

Company Number: 7549407

HENDERSON INTERNATIONAL INCOME TRUST PLC

REPORT
for the half-year ended 28 February 2018
(unaudited)

HENDERSON INTERNATIONAL INCOME TRUST PLC

Unaudited results for the half-year ended 28 February 2018

Investment objective

The Company's investment objective is to provide shareholders with a growing total annual dividend as well as capital appreciation.

Performance highlights for the six months to 28 February 2018

- The first interim dividend payment for the year ending 31 August 2018 of 1.30p per ordinary share was paid to shareholders on 28 February 2018. A second interim dividend payment for the year ending 31 August 2018 of 1.30p per ordinary share has been declared and will be paid to shareholders on 31 May 2018. The dividend will be paid from the Company's revenue account.
- The net asset value per share as at 28 February 2018 was 161.5p compared to 163.0p as at 31 August 2017.
- The premium as at 28 February 2018 was 0.6% compared to a premium of 0.5% as at 31 August 2017.

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

	6 months %	1 year %	3 years %	Since launch %
NAV ¹	0.8	9.8	41.6	109.9 ⁵
Sector average ²	-0.1	6.1	38.1	95.5
Benchmark ³	2.3	6.8	46.9	127.4
Share price ⁴	0.8	11.1	40.9	106.8

¹ Calculated using published daily NAVs including current year revenue

² The AIC Global Equity Income sector based on NAV

³ MSCI World (ex UK) Index (sterling adjusted)

⁴ Using mid-market share price

⁵ Incorporating the dilution resulting from the impact of the subscription shares which were exercised on 31 August 2014

Sources: AIC, Morningstar Direct, Janus Henderson and Datastream

INTERIM MANAGEMENT REPORT CHAIRMAN'S STATEMENT

Performance and markets

During the six months to 28 February 2018 the net asset value ('NAV') total return per ordinary share was 0.8%. The Company's return on the ordinary share price (on the same basis) was also 0.8%. In comparison, the Company's benchmark total return was 2.3% (MSCI World (ex UK) Index (sterling adjusted)).

Economic growth around the world has continued to pick up over the period. News continues to be dominated by US government policy. Whilst investors remain concerned by potential US trade policy changes, the significant reduction in US corporate tax rates has driven earnings upgrades for many US companies and may stimulate investment.

Other notable trends over the period include increased demand for technology components and commodities, both of which have been driven by the improved economic growth environment. Against this backdrop the US Federal Reserve has continued to raise interest rates while some central banks are indicating that they will consider reducing their level of monetary stimulus. Over the period, the pound strengthened which was a drag on total return as the Company has no sterling assets.

Earnings and dividends

The revenue return per ordinary share during the six months to 28 February 2018 was 1.51p. A fourth interim dividend of 1.30p per ordinary share, for the year ended 31 August 2017, was paid to shareholders on 30 November 2017, bringing the total dividend paid in respect of the year ended 31 August 2017 to 4.90p per ordinary share (year ended 31 August 2016: 4.65p per ordinary share).

The board declared a first interim dividend payment for the year ending 31 August 2018 of 1.30p per ordinary share and this was paid to shareholders on 28 February 2018. Subsequently, we have declared a second interim dividend of 1.30p per ordinary share that will be paid to shareholders on 31 May 2018. The board continues to monitor the level of dividend paid out to shareholders and aims to maintain the same level of dividend for 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 0.8% (31 August 2017: 0.3%).

Discount control

The Company's share price has traded close to its NAV over the period. The board continues to monitor the premium/discount to NAV and will consider appropriate action if the relationship between NAV and share price moves and remains out of line with the Company's peer group. However, there is a distinct limit to the board's ability to influence the premium or discount to NAV. Accordingly, we believe it is not in shareholders' interests to have a specific issuance or buy-back policy. We believe that it is sensible to retain flexibility; therefore we shall consider issuance and/or buy-backs where appropriate and subject to market conditions.

Material events and transactions during the period

A total of 2,325,000 new shares were issued in the six months to 28 February 2018 and the proceeds were added to the portfolio. Since the period end a further 275,000 new shares have been issued.

Key Information Document

In line with the new European regulations for packaged investment products which took effect in January 2018, a Key Information Document ('KID') has been produced by the manager. The KID is based on prescribed guidelines with almost no scope for deviation. The projected returns are derived solely from past performance and in the view of your board should be treated with extreme caution as the board believes that past performance is not necessarily a reliable predictor of future performance.

