

Company Number: 2422514

# **HENDERSON HIGH INCOME TRUST PLC**

## **HALF YEAR REPORT (unaudited) for the six months ended 30 June 2013**

[www.hendersonhighincome.com](http://www.hendersonhighincome.com)

1 August 2013

**HENDERSON HIGH INCOME TRUST PLC**  
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**Unaudited Results for the Half Year ended 30 June 2013**

**Financial Highlights**

<b>Per ordinary share</b>	<b>Half year ended 30 June 2013</b>	Half year ended 30 June 2012	Year ended 31 December 2012
Net asset value	<b>152.41p</b>	127.30p	137.32p
Share price	<b>159.00p</b>	128.63p	138.25p
Revenue return	<b>5.51p</b>	4.96p	8.44p
Dividend yield	<b>5.2%</b>	6.5%	6.0%

**Performance**

<b>Total return performance (ie with dividends reinvested)</b>	<b>6 months %</b>	<b>12 months %</b>
Share price <sup>(1)</sup>	18.0	30.7
Net asset value <sup>(1)</sup>	14.5	27.5
FTSE All-Share Index <sup>(2)</sup>	8.5	17.9
Merrill Lynch Sterling Non Gilts Index <sup>(2)</sup>	-1.4	6.5
Benchmark <sup>(3)</sup>	6.5	15.7

1. Source: *Fundamental Data for the AIC*

2. Source: *Datastream*

3. The benchmark is a composite of 80% of the FTSE All-Share Index and 20% of the Merrill Lynch Sterling Non Gilts Index

**Dividends for the year to**

<b>31 December 2013</b>	<b>Ex div date</b>	<b>Record date</b>	<b>Pay date</b>	<b>Rate</b>
Paid:				
1 <sup>st</sup> interim dividend	10 April	12 April	30 April	2.075p
2 <sup>nd</sup> interim dividend	26 June	28 June	31 July	2.075p
Announced:				
3 <sup>rd</sup> interim dividend	25 September	27 September	31 October	2.125p

A fourth interim dividend will be announced in November 2013 and paid on 31 January 2014.

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## **Interim Management Report**

### **CHAIRMAN'S STATEMENT**

#### **Performance**

In my recent statement in the annual report I suggested that "capital returns, certainly in the bond markets, may not match those of the last year, although hopefully the income part of the return will remain secure." It is encouraging, therefore, to be able to report that I was not entirely wrong in that although capital returns (as represented by our respective benchmark indices) from bond markets were negative, those from equities were again positive and overall dividends continued to grow. This was a very helpful background for our Company's portfolio where we have steadily reduced the bond investments in favour of equities and, which in turn, benefited from our gearing that we had increased earlier in the year. So it is very pleasing to be able to report a net asset value total return of 14.5% over the first half of the year which again strongly outperformed the equivalent return of our benchmark of 6.5%. Our Portfolio Manager will expand on how he achieved this excellent performance in his report.

#### **Dividends**

As our dividend income has recovered in recent years, our first priority has been to replenish our revenue reserves, so that if conditions again deteriorate and dividend payments by the companies we hold are adversely affected, we are better able to meet our intention of maintaining our own dividend. Nonetheless it has remained our aspiration to increase distributions as and when we can have sufficient confidence that such an increase would be sustainable going forward. I am delighted to be able to report that we now have sufficient confidence to make a modest increase in our quarterly dividend payments whilst continuing to add to our reserves and consequently we have declared an interim dividend of 2.125p per share which will be paid on 31 October 2013. Whilst we anticipate paying this level in subsequent quarterly payments, we will continue to keep the level of our dividend under review as the years unfurl and in light of our actual experience and the investment conditions at the time.

