Henderson International Income Trust plc

Report and Financial Statements for the period ended 31 August 2012

Henderson International Income Trust plc

Key Facts

Objective	To provide a high and rising level of dividends as well as capital appreciation over the long-term from a focused and internationally diversified portfolio of securities outside the UK.
Investment Policy	The Company will invest in a diversified global portfolio consisting of predominantly listed equities and fixed interest asset classes. The portfolio is diversified by factors such as geography, industry sub-sector and investment size. The Company does not invest in issuers whose securities are, at the time of investment, listed only in the United Kingdom. The portfolio will be made up of interests in 40-60 companies, with no single investment accounting for more than 5% of net assets at the time of investment. The Company has an options strategy and may invest in derivative instruments; up to 20% of the Company's income may be generated by the options strategy. While it is not the policy of the Company, if considered appropriate, the Company may hedge exposure to foreign currencies up to a maximum of 20% of gross assets.
Benchmark	The Company measures its performance against the MSCI World ex UK Index (sterling adjusted).
Borrowings	Where the Manager believes that gearing will enhance returns to Shareholders, the Company may borrow up to 20% of its net assets at the time of drawdown or investment (as appropriate). Borrowings for these purposes would include implied gearing through the use of derivatives.
Dividends	The Company has adopted a progressive dividend policy, with the intention of returning an initial annual yield of 4.0% to Shareholders. Quarterly dividends will ordinarily be paid on or about 28 February, 31 May, 31 August and 30 November in each year.
Continuation Vote	The Company has no fixed life but an ordinary resolution for the continuation of the Company will be proposed in accordance with Article 176 of the Company's Articles of Association at the Annual General Meeting to be held in 2014 and, if passed, every three years thereafter.
Share Capital	The Company had 46,077,500 Ordinary shares and 8,300,000 Subscription shares in issue at 5 November 2012. The Subscription shares will be exercisable by Shareholders on 31 August 2014 at a subscription price of 100 pence per share.

Financial Highlights

	At 31 August 2012 (audited)	At 28 April 2011* (unaudited)
Net asset value per Ordinary share	**97.2p**	98.1p
Ordinary share price	**100.5p**	100.0p
Premium	**3.4%**	1.9%
Subscription share price	**7.5p**	–
Total return per Ordinary share	**3.85p**	–
Revenue return per Ordinary share	**6.08p**	–
Capital loss per Ordinary share	**(2.23)p**	–
Dividend per Ordinary share	**5.4p**	–

*The Ordinary and Subscription shares were listed on the London Stock Exchange on 28 April 2011 following the incorporation of the Company on 2 March 2011.

Dividends in respect of earnings for the period to 31 August 2012

Payment date	Record date	Ex-dividend date	Amount per Ordinary share
31 August 2011	12 August 2011	10 August 2011	0.6p
30 November 2011	11 November 2011	9 November 2011	0.8p
29 February 2012	3 February 2012	1 February 2012	1.0p
31 May 2012	11 May 2012	9 May 2012	1.0p
31 August 2012	3 August 2012	1 August 2012	1.0p
30 November 2012	16 November 2012	14 November 2012	1.0p
			5.4p

Performance

	12 months to 31 August 2012	Since launch (28 April 2011) to 31 August 2012
Net asset value per Ordinary share total return (1)	**13.35%**	4.03%
Ordinary share price total return(1)	**12.43%**	5.36%
MSCI World ex UK Index (sterling adjusted)(2)	**11.63%**	0.91%

Source: (1) FundData (2) Datastream
Total return assumes net dividends are reinvested and excludes transaction costs

Contents

Chairman's Statement

Christopher Jonas, CBE

We launched the Company on the London Stock Exchange on 28 April 2011 and now present the results for our first sixteen months trading to 31 August 2012.

Performance and Markets

During the period between launch and 31 August 2012 the return on the Net Asset Value ('NAV') per Ordinary share (on a total return basis) was 4.03% whilst the Company's return on the Ordinary share price (on the same basis) was 5.36%. These compare to a total return of 0.91% in the MSCI World ex UK Index (sterling adjusted). A difficult year globally saw many countries' economic growth slow down, so it is encouraging to report that the Company performed robustly.

Investors' attitude towards risk has been somewhat cyclical during the sixteen months. A general aversion, based on macro level uncertainties, has been the trend, with investor sentiment driving down the yields of long bonds of safe haven countries such as the US and Germany from over 3% to around 1.5%. But this cautious outlook has been overtaken at times by brief periods of increased optimism and a willingness to take on risk. It is fair to say that, to date, these more optimistic periods have been short lived as the realities of the global picture re-assert themselves. But at the time of writing there is a sense that careful stock selection can and does allow one to invest where the potential in a company's underlying business is not properly reflected in the share price.

During the period under review our Portfolio Manager's judgement about both the state of the optimism cycle and his selection of individual stocks has enabled us to outperform the market. Within equity markets some of the strongest performers have been higher yielding stocks in defensive areas, including consumer staples, telecoms and the utilities sectors of some markets.

Share Issuances

The Company's Ordinary share price has traded at a premium to NAV per Ordinary share for all but five business days of the entire sixteen month period. The average premium has been 2.6% (against a sector average discount of 5.6%). We finished the period at a 3.4% premium. It is early days, but the Board believes that the Company's share price performance relative to its NAV is a real reflection of the strength of its international (non-UK) investment strategy and evidence of the market's appetite for an investment trust with this orientation.

The Board believes it is in the interests of all Shareholders that the Company widens its investor base and increases its total size as opportunities arise. This policy will open up access to our shares to a wider number of investors thereby increasing liquidity, with a consequent expectation of benefits to performance including a proportional reduction in the ongoing charges.

To pursue this policy therefore we have taken advantage of on-going demand from investors to issue a further 4,050,500 new Ordinary shares during the period and a further 527,500 Ordinary shares since the end of the period to 5 November 2012, exhausting the rolling 10% allotment authority as provided for by the UKLA Prospectus Rules (PR1.2.3(2)).

The Company will propose resolutions at the forthcoming Annual General Meeting ('AGM') to renew the Shareholder authorities granted at the 2011 AGM to allow further share issuances. The Company may however, subject to careful consideration of any costs involved, need to issue a Prospectus in due course should demand for new Ordinary shares outweigh the available limit within the Prospectus Rules.

Earnings & Dividends

The Company has fulfilled its dividend target, set out at the launch, whilst also starting to build a revenue reserve. We generated and will have paid the 5.4p per Ordinary share we proposed originally and will have a retained reserve of 0.5p per Ordinary share to carry forward after the November dividend.

So far five of the six interim dividends have been paid out of earnings to 31 August 2012. The final interim dividend for the

Chairman's Statement
continued

period to 31 August 2012 of 1.0p per Ordinary share will be paid on 30 November to Shareholders on the register on 16 November, the ex-dividend date is 14 November.

Gearing
Where the Portfolio Manager believes that gearing will enhance returns to Shareholders, the Company may borrow up to 20% of its net assets at the time of drawdown or investment (as appropriate). Borrowings for these purposes include implied gearing through the use of derivatives.

To date the Company has utilised its overdraft facility to invest in specific stock opportunities on a few occasions. At 31 August 2012 the Company had an overdraft of £160,000 with HSBC.

Fees & Expenses
Your Board has kept a close watch on fees and expenses during the Company's infancy, and will continue to do so. We believe as a result of this we have contracted services on the best available terms for both the period under review and for the future. The ongoing charge for the Company, as calculated in accordance with the Association of Investment Companies ('AIC') methodology is 1.38% for the year to 31 August 2012.

