows in FY12



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Net flows in FY12



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

Property flows are included in institutional flows in previous slide.



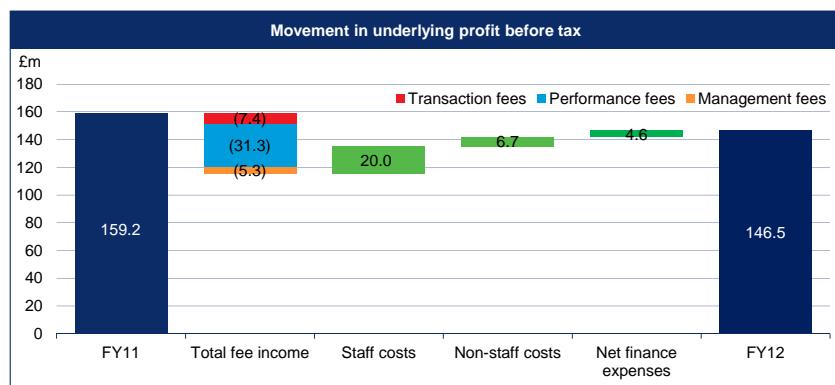
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2012 Full Year Results

Shirley Garrood
Chief Financial Officer

Financial results

Underlying profit before tax



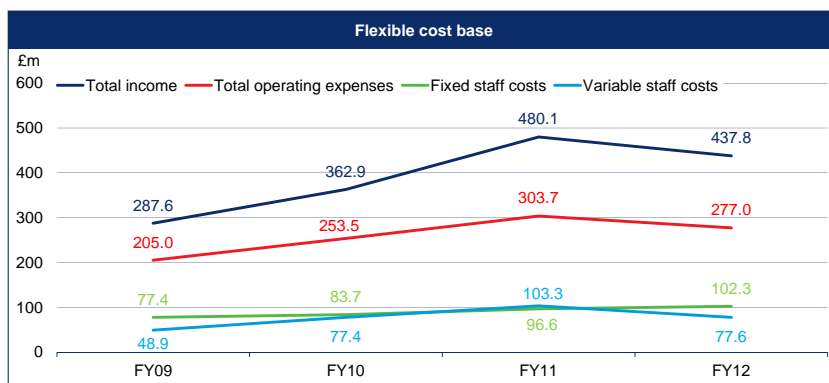
Sources of performance fees

Sourced from	FY12 £m	FY11 £m	FY10 £m	Benchmark	FY12 No. of funds	FY11 No. of funds	FY10 No. of funds
Institutional Mandates	16.3	21.1	30.8	Rel	34	31	35
Absolute Return Funds	4.4	22.5	4.5	Abs	19	21	13
Investment Trusts	3.6	4.2	0.9	Abs/Rel	5	5	3
Property	3.5	1.8	0.5	Abs/Rel	7	5	6
Private Equity	3.5	0.1	4.8	Abs	2	1	1
SICAVs	2.2	13.9	1.3	Abs/Rel	4	13	7
UK OEICs	0.4	1.6	-	Abs/Rel	1	2	-
Total	33.9	65.2	42.8		72	78	65



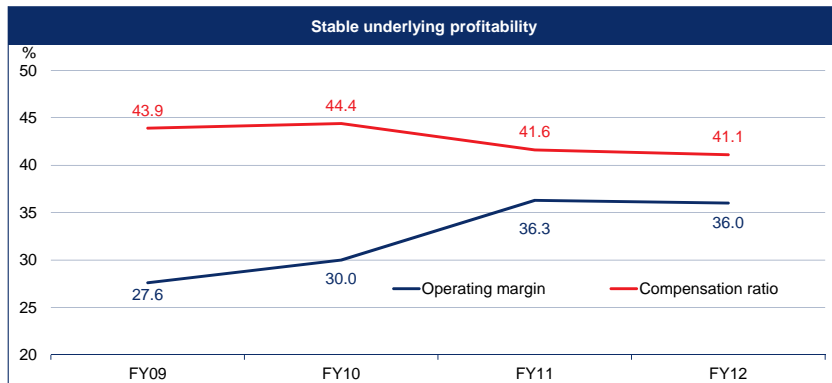
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Total income and operating expenses



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Compensation ratio and operating margin



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Continued cost discipline

	FY12	FY11	Change	2H12	1H12
	£m	£m	%	£m	£m
Investment administration	25.7	28.1	9	11.3	14.4
Office expenses	16.8	16.4	(2)	7.8	9.0
Information technology	14.4	14.0	(3)	6.4	8.0
Other expenses	37.3	42.3	12	18.2	19.1
Depreciation	2.9	3.0	3	1.5	1.4
Non-staff costs	97.1	103.8	6	45.2	51.9