#### **Outlook**

I find myself wanting to repeat word for word that which I wrote about the outlook in my year end statement. I will not do so as you can read it for yourselves in our last annual report. However, I would add that I think we have again entered a period of increased volatility, as there is clearly now greater uncertainty about the future actions of some central banks, especially the US Federal Reserve, and their effects on markets, particularly the bond markets. In airline parlance we may be entering a period when the 'fasten seatbelts' sign is switched on, which does not mean that we have to start worrying about the safety of the plane, but rather remain in our seats and draw confidence from the experience and expertise of the pilot, or in our case our Portfolio Manager. However, we can draw comfort from the likelihood that central bank support will only be eased and interest rates increased when economic growth is at a sustainably higher level. This should be an environment that is conducive to equity investment.

**Hugh Twiss**

Chairman

1 August 2013

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**Interim Management Report (continued)**

**PORTFOLIO MANAGER'S REVIEW**

**Markets**

Equity markets enjoyed a strong start to the year as the perceived fading of sovereign debt risk in Europe and good economic data releases, especially in the US, increased investors' risk appetite. The FTSE All-Share Index recorded twelve consecutive positive monthly returns before monetary tightening fears in the US caused a global market sell-off towards the end of the first half. The Federal Reserve made signals that they are more confident in the outlook for the US economy and thus tapering of asset purchases is likely to occur by the end of the year. This caused bond yields globally to increase sharply (prices fell) prompting fears over the impact of the move on the sustainability of economic recovery.

Despite the sell-off in June, the UK equity market remained in positive territory for the first half of 2013. The domestic orientated FTSE 250 index outperformed the more internationally exposed FTSE 100. UK economic data has generally surprised positively this year with GDP, manufacturing surveys and housing transactions all beating expectations. The appointment of Mark Carney as the next governor of the Bank of England was also seen as positive for the UK market. It is believed that Carney will argue a robust case for stimulating strong and stable growth at the risk of letting inflation deviate from target for long periods of time. Most sectors rose in value during the period with the notable exception of mining. Commodity prices fell significantly, driven lower by slower demand from China. The best performing sectors included telecoms, aerospace, financials and retailers.

**Portfolio activity**

During the period the Company's gearing was increased, with the extra investment predominantly invested in equities. We believe equities offer superior returns to bonds in the medium to long term and also have greater potential for income growth. Within the equity portfolio a number of new positions were added including Reed Elsevier, the professional publisher, and house builder, Persimmon. Reed has a number of high quality defensive divisions as well as a recovering legal business which should combine to produce robust dividend growth. Persimmon should benefit from actions by the Government and Bank of England to improve mortgage availability and pricing. Elsewhere we increased the exposure to banks in the period, adding to HSBC and initiating a position in Lloyds. Both banks have clear strategies to improve returns with HSBC's robust capital position supporting strong growth in its dividend while Lloyds should return to the dividend register next year. A number of new industrial bond issues were purchased in the first quarter while the sell-off in June created an opportunity to add two new bond positions in the telecoms and leisure sectors respectively.

**Performance**

The Company has had a strong start to the year, outperforming its benchmark. As well as benefiting from the decision to increase the Company's gearing, the equity portion of the portfolio was key to driving outperformance. Against the strong market backdrop notable contributions came from individual holdings in more cyclical stocks such as Galliford Try, Persimmon and Intermediate Capital. The absence of mining holdings also aided relative performance given the significant underperformance by mining over the period. The bond portfolio further helped by outperforming its benchmark in the period. Despite a tough June where both equity and bond markets fell, the overall portfolio has had a good first half of the year producing a strong positive return.

