

Company Number: 7549407

HENDERSON INTERNATIONAL INCOME TRUST PLC

REPORT
for the half year ended 29 February 2016
(unaudited)

www.hendersoninternationalincometrust.com

HENDERSON INTERNATIONAL INCOME TRUST PLC

Unaudited results for the half-year ended 29 February 2016

Investment objective

A high and rising dividend, with longer term capital appreciation, from a portfolio of international securities listed outside the UK.

Performance highlights for the six months to 29 February 2016

- The first interim dividend payment for the year-ending 31 August 2016 of 1.15p per ordinary share was paid to shareholders on 26 February 2016. A second interim dividend payment for the year-ending 31 August 2016 of 1.15p per ordinary share has been declared and will be paid to shareholders on 31 May 2016.
- The net asset value per share as at 29 February 2016 was 121.9p compared to 126.4p as at 28 February 2015.
- The discount as at 29 February 2016 was 6.6% compared to a premium of 2.8% as at 31 August 2015.

Total return performance (including dividends reinvested and excluding transaction costs)

	6 months	1 year	3 years	Since launch
	%	%	%	%
NAV ¹	7.8	0.4	23.9 ⁵	48.9 ⁵
Benchmark ²	5.4	0.0	31.7	55.0
Share price ³	-2.3	-7.6	11.8	35.5
Sector average ⁴	1.3	-4.4	13.9	31.2

1 Calculated using published daily NAVs including current year revenue

2 MSCI World (ex UK) Index (sterling adjusted)

3 Using mid-market share price

4 The AIC Global Equity Income sector based on NAV

5 Diluted NAV

Sources: Morningstar Direct, Henderson, Datastream

CHAIRMAN'S STATEMENT

Interim Management Report

Performance and markets

I am pleased to report that despite a difficult environment the Company has generated good growth in net assets and increased shareholders' dividend distributions. During the six months to 29 February 2016 the return on the net asset value ('NAV') per ordinary share (on a total return basis) was 7.8%. The Company's return on the ordinary share price (on the same basis) was -2.3%. In comparison, the Company's benchmark total return was 5.4% (MSCI World (ex UK) Index).

Macroeconomic trends have not changed significantly over the period:

- Commodity prices have continued to fall, which is good for many consumers but places pressure on commodity producing economies. The extent of the fall has increased pressure on energy sector balance sheets. Chinese economic growth continues to slow;
- Central banks continue to apply supportive monetary policies, with the exception of the Federal Reserve which raised rates in December;
- Currencies continue to be volatile; and
- Growth remains positive in most developed markets, although this is modest and looks fragile at times.

The world has become a more uncertain place than we are accustomed to. The US election is approaching, there is the EU referendum in the UK, and the migration issue is escalating. Given these risks the Company is fortunate that its global remit provides a great deal of flexibility and allows our experienced investment team to diversify our investments and adapt to changing market conditions as they arise.

Growth and corporate activity

The board has a long established and well-publicised policy that it is in the interests of all shareholders that the Company widens its investor base and increases its size. This should improve liquidity in our shares, and spread fixed costs over a larger base.

Significant progress towards this strategy has been made over the period. The Company has taken advantage of ongoing demand from investors to issue shares periodically on an ad hoc basis. And more significantly, has agreed terms for a combination of assets with Henderson Global Trust plc ('HGT'). These proposals were published in a Prospectus and Circular issued on 23 March 2016 and approved by an overwhelming majority of shareholders at the Company's general meeting held on 15 April 2016. The increase in assets resulting from this transaction represents significant progress towards the Company's strategy. In addition to the reduction in the ongoing charge percentage that occurs as a result of the scale effect of a larger asset base, the management fee has reduced from 0.75% to 0.65% of net assets with effect from 26 April 2016.

The investment strategy of the Company will not change as a result of this transaction. The Company remains unique as the only global income investment trust that invests exclusively outside the UK. The Company's revised management fee structure and enhanced size will benefit existing shareholders, and improve the attractiveness of the Company to a wider group of investors.

Earnings and dividends

The revenue return per ordinary share during the six months to 29 February 2016 was 2.08p. A fourth interim dividend of 1.15p per ordinary share, for the year-ended 31 August 2015, was paid to shareholders on 27 November 2015, making a total dividend payment in respect of the year-ended 31 August 2015 of 4.50p per ordinary share (year-ended 31 August 2014: 4.25p per ordinary share).