Board changes

As set out in the 2017 annual report, Christopher Jonas decided to retire as chairman of the board with effect from the annual general meeting held on 7 December 2017. I thank Christopher for his leadership and for his immense contribution to the success of the Company since inception.

Kasia Robinski who joined the board on 1 November 2017 has become the audit committee chairman as planned.

Outlook

Economic growth has been improving around the world while unemployment continues to fall in most major economies. Despite expected, but modest, interest rate increases in some countries such as the US and UK, elsewhere, monetary policy in general remains focused on stimulating economic activity. Against this, the political landscape remains as uneven as ever.

In these circumstances international diversification has a significant role to play in portfolio design. The board believes that the Company's mandate provides our fund manager with the flexibility required to adapt to the circumstances of the day and to position our portfolio in the light of his interpretation of them. The Company's portfolio has the ability to benefit from volatility and to deliver growth in dividend income and the potential to grow investors' capital in coming years.

Simon Jeffreys

Chairman

10 April 2018

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 risks;
- Portfolio and market price risks;
- 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 2017. 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 28 February 2018 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 Guidance 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 Guidance and Transparency Rule 4.2.8R (disclosure of related party transactions and changes therein).

For and on behalf of the board

Simon Jeffreys

Chairman

10 April 2018

FUND MANAGER'S REPORT

Performance review

The portfolio produced a total return of 0.8% in net asset value ('NAV') per ordinary share over the period. This included dividends totalling 2.60p per share, which increased by 8.3% as compared to the same period in 2017.

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 from the portfolio during the period has remained robust and the majority of our companies have increased or maintained their dividends. Dividend growth has been widely spread across sectors and regions. Examples of large increases in dividends include Italian utility Enel (17% year-on-year increase in payment for the period), US retailer Best Buy (21%), and US bank JP Morgan (12%). The US government passed a tax reform at the start of 2018 which significantly lowers the tax rates for companies' US profits and encourages the repatriation of earnings and cash that have been generated outside the US. This change in taxation increases the domestic earnings of many of our US holdings and coupled with the potential repatriation of overseas earnings creates the potential to increase dividend pay-outs.

The investment team's objective is to provide investors with an attractive, rising level of dividends and capital appreciation over the long term. Dividend growth from the portfolio has been excellent over the period but while we have produced a positive total return this has lagged the MSCI World (ex-UK) Index (sterling adjusted). With the benefit of hindsight we have been a little cautious and could have taken more cyclical exposure.

Many companies are in the midst of a technological revolution, driven by improved connectivity and enhanced data processing power. Companies across many industries are investing more and more in technology and this sector is now the second largest in the portfolio (12.7%) and has contributed several of the most significant positive performers. These investments include Microsoft, Taiwan Semiconductor Manufacturing and the printer company HP Inc. All of these companies are leaders in their respective fields and are experiencing strong earnings growth. Other strong performers included paper and packaging company UPM-Kymmene, and US retailer Best Buy. More defensive sectors with less exposure to improving economic growth lagged the market, such as the pharmaceutical and telecommunications sectors. Many of the portfolio holdings in these sectors are delivering earnings growth but for now they remain out of favour relative to cyclical sectors.

Portfolio positioning

The geographic weightings of the portfolio have not changed significantly over the period, and gearing remains low. The largest change in the positioning was the increased exposure to the oil sector. The fall in the price of oil in recent years has forced a previously undisciplined sector (in general) to focus on cash flow and profitability. We have been pleasantly surprised by the ability of certain companies to improve their profitability, and have taken advantage of the lack of interest in the sector to add exposure. Positions added included oil services company Tenaris, and oil exploration and production companies Occidental Petroleum and Vermilion Energy. The increased exposure was funded by the sale of certain telecommunication holdings, including Telenor, China Mobile and Portuguese operator NOS. Although many of these companies are providing infrastructure for the technological revolution discussed above, it has become increasingly apparent that they are limited in their ability to capture their share of the additional value streams due to the regulatory environment in which they operate.