**Alex Crooke**  
Portfolio Manager  
1 August 2013

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**INVESTMENT PORTFOLIO**

Classification of investments at 30 June 2013

	% of portfolio	£'000		% of portfolio	£'000
<b>Fixed Interest</b>			<b>Consumer Services</b>		
Preference shares	1.2	2,264	Food & Drugs Retailers	0.6	1,160
Other	12.1	22,884	General Retailers	2.1	3,944
<b>Total Fixed Interest</b>	<b>13.3</b>	<b>25,148</b>	Media	3.3	6,250
			Travel & Leisure	2.9	5,472
<b>Equities (including convertibles)</b>			<b>Total Consumer Services</b>	<b>8.9</b>	<b>16,826</b>
<b>Oil &amp; Gas</b>			<b>Telecommunications</b>		
Oil & Gas Producers	5.8	10,950	Fixed Line Communications	3.3	6,367
<b>Total Oil &amp; Gas</b>	<b>5.8</b>	<b>10,950</b>	Mobile Telecommunications	6.4	12,117
<b>Basic Materials</b>			<b>Total Telecommunications</b>	<b>9.7</b>	<b>18,484</b>
Mining	0.7	1,293	<b>Technology</b>		
<b>Total Basic Materials</b>	<b>0.7</b>	<b>1,293</b>	Software & Computer Services	0.8	1,521
<b>Industrials</b>			<b>Total Technology</b>	<b>0.8</b>	<b>1,521</b>
Aerospace & Defence	0.7	1,341	<b>Utilities</b>		
Construction & Materials	3.7	6,992	Electricity	2.4	4,567
Industrial Engineering	1.6	3,101	Gas, Water & Multiutilities	7.4	14,114
Industrial Transportation	1.1	2,021	<b>Total Utilities</b>	<b>9.8</b>	<b>18,681</b>
Support Services	1.9	3,577	<b>Financials</b>		
<b>Total Industrials</b>	<b>9.0</b>	<b>17,032</b>	Banks	4.5	8,458
<b>Consumer Goods</b>			Non-life Insurance	5.2	9,945
Beverages	1.0	1,880	Life Insurance	6.8	12,886
Food Producers	3.2	6,020	Real Estate	0.8	1,459
Household Goods & Home Construction	1.5	2,889	General Financial	2.6	5,022
Tobacco	6.0	11,471	Equity Investment Instruments	4.7	8,928
<b>Total Consumer Goods</b>	<b>11.7</b>	<b>22,260</b>	<b>Total Financials</b>	<b>24.6</b>	<b>46,698</b>
<b>Health Care</b>			<b>Total Investments</b>	<b>100.0</b>	<b>189,674</b>
Pharmaceuticals & Biotechnology	5.7	10,781			
<b>Total Healthcare</b>	<b>5.7</b>	<b>10,781</b>			

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**INVESTMENT PORTFOLIO** (continued)

**Twenty largest investments at 30 June 2013**

<b>Holding</b>	<b>Value £'000</b>	<b>Dividend Yield % #</b>
1 Vodafone	8,612	5.4
2 GlaxoSmithKline	7,156	4.6
3 British American Tobacco	7,105	4.0
4 BP	6,146	4.9
5 HSBC	6,046	4.4
6 National Grid	5,706	5.5
7 Galliford Try	5,539	3.5
8 BT	4,916	2.8
9 Imperial Tobacco	4,366	4.6
10 Catlin	3,917	5.9
11 Standard Life*	4,573	4.2
12 Jardine Lloyd Thompson	3,628	2.8
13 AstraZeneca	3,625	5.8
14 Severn Trent	3,477	4.6
15 Legal & General*	5,746	4.5
16 Carador (Ireland)	3,418	14.7
17 Royal Dutch Shell	3,182	5.1
18 Intermediate Capital	3,005	4.6
19 Reed Elsevier (Netherlands)	2,897	3.6
20 Centrica	2,852	4.6

These investments total £95,912,000 or 50.6% of the portfolio.

\* includes fixed interest

# based on dividends paid over the past 12 months, excluding special dividends

**Top ten holdings by contribution to income  
during the half year ended 30 June 2013**

<b>Holding</b>	<b>Income £'000</b>
Vodafone	317
Standard Life*	287
Catlin	209
National Grid	202
British American Tobacco	196
Legal & General*	187
GlaxoSmithKline	174
Carador	167
BP	160
HSBC	145
<b>Total</b>	<b>2,044</b>

These constitute 34.7% of the total income from investments during the half year.