The board declared a first interim dividend payment for the year ending 31 August 2016 of 1.15p per ordinary share that was paid to shareholders on 26 February 2016. A second interim dividend payment of 1.15p per ordinary share was declared by the board on 8 March 2016 and will be paid to shareholders on 31 May 2016.

The board continues to monitor the level of dividend paid out to shareholders and aims to maintain the same level of dividend throughout the remaining six months of this financial year.

Gearing

Well-judged gearing enhances returns to shareholders. The board's current policy is to permit the Fund Manager to gear up to 25% of net assets at the time of drawdown or investment as appropriate. Borrowing limits for this purpose include implied gearing through the use of derivatives. The gearing at the period end was 9.6% (31 August 2015: 6.3%).

Discount control

The Company's share price has traded at a premium to its NAV for much of the time since initial launch, but it fell to a discount at the start of 2016. During this period discounts have increased for a number of investment trusts. This leads the board to believe that the Company's discount is more a result of investors' general uncertainty than to do with any Company specific issue. The board continues to monitor the premium/discount to NAV and will consider appropriate action if the relationship between the NAV and share price moves and remains out of line with the Company's peer group. Our view however is that there is a distinct limit to the board's ability to influence the premium or discount to NAV, so we do not believe it is in shareholders' interests to have a specific issuance or buy-back policy. In the very short run there is a limited tender offer proposed in the recent Prospectus. After this, board decisions will be driven by our published policy and reviewed in the light of evolving market conditions.

Outlook

In the light of current uncertainties, we remain confident that a Company such as ours, globally spread and excluding UK listed stocks, makes a strong claim to being part of a well-balanced portfolio. Our Managers continue to grow in stature and are regularly attracting new shareholders. They are as attentive to systematically shielding the downside as they are to taking advantage of new opportunities as they occur. In my judgement their record of increasing NAV and providing the income headroom within which the board has been able to raise dividends provides a sound basis on which to approach the coming months.

Christopher Jonas, CBE

Chairman

26 April 2016

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;
- Portfolio, market price and currency;
- Tax and regulatory risks; and
- Operational risks.

Information on these risks and how they are managed is given in the annual report to 31 August 2015. In the view of the board, these principal risks and uncertainties were unchanged over the last six months and are as applicable to the remaining six months of the financial year as they were to the six months under review.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

- (a) the financial statements for the half year ended 29 February 2016 have been prepared in accordance with 'FRS 104 Interim Financial Reporting';
- (b) the Interim Management 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) the Interim Management 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

Christopher Jonas, CBE

Chairman

26 April 2016

FUND MANAGER'S REPORT

Performance review

The portfolio has generated good returns over the period, with a total return of 7.8% in net asset value ('NAV') per ordinary share and a dividend of 2.3p per share, an increase of 4.6% year-on-year.

The Company's investment process focuses on companies with attractive dividend yields, strong cash flow generation, and the potential to grow both earnings and distributions in the future. Income generation from the portfolio during the period has remained robust. The majority of companies in the portfolio have increased or maintained their dividends. The dividend growth has been widely spread across sectors and regions. The strongest growth has come from some of the portfolio's Asian holdings; including utility company Korea Electric Power, Chinese internet services company NetEase, and Korean Bank KB Financial Group. Many of the US companies held continued to grow dividends by over 10% year-on-year, including Cisco Systems, Reynolds American and Microsoft. The outlook for dividend growth from the portfolio remains good.

The portfolio has generated strong capital returns over the period. The team's investment process is driven by stock selection, based on fundamental qualitative analysis and a strong valuation discipline. During the period stock selection was the main driver of performance. The largest single contributor to performance was chemicals company Syngenta, which received a takeover approach at a significant premium to the prevailing share price. Syngenta was a new position added in October. Telecommunication companies were amongst the strongest performers across all regions. The Company has a large exposure in this sector which was increased significantly over the last year. Key positions in the sector include Verizon Communications in the US, Spark New Zealand, Orange in France, and HKT Trust & HKT in Hong Kong. The cash flow generation and capital discipline of the sector has generally improved significantly over the last few years, which has improved the dividend sustainability. In some regions consolidation is also improving the outlook for the industry. The Company's property holdings were also significant positive contributors to performance. In some regions low interest rates are increasing the demand for yielding assets and at the same time the cost of debt for property companies falls. The largest positive contributors to performance in this sector included shopping centre Real Estate Investment Trusts ('REITs') Scentre Group in Australia and Eurocommerical Properties in The Netherlands, and French house builder Nexity.

