PRESS RELEASE

UNDER EMBARGO UNTIL 0001 MONDAY 18th AUGUST

This press release is solely for the use of members of the media and should not be relied upon by personal investors, financial advisers or institutional investors.

Surging growth from Europe drives global dividend boom

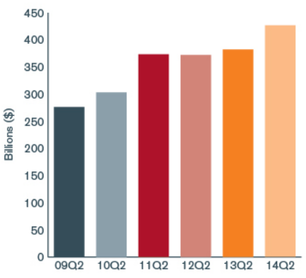
Monday 18 August 2014

Global investors are enjoying a bumper year for dividends, according to the latest Global Dividend Index (HGDI) from **Henderson Global Investors**. Overall pay-outs grew 11.7% year on year in the second quarter to a new record of $426.8bn, an increase of $44.6bn. That increase is equivalent to a whole year's worth of Japanese dividends. The underlying picture, which excludes special dividends, rose an equally encouraging 10.2%. The Henderson Global Dividend Index rose to 157.8 from 151.6 at the end of March, meaning that dividends are 57.8% higher over the last 12 months compared to 2009, the base year.

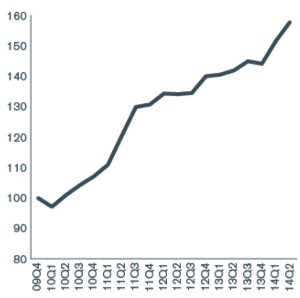
Key highlights

- Global dividends surge 11.7% to a record $426.8bn
- Developed markets drive the strong growth in equity income
- Europe and Japan see the best growth, each up almost a fifth
- The US is up 13.8% year on year, with every sector bar mining experiencing growth
- Emerging markets dividends fall 14.6%
- Global diversified approach to income investing minimises currency risk

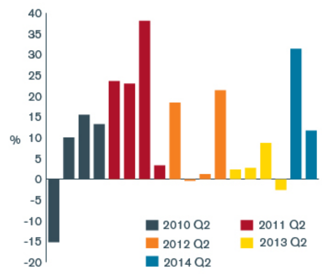
Q2 dividends



HGDI



Total dividends, growth per quarter



Source: Henderson Global Investors

The second quarter is especially important, accounting for almost two fifths of the annual total, so the strong growth was very encouraging. Developed markets drove the good performance, with Europe and Japan at the forefront, after lagging behind in recent periods.

Europe, where companies typically pay the bulk of dividends in this period, dominates the second quarter, accounting for over two fifths of the global total. European firms paid $153.4bn, up 18.2% on a headline basis, led by France and Switzerland. Germany lagged behind its peers, up just 3.9%. The European total was boosted by strong exchange rates against the US dollar. Even so, the $16.4bn constant currency growth from Europe is the best performance from the region by far over the five year history of the HGDI.

Henderson
GLOBAL INVESTORS

Japan also showed convincing growth, up 18.5% to reach $25.2bn. With the sharp year on year declines in the yen now dissipating, currency effects only made a small deduction from the Japanese total.

Australia showed poor growth in US dollar terms, up just 2.4% to US$9.1bn in what is a relatively small quarter from a seasonal perspective. A weaker Australian dollar deducted US$ 1bn from the total, meaning that growth on a constant currency basis outstripped regional Asia Pacific peers. The biggest payer was Commonwealth Bank of Australia, making up two fifths of the Australian total.

The US continued to show broad based strength (13.8%), but emerging markets saw their pay-outs decline 14.6% in US$ terms. Emerging markets are lagging behind developed markets, though the fall was exacerbated by index changes, and sharply lower exchange rates.

For the first half overall, dividends grew a headline 18.4%, the fastest in a six month period since 2011. Unlike 2011, when half of the growth came from the effects of the weaker dollar, the increases this year have largely come from companies raising dividends themselves with only a small favourable contribution from currency effects.

Global currencies continue to be volatile. However, the Henderson research demonstrates that over the medium term, currency effects are a limited factor. Over the last five years, they have accounted for just 1.4% of the total $4.5 trillion of distributed dividend income. In the latest quarter, the currency effect was just 1.5% as some currencies rose and some fell against the US dollar.

Alex Crooke, Head of Global Equity Income at Henderson Global Investors said*, "2014 looks set to deliver the fastest growth in global dividends since 2011, only this time, most of that growth will come from increases in pay-outs from firms themselves, rather than from swings in currencies. In 2011, more than a third of the growth came from a falling US dollar. Developed markets are leading the charge, and we expect that to continue. It's especially encouraging to see Europe and Japan delivering big increases to their shareholders, after lagging behind the rest of the world recently.*

Our investigation into how currency moves contribute to investor returns highlights the value of taking a global approach. Over time, such investors can broadly afford to ignore currency risk as currencies rise and fall against one another through the economic cycle. Investors who take a decision to invest internationally, but only focus narrowly on one region will find themselves much more exposed. Generating a good income on your investments is more about understanding the companies themselves, wherever they are operating."

Past performance is no guarantee of future results. International investing involves certain risks and increased volatility not associated with investing solely in the UK. These risks included currency fluctuations, economic or financial instability, lack of timely or reliable financial information or unfavorable political or legal developments.

-ends-

Press enquiries:
Cannings Corporate Communications – Luis Garcia: 02 8284 9911 or lgarcia@cannings.net.au

About Henderson Global Investors
Henderson Global Investors, wholly-owned by Henderson Group plc, is a global asset manager with a strong reputation dating back to 1934. Henderson manages over $135billion (as at 30 June 2014) of assets on behalf of clients in the UK, Europe, Asia-Pacific and North America and employs over 850 staff members worldwide. Clients include individuals, private banks, third-party distributors, insurance companies, pension funds, government bodies and corporate entities. As a pure investment manager Henderson offers investments across equities, fixed income and multi-assets as well as alternative products, such as private equity, property and hedge funds.