\* includes fixed interest income

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**PRINCIPAL RISKS AND UNCERTAINTIES**

The principal risks and uncertainties associated with the Company's business can be divided into the following main areas:

- Investment activity and performance risk
- Financial risk
- Regulatory risk
- Operational risk

Information on these risks and how they are managed is given in the Annual Report. In the view of the Board these principal risks and uncertainties are as applicable to the remaining six months of the financial year as they were to the six months under review.

**RELATED PARTY TRANSACTIONS**

The only related party arrangement currently in place is with Henderson Global Investors Limited for the provision of investment management, accounting, company secretarial and administration services. Full details of the related party arrangements are contained in the Annual Report.

There have been no other material transactions with the related party affecting the financial position or performance of the Company during the six months to 30 June 2013.

**DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors confirm that, to the best of their knowledge:

- a) the condensed set of financial statements has been prepared in accordance with the Accounting Standards Board's statement "Half-Yearly Financial Reports";
- b) this report includes a fair review of the information required by Disclosure and Transparency Rule 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and
- c) this report includes a fair review of the information required by Disclosure and Transparency Rule 4.2.8R (disclosure of related party transactions and changes therein).

For and on behalf of the Board

**Hugh Twiss**

Chairman

1 August 2013

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**INCOME STATEMENT**

for the half year ended 30 June 2013

	(Unaudited) Half year ended 30 June 2013			(Unaudited) Half year ended 30 June 2012			(Audited) Year ended 31 December 2012		
	Revenue return £'000	Capital return £'000	Total £'000	Revenue return £'000	Capital return £'000	Total £'000	Revenue return £'000	Capital return £'000	Total £'000
Gains on investments held at fair value through profit or loss	-	15,309	15,309	-	5,748	5,748	-	16,090	16,090
Income from investments held at fair value through profit or loss	5,889	-	5,889	4,851	-	4,851	8,540	-	8,540
Other interest receivable and similar income	9	-	9	109	-	109	196	-	196
<b>Gross revenue and capital gains</b>	<b>5,898</b>	<b>15,309</b>	<b>21,207</b>	4,960	5,748	10,708	8,736	16,090	24,826
Management and performance fees (note 2)	(155)	(1,984)	(2,139)	(137)	(1,011)	(1,148)	(274)	(1,476)	(1,750)
Other administrative expenses	(168)	-	(168)	(141)	-	(141)	(321)	-	(321)
<b>Net return before finance costs and taxation</b>	<b>5,575</b>	<b>13,325</b>	<b>18,900</b>	4,682	4,737	9,419	8,141	14,614	22,755
Finance costs	(68)	(201)	(269)	(85)	(256)	(341)	(145)	(436)	(581)
<b>Net return on ordinary activities before taxation</b>	<b>5,507</b>	<b>13,124</b>	<b>18,631</b>	4,597	4,481	9,078	7,996	14,178	22,174
Taxation on net return on ordinary activities	(91)	76	(15)	(128)	122	(6)	(233)	227	(6)
<b>Net return on ordinary activities after taxation</b>	<b>5,416</b>	<b>13,200</b>	<b>18,616</b>	4,469	4,603	9,072	7,763	14,405	22,168
<b>Return per share (note 3)</b>	<b>5.51p</b>	<b>13.42p</b>	<b>18.93p</b>	4.96p	5.10p	10.06p	8.44p	15.67p	24.11p

The columns of this statement headed "Total" represent the Company's Income Statement, prepared in accordance with UK GAAP. The revenue and capital columns are supplementary to this and are published under guidance from the Association of Investment Companies.

The Company has no recognised gains or losses other than those disclosed in the Income Statement and Reconciliation of Movements in Shareholders' Funds.

All items in the above statement derive from continuing operations. No operations were acquired or discontinued during the period.