Ben Lofthouse
Fund Manager
10 April 2018

INVESTMENT PORTFOLIO
at 28 February 2018

Company	Country	Market value £'000	% of portfolio
Basic materials			
Tenaris	Italy	4,466	1.6
Dowdupont	US	4,442	1.5
Bayer	Germany	4,209	1.5
UPM-Kymmene	Finland	3,840	1.3
BASF	Germany	2,629	0.9
Nutrien	Canada	2,511	0.9
		22,097	7.7
Consumer goods			
Coca-Cola	US	5,789	2.0
Dali	China	5,188	1.8
Anta Sports	China	4,401	1.5
Toyota	Japan	4,069	1.4
Samsung	Korea	3,954	1.4
General Motors	US	3,884	1.4
Pandora	Denmark	2,916	1.0
Zhengzhou Yutong	China	2,498	0.9
Hanesbrands	US	2,045	0.7
Hasbro	US	1,337	0.5
		36,081	12.6
Consumer services			
Las Vegas Sands	US	5,456	1.9
Best Buy	US	4,430	1.6
Fairfax Media	Australia	2,366	0.8
Sabre	US	1,447	0.5
		13,699	4.8
Financials			
ING Groep	Netherlands	5,966	2.1
AXA	France	4,864	1.7
Nordea Bank	Sweden	4,606	1.6
Natixis	France	4,449	1.6
Macquarie	Australia	4,378	1.5
China Construction Bank	China	4,305	1.5
Malayan Banking	Malaysia	4,256	1.5
Van Lanschot	Netherlands	4,239	1.5
Mitsubishi Financial	Japan	4,118	1.4
Bank of China	China	4,041	1.4
Credit Suisse	Switzerland	3,276	1.1
Swedbank	Sweden	3,256	1.1
JP Morgan Chase	US	3,174	1.1
Bawag	US	2,919	1.0
BNP Paribas	France	2,728	1.0
Blackstone	US	2,599	0.9
Ares Capital	US	2,130	0.7
Cyrusone	US	1,483	0.5
		66,787	23.2
Health care			
Novartis	Switzerland	5,162	1.8
Pfizer	US	5,148	1.8
Roche	Switzerland	4,522	1.6

Medtronic

US

2,796	1.0
17,628	6.2

Industrials

Siemens	Germany	5,131	1.8
Jiangsu Expressway	China	3,391	1.2
Deutsche Post	Germany	3,309	1.1
Prosegur	Spain	2,931	1.0
Amtcor	Australia	2,670	0.9
Watsco	US	1,102	0.4
		18,534	6.4

Oil & gas

Chevron	US	6,478	2.3
Statoil	Norway	5,250	1.8
Star Petroleum Refining	US	4,344	1.5
Petrochina	China	4,284	1.5
Total	France	4,189	1.4
Occidental Petroleum	US	2,902	1.0
Vermilion Energy	Canada	2,569	0.9
		30,016	10.4

Property

Eurocommercial	Netherlands	4,281	1.5
Crown Castle	US	3,527	1.2
Nexity	France	2,681	1.0
Scentre	Australia	2,642	0.9
Mapletree Greater China	Singapore	2,546	0.9
Icade	France	2,030	0.7
		17,707	6.2

Technology

Microsoft	US	10,633	3.7
Taiwan Semiconductor Manufacturing	Taiwan	8,803	3.1
HP Inc	US	5,941	2.1
Cisco Systems	US	5,617	1.9
Maxim	US	3,018	1.1
Chinasoft	China	2,432	0.8
		36,444	12.7

Telecommunications

Deutsche Telekom	Germany	5,398	1.9
Orange	France	3,921	1.4
HKT Trust and HKT Ltd	Hong Kong	3,293	1.1
SK Telecom	Korea	3,170	1.1
Spark New Zealand	New Zealand	2,962	1.0
Verizon Communications	US	2,939	1.0
Bezeq The Israeli Telecommunication Corporation	Israel	2,479	0.9
		24,162	8.4

Utilities

Enel	Italy	4,076	1.4
		4,076	1.4

Total investments

		287,231	100.0
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TEN LARGEST INVESTMENTS
at 28 February 2018

Company	Sector	Country	Market value £'000	% of portfolio
Microsoft	Technology	US	10,633	3.7
Taiwan Semiconductor Manufacturing	Technology	Taiwan	8,803	3.1
Chevron	Oil & gas	US	6,478	2.3
ING Groep	Financials	Netherlands	5,966	2.1
HP Inc	Technology	US	5,941	2.1
Coca-Cola	Consumer goods	US	5,789	2.0
Cisco Systems	Technology	US	5,617	1.9
Las Vegas Sands	Consumer services	US	5,456	1.9
Deutsche Telekom	Telecommunications	Germany	5,398	1.9
Statoil	Oil & gas	Norway	5,250	1.8

These investments total £65,331,000 which represents 22.8% of the portfolio.