No performance fee was payable for the period. We do not expect the fees and expenses to significantly increase in the coming year.

Articles of Association
Following a change in legislation, new conditions for a company to be approved as an investment trust came into force for accounting periods commencing on or after 1 January 2012. There is no longer a requirement for an investment trust company's Articles to contain a prohibition on the distribution of capital profits by way of a dividend or otherwise than by way of repurchase of the Company's shares. In order to align the Company's constitution with the new legislation, a special resolution will therefore be proposed at the forthcoming AGM to amend the Company's Articles of Association. The Board does not intend to utilise the ability to pay distributions from capital unless it is deemed in the best interests of Shareholders and the Company to do so.

Outlook
The Company's portfolio is well positioned to deliver its income objective in the current environment in which we expect slow growth to be the predominant feature. We invest in a diversified mix of companies across geographies and sectors with an investment process that is flexible enough to react to changing market conditions as they arise. The Board and the Manager would like to take this opportunity to thank investors who have supported the Company at launch and over the last year. We will do our best to continue to meet their needs over the coming years.

Annual General Meeting
The second AGM of the Company will be held at 2:30pm on Wednesday, 12 December 2012 at the Registered Office, 201 Bishopsgate, London EC2M 3AE. The Notice of Meeting and the resolutions to be proposed are set out in a separate document which accompanies this Annual Report. The Directors welcome Shareholders' attendance at the meeting and recommend Shareholders support the resolutions to be proposed. Ben Lofthouse, the Portfolio Manager, will give a presentation to the meeting which will be followed by light refreshments.

Christopher Jonas, CBE
Chairman
5 November 2012

Portfolio Manager's Report

Ben Lofthouse

Review of the period

The Company has two main objectives; to deliver a high and rising level of dividends, and to provide capital appreciation. The income objective has been achieved through delivery of the 5.4p of dividend promised at launch, representing a 4.0% annualised dividend yield on the initial Ordinary share price.

The Company's income was generated by a diverse range of companies across different sectors and geographies. Although equity markets have been volatile the dividend revenue was stable throughout the year and the dividend growth experienced across the portfolio has been robust, and in some cases higher than our forecasts. Whilst some of the traditional income sectors, such as telecoms and pharmaceuticals, continued to generate solid dividend growth as expected, the surprise was the growth from more economically sensitive companies; US building products and DIY chain **Home Depot** increased its dividend 16.0% year on year, chemicals manufacturer **BASF** increased by 14.0%, and German stock exchange operator **Deutsche Boerse** paid an unexpected special dividend.

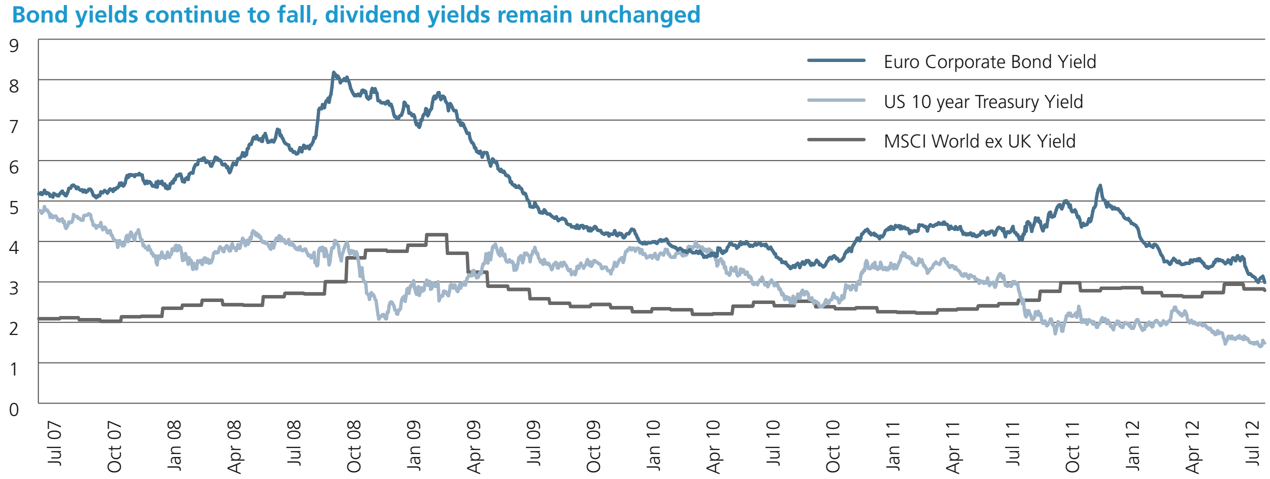
Operating conditions have been tough for several years now and companies have used their cash flows to improve their financial positions, which is giving them confidence to increase pay-outs to shareholders as earnings improve. In addition to this self-help through cash generation, many companies are taking advantage of low yields and high investor demand to issue corporate bonds at very attractive rates. This financing will benefit equity investors for many years as any measure that improves earnings is positive for dividend paying capability. Given the strong financial position of the listed corporate sector in general the trend for dividend increases and buybacks is expected to continue.

Delivering a capital return in the current environment has been more challenging, and it is satisfying to see that the Company has weathered the significant market movements since launch relatively well, returning 5.36% compared to the market return of 0.91%. The most significant contributors and detractors to returns consisted of the following positions:

Principal contributors	Sector	*Relative Contribution %
Reynolds American	Consumer Goods	1.30
Telstra	Telecommunications	1.11
Home Depot	Consumer Services	1.02
Dominion Resources	Utilities	0.94
Ambev De Bebidas	Consumer Goods	0.79

*Contribution to the Company's performance relative to the Benchmark.

Bond yields continue to fall, dividend yields remain unchanged



Source: Datastream

Portfolio Manager's Report
continued

Principal Detractors	Sector	*Relative Contribution %
Eurocommercial Properties	Property	-0.43
KT Corp.	Telecommunications	-0.52
Allianz	Financials	-0.65
Vivendi	Telecommunications	-0.74
Coretronic	Information Technology	-1.02

*Contribution to the Company's performance relative to the Benchmark.

The general environment since the Company's launch has been one of increasing economic uncertainty and concerns regarding the eurozone which made many investors increasingly risk averse and pushed bond yields (with the exception of certain European countries) lower. As expected in this environment a number of the portfolio's strongest performers have been 'safe' yielders, including Australian telecommunications company **Telstra** and US utility **Dominion Resources**. These companies have rerated due to the fact that their earnings are relatively secure in an uncertain world. Whilst we are not concerned about the companies' businesses or their valuations per se, we have trimmed these holdings and recycled the profits into new positions where there is more potential for earnings growth and hence dividend growth in the future. The consumer staples sector has also performed strongly, supported by the relative defensiveness of its earnings coupled with growth driven by emerging markets. Within the portfolio **Reynolds American**, Brazilian beer company **Ambev De Bebidas** and **Kraft** have been particularly strong contributors in this sector.