The accompanying notes are an integral part of the condensed financial statements.



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**RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

for the half year ended 30 June 2013

	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Other capital reserves £'000	Revenue reserve £'000	Total £'000
<b>Half year ended 30 June 2013 (unaudited)</b>						
At 31 December 2012	4,834	70,386	26,302	27,571	3,671	132,764
Net return on ordinary activities after taxation	-	-	-	13,200	5,416	18,616
Issue of new shares	145	4,299	-	-	-	4,444
Fourth interim dividend (2.075p per share) for the year ended 31 December 2012, paid 31 January 2013	-	-	-	-	(2,006)	(2,006)
First interim dividend (2.075p per share) for the year ended 31 December 2013, paid 30 April 2013	-	-	-	-	(2,043)	(2,043)
Refund of unclaimed dividends	-	-	-	-	4	4
<b>At 30 June 2013</b>	<b>4,979</b>	<b>74,685</b>	<b>26,302</b>	<b>40,771</b>	<b>5,042</b>	<b>151,779</b>
<b>Half year ended 30 June 2012 (unaudited)</b>						
At 31 December 2011	4,485	61,462	26,302	13,166	3,455	108,870
Net return on ordinary activities after taxation	-	-	-	4,603	4,469	9,072
Issue of new shares	64	1,543	-	-	-	1,607
Fourth interim dividend (2.075p per share) for the year ended 31 December 2011, paid 31 January 2012	-	-	-	-	(1,862)	(1,862)
First interim dividend (2.075p per share) for the year ended 31 December 2012, paid 30 April 2012	-	-	-	-	(1,869)	(1,869)
<b>At 30 June 2012</b>	<b>4,549</b>	<b>63,005</b>	<b>26,302</b>	<b>17,769</b>	<b>4,193</b>	<b>115,818</b>
<b>Year ended 31 December 2012 (audited)</b>						
At 31 December 2011	4,485	61,462	26,302	13,166	3,455	108,870
Net return on ordinary activities after taxation	-	-	-	14,405	7,763	22,168
Issue of new shares	349	8,924	-	-	-	9,273
Fourth interim dividend (2.075p per share) for the year ended 31 December 2011, paid 31 January 2012	-	-	-	-	(1,861)	(1,861)
First interim dividend (2.075p per share) for the year ended 31 December 2012, paid 30 April 2012	-	-	-	-	(1,869)	(1,869)
Second interim dividend (2.075p per share) for the year ended 31 December 2012, paid 31 July 2012	-	-	-	-	(1,883)	(1,883)
Third interim dividend (2.075p per share) for the year ended 31 December 2012, paid 31 October 2012	-	-	-	-	(1,938)	(1,938)
Refund of unclaimed dividends	-	-	-	-	4	4
<b>At 31 December 2012</b>	<b>4,834</b>	<b>70,386</b>	<b>26,302</b>	<b>27,571</b>	<b>3,671</b>	<b>132,764</b>

The accompanying notes are an integral part of the condensed financial statements.

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**BALANCE SHEET**  
at 30 June 2013

	(Unaudited) 30 June 2013 £'000	(Unaudited) 30 June 2012 £'000	(Audited) 31 December 2012 £'000
<b>Investments held at fair value through profit or loss</b>	<b>189,674</b>	142,916	157,097
<b>Current assets</b>			
Debtors	4,010	2,255	1,384
Cash at bank	634	1,335	3,250
	4,644	3,590	4,634
<b>Creditors: amounts falling due within one year</b>	<b>(42,539)</b>	(30,688)	(28,967)
<b>Net current liabilities</b>	<b>(37,895)</b>	(27,098)	(24,333)
<b>Net assets</b>	<b>151,779</b>	115,818	132,764
<b>Capital and reserves</b>			
Called up share capital (note 5)	4,979	4,549	4,834
Share premium account	74,685	63,005	70,386
Capital redemption reserve	26,302	26,302	26,302
Other capital reserves	40,771	17,769	27,571
Revenue reserve	5,042	4,193	3,671
<b>Equity shareholders' funds</b>	<b>151,779</b>	115,818	132,764
<b>Net asset value per share (note 4)</b>	<b>152.41p</b>	127.30p	137.32p

The accompanying notes are an integral part of the condensed financial statements.