Whilst the portfolio value has appreciated over the period, it has been against the backdrop of an uncertain macroeconomic environment. Slower than expected economic growth has impacted the value of some of the portfolio's holdings and these have generally been the largest negative performers. Technology company Seagate Technology has been impacted by lower than expected growth in its customers' data centres and computer sales, and has fallen significantly despite a sizeable dividend increase. Whilst direct exposure to resource and energy sectors has been limited, the financial assets of some companies have been impacted by commodity price weakness. Asset manager KKR has been affected by this over the period.

Portfolio positioning

The geographic weightings of the portfolio have not changed significantly over the period although gearing has been increased to 9.6% at 29 February 2016 from 6.3% at 31 August 2015. As the result of profit taking over the period, gearing was significantly reduced to a negligible amount by December. Profits were taken in the financial sector; positions in Mizuho Financial, PNC Financial Services and Bank of China were closed. These companies' valuations had recovered from very depressed levels a few years ago and the prospects for capital and income growth appeared modest. These transactions significantly reduced the portfolio's banking sector exposure. Profits were also taken in Reynolds American, which has been a strong performer since the launch of the Company, however it is now highly valued and its earnings and cash flow are no longer under-appreciated by the market. A small position remains in the portfolio.

During January and February many equity markets around the world fell considerably and the opportunity was taken to add to positions that were considered undervalued with good prospects for capital and income growth. Positions initiated during this period included telecommunications companies Deutsche Telekom and China Mobile. Positions added to included US credit card company Synchrony Financial, life insurer AXA and pharmaceutical company Novartis.

INVESTMENT PORTFOLIO
at 29 February 2016

Company	Country	Market Value £'000	% of portfolio
Basic materials			
Syngenta	Switzerland	2,372	2.2
		2,372	2.2
Consumer goods			
Reynolds American	US	1,155	1.1
		1,155	1.1
Consumer services			
Six Flags Entertainment	US	2,614	2.4
Nielsen	US	2,550	2.4
RTL Group	Germany	2,112	2.0
Las Vegas Sands	US	1,714	1.6
		8,990	8.4
Financials			
AXA	France	2,291	2.1
JP Morgan Chase	US	2,156	2.0
Ares Capital	US	2,012	1.9
Deutsche Börse	Germany	1,982	1.8
Zurich Insurance	Switzerland	1,677	1.6
Synchrony Financial	US	1,594	1.5
Daiwa Securities	Japan	1,458	1.4
Suncorp	Australia	1,403	1.3
KKR	US	1,351	1.3
Cembra Money Bank	Switzerland	1,332	1.2
KB Financial Group	Korea	1,120	1.0
Och-Ziff Capital Management	US	532	0.5
		18,908	17.6
Health care			
Novartis	Switzerland	3,697	3.5
Roche	Switzerland	3,434	3.2
Johnson & Johnson	US	2,378	2.2
Pfizer	US	2,022	1.9
		11,531	10.8
Industrials			
Lockheed Martin	US	2,654	2.5
United Parcel Services	US	2,047	1.9
Deutsche Post	Germany	1,831	1.7
Eaton Corp	US	1,687	1.6
Amcor	Australia	1,682	1.6
Compagnie de Saint-Gobain	France	1,645	1.5
General Electric	US	1,531	1.4
Rexel	France	1,474	1.4
CK Hutchison	Hong Kong	1,040	1.0
		15,591	14.6
Oil & gas			
Chevron	US	2,273	2.1
Total	France	1,388	1.3
		3,661	3.4

Property

Eurocommercial	The Netherlands	2,337	2.2
Icade	France	2,230	2.1
Nexity	France	1,859	1.7
Scentre Group	Australia	1,825	1.7
Iron Mountain	US	1,693	1.5
Macerich	US	1,485	1.4
China Resources Land	China	1,057	1.0
Mapletree Greater China	Singapore	923	0.9
Cheung Kong	Hong Kong	832	0.8
		14,241	13.3

Technology

Microsoft	US	3,254	3.0
Cisco Systems	US	2,287	2.1
Taiwan Semiconductor Manufacturing	Taiwan	1,749	1.7
Advanced Semiconductor Engineering	Taiwan	1,509	1.4
Seagate Technology	US	1,367	1.3
NetEase	China	870	0.8
		11,036	10.3