Whilst some stocks with high dividend yields are attracting investors' attentions, if the yield is not considered safe then share prices can be very volatile. The biggest single detractor to performance during the period was Taiwanese electronic company **Coretronic**, which has exciting technology but its take-up has been delayed by the economic slowdown. The position was sold due to concerns regarding its ability to continue to service its dividend. Another holding impacted by a change in its operating environment is media conglomerate **Vivendi**, which was impacted by the entrance of a disruptive fourth player in the French mobile telecoms market. The position is still held because we see considerable value in the company's businesses, although it may take time for management to execute their strategy to realise this value. In general, European companies have not recovered from the market sell off during the third quarter of 2011 due to the uncertainty regarding the region's commitment to the Euro, and slowing economic growth. The underperformance of stocks such as **Allianz** and property company **Eurocommercial** reflect this. These two stocks are examples of European companies trading at low valuations with attractive dividend yields due to their listing rather than company specific problems and we see good potential for capital appreciation in due course.

Portfolio positioning and activity

The portfolio's largest geographic exposure is to the United States, which makes up 37.0% of the portfolio. There are several factors that make this market attractive. At a company level the pay-out ratio for the market is near an all-time low of around 30.0%, which is driving strong dividend growth in many sectors. At a macroeconomic level, whilst economic growth remains below trend the country is further along the path of recovery in terms of the recapitalisation of its financial sector compared to many European countries, and economic activity in many sectors, in particular housing, is recovering from a very low base. In addition to these factors the advent of new techniques and technologies that have allowed economically viable extraction of shale gas and oil is transforming energy prices for both industry and consumers and will be an exciting development for economic activity in the medium term. The Company's exposure has remained relatively constant throughout the period, but there has been some recycling of profits from utilities and telecoms into financials and industrials since the end of 2011, reflecting the relative valuation differentials between the sectors.

The portfolio maintains a significant weight in European equities, which is concentrated on large capitalisation, global companies, including **BASF** and **ENI**, and Northern European domestic companies such as **Deutsche Post**, and insurer **Delta Lloyd**. The valuation of European equities is very low compared to historical measures in terms of price to earnings ratios and dividend yields and, whilst in some cases this is warranted, in many others we believe it will prove to be a buying opportunity.

Portfolio Manager's Report

continued

The balance of the portfolio is spread across a wide range of geographies ranging from Brazil, to China and Indonesia. The geographic allocation in these areas has more to do with stock picking and fundamentals and the outlook for specific companies than an asset allocation decision.

Outlook

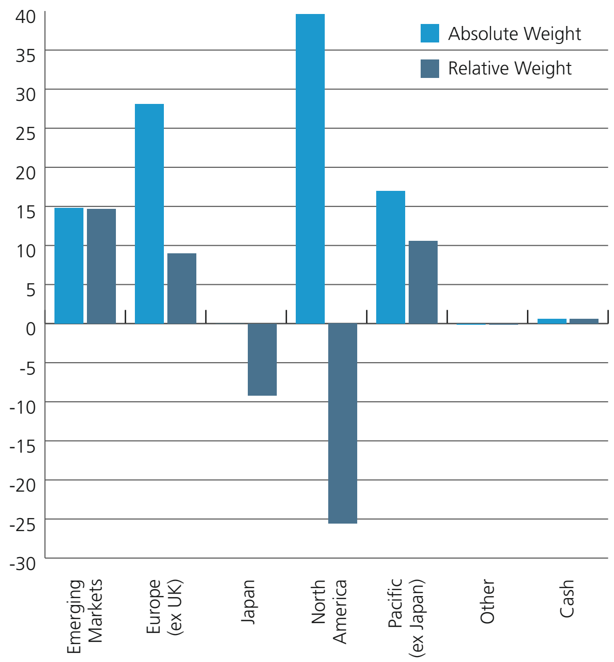
Due to the fall in bond yields (both corporate and government) investment options for investors requiring income are even fewer than they were a year ago, except for equity markets which have not experienced this yield compression yet outside certain defensive sectors in some markets. At the same time inflation does not appear to be abating as much as expected making real returns even harder to achieve. For these reasons the Company is not holding any bonds at this time.

The investment team continues to be excited by the opportunities for income and capital returns from equities even in an environment of slower economic growth; if however economic growth does pick up the returns could be very dramatic. At the time of writing the IMF forecasts global growth to be 3.6% in 2013, which should be enough to drive earnings and dividend growth at a company level.

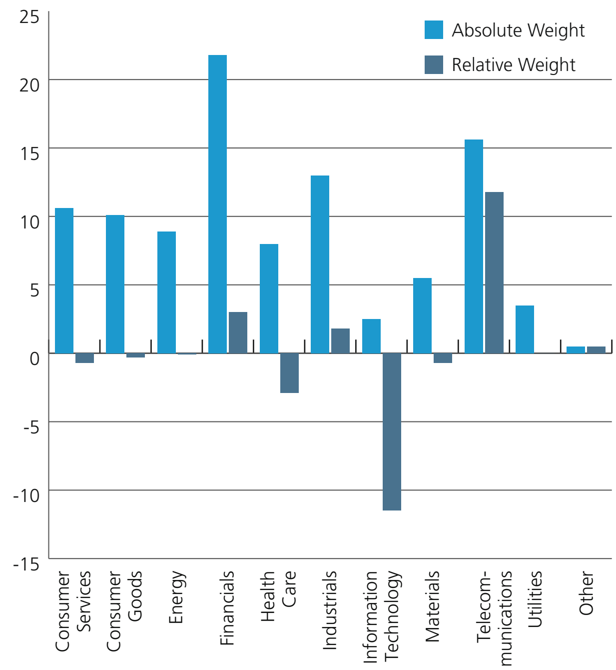
Ben Lofthouse
Portfolio Manager
5 November 2012

Absolute and *Relative Weighting of the Portfolio at 31 August 2012

By region



By sector



*Positions shown are relative to the Company's benchmark.

Investment Portfolio

as at 31 August 2012

Sector/Company	Country	£'000	% of portfolio
BASIC MATERIALS			
BASF	Germany	806	1.8
Israel Chemicals	Israel	528	1.2
		1,334	3.0
CONSUMER GOODS			
Ambev De Bebidas	**Brazil**	**1,237**	**2.8**
Fraser & Neave	Singapore	468	1.1
Kraft Foods	**United States**	**1,052**	**2.4**
Mattel	United States	664	1.5
Reynolds American	**United States**	**1,596**	**3.6**
UMW Holdings	Malaysia	588	1.4
		5,605	12.8
CONSUMER SERVICES			
Casino Guichard Perrachon	France	585	1.3
Home Depot	United States	758	1.7
SES	Luxembourg	558	1.3
Tabcorp	Australia	574	1.3
Time Warner Cable	United States	671	1.5
Time Warner	United States	852	1.9
Vivendi	**France**	**990**	**2.4**
		4,988	11.4
FINANCIALS			
Allianz	**Germany**	**1,037**	**2.4**
Australian & New Zealand Banking	Australia	919	2.1
Bank Of China	China	389	0.9
Bank Of Montreal	Canada	735	1.7
DBS Group	Singapore	408	0.9
Delta Lloyd	Netherlands	479	1.1
Deutsche Boerse	Germany	571	1.3
New York Community Bancorp	United States	775	1.7
NYSE Euronext	United States	394	0.9
Och-Ziff Capital Management	United States	589	1.3
PNC Financial Services Group	United States	744	1.7
Scor Se	France	666	1.5
		7,706	17.5
HEALTH CARE			
Abbott Laboratories	**United States**	**1,073**	**2.5**
Merck & Co	United States	542	1.2
Pfizer	**United States**	**1,024**	**2.3**
Roche	Switzerland	892	2.0
		3,531	8.0

The top ten investments are highlighted in **bold**, these equate to 26.0% of the total portfolio.