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**CASH FLOW STATEMENT**

for the half year ended 30 June 2013

	(Unaudited) Half year ended 30 June 2013 £'000	(Unaudited) Half year ended 30 June 2012 £'000	(Audited) Year ended 31 December 2012 £'000
Net cash inflow from operating activities	3,568	2,565	6,810
Net cash outflow from servicing of finance	(276)	(333)	(564)
Net tax recovered	-	-	13
Net cash outflow from financial investment	(16,683)	(973)	(4,843)
Equity dividends paid	(4,045)	(3,731)	(7,547)
	-----	-----	-----
Net cash outflow before financing	(17,436)	(2,472)	(6,131)
Net cash inflow from financing	15,265	3,038	8,602
	-----	-----	-----
(Decrease) / increase in cash	(2,171)	566	2,471
	=====	=====	=====
<b>Notes to the Cash Flow Statement</b>			
<b>Reconciliation of operating revenue to net cash inflow from operating activities</b>			
Net return before finance costs and taxation	18,900	9,419	22,755
Gains on investments held at fair value through profit or loss	(15,309)	(5,748)	(16,090)
(Increase) / decrease in accrued income and debtors of a revenue nature	(642)	(552)	339
Increase / (decrease) in creditors	651	(548)	(176)
Tax deducted on investment income	(32)	(6)	(18)
	-----	-----	-----
<b>Net cash inflow from operating activities</b>	<b>3,568</b>	<b>2,565</b>	<b>6,810</b>
	=====	=====	=====
<b>Reconciliation of net cash flow to movement in net debt</b>			
(Decrease) / increase in cash	(2,171)	566	2,471
Net (drawdown)/repayment of loans	(10,821)	(1,431)	671
Exchange movements	(445)	87	97
	-----	-----	-----
Movement in net debt in the period	(13,437)	(778)	3,239
Net debt at the beginning of the period	(24,279)	(27,518)	(27,518)
	-----	-----	-----
<b>Net debt at the end of the period</b>	<b>(37,716)</b>	<b>(28,296)</b>	<b>(24,279)</b>
	=====	=====	=====
<b>Represented by:</b>			
Cash at bank and short-term deposits	634	1,335	3,250
Debt falling due within one year	(38,350)	(29,631)	(27,529)
	-----	-----	-----
<b>Total</b>	<b>(37,716)</b>	<b>(28,296)</b>	<b>(24,279)</b>
	=====	=====	=====

The accompanying notes are an integral part of the condensed financial statements.

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**NOTES:****1. Accounting policies - basis of accounting**

The condensed set of financial statements has been prepared using the same accounting policies as are set out in the Company's Report and Financial Statements for the year ended 31 December 2012.

The condensed set of financial statements has been neither audited nor reviewed by the Company's auditors.

**2. Management and performance fees – performance fee provision**

For the half year ended 30 June 2013 a performance fee of £1,750,000 (30 June 2012: £805,000 and 31 December 2012: £1,605,000) has been accrued for outperformance against the benchmark achieved in the first six months of the financial year. The actual performance fee, if any, payable to the Manager for the year to 31 December 2013 will depend on outperformance over the full financial year, subject to a cap on the total fees paid to the Manager of 1.5% of the average of assets under management over the four quarter ends in the year. Details of the performance fee arrangements are set out in the Company's 2012 Annual Report.