Telecommunications

Verizon Communications	US	2,829	2.6
HKT Trust & HKT	Hong Kong	2,696	2.5
Orange	France	2,370	2.2
Bezeq The Israeli Telecommunication Corporation	Israel	2,186	2.1
SK Telecom	Korea	2,183	2.0
Deutsche Telekom	Germany	1,931	1.8
Telenor	Norway	1,710	1.6
Spark New Zealand	New Zealand	1,387	1.3
China Mobile	China	1,161	1.1
		18,453	17.2

Utilities

Korea Electric Power	Korea	1,226	1.1
		1,226	1.1

Total investments

107,164

100.0

Total investments comprise:

Listed fixed assets	107,164
	107,164

Sector exposure as a percentage of the investment portfolio excluding cash

	29 February 2016	31 August 2015
	%	%
Financials	17.6	22.7
Telecommunications	17.2	11.6
Industrials	14.6	16.7
Property	13.3	11.6
Health care	10.8	9.1
Technology	10.3	12.2
Consumer services	8.4	8.7
Oil & gas	3.4	4.5
Basic materials	2.2	-
Utilities	1.1	-
Consumer goods	1.1	2.9
	100.0	100.0

Geographic exposure as a percentage of the investment portfolio excluding cash

	29 February 2016	31 August 2015
	%	%
US	40.2	42.0
France	12.3	13.1
Switzerland	11.7	7.9
Germany	7.3	5.5
Australia	4.6	5.9
Hong Kong	4.3	4.3
Korea	4.1	2.2
Taiwan	3.1	2.7
China	2.9	3.7
The Netherlands	2.2	2.1
Israel	2.1	1.7
Norway	1.6	-
Japan	1.4	3.2
New Zealand	1.3	1.2
Singapore	0.9	0.9
Thailand	-	1.4
Italy	-	1.2
Canada	-	1.0
	100.0	100.0

INCOME STATEMENT

	(Unaudited) Half-year ended 29 February 2016			(Unaudited) Half-year ended 28 February 2015			(Audited) Year-ended 31 August 2015		
	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/(losses) on investments held at fair value through profit or loss	-	6,189	6,189	-	7,287	7,287	-	(2,010)	(2,010)
Income from investments held at fair value through profit or loss	2,062	-	2,062	1,643	-	1,643	4,821	-	4,821
(Loss)/profit on foreign exchange	-	(401)	(401)	-	267	267	-	310	310
Other income	97	-	97	64	-	64	192	-	192
Gross revenue and capital gains/(losses)	2,159	5,788	7,947	1,707	7,554	9,261	5,013	(1,700)	3,313
Management fees (note 3)	(90)	(271)	(361)	(87)	(263)	(350)	(177)	(532)	(709)
Other administrative expenses	(168)	(318)	(486)	(167)	-	(167)	(350)	-	(350)
Net return before finance costs and taxation	1,901	5,199	7,100	1,453	7,291	8,744	4,486	(2,232)	2,254
Finance charges	(9)	(27)	(36)	(12)	(34)	(46)	(23)	(70)	(93)
Net return on ordinary activities before taxation	1,892	5,172	7,064	1,441	7,257	8,698	4,463	(2,302)	2,161
Taxation on net return on ordinary activities	(228)	-	(228)	(179)	-	(179)	(493)	-	(493)
Net return on ordinary activities after taxation (note 5)	1,664	5,172	6,836	1,262	7,257	8,519	3,970	(2,302)	1,668
Return per ordinary share	2.08p	6.47p	8.55p	1.65p	9.51p	11.16p	5.14p	(2.98p)	2.16p

The total columns of this statement represent the Income Statement of the Company, prepared in accordance with FRS 104. 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 Statement of Changes in Equity.

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.