Sector/Company	Country	£'000	% of portfolio
INDUSTRIALS			
Amcor	Australia	620	1.4
CCR	Brazil	736	1.7
Deutsche Post	**Germany**	**950**	**2.2**
Emerson Electric	United States	623	1.4
General Electric	United States	913	2.1
NWS Holdings	China	782	1.8
Shanghai Industrial	China	421	0.9
Taiwan Cement	Taiwan	478	1.1
United Parcel Services	United States	846	1.9
		6,369	14.5
OIL & GAS			
ENI	Italy	699	1.6
Kinder Morgan	United States	722	1.6
PTT Public Company	Thailand	529	1.2
Seadrill	Norway	729	1.7
Statoil	Norway	853	1.9
Total	France	416	1.0
		3,948	9.0
PROPERTY			
Cheung Kong Holdings	Hong Kong	537	1.2
Eurocommercial Properties	Netherlands	638	1.5
Link Reit	Hong Kong	757	1.7
		1,932	4.4
TECHNOLOGY			
Digital China Holdings	China	355	0.8
Taiwan Semiconductor Manufacturing	Taiwan	763	1.7
		1,118	2.5
TELECOMMUNICATIONS			
BCE Com	Canada	738	1.7
China Mobile	China	504	1.1
Deutsche Telekom	**Germany**	**1,050**	**2.4**
Philippines Long Distance Telephone	Philippines	578	1.3
SK Telecom	South Korea	614	1.4
Telecom Corporation Of New Zealand	New Zealand	581	1.3
Telstra	Australia	568	1.3
Verizon Communications	**United States**	**1,297**	**3.0**
		5,930	13.5
UTILITIES			
Dominion Resources	United States	925	2.1
Perusahaan Gas Negara	Indonesia	611	1.4
		1,536	3.5
TOTAL INVESTMENTS		**43,997**	**100.1**
Derivative financial instruments – options		(62)	(0.1)
TOTAL		**43,935**	**100.0**

Directors

Christopher Jonas, CBE (Chairman)*
Christopher is a senior adviser at Lazard & Co. Ltd and an adviser to Lloyds Banking Group. He has been a main board member of British Railways, the Port of London Authority, Canary Wharf Group plc, chairman of Goldsmiths University of London and is a past president of the Royal Institution of Chartered Surveyors. Christopher was chairman of Henderson Global Property Companies Limited.

Peregrine Banbury, CVO
Peregrine was regional non-executive chairman of Coutts & Co following his retirement from Coutts at the end of 2009. He was previously a Managing Partner at Coutts, a former Head of Coutts Asset Management and a director of Coutts Investment Management Limited. Peregrine is a former director of the Securities Institute, and remains a Fellow of the Chartered Institute for Securities and Investment. He has also been a director of a number of investment trusts and trustee of a number of charities. He is a trustee of The Two Moors Festival and the Luke Somerfield Memorial Trust.

William (Bill) Eason
Bill is Head of the Charities & Trust Fund Department, and Chairman of the Investment Committee at Cheviot Asset Management. He has been managing charitable and high net worth portfolios since 1973, and became a member of the London Stock Exchange in 1976. He was Chief Investment Officer at Laing and Cruickshank, and a former Chairman of Henderson High Income Trust plc, as well as acting as trustee to Marshall's Charity and the John Hampden Fund and as a director of The European Investment Trust PLC. Bill is an Associate of the Society of Investment Professionals (ASIP) and holds a Fellowship of the Chartered Institute for Securities and Investment. He was also a Governor of Henley Management College and is a Fellow of Gray's Inn.

Simon Jeffreys#
Simon is COO of the Wellcome Trust which he joined in March 2009. He is responsible for a wide range of business services including finance, legal, human resources, information technology and operations. Simon is on the board of directors of SimCorp A/S, Aon UK Limited, Hilleman Laboratories and Genome Research Limited. He was previously chief administrative officer for Fidelity International and for most of his professional life was a partner in PricewaterhouseCoopers, where he was the global leader of the firm's investment management and real estate practice.

All of the directors are independent and non-executive
All of the directors were appointed on 9 March 2011
All of the directors are members of the Audit Committee, the Management Engagement Committee and the Nominations Committee

*Chairman of the Management Engagement Committee and Nominations Committee #Chairman of the Audit Committee

Management Team

Ben Lofthouse, CFA
Ben is lead Portfolio Manager and Continental European equities sub-portfolio manager; Ben has worked at Henderson since 2004 as a portfolio manager. He is joint manager of Henderson Global Equity Income Fund and is also deputy manager of both Lowland Investment Company and Henderson High Income Trust. Prior to working at Henderson, Ben worked for PricewaterhouseCoopers in Business Recovery Services and as an audit manager in Banking and Capital Markets.

Tracey Lago, ACIS
Tracey is the authorised representative of Henderson Secretarial Services Limited, the corporate company secretary.

Ben is assisted in managing the Company's portfolio by the following sub-portfolio managers:
Bill McQuaker – asset allocation, deputy head of equities; Antony Gifford – North American and South American equities; Michael Kerley – Asia Pacific including Australasia equities; and John Pattullo – fixed interest including secured loans.

Directors' Report

The Directors present the audited financial statements of the Company and their report for the period from incorporation (2 March 2011) to 31 August 2012.

Business Review

The business review seeks primarily to provide information about the Company's business, its principal risks and uncertainties and its results for the period ended 31 August 2012. It should be read in conjunction with the Chairman's Statement on pages 3 and 4 and with the Portfolio Manager's Report on pages 5 to 7, which give a detailed review of the investment activities for the period and an outlook for the future.

a) Status

Henderson International Income Trust plc (registered in England & Wales, number 7549407 and domiciled in the United Kingdom) (the 'Company') made investments throughout the period and was not dormant. 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.

Due to the Company's first accounting period being longer than twelve months, the Company is required to comply with section 1158 for two periods of twelve and four months; the Company has conducted its affairs so as to comply with the requirements of section 1158 for the twelve month period to 27 April 2012 and to therefore be granted HM Revenue & Customs approval of the Company's status as an investment trust under the old HMRC investment trust regime. Under the new tax requirements, which apply to accounting periods starting on or after 1 January 2012, companies are required to complete a one off application for investment trust status; the Company has been granted investment trust status for the short period to 31 August 2012 and subsequent periods. The Company intends to continue to operate and conduct its affairs to satisfy the requirements for Investment Trust status for the current and future years.

The Company is not a close company.

The Company intends to continue to manage its affairs so that its investments fully qualify for a stocks and shares component of an ISA.

b) Investment Objective and Policy

Objective

The Company's investment objective is to provide a high and rising level of dividends as well as capital appreciation over the long-term from a focused and internationally diversified portfolio of securities outside the UK.

Policy

The Company will invest in a diversified global portfolio consisting of predominantly listed equities and fixed interest asset classes. The portfolio is diversified by factors such as geography, industry sub-sector and investment size. The Company does not invest in issuers whose securities are, at the time of investment, listed only in the United Kingdom.

The portfolio will ordinarily be made up of interests in 40-60 companies, with no single investment accounting for more than 5% of net assets at the time of investment.

The Company has an options strategy and may invest in derivative instruments; up to 20% of the Company's income may be generated by the options strategy. If considered appropriate the Company may hedge exposure to foreign currencies up to a maximum of 20% of gross assets.