Sector exposure as a percentage of the investment portfolio excluding cash

	28 February 2018	31 August 2017
	%	%
Financials	23.2	21.1
Technology	12.7	11.7
Consumer goods	12.6	13.1
Oil & gas	10.4	6.8
Telecommunications	8.4	13.2
Basic materials	7.7	3.6
Industrials	6.4	8.1
Health care	6.2	5.7
Property	6.2	7.8
Consumer services	4.8	7.3
Utilities	1.4	1.6
	100.0	100.0

Geographic exposure as a percentage of the investment portfolio excluding cash

	28 February 2018	31 August 2017
	%	%
US	33.3	34.2
China	10.6	9.0
France	8.8	9.4
Germany	7.2	8.0
Netherlands	5.1	6.0
Switzerland	4.5	4.9
Australia	4.1	4.8
Taiwan	3.1	2.8
Italy	3.0	1.6
Japan	2.8	2.6
Sweden	2.7	2.0
Korea	2.5	3.1
Canada	1.8	0.9
Norway	1.8	3.7
Malaysia	1.5	-
Finland	1.3	-
Hong Kong	1.1	1.3
Denmark	1.0	-
New Zealand	1.0	1.3
Spain	1.0	1.0
Singapore	0.9	0.9
Israel	0.9	1.2
Portugal	-	1.3
	100.0	100.0

Source: Janus Henderson

CONDENSED INCOME STATEMENT

	(Unaudited) Half-year ended 28 February 2018			(Unaudited) Half-year ended 28 February 2017			(Audited) Year ended 31 August 2017		
	Revenue return £'000	Capital return £'000	Total £'000	Revenue return £'000	Capital return £'000	Total £'000	Revenue return £'000	Capital return £'000	Total £'000
(Losses)/gains on investments held at fair value through profit or loss	-	(148)	(148)	-	18,071	18,071	-	35,101	35,101
Income from investments held at fair value through profit or loss	3,614	-	3,614	3,217	-	3,217	10,882	-	10,882
Gains/(losses) on foreign exchange	-	23	23	-	(23)	(23)	-	(170)	(170)
Other income	44	-	44	176	-	176	297	-	297
Gross revenue and capital gains/(losses)	3,658	(125)	3,533	3,393	18,048	21,441	11,179	34,931	46,110
Management fee (note 3)	(228)	(683)	(911)	(188)	(564)	(752)	(409)	(1,229)	(1,638)
Other administrative expenses	(277)	-	(277)	(258)	-	(258)	(530)	-	(530)
Net return before finance costs and taxation	3,153	(808)	2,345	2,947	17,484	20,431	10,240	33,702	43,942
Finance costs	(8)	(21)	(29)	(5)	(16)	(21)	(28)	(40)	(68)
Net return before taxation	3,145	(829)	2,316	2,942	17,468	20,410	10,212	33,662	43,874
Taxation on net return	(493)	4	(489)	(363)	-	(363)	(1,116)	78	(1,038)
Net return after taxation (note 5)	2,652	(825)	1,827	2,579	17,468	20,047	9,096	33,740	42,836
Return per ordinary share (note 5)	1.51p	(0.47)p	1.04p	1.65p	11.16p	12.81p	5.76p	21.36p	27.12p

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.

CONDENSED STATEMENT OF CHANGES IN EQUITY

Half-year ended 28 February 2018 (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 2017	1,742	159,102	45,732	71,655	5,741	283,972
New shares allotted (note 9)	23	3,796	-	-	-	3,819
Issue costs	-	(16)	-	-	-	(16)
Net return after taxation	-	-	-	(825)	2,652	1,827
Dividends paid (note 6)	-	-	-	-	(4,566)	(4,566)
As at 28 February 2018	1,765	162,882	45,732	70,830	3,827	285,036