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Non-recurring items

	FY12 £m	FY11 £m
Net recognition of Fund II fees	26.6	-
Restructuring costs	(9.1)	(6.0)
Additional Financial Services Compensation Scheme 2010/2011 levy	(2.5)	-
Void property (provision)/release	(1.2)	6.5
Gartmore integration costs	-	(69.7)
Non-recurring items before tax	13.8	(69.2)
Tax on non-recurring items and non-recurring tax	4.7	35.1
Non-recurring items after tax	18.5	(34.1)



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Tax, and earnings and dividend per share

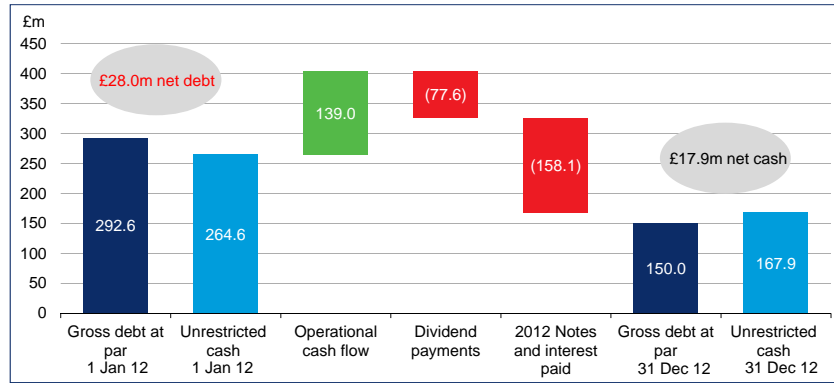
	FY12 £m	FY11 £m	% Change
Underlying profit before tax	146.5	159.2	(8)
Tax on underlying profit	(19.5)	(33.6)	42
Non-controlling interests after tax	(0.2)	0.1	n/a
Underlying profit after tax	126.8	125.7	-
Effective tax rate on underlying profit	13.3%	21.1%	n/a
Diluted EPS ¹	11.7p	12.4p	(6)
Basic EPS ¹	12.3p	13.2p	(7)
Dividend per share	7.15p	7.0p	2

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



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Summary of cash flow



All cash amounts exclude restricted cash and manager dealing accounts.



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2012 Full Year Results

Andrew Formica
Chief Executive

Key points from FY12

- Delivered strong investment performance
- Maintained financial discipline
- Generated strong cash flows
- Restructured and reorganised business to simplify
- Invested to support growth in core business areas
 - Diversified business geographically
 - Entered strategic alliances and made small acquisitions
 - Hired new talent



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Recent fund flows and pipeline

- Institutional flows volatile but increased client interest
- Property pipeline positive notwithstanding fund realisations
- Investment Trust changes
- Absolute return funds benefiting from improved sentiment
- Retail gaining positive momentum



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Investment capabilities

Equities	Fixed Income	Property	Private Equity
Absolute Return	Diversified Fixed Income and Rates	Core European Offices	Asian Private Equity
European Equities	Global Credit	Multi-Family Housing/ Apartments	Fund of Funds
Global Equities	Retail Fixed Income	Retail Centres	Infrastructure
Multi-Asset	Secured Credit	Tailored and Pooled Solutions	



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Focus areas for FY13

- Extend trust and partnership with clients
- Return to net sales growth
- Promote strong European franchise
- Expand global and absolute return product offering
- Further diversify business geographically
- Establish strategic relationships
- Proactively prepare business for regulatory changes
- Maintain financial discipline



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Questions and answers



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2012 Full Year Results

Appendix

- Profit and loss
- Financial position – debt, equity and ratios
- AUM and fund flows in FY12
- Property AUM movement FY12
- Investment performance
- AUM with performance fee potential
- Number of shares for EPS calculation
- EPS calculation
- Quarterly movements in AUM FY12