As an investment trust, the Company will not invest more than 15% of gross assets in any one company or group of companies and in accordance with the Listing Rules of the UKLA, the Company will not invest more than 15% (at the time the investment is made) of its total assets in other UK listed investment companies.

A full list of the investments in the portfolio at 31 August 2012 is shown on page 8. At 31 August 2012 there were 61 equity investments. The largest holding at the year end was in Reynolds American (3.6%). The top 10 holdings amounted to 26.0% of the total investments.

Gearing

The Company's Articles of Association allow borrowings up to 100% of shareholders' funds. In normal circumstances, the Directors would expect the Company to be substantially fully invested but the Portfolio Manager may only utilise gearing up to 20% of the net assets in accordance with the Board's policy.

c) Financial Review

Results for the period

Total net assets at 31 August 2012 amounted to £44,268,000 and the net asset value ('NAV') per Ordinary share was 97.2p. Total return for the year was £1,655,000.

In the period under review finance costs totalled £4,000, the management fee totalled £436,000 and other administrative expenses £349,000. These figures include VAT where applicable. No performance fee was payable for the period.

Net revenue after taxation for the year was £2,611,000.

Directors' Report

continued

The Company has adopted a progressive dividend policy, with the intention of returning an initial annual yield of 4.0% to Shareholders. For the period under review, dividends totalling 5.4p per Ordinary share have been paid or announced, thereby achieving the 4.0% aim at the offer price.

At 31 August 2012 there were 45,550,000 Ordinary shares in issue as compared with 41,500,000 Ordinary shares at the time of launch on the London Stock Exchange on 28 April 2011.

Payment of Creditors
It is the Company's policy to obtain the best possible terms for all business and, therefore, there is no single policy as to the terms used. In general the Company agrees with its suppliers the terms on which business will take place and it is the Company's policy to abide by such terms. There were no trade creditors at 31 August 2012.

Bank Facilities and Gearing
Since launch the Company has had in place an overdraft facility with the custodian whereby the Company may borrow up to the lesser of £25 million or 20% of custody assets from time to time. At the period end the Company was £160,000 overdrawn. The Company does not have any other borrowing facilities in place.

Future developments
While the future performance of the Company will depend to some degree on macro-economic factors and the performance of international financial markets, the Board is clear in its intention to continue with its stated investment objective, which has served Shareholders well since launch. Further comments on the outlook for the Company for the year ahead are set out in both the Chairman's Statement and the Portfolio Manager's Report.

Going Concern
The Directors believe that it is appropriate to continue to adopt the going concern basis in preparing the financial statements as the assets of the Company consist mainly of securities which are readily realisable and, accordingly, the Company has adequate financial resources to continue in operational existence for the foreseeable future. In reviewing the position as at the date of this report, the Board has considered the 'Going Concern and Liquidity Risk: Guidance for Directors of UK companies 2009' published by the Financial Reporting Council in October 2009.

d) Performance measurement and key performance indicators
In order to measure the success of the Company in meeting its objectives and to evaluate the performance of the Manager, the Directors take into account the following key performance indicators:

- *Performance measured against benchmark*
  The Board reviews and compares, at each meeting, the performance of the portfolio as well as the net asset value and share price for the Company and its benchmark, the MSCI World ex UK Index. The Board considers this to be its most important key performance indicator and has determined that it should also be used to calculate whether a performance fee is payable to the Manager, as set out below.

- *Discount/premium to net asset value ('NAV')*
  At each Board meeting, the Board monitors the level of the Company's discount/premium to NAV, looks at ways of managing this, and reviews the average discount/premium of the peer group companies in the AIC Global Growth and Income sector. Since launch, the Company has traded at a premium to NAV on all but five business days.

- *Share Capital*
  The Company has allotted a further 4,050,000 Ordinary shares in the period; reinforcing the Board's belief that international income ex UK was the correct strategy to adopt when launching the Company.

  In furtherance to the authority granted at the AGM held in December 2011, the Directors shall seek to renew the authority to allot shares at the forthcoming meeting, the Company shall therefore retain the flexibility to allot and/or repurchase shares when it sees fit. Once the authorities are renewed, the Board will continue to authorise allotments and, if appropriate, instruct purchases as required and in accordance with the authorities granted.

  The Company publishes its NAV per share figure on a daily basis, through the official newswire of the London Stock Exchange. This figure is calculated in accordance with the AIC formula and includes current financial year revenue, the same basis as that adopted for the financial statements.

- *Performance against the Company's peer group*
  The Company is included in the AIC Global Growth and Income sector. In addition to comparison against the stated benchmark, the Board also considers the performance of its peer group at each Board meeting.

- *Ongoing charges*
  Ongoing charges are those expenses of a type which are likely to recur in the foreseeable future, whether charged to capital or revenue, and which relate to the operation of the

Directors' Report

continued

investment company as a collective fund, excluding the costs of acquisition or disposal of investments, financing charges and gains or losses arising on investments. Ongoing charges are based on actual costs incurred in the year as being the best estimate of future costs. The Board reviews the ongoing charges and monitors the expenses incurred by the Company.

For the twelve months ended 31 August 2012 the ongoing charge was 1.38%.

e) Related Party Transactions

The provision of investment management, accounting, company secretarial and administration services has been outsourced to Henderson Global Investors Limited ('Henderson' or the 'Manager'). This is the only related party arrangement currently in place. Other than fees payable by the Company in the ordinary course of business, there have been no material transactions with this related party which have affected the financial position or performance of the Company during the period under review.

During the year the Manager used certain services which were paid for, or provided by, various brokers. In return it placed business, which may have included transactions relating to the Company, with those brokers.

f) Custodian

Custody services and an overdraft facility are supplied by HSBC Bank plc.

g) Management arrangements

Under the terms of the Management Agreement, the Manager will be entitled to a management fee together with reimbursement of reasonable expenses incurred by it in the performance of its duties. The management fee is payable quarterly in arrears and will be at the rate of 0.20% per quarter of the Company's Net Asset Value ('NAV'). 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 expected to be charged to capital and the remaining 25% to income.

The Manager may also be entitled to an annual performance fee based on average performance over a rolling three year period. This fee is calculated and payable in cash following the end of each full financial year of the Company if the increase in the undiluted NAV per Ordinary share (adjusted to add back any dividends paid during the calculation period by the Company which will be deemed to be reinvested at the time they are paid but ignoring accruals for any performance fee in the then current annual period) over the relevant calculation period exceeds the return on the Benchmark plus a return hurdle of 2%.

The fee will be paid to the Manager at the rate of 10% of the excess multiplied by the Company's average NAV over the calculation period to which the fees relate, subject to a cap on total fees payable to the Manager in any one financial period of 1.5% of the average NAV for the period. No performance fee shall be payable to the extent that its payment would result in the NAV per Ordinary share falling below 100 pence.

The first calculation period started on admission to the London Stock Exchange and ended on 31 August 2012. The second calculation period is the two year period from 1 September 2011 to 31 August 2013. The third calculation period is the three year period from 1 September 2011 to 31 August 2014. Thereafter, each subsequent calculation period is a period of three years ending on 31 August in each year.

The performance fee arrangements contain provisions adjusting the calculation for any dilutive effect of the conversion of the Subscription shares and, for the purposes of calculating the cap of 1.5% referred to above, no account will be taken of any increase in the NAV due to the exercise of Subscription Rights for the calculation of the performance fee payable at the end of the financial year ending 31 August 2014.