STATEMENT OF CHANGES IN EQUITY

Half-year ended 29 February 2016 (unaudited)	Called up share capital £'000	Share premium account £'000	Special reserve £'000	Other capital reserves £'000	Revenue reserve £'000	Total £'000
At 31 August 2015	793	35,796	45,732	6,866	2,407	91,594
Issue of ordinary shares (note 9)	10	1,192	-	-	-	1,202
Ordinary shares issue costs	-	(5)	-	-	-	(5)
Net return on ordinary activities after taxation	-	-	-	5,172	1,664	6,836
Dividends paid (note 6)	-	-	-	-	(1,844)	(1,844)
As at 29 February 2016	803	36,983	45,732	12,038	2,227	97,783

Half-year ended 28 February 2015 (unaudited)	Called up share capital £'000	Share premium account £'000	Special reserve £'000	Other capital reserves £'000	Revenue reserve £'000	Total £'000
At 31 August 2014	764	28,239	45,732	9,168	1,884	85,787
Issue of ordinary shares	2	284	-	-	-	286
Ordinary shares issue costs	-	(18)	-	-	-	(18)
Ordinary shares issued following conversion of subscription shares	-	3,921	-	-	-	3,921
Net return on ordinary activities after taxation	-	-	-	7,257	1,262	8,519
Dividends paid	-	-	-	-	(1,684)	(1,684)
As at 28 February 2015	766	32,426	45,732	16,425	1,462	96,811

Year ended 31 August 2015 (audited)	Called up share capital £'000	Share premium account £'000	Special reserve £'000	Other capital reserves £'000	Revenue reserve £'000	Total £'000
At 31 August 2014	764	28,239	45,732	9,168	1,884	85,787
Issue of ordinary shares	29	3,654	-	-	-	3,683
Ordinary shares issue costs	-	(18)	-	-	-	(18)
Ordinary shares issued following conversion of subscription shares	-	3,921	-	-	-	3,921
Net return on ordinary activities after taxation	-	-	-	(2,302)	3,970	1,668
Dividends paid	-	-	-	-	(3,447)	(3,447)
As at 31 August 2015	793	35,796	45,732	6,866	2,407	91,594

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

STATEMENT OF FINANCIAL POSITION

	(Unaudited) As at 29 February 2016 £'000	(Unaudited) As at 28 February 2015 £'000	(Audited) As at 31 August 2015 £'000
Investments held at fair value through profit or loss (note 4)			
Fixed asset investments held at fair value through profit or loss	107,164	105,166	97,328
Current assets			
Debtors	523	2,908	4,153
Cash at bank	-	344	-
	523	3,252	4,153
Creditors: amounts falling due within one year	(9,904)	(11,607)	(9,887)
Net current liabilities	(9,381)	(8,355)	(5,734)
Total net assets	97,783	96,811	91,594
Capital and reserves			
Called up share capital (note 9)	803	766	793
Share premium account	36,983	32,426	35,796
Special reserve	45,732	45,732	45,732
Other capital reserves	12,038	16,425	6,866
Revenue reserve	2,227	1,462	2,407
Total shareholders' funds	97,783	96,811	91,594
Net asset value per ordinary share (note 7)	121.9p	126.4p	115.6p

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

STATEMENT OF CASH FLOWS

	(Unaudited) Half-year ended 29 February 2016 £'000	(Unaudited and restated*) Half-year ended 28 February 2015 £'000	(Audited and restated*) Year-ended 31 August 2015 £'000
Cash flows from operating activities			
Net return on ordinary activities before taxation	7,064	8,698	2,161
Add back: finance costs	36	46	93
(Less)/add: (gains)/losses on investments held at fair value through profit or loss	(6,189)	(7,287)	2,010
Add/(less): loss/(profit) on foreign exchange	401	(267)	(310)
Withholding tax on dividends deducted at source	(228)	(179)	(546)
Taxation recovered	34	8	61
Increase in debtors	(167)	(154)	(186)
Increase in creditors	422	224	89
Net cash inflow from operating activities	1,373	1,089	3,372
Cash flows from investing activities			
Purchase of investments	(24,563)	(23,592)	(51,170)
Sale of investments	21,130	13,688	39,743
Net cash outflow from investing activities	(3,433)	(9,904)	(11,427)
Cash flows from financing activities			
Equity dividends paid (net of refund of unclaimed distributions and reclaimed distributions)	(1,844)	(1,684)	(3,447)
Proceeds from issue of ordinary shares	1,197	8,563	11,996
Interest paid	(32)	(48)	(93)
Net cash (outflow)/inflow from financing activities	(679)	6,831	8,456
Net (decrease)/increase in cash and cash equivalent	(2,739)	(1,984)	401
Cash and cash equivalents at start of year	(6,030)	(6,740)	(6,740)
Effect of foreign exchange rates	(409)	264	309
Cash and cash equivalents at end of year	(9,178)	(8,460)	(6,030)
Comprising			
Cash at bank	-	344	-
Bank overdraft	(9,178)	(8,804)	(6,030)
	(9,178)	(8,460)	(6,030)

*There has been no impact on the Company's Income Statement, Statement of Financial Position (previously called the Balance Sheet) or Statement of Changes in Equity (previously called the Reconciliation of Movement in Shareholders' Funds) for periods previously reported. The Cash Flow Statements previously reported have been restated to comply with the new disclosure requirements.