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Profit and loss

	FY12 £m	FY11 £m	% Change
Management fees (net of commissions)	355.2	360.5	(1)
Transaction fees	43.7	51.1	(14)
Performance fees	33.9	65.2	(48)
Total fee income	432.8	476.8	(9)
Finance income	5.0	3.3	52
Total income	437.8	480.1	(9)
Total operating expenses	(277.0)	(303.7)	9
Finance expenses	(14.3)	(17.2)	17
Total expenses	(291.3)	(320.9)	9
Underlying profit before tax	146.5	159.2	(8)
Intangible amortisation	(52.1)	(41.7)	(25)
Void property finance charge	(1.4)	(2.1)	33
Gartmore related employee share awards	(10.6)	(33.2)	68
Recurring profit before tax	82.4	82.2	-
Non-recurring items	13.8	(69.2)	n.m.
Profit before tax	96.2	13.0	n.m.
Tax on underlying profit	(19.5)	(33.6)	42
Tax on non-operating recurring items	18.5	19.4	n.m.
Tax on non-recurring items	4.7	16.2	n.m.
Non-recurring tax	-	18.9	n.m.
Total tax credit	3.7	20.9	n.m.
Profit after tax	99.9	33.9	n.m.



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Financial position – debt, equity and ratios

£m	31 Dec 12	31 Dec 11
2012 Notes	-	142.6
2016 Notes	150.0	150.0
Gross debt at par	150.0	292.6
Unrestricted cash and cash equivalents ¹	167.9	264.6
Net unrestricted cash/(debt)	17.9	(28.0)
Total equity	781.2	787.4
Available facilities ²	-	75.0
EBITDA	158.7	176.1
Gearing ratios and interest cover		
	31 Dec 12	31 Dec 11
Gross debt/total equity	0.2x	0.4x
Net debt/total equity	n/a	0.0x
Gross debt/EBITDA	0.9x	1.7x
Net debt/EBITDA	n/a	0.2x
Interest cover	11.1x	10.2x

¹ Unrestricted cash and cash equivalents excludes £nil (31 Dec 11: £4.7m) held in escrow and £29.0m (31 Dec 11: £4.6m) held in the Group's manager dealing account.
² Represents a £75.0m revolving credit facility, as at 31 Dec 12, cancelled in Jan 2013.



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AUM and fund flows in FY12

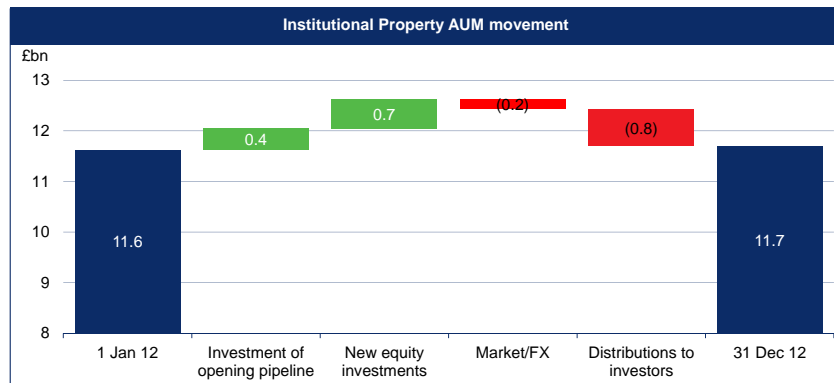
£m	Opening AUM	Net flows	Market/FX	Closing AUM
	1 Jan 12	FY12	FY12	31 Dec 12
Investment Management: Equities and Fixed Income				
UK OEICs/Unit Trusts	14,726	(1,492)	1,752	14,986
SICAVs	6,167	409	650	7,226
US Mutuals	2,881	(200)	325	3,006
Investment Trusts	3,583	54	568	4,205
Total Retail	27,357	(1,229)	3,295	29,423
Total Institutional	17,083	(2,122)	1,145	16,106
<i>Including: Absolute Return¹</i>	<i>4,570</i>	<i>(1,061)</i>	<i>(134)</i>	<i>3,375</i>
Total Property	12,408	276	(161)	12,523
Total Private Equity	955	(61)	(42)	852
Total Phoenix	6,481	(819)	1,084	6,746
Total Group	64,284	(3,955)	5,321	65,650

¹ Absolute Return flows are included in retail and institutional flows.