Half-year ended 28 February 2017 (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 2016	1,561	131,328	45,732	37,915	4,368	220,904
New shares allotted	5	678	-	-	-	683
Issue costs	-	(4)	-	-	-	(4)
Net return after taxation	-	-	-	17,468	2,579	20,047
Dividends paid	-	-	-	-	(3,758)	(3,758)
As at 28 February 2017	1,566	132,002	45,732	55,383	3,189	237,872

Year ended 31 August 2017 (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 2016	1,561	131,328	45,732	37,915	4,368	220,904
New shares allotted	44	6,842	-	-	-	6,886
Issue costs	-	(64)	-	-	-	(64)
Issue of ordinary shares from C share conversion	137	21,363	-	-	-	21,500
Issue costs on C shares	-	(367)	-	-	-	(367)
Net return after taxation	-	-	-	33,740	9,096	42,836
Dividends paid	-	-	-	-	(7,723)	(7,723)
As at 31 August 2017	1,742	159,102	45,732	71,655	5,741	283,972

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

CONDENSED STATEMENT OF FINANCIAL POSITION

	(Unaudited) As at 28 February 2018 £'000	(Unaudited) As at 28 February 2017 £'000	(Audited) As at 31 August 2017 £'000
Investments held at fair value through profit or loss (note 4)			
Fixed asset investments held at fair value through profit or loss	287,231	241,459	284,920
Current assets			
Debtors	788	838	1,375
Cash at bank	-	815	4,099
	788	1,653	5,474
Creditors: amounts falling due within one year	(2,983)	(5,240)	(6,422)
Net current liabilities	(2,195)	(3,587)	(948)
Total net assets	285,036	237,872	283,972
Capital and reserves			
Called up share capital (note 9)	1,765	1,566	1,742
Share premium account	162,882	132,002	159,102
Special reserve	45,732	45,732	45,732
Other capital reserves	70,830	55,383	71,655
Revenue reserve	3,827	3,189	5,741
Total shareholders' funds	285,036	237,872	283,972
Net asset value per ordinary share – basic and diluted (note 7)	161.5p	151.9p	163.0p

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

CONDENSED STATEMENT OF CASH FLOWS

	(Unaudited) Half-year ended 28 February 2018 £'000	(Unaudited) Half-year ended 28 February 2017 £'000	(Audited) Year ended 31 August 2017 £'000
Cash flows from operating activities			
Net return before taxation	2,316	20,410	43,874
Add back: finance costs	29	21	68
Less: losses/(gains) on investments held at fair value through profit or loss	148	(18,071)	(35,101)
Add: (gain)/loss on foreign exchange	(23)	23	170
Withholding tax on dividends deducted at source	(432)	(363)	(1,318)
Taxation recovered	12	23	75
Decrease/(increase) in debtors	519	(30)	(303)
Increase/(decrease) in creditors	431	(363)	(209)
Net cash inflow from operating activities	3,000	1,650	7,256
Cash flows from investing activities			
Purchase of investments	(61,833)	(64,246)	(112,706)
Sale of investments	53,419	55,026	82,907
Net cash outflow from investing activities	(8,414)	(9,220)	(29,799)
Cash flows from financing activities			
Equity dividends paid (net of refund of unclaimed distributions and reclaimed distributions)	(4,566)	(3,758)	(7,723)
Proceeds from issue of ordinary shares	3,803	679	6,840
Net proceeds from issue of C shares	-	-	21,106
Interest paid	(28)	(21)	(68)
Net cash (outflow)/inflow from financing activities	(791)	(3,100)	20,155
Net decrease in cash and cash equivalents	(6,205)	(10,670)	(2,388)
Cash and cash equivalents at start of year	4,099	6,657	6,657
Effect of foreign exchange rates	23	(23)	(170)
Cash and cash equivalents at end of year	(2,083)	(4,036)	4,099
Comprising:			
Cash at bank	-	815	4,099
Bank overdraft	(2,083)	(4,851)	-
	(2,083)	(4,036)	4,099

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 2017 to 28 February 2018.

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 and updated in January 2017 with consequential amendments.

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

3. Management fee

The management fee is payable quarterly in arrears at the rate of 0.65% per annum of the Company's net assets up to £250 million and the rate reduces to 0.60% per annum of net assets in excess of £250 million. 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 28 February 2018

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equity investments	287,231	-	-	287,231
Total financial assets carried at fair value	287,231	-	-	287,231

Financial assets at fair value through profit or loss at 28 February 2017

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equity investments	241,459	-	-	241,459
Traded option contracts	-	(40)	-	(40)
Total financial assets carried at fair value	241,459	(40)	-	241,419

Financial assets at fair value through profit or loss at 31 August 2017

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equity investments	284,920	-	-	284,920
Traded option contracts	-	(849)	-	(849)
Total financial assets carried at fair value	284,920	(849)	-	284,071

There have been no transfers between levels of the fair value hierarchy during the period.