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

NOTES TO THE FINANCIAL STATEMENTS

The half-year financial statements cover the period from 1 September 2015 to 29 February 2016 and have not been audited or reviewed by the Company's auditor.

1. **Principal activity**

The Company is an investment company as defined in section 833 of the Companies Act 2006 and operates as an investment trust in accordance with section 1158 of the Corporation Tax Act 2010.

2. **Accounting policies – basis of preparation**

The condensed set of financial statements has been prepared in accordance with FRS 104, Interim Financial Reporting, issued in March 2015, the revised reporting standard for half-year reporting that was issued following the introduction of FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland, which is effective for periods commencing on or after 1 January 2015. The Statement of Recommended Practice for "Financial Statements of Investment Trust Companies and Venture Capital Trusts", in accordance with which the Company's financial statements are also prepared, was reissued by the Association of Investment Companies in November 2014 to comply with the revised reporting standards. The Company has early adopted the amendments to FRS 102 in respect to fair value hierarchy disclosures as published in March 2016.

Following the application of the revised reporting standards, there have been no significant changes to the accounting policies set out in the Company's Annual Report for the year ended 31 August 2015.

The condensed financial statements for the year ended 31 August 2015 and the six months ended 28 February 2015 have been restated where necessary to comply with the new standards and disclosure requirements.

There has been no impact on the Company's Income Statement, Statement of Financial Position (previously called the Balance Sheet) or Statement of Changes in Equity (previously called the Reconciliation of Movements in Shareholders' Funds) for periods previously reported. The Cash Flow Statement previously reported has been restated to comply with the new disclosure requirements of the revised reporting standard. The condensed set of financial statements has been neither audited nor reviewed by the Company's auditors.

3. **Management fee**

Other than the relationship between the Company and its directors, the provision of services by Henderson is the only related party arrangement currently in place. Other than fees payable by the Company in the ordinary course of business and the provision of marketing services, there have been no material transactions with this related party affecting the financial position or performance of the Company during the period under review. The management fee is payable quarterly in arrears at the rate of 0.1875% per quarter of the Company's net asset value (0.75% per annum). In accordance with the directors' policy on the allocation of expenses between income and capital, in each financial year 75% of the management fee payable is charged to capital and the remaining 25% to income.

With effect from 26 April 2016 the management fee arrangements changed as a result of the corporate action referred to in note 10 below, as follows:

The management fee is payable quarterly in arrears at the rate of 0.1625% per quarter of the Company's net asset value (0.65% per annum). In accordance with the directors' policy on the allocation of expenses between income and capital, in each financial year 75% of the management fee payable is charged to capital and the remaining 25% to income.

4. **Investments held at fair value through profit or loss**

The table below analyses fair value measurements for investments held at fair value through profit or loss. These fair value measurements are categorised into different levels in the fair value hierarchy based on the valuation techniques used and are defined as follows under FRS 102:

Level 1: Valued using quoted prices in active markets for identical assets.

Level 2: Valued by reference to valuation techniques using observable inputs other than quoted prices included in level 1.

Level 3: Valued by reference to valuation techniques using inputs that are not based on observable market data

Financial assets at fair value through profit or loss at 29 February 2016

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equity investments	107,164	-	-	107,164
Total financial assets carried at fair value	107,164	-	-	107,164

The investments were previously reported as Level 1 investments under the FRS 29 fair value hierarchy and continue to be classified as level 1 investment following the adoption of FRS 102 and the amendments to the fair value hierarchy issued in March 2016. There have been no transfers between levels of the fair value hierarchy during the period.

The valuation techniques used by the Company are explained in the accounting policies note 1 (b) in the Company's Annual Report for the year ended 31 August 2015 and are equally applicable under both FRS 29 and FRS 102.