No performance fee was payable for the period ended 31 August 2012; there was no dilutive effect of the Subscription shares at 31 August 2012.

h) Principal risks and uncertainties

The Board has drawn up a matrix of risks facing the Company and has put in place a schedule of investment limits and restrictions, appropriate to the Company's investment objective and policy, in order to mitigate these risks as far as practicable. The principal risks which have been identified and the steps taken by the Board to mitigate these are as follows:

- *Investment activity and performance*
  An inappropriate investment strategy (for example, in terms of asset allocation or the level of gearing) may result in underperformance against the Company's benchmark index and the companies in its peer group. The Board monitors investment performance at each Board meeting and when in use, regularly reviews the extent of its borrowings.

Directors' Report

continued

- *Portfolio and market*
  Although the Company invests almost entirely in securities that are quoted on recognised markets, share prices may move rapidly. The companies in which investments are made may operate unsuccessfully, or fail entirely. A fall in the market value of the Company's portfolio would have an adverse effect on Shareholders' funds. The Board reviews the portfolio each month and mitigates risk through diversification of investments in the portfolio.

- *Accounting, Legal and Regulatory*
  A breach of section 1158 of the Corporation Tax Act 2010 could lead to a loss of investment trust status, resulting in capital gains realised within the portfolio being subject to corporation tax. A breach of the UKLA Listing Rules could result in suspension of the Company's shares, while a breach of the Companies Act 2006 could lead to criminal proceedings, or financial or reputational damage. The Manager is contracted to provide investment, company secretarial, administration and accounting services through qualified professionals.

  The Board receives internal controls reports produced by the Manager on a quarterly basis, which confirm regulatory compliance, in addition to monthly investment limits and restrictions schedules and annual reviews.

- *Operational Disruption*
  Disruption to, or failure of, the Manager's accounting, dealing or payment systems or the custodian's records could prevent the accurate reporting and monitoring of the Company's financial position. The Company is also exposed to the operational risk that one or more of its suppliers may not provide the required level of service. Details of how the Board monitors the services provided by the Manager and its other suppliers, and the key elements designed to provide effective internal control, are explained further in the internal controls section of the Corporate Governance Statement which is set out below.

  By its nature as an investment trust, the Company's business activities are exposed to market risk (including price risk, currency risk, and interest rate risk), liquidity risk and credit and counterparty risk and how they are managed are contained in Note 15 on pages 33 to 39.

Corporate Governance Statement

a) Applicable corporate governance codes

The Board is accountable to Shareholders for the governance of the Company's affairs. Paragraph 7.2 of the Disclosure and Transparency Rules of the UK Listing Authority requires all listed companies to publish a corporate governance statement, while paragraph 9.8.6 of the Listing Rules requires all listed companies to disclose how they have applied the principles and complied with the provisions of the UK Corporate Governance Code (the 'Code'). As an investment trust, most of the Company's day-to-day responsibilities are delegated to third parties, the Company has no employees and the directors are all non-executive. Thus, not all the provisions of the Code are directly applicable to the Company.

The Financial Reporting Council (the 'FRC') confirmed on 30 September 2010 that it remained the view of the FRC that by following the Corporate Governance Guide for Investment Companies produced by the Association of Investment Companies (the 'AIC Guide'), published in October 2010, boards of investment companies should fully meet their obligations in relation to the Code and paragraph 9.8.6 of the Listing Rules.

The AIC Code of Corporate Governance published in October 2010 (the 'AIC Code'), as explained by the AIC Guide, addresses all the principles set out in the Code, as well as setting out additional principles and recommendations on issues that are of specific relevance to investment trusts.

The Board of Henderson International Income Trust plc believes that reporting against the AIC Code by reference to the AIC Guide will provide the most appropriate information to Shareholders and has therefore followed the principles and recommendations set out in the AIC Code. Copies of the AIC Code and the AIC Guide can be found at www.theaic.co.uk

b) Statement of compliance

The AIC Code comprises 21 principles. The Directors believe that during the period under review they have complied with the provisions of the AIC Code, insofar as they apply to the Company's business, and with the provisions of the Code except as noted below.

The Code includes provisions relating to:

- The role of chief executive
- Senior Independent Director
- Executive directors' remuneration
- The need for an internal audit function

As the Company delegates to an external investment manager its day-to-day operations and has no employees, the Board does not consider these provisions to be relevant to the Company and has not reported further in respect of these provisions.

Directors' Report

continued

c) The Directors

- *Board composition and independence*
  The Articles of Association provide that there shall be no maximum number of Directors but that there shall be not less than two. The Board currently consists of four non-executive Directors; all of whom are independent of the Company's Manager. The Chairman is Mr Christopher Jonas, CBE. The Directors' biographies, set out on page 9, demonstrate the breadth of investment, commercial and professional experience relevant to their positions as Directors of the Company. No Director has a service contract with the Company. A senior non-executive director has not been identified as the Board considers that all the Directors have different qualities and areas of expertise on which they may lead when issues arise and to whom concerns can be conveyed.

- *Directors' appointment, retirement and rotation*
  The Articles of Association provide that the Board may appoint directors to the Board and any Director so appointed must stand for election by the Shareholders at the AGM following appointment.

  The Articles of Association also require any non-executive director in place for nine years or more, and those that are not deemed to be independent of the Manager, stand for re-election annually. Additionally, any Director in situ at the previous two Annual General Meetings is required to retire by rotation; such retiring Directors may offer themselves for re-election. The retirement interval imposed by the Articles of Association matches the AIC Code recommendations.

  The Board recognise that the retirement by rotation provisions will not come into effect until the Annual General Meeting to be held in 2014 as all Directors stood for election at the Annual General Meeting in 2011. In order to avoid the situation whereby all Directors are required to retire by rotation every three years the Board have opted to begin the retirement by rotation process early; the order of retiring Director has been selected alphabetically by first name.

  The Director offering himself for retirement by rotation and re-election at the Annual General Meeting to be held in 2012 is Christopher Jonas.

  The Board believes that in these early stages of the Company's life all Directors provide a valuable contribution to the business and the effective running of the Company. The Directors therefore confirm that Christopher Jonas continues to provide a valuable and beneficial contribution to the Company and that his experience complements the abilities of the other Directors. The Board has therefore concluded that he remains independent and recommends that Shareholders support his re-election.

  There were no contracts subsisting during or at the end of the period in which a Director of the Company is or was materially interested and which is or was significant in relation to the Company's business.

- *Directors' remuneration*
  A report on Directors' remuneration is on page 21.

- *Directors' interests in shares*
  The interests of the current Directors in the Ordinary and Subscription shares of the Company at the start and end of the period under review are shown in the following table:

	Ordinary shares of 1p each		Subscription shares of 1p each	
	At 31 August 2012	At launch (28 April 2011)	**At 31 August 2012**	At launch (28 April 2011)
Christopher Jonas	**85,562**	85,000	**17,084**	17,000
Peregrine Banbury	**20,164**	20,000	**3,332**	4,000
William Eason	**50,000**	50,000	**10,000**	10,000
Simon Jeffreys	**50,000**	50,000	**10,000**	10,000

  There have been no changes in the interests of the Directors since the period end.