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Property AUM movement FY12



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Investment performance

Top 20 investment management funds by AUM

Fund ¹	AUM £m 31 Dec 12	Fund range	Fund manager	1 year	3 years	5 years
All Stocks Credit ²	1,994	Institutional OEIC	Phil Payne			
International Opportunities	1,503	US Mutual	Stephen Peak			
Pan European Equity	1,445	SICAV	Tim Stevenson			
European Selected Opportunities	1,274	OEIC	John Bennett			
Global Technology	1,233	SICAV	Stuart O'Gorman, Ian Warmerdam			
Cautious Managed	1,163	OEIC	Chris Burvill			
Strategic Bond	1,113	OEIC	John Patullo, Jenna Barnard			
Long Dated Credit ²	1,085	Institutional OEIC	Phil Payne			
European Corporate Bond	920	SICAV	Chris Bullock		n/a	n/a
European Growth	873	OEIC	Richard Pease, Simon Rowe			
City of London ²	838	Investment Trust	Job Curtis			
Global Equity Income	811	US Mutual	Alex Crooke, Job Curtis			
Enhanced Equity ²	802	Institutional OEIC	David Elms			
Continental European	786	SICAV	John Bennett			
Fixed Interest Monthly Income	769	OEIC	John Patullo, Jenna Barnard			
Latin American	668	SICAV	Chris Palmer			
Global Property	651	SICAV	Patrick Sumner, Guy Barnard			
Preference and Bond	617	OEIC	John Patullo, Jenna Barnard			
Global Equity Income	576	OEIC	Andrew Jones, Ben Lofthouse	n/a	n/a	n/a
Credit Alpha ²	560	Institutional OEIC	Thomas Ross			
Total	19,681					

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

¹ All percentile ranking as at 31 Dec 12 unless otherwise noted.
² Performance relative to benchmark.



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AUM with performance fee potential

	31 Dec 12		31 Dec 11	
	No. of funds	% of AUM with performance fee potential	No. of funds	% of AUM with performance fee potential
Institutional Mandates	54	34	59	37
Absolute Return Funds	36	75	34	80
Property	35	71	32	73
SICAVs	21	73	22	66
Investment Trusts	13	63	14	78
Private Equity	6	100	6	100
UK OEICs	3	3	4	4
Total	168	40	171	42



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Number of shares for EPS calculation

	FY12 m	FY11 m
Weighted average		
Issued share capital	1,108.3	1,027.0
Less: own shares held	(74.3)	(72.9)
Weighted average number of ordinary shares for the purpose of basic EPS	1,034.0	954.1
Add: dilutive impact of share options and awards	48.0	58.6
Weighted average number of ordinary shares for the purpose of diluted EPS	1,082.0	1,012.7



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EPS calculation¹

	FY12 £m	FY11 £m
Underlying profit before tax	146.5	159.2
Less: tax on underlying profit	(19.5)	(33.6)
Underlying profit after tax	127.0	125.6
(Less)/add: non-controlling interests after tax	(0.2)	0.1
Underlying profit after tax attributable to equity holders of the parent	126.8	125.7
Less: Gartmore related employee share awards after tax	(9.4)	(28.3)
Less: intangible amortisation and void property finance charge after tax	(36.2)	(29.3)
Add/(less): non-recurring items after tax	18.5	(34.1)
Profit after tax attributable to equity holders of the parent	99.7	34.0
Weighted average number of ordinary shares for the purpose of basic EPS (m)	1,034.0	954.1
Weighted average number of ordinary shares for the purpose of diluted EPS (m)	1,082.0	1,012.7
Basic EPS based on underlying profit after tax	12.3p	13.2p
Basic EPS	9.6p	3.6p
Diluted EPS based on underlying profit after tax	11.7p	12.4p
Diluted EPS	9.2p	3.4p

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



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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 27 February 2013 (relating to the full year results of Henderson Group to 31 December 2012) 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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Quarterly movements in AUM FY12