5. Return per ordinary share

	(Unaudited) Half-year ended 28 February 2018 £'000	(Unaudited) Half-year ended 28 February 2017 £'000	(Audited) Year ended 31 August 2017 £'000
The return per ordinary share is based on the following figures:			
Revenue return	2,652	2,579	9,096
Capital return	(825)	17,468	33,740
Total	1,827	20,047	42,836
Weighted average number of ordinary shares in issue for each period			
	175,268,875	156,490,689	157,944,441
Revenue return per ordinary share	1.51p	1.65p	5.76p
Capital return per ordinary share	(0.47)p	11.16p	21.36p
Total return per ordinary share	1.04p	12.81p	27.12p

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 1.30p for the year ended 31 August 2017 (paid 30 November 2017)	2,275
First interim dividend of 1.30p for the year ending 31 August 2018 (paid 28 February 2018)	2,291
Total	4,566

The board has declared a second interim dividend of 1.30p per ordinary share to be paid on 31 May 2018 to shareholders registered at the close of business on 4 May 2018. The shares will be quoted ex-dividend on 3 May 2018.

7. Net asset value per ordinary share

The net asset value per ordinary share as at 28 February 2018 is calculated on the net assets attributable to shareholders funds of £285,036,000 (28 February 2017: £237,872,000; 31 August 2017: £283,972,000) and on 176,531,306 ordinary shares in issue as at 28 February 2018 (28 February 2017: 156,555,606; 31 August 2017: 174,206,306).

8. Bank overdraft

At 28 February 2018, the Company had an overdraft with HSBC Bank plc of £2,083,000 (28 February 2017: £4,851,000; 31 August 2017: £nil).

9. Called up share capital

	Number of shares in issue	Nominal value £'000
Ordinary shares of 1p each		
In issue at start of year	174,206,306	1,742
Allotment of new shares in the period	2,325,000	23

During the half-year to 28 February 2018 the Company issued 2,325,000 ordinary shares for a total consideration of £3,803,000 (28 February 2017: £679,000; 31 August 2017: £6,822,000) after deduction of issue costs.

Since the period end and up to 10 April 2018 the Company has issued 275,000 shares for net proceeds of £442,000.

10. Related party transactions

The Company's current related parties are its directors and Janus Henderson. There have been no material transactions between the Company and its directors during the year. The only amounts paid to them were in respect of expenses and remuneration for which there were no outstanding amounts payable at the period end.

In relation to the provision of services by Janus Henderson (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 Janus Henderson affecting the financial position of the Company during the period under review.

11. Going concern

The assets of the Company consist of securities that are readily realisable and, accordingly, the directors believe that the Company has adequate resources to continue in operational existence for at least twelve months from the date of approval of the financial statements. Having assessed these factors and the principal risks, the board has determined that it is appropriate for the financial statements to be prepared on a going concern basis.

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 2017 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 auditor, which was unqualified and did not include a statement under either section 498(2) or 498(3) of the Companies Act 2006.

13. Half-year report

The half-year report will shortly be available on the Company's website (www.hendersoninternationalincometrust.com) or in hard copy from the Company's registered office. An abbreviated version of this half-year report, the 'update', will be circulated to shareholders in mid-April 2018.

14. General information

Company status

Registered as an investment company in England and Wales

Registration number: 7549407

Registered office: 201 Bishopsgate, London EC2M 3AE

London Stock Exchange (TIDM) Code: HINT

SEDOL/ISIN number: Ordinary shares B3PHCS8/GB00B3PHC586

Global Intermediary Identification Number (GIIN): WRGF5X.99999.SL.826

Legal Entity Identifier (LEI): 2138006N35XWGK2YUK38

Directors

The directors of the Company are Simon Jeffreys (Chairman), Kasia Robinski (Chairman of the Audit Committee), William Eason, Richard Hills and Aidan Lisser.

Corporate Secretary

Henderson Secretarial Services Limited, represented by Wendy King, FCIS.

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.