- *Directors' conflicts of interest*
  Directors have a duty to avoid situations where they have, or could have, a direct or indirect interest that conflicts, or possibly could conflict, with the Company's interests. With effect from 1 October 2008, the Companies Act 2006 (the 'Act') has allowed directors of public companies to authorise such conflicts and potential conflicts, where appropriate, but only if the Articles of Association contain a provision to this effect. The Act also allows the Articles of Association to contain other provisions for dealing with directors' conflicts of interest to avoid a breach of duty. There are two safe harbours – either the situation cannot reasonably be regarded as likely to give rise to a conflict of interest or the matter has been authorised in advance by the Directors. The Company's Articles of Association give the Directors the relevant authority required to deal with conflicts of interest.

  Each of the Directors has provided a statement of all conflicts of interest and potential conflicts of interest, if any, applicable to the Company. A register of conflicts of

Directors' Report
continued

interest has been compiled and approved by the Board. There were no material conflicts disclosed and there are no unauthorised conflicts. The Directors have also all undertaken to notify the Chairman as soon as they become aware of any new potential conflicts of interest that would need to be approved by the Board and added to the register, which will be reviewed annually by the Board.

It has also been agreed that Directors will advise the Chairman and the Company Secretary in advance of any proposed external appointment and new Directors will be asked to submit a list of potential situations falling within the conflicts of interest provisions of the 2006 Act in advance of joining the Board. The Chairman will then determine whether the relevant appointment causes a conflict or potential conflict of interest and should therefore be considered by the Board. Only Directors who have no interest in the matter being considered will be able to participate in the Board approval process. In deciding whether to approve a conflict of interest, Directors will also act in a way they consider, in good faith, will be most likely to promote the Company's success in taking such a decision. The Board can impose limits or conditions when giving authorisation if the Directors consider this to be appropriate.

The Board believes that its powers of authorisation of conflicts operates effectively and also confirms that its procedures for the approval of conflicts of interest have been followed by all the Directors.

- *Directors' professional development*
  When a new Director is appointed he or she is offered a training seminar which is held by the Manager. Directors are also provided on a regular basis with key information on the Company's policies, regulatory and statutory requirements and internal controls. Changes affecting Directors' responsibilities are advised to the Board as they arise. Directors also regularly participate in relevant training and industry seminars.

- *Directors' indemnity*
  Directors' and officers' liability insurance cover was in place in respect of the Directors throughout the financial period and remains in place at the date of this report. The Company's Articles of Association provide, subject to the provisions of UK legislation, an indemnity for Directors in respect of costs which they may incur relating to the defence of any proceedings brought against them arising out of their positions as Directors, in which they are acquitted or judgment is given in their favour by the Court.

d) The Board

- *Responsibilities of the Board and its Committees*
  In the course of a regular business year six formal Board meetings are held to deal with the important aspects of the Company's affairs. The Board has a formal schedule of matters specifically reserved for its decision, categorised under various headings, which include strategy and management, structure and capital, financial reporting and controls, internal controls, communications, board and committee memberships and corporate governance.

  The Board has three Committees: the Audit Committee, the Management Engagement Committee and the Nominations Committee. The terms of reference for these Committees are available on the Company's website.

- *Audit Committee*
  During the period under review all members of the Board were also members of the Audit Committee. In accordance with the Terms of Reference of the Committee the Chairman of the Board may be a member but may not Chair the Committee. The Chairman of the Committee is Simon Jeffreys. The Chairman is a Chartered Accountant and has both recent and relevant financial expertise both in his current roles but also in his past role as a Partner with PricewaterhouseCoopers LLP.

  The Audit Committee meets at least twice a year and is responsible for the review of the annual financial statements, the nature and scope of the external audit and the findings therefrom, the terms of appointment of the auditors together with their remuneration, performance, independence and objectivity, as well as any non-audit services provided by the auditors, and the half-year report. It meets with representatives of the Investment Manager and receives reports on the quality and effectiveness of the accounting records and management information maintained on behalf of the Company. The Audit Committee remains satisfied with the effectiveness of the audit provided by Grant Thornton UK LLP.

  The Audit Committee does not consider it necessary to consider a change of auditor at the present time. The auditor is required to rotate the audit partner every five years; this is the first year that the current partner has been in place. Fees paid or payable to the auditors are detailed in note 6 on page 30.

Directors' Report
continued

- *Management Engagement Committee*
  The Committee comprises all the Directors and is chaired by Christopher Jonas. It meets at least annually to review the investment management agreement and the services provided by the Manager. Details of the arrangements with the Manager can be found on page 12.

- *Nominations Committee*
  All Directors are members of the Nominations Committee. The Chairman of the Board acts as Chairman of the Committee but would not chair the Committee when the Chairman's successor is being considered. The Committee is responsible for reviewing Board succession planning, the performance of the Board as a whole and the Board Committees and the appointment of new directors when appropriate; from 2013, the Committee shall meet annually and additionally as required.

  When considering succession planning, the Committee shall consider the balance of skills, knowledge, experience and diversity existing on the Board and will recommend when the recruitment of additional non-executive directors is required. Once a decision is made to recruit additional directors to the Board, a formal job description shall be drawn up and each Director is invited to submit nominations, these are considered in accordance with the Board's agreed procedures in addition to any external candidates that may be recommended. The Committee may also use external agencies as and when the requirement to recruit an additional Board member becomes necessary.

- *Board attendance*
  Attendance at the Board and Committee meetings held during the period to 31 August 2012 is shown below. The Management Engagement and Nominations Committee will first meet in 2013. All the Directors attended the Annual General Meeting in December 2011.

No. of meetings	Board meeting 12	Audit Committee 2
Christopher Jonas	12	2
Peregrine Banbury	12	2
William Eason	12	2
Simon Jeffreys	12	2

In addition to the above, the Directors also attended a number of Board Committee meetings during the period and, the Board has appointed a Committee of any one Director to approve share allotments as required.

e) Performance Evaluation
The performance of the Company is considered in detail at each Board meeting.

The performance of the Directors and the Chairman along with their individual contribution to the Company will be considered at the first Nominations Committee of the Company to be held in February 2013.

f) Internal Controls
The Board has established a process for identifying, evaluating and managing any major risks faced by the Company. The process is subject to regular review by the Board and accords with the Financial Reporting Council guidance. The process has been in place since incorporation and up to the date of approval of this Annual Report.

The Board is responsible overall for the Company's system of internal control and for reviewing its effectiveness. However, such a system is designed to manage rather than eliminate risks of failure to achieve the Company's business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board, assisted by the Manager, undertook a full review of the Company's business risks and these have been analysed and recorded in a risk map which is reviewed regularly. The Board receives each quarter from the Manager a formal report which details the steps taken to monitor the areas of risk, including those that are not directly the responsibility of the Manager, and which reports the details of any known internal control failures. The Board receives each year from the Manager a report on its internal controls which includes a report from the Manager's auditors on the control policies and procedures in operation. It also receives reports on the controls in place within other key suppliers.

The Manager has established an internal control framework to provide reasonable but not absolute assurance on the effectiveness of the internal controls operated on behalf of its clients. The effectiveness of the internal controls is assessed by the Manager's internal audit, compliance and risk departments on an on-going basis.

By means of the procedures set out above, the Board confirms that it has reviewed the effectiveness of the Company's system of risk management and internal controls for the period ended 31 August 2012, and to the date of approval of this Annual Report and Financial Statements and no significant failings or weaknesses have been identified.