**3. Return per ordinary share**

	<b>(Unaudited)</b> <b>Half year</b> <b>ended</b> <b>30 June 2013</b> <b>£'000</b>	<b>(Unaudited)</b> <b>Half year</b> <b>ended</b> <b>30 June 2012</b> <b>£'000</b>	<b>(Audited)</b> <b>Year ended</b> <b>31 December</b> <b>2012</b> <b>£'000</b>
The return per share is based on the following figures:			
Net revenue return	5,416	4,469	7,763
Net capital return	13,200	4,603	14,405
	-----	-----	-----
<b>Total</b>	<b>18,616</b>	<b>9,072</b>	<b>22,168</b>
	=====	=====	=====
Weighted average number of shares in issue	98,336,330	90,137,558	91,953,053
Revenue return per share	5.51p	4.96p	8.44p
Capital return per share	13.42p	5.10p	15.67p
	-----	-----	-----
<b>Total</b>	<b>18.93p</b>	<b>10.06p</b>	<b>24.11p</b>
	=====	=====	=====

The Company does not have any dilutive securities.

**4. Net asset value per share**

The net asset value per share is based on the net assets attributable to the shares of £151,779,000 (30 June 2012: £115,818,000; 31 December 2012: £132,764,000) and on the 99,583,818 shares in issue (30 June 2012: 90,980,744; 31 December 2012: 96,680,744).

**5. Called-up share capital**

During the half year ended 30 June 2013, 2,903,074 new ordinary shares were issued for net proceeds of £4,444,000 (half year ended 30 June 2012: 1,270,000 issued for net proceeds of £1,607,000; year ended 31 December 2012: 6,970,000 issued for net proceeds of £9,273,000). At 30 June 2013 there were 99,583,818 ordinary shares of 5p nominal value in issue. Since 30 June 2013, a further 350,000 shares have been issued for net proceeds of £577,000. The Company has no shares in treasury.

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**NOTES** (continued)

**6. Dividends**

Interim dividends are recognised in the period in which they are paid.

In respect of the year ended 31 December 2012, a fourth interim dividend of 2.075p per share (2011: fourth interim dividend of 2.075p) was paid on 31 January 2013 to shareholders on the register at close of business on 21 December 2012. The dividend is reflected in these half year financial statements.

In respect of the year ending 31 December 2013, a first interim dividend of 2.075p per share (2012: 2.075p) was paid on 30 April 2013 to shareholders on the register at close of business on 12 April 2013. This dividend is reflected in these half year financial statements.

A second interim dividend of 2.075p per share (2012: 2.075p) was paid on 31 July 2013 to shareholders on the register on 28 June 2013.

A third interim dividend of 2.125p per share (2012: 2.075p) will be paid on 31 October 2013 to shareholders on the register on 27 September 2013. The shares will go ex-dividend on 25 September 2013. In accordance with FRS 21, the second and third interim dividends have not been accrued for in the half year financial statements as they are paid after the period end.

**7. Going Concern**

The directors believe that it is appropriate to adopt the going concern basis in preparing the financial statements. The assets of the Company consist mainly of securities that are readily realisable and, accordingly, the Company has adequate financial resources to continue in operational existence for the foreseeable future.

**8. Investment Objective**

The Company invests in a prudently diversified selection of both well-known and smaller companies to provide investors with a high dividend income stream while also maintaining the prospect of capital growth.

**9. Comparative Information**

The financial information contained in this half year report does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. The figures and financial information for the year ended 31 December 2012 are extracted from the latest published accounts and do not constitute the statutory accounts for that year. Those accounts have been delivered to the Registrar of Companies and included the Report of the Independent Auditors, which was unqualified and did not include a statement under either section 498(2) or 498(3) of the Companies Act 2006.

**10. Half year Report**

An update containing extracts from this half year report will be posted to shareholders in August 2013. Copies of the half year review and the half year report will be available to download from the Company's website ([www.hendersonhighincome.com](http://www.hendersonhighincome.com)) or can be requested from the Secretary at the Registered Office, 201 Bishopsgate, London EC2M 3AE.

- ENDS -

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