£m	1Q12			2Q12			3Q12			4Q12		
	Opening Jan 12	Net Flows	Closing Mar 12	Net Flows	Mkt/FX	Closing Jun 12	Net Flows	Mkt/FX	Closing Sept 12	Net Flows	Mkt/FX	Closing Dec 12
Investment Management												
UK OEICs/Unit Trusts	14,726	(367)	15,262	(367)	(585)	14,310	(408)	742	14,644	(350)	692	14,986
SICAVs	6,167	246	7,120	(252)	(644)	6,224	108	331	6,663	307	256	7,226
US Mutuals	2,881	(25)	3,174	(164)	(206)	2,804	(16)	85	2,873	5	128	3,006
Investment Trusts	3,583	45	3,972	(8)	(139)	3,824	11	202	4,037	7	161	4,205
Total Retail	27,357	(101)	29,528	(792)	(1,574)	27,162	(305)	1,360	28,217	(31)	1,237	29,423
UK OEICs/Unit Trusts	4,320	(251)	4,156	(87)	89	4,158	(87)	180	4,251	(34)	88	4,305
SICAVs	280	(11)	337	405	(29)	713	1	25	739	(4)	27	762
US Mutuals	-	16	18	0	(2)	16	0	0	16	0	0	16
Offshore Absolute Return Funds	2,979	(174)	2,834	(81)	(140)	2,613	(213)	(11)	2,389	(182)	(42)	2,165
Investment Trusts	27	(5)	26	0	0	26	0	1	27	(3)	2	26
Managed CDO's	1,036	(49)	892	(34)	(13)	945	(42)	(4)	899	(149)	(10)	740
Segregated Mandates	7,982	(53)	8,291	(463)	(79)	7,749	(289)	336	7,796	(238)	173	7,731
Liquidity Funds	459	(103)	358	(7)	0	351	17	2	370	(2)	(7)	361
Total Institutional	17,083	(630)	17,012	(267)	(1,74)	16,571	(613)	529	16,487	(612)	231	16,106
Total Investment Management	44,440	(731)	46,540	(1,059)	(1,748)	43,733	(918)	1,889	44,704	(643)	1,468	45,529
Consisting of:												
Absolute Return Retail	1,315	(18)	1,304	(123)	(54)	1,127	(86)	18	1,059	(132)	31	958
Absolute Return Institutional	3,255	(202)	3,052	(75)	(98)	2,879	(243)	(6)	2,630	(182)	(31)	2,417
Total Absolute Return	4,570	(220)	4,356	(198)	(152)	4,006	(329)	12	3,689	(314)	0	3,375
Property												
UK OEICs/Unit Trusts	782	(9)	774	0	(7)	767	9	41	817	13	(2)	828
Total Retail	782	(9)	774	0	(7)	767	9	41	817	13	(2)	828
Property Funds	9,513	31	9,550	129	(348)	9,331	29	64	9,424	(85)	24	9,363
Segregated Mandates	2,113	0	2,127	(12)	31	2,146	12	8	2,166	159	7	2,332
Total Institutional	11,626	31	11,677	117	(317)	11,477	74	72	11,590	74	31	11,695
Total Property	12,408	22	12,451	117	(324)	12,244	50	113	12,407	87	29	12,523
Private Equity												
Investment Trusts	63	0	63	0	2	65	0	0	45	(28)	(2)	15
Total Retail	63	0	63	0	2	65	0	(20)	45	(28)	(2)	15
Private Equity Funds	882	(11)	852	(4)	7	855	(13)	2	844	(5)	(2)	837
Total Institutional	882	(11)	852	(4)	7	855	(13)	2	844	(5)	(2)	837
Total Private Equity	955	(11)	915	(4)	9	920	(13)	(18)	889	(33)	(4)	852
Phoenix												
UK OEICs/Unit Trusts	2,832	(39)	2,954	(44)	(81)	2,829	(14)	135	2,950	(101)	61	2,910
Segregated Mandates	3,557	(98)	3,703	(225)	326	3,804	(235)	227	3,796	(58)	32	3,770
Private Equity Funds	92	0	87	0	(1)	86	1	(8)	79	(6)	(7)	66
Total Phoenix	6,481	(137)	6,744	(269)	244	6,719	(248)	354	6,825	(165)	86	6,746
Total Group	64,284	(857)	66,650	(1,215)	(1,819)	63,616	(1,129)	2,338	64,825	(754)	1,579	65,650
Channel												
Retail	28,202	(110)	30,365	(792)	(1,579)	27,994	(296)	1,381	29,079	(46)	1,233	30,266
Institutional excl Phoenix	29,601	(610)	29,541	(154)	(484)	28,903	(585)	603	28,921	(543)	260	28,638
Total group excl Phoenix	57,803	(720)	59,906	(946)	(2,063)	56,897	(881)	1,984	58,000	(989)	1,493	58,904
Phoenix	6,481	(137)	6,744	(269)	244	6,719	(248)	354	6,825	(165)	86	6,746
Total Group	64,284	(857)	66,650	(1,215)	(1,819)	63,616	(1,129)	2,338	64,825	(754)	1,579	65,650
Asset Type												
Equity	35,316	(558)	37,592	(1,181)	(2,366)	34,045	(1,114)	1,754	34,685	(441)	1,179	35,423
Fixed Income	15,513	(310)	15,605	(147)	863	16,321	(53)	497	16,765	(361)	382	16,786
Property	12,408	22	12,451	117	(324)	12,244	50	113	12,407	87	29	12,523
Private Equity	1,047	(11)	1,002	(4)	(34)	1,006	(12)	(26)	968	(39)	(11)	918
Total Group	64,284	(857)	66,650	(1,215)	(1,819)	63,616	(1,129)	2,338	64,825	(754)	1,579	65,650