5. Return per ordinary share

	(Unaudited) Half-Year ended 29 February 2016 £'000	(Unaudited) Half-Year ended 28 February 2015 £'000	(Audited) Year-ended 31 August 2015 £'000
The return per ordinary share is based on the following figures:			
Revenue return	1,664	1,262	3,970
Capital return	5,172	7,257	(2,302)
Total	6,836	8,519	1,668
Weighted average number of ordinary shares in issue for each period			
	79,993,665	76,334,624	77,267,337
Revenue return per ordinary share	2.08p	1.65p	5.14p
Capital return per ordinary share	6.47p	9.51p	(2.98p)
Total return per ordinary share	8.55p	11.16p	2.16p

The Company does not have any dilutive securities, therefore, the basic and diluted returns per share are the same.

6. Dividends

	£'000
Fourth interim dividend of 1.15p for the year ended 31 August 2015 (paid 27 November 2015)	921
First interim dividend of 1.15p for the period ending 31 August 2016 (paid 26 February 2016)	923
Total	1,844

On 8 March 2016, the board declared a second interim dividend of 1.15p per ordinary share to be paid on 31 May 2016 to shareholders registered at the close of business on 15 April 2016. The shares were quoted ex-dividend on 14 April 2016.

7. Net asset value per ordinary share

The net asset value per ordinary share as at 29 February 2016 is calculated on the net assets attributable to shareholders funds of £97,783,000 (28 February 2015: £96,811,000; 31 August 2015: £91,594,000) and on 80,246,550 ordinary shares in issue as at 29 February 2016 (28 February 2015: 76,596,550; 31 August 2015: 79,246,550).

8. Bank overdraft

At 29 February 2016, the Company had an overdraft with HSBC of £9,178,000 (28 February 2015: £8,804,000; 31 August 2015: £6,030,000).

9. Called up share capital

	Number of shares in issue	Nominal value £'000
Ordinary shares of 1p each		
In issue at start of year	79,246,550	793
Allotment of new shares in the period	1,000,000	10
As at 29 February 2016	80,246,550	803

During the half-year to 29 February 2016 the Company issued 1,000,000 ordinary shares for a total consideration of £1,197,000 (28 February 2015: £4,187,000; 31 August 2015: £3,665,000) after deduction of issue costs.

10. Corporate action

As previously announced on 1 February 2016, the Company has agreed to a combination with Henderson Global Trust plc and this was approved by the Company's shareholders at the general meeting on 15 April 2016. 61.37% of Henderson Global Trust plc's shareholders elected to transfer into the Company, with the remaining shareholders electing to transfer into The Bankers Investment Trust PLC. The effective date of the transfer was 25 April 2016, and under the terms of the agreement the new shares will be issued based on the net assets of Henderson Global Trust plc as at 20 April 2016 in comparison to the net assets of the Company at 22 April 2016. As a result of the transaction, a further 75,234,056 shares were admitted to trading on the London Stock Exchange on 26 April 2016. As at 26 April 2016 the total number of ordinary shares in issue was 155,480,606. Each share has one vote therefore the total number of voting rights on 26 April 2016 was 155,480,606. Further information on the transaction is set out in the Chairman's Statement above.

11. Going concern

Having reassessed the principal risks and uncertainties the directors believe that it is appropriate to adopt the going concern basis in preparing the financial statements.

12. 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 August 2015 are extracted from the latest published accounts, restated where necessary to comply with FRS 102 and FRS 104 as explained in note 1, 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.

13. Company status

Henderson International Income Trust plc is registered in England and Wales, No: 7549407, has its registered office at 201 Bishopsgate, London, EC2M 3AE and is listed on the London Stock Exchange. The SEDOL/ISIN is B3PHCS8/GB00B3PHC586. The GIIN is WRGF5X.99999.SL.826. The LEI is 2138006N35XWVK2YUK38.

14. **Directors and Secretary**

The Directors of the Company are Christopher Jonas (Chairman), Simon Jeffreys (Chairman of the Audit Committee), Peregrine Banbury, William Eason, Richard Hills and Aidan Lisser. The Corporate Secretary is Henderson Secretarial Services Limited, represented by Hannah Blackmore ACIS.

15. **Website**

Details of the Company's share price and net asset value, together with general information about the Company, monthly factsheets and data, copies of announcements, reports and details of general meetings can be found at www.hendersoninternationalincometrust.com