Directors' Report

continued

g) Accountability and relationship with the Manager

The Statement of Directors' Responsibilities is set out on page 20, the Independent Auditors' Report on page 22 and the statement of Going Concern on page 11. The Board has delegated contractually to external third parties, including the Manager, the management of the investment portfolio, the custodial services (which include the safeguarding of the assets), the day-to-day accounting, company secretarial and administration requirements and registration services. Each of these contracts was entered into after full and proper consideration by the Board of the quality and cost of the services offered, including the control systems in operation in so far as they relate to the affairs of the Company.

The Board receives and considers regular reports from the Manager and ad hoc reports and information are supplied to the Board as required. In addition, the Chairman attends meetings of all the chairmen of the investment trust companies managed by the Manager; these meetings provide a forum to discuss industry matters and the Chairman reports on them to the Board.

The Portfolio Manager takes decisions as to the purchase and sale of individual investments. The Manager also ensures that all Directors receive, in a timely manner, all relevant management regulatory and financial information.

Representatives of the Manager attend each Board meeting enabling the Directors to probe further on matters of concern. A formal schedule of matters specifically reserved for decision by the full Board has been defined and a procedure adopted for Directors, in the furtherance of their duties, to take independent professional advice at the expense of the Company within certain parameters. The Directors have access to the advice and services of the corporate Company Secretary through its appointed representative who is responsible to the Board for ensuring that Board procedures are followed and that applicable rules and regulations are complied with. The Board and the Manager operate in a supportive, co-operative and open environment.

- *Bribery Act 2010*
  The Board has reviewed the implications of the Bribery Act 2010, which came into force on 1 July 2011 and confirmed its zero tolerance to bribery and corruption in its business activities. It has sought assurances from its main contractors and suppliers that they will maintain adequate safeguards to protect against any potentially illegal behaviour by their employees and agents.

h) Continued Appointment of the Manager

The Board considers the arrangements for the provision of investment management and other services to the Company on an ongoing basis. The principal contents of the agreement with the Manager are contained in the Directors' Report on page 12.

The Board reviews investment performance at each Board meeting and a formal review of the Manager is conducted annually. The Manager has extensive investment management resources and wide experience in managing and administering investment trust companies.

As a result of their annual review, it is the opinion of the Directors that the continued appointment of the current Manager, on the terms agreed, is in the interests of the Company's Shareholders as a whole.

i) Share capital and Shareholders

The Company's share capital comprises Ordinary shares and Subscription shares, with a nominal value of 1p each. The voting rights of the shares on a poll are one vote for every Ordinary share held; the Subscription shares do not carry voting rights. There are no restrictions on the transfer of the Company's Ordinary shares or voting rights, and there are no shares which carry specific rights with regard to the control of the Company.

The Company was launched with 41,500,000 Ordinary shares and 8,300,000 Subscription shares in issue. In the period since incorporation to 31 August 2012, 4,050,000 Ordinary shares were allotted. Since 31 August 2012 to the date of this report a further 527,500 Ordinary shares have been allotted.

- *Substantial share interests*
  As at 5 November 2012 the following had declared a notifiable interest in the Company's issued Ordinary share capital:

Shareholder	Number of shares held	Percentage of issued Ordinary share capital
Cheriot Asset Management	6,744,200	14.6%
Brewin Dolphin	6,515,688	14.1%
Investec Wealth & Investment	3,285,072	7.1%

This represents no significant change since the period end. The above percentages are calculated by applying the shareholdings as notified to the Company to the issued Ordinary share capital as at 5 November 2012 (shareholdings being the voting rights).

Directors' Report
continued

The Board is aware that, as at 31 August 2012, 5.9% of the issued Ordinary share capital was held on behalf of participants in the Halifax Share Dealing products. These participants are given the opportunity to exercise the voting rights appertaining to their shares in respect of all general meetings of the Company. The relevant nominee company has undertaken to instruct its nominee company to exercise the voting rights of any shares held through the products that they have not exercised by the individual participants in them. They will do so by voting for or against all resolutions to be put at all general meetings of the Company (or by withholding votes on such resolutions) pro rata to the aggregate voting instructions for each resolution received from those participants who have chosen to exercise their voting rights.

- *Relations with Shareholders*
  Shareholder relations are given high priority by both the Board and the Manager. The prime medium by which the Company communicates with Shareholders is through the Half Year Update and the Annual Report which aim to provide Shareholders with a clear understanding of the Company's activities and its results. This information is supplemented by the daily publication at the London Stock Exchange of the net asset value of the Company's Ordinary shares and a monthly fact sheet. At each Annual General Meeting ('AGM') a presentation is made by the Portfolio Manager following the formal business of the meeting.

  Shareholders have the opportunity to address questions to the Chairman and the Chairman of the Audit Committee at the AGM. All Shareholders are encouraged to attend the AGM. The Board endeavours to send the Annual Report and Financial Statements and Notice of the AGM to Shareholders so as to provide at least twenty working days' notice of the AGM. Shareholders wishing to lodge questions in advance of the AGM are invited to do so by writing to the Company Secretary at the registered office address. At other times the Company responds to letters from Shareholders on a range of issues. General presentations to both institutional shareholders and analysts follow the publication of the annual results. All meetings between the Manager and Shareholders are reported to the Board.

j) Corporate Responsibility

- *Responsible investment (SEE Statement)*
  Responsible Investment is the term Henderson uses to cover its work on corporate governance and corporate responsibility (or social, environmental and ethical (SEE) issues) in the companies in which it invests on its clients' behalf, across all funds. In May 2005 Henderson became a founding signatory to the United Nations Principles for Responsible Investment. The Principles, developed under the auspices of the UN Secretary-General, are a voluntary and aspirational framework for incorporating environmental, social and corporate governance (ESG) issues into mainstream investment decision-making and ownership practices. The way companies respond to sustainability and corporate responsibility can affect their business performance, both directly and indirectly. An investee company's policy on social responsibility and the environment is therefore considered as part of the investment risk decision.

- *Voting policy and the UK Stewardship Code*
  Henderson's Responsible Investment Policy sets out the Manager's approach to corporate governance and corporate responsibility for all the companies in which it invests on behalf of its clients, and its policy on proxy voting. The Policy also sets out how Henderson implements the Stewardship Code. The Company has delegated responsibility for voting to the Manager. The Board receives a report, at least annually, on the voting undertaken by the Manager on behalf of the Company.

  The Board and Henderson believe that voting at general meetings is an important aspect of corporate stewardship and a means of signalling shareholder views on board policy, practices and performance. Voting recommendations are guided by the best interests of the investee companies' shareholders. Depending on the nature of the resolution, the Portfolio Manager and/or members of the Board will give specific instructions on voting non-routine and unusual or controversial resolutions. Decisions not to support resolutions and the rationale therefore are fed back to the investee company prior to voting. The Henderson Responsible Investment Policy and further details of Henderson's responsible investment activities can be found on the Henderson website, www.henderson.com

- *Environmental matters*
  The Company's core activities are undertaken by Henderson, which has implemented environmental management practices, including systems to limit the use of non-renewable resources and to minimise the impact of operations on the environment, and is focused on reducing greenhouse gas emissions and minimising waste, where possible.

Directors' Report

continued

Annual General Meeting ('AGM')

The AGM will be held on Wednesday 12 December 2012 at 2.30pm at the Company's registered office. The formal notice of the AGM is set out in a separate document which has been sent to Shareholders with this Annual Report.

The Directors seek annual authority from the Shareholders to allot new shares, to disapply pre-emption rights and to buy back shares for cancellation or to be held in Treasury. At the AGM held in December 2011 the Directors were granted authority to allot 4,150,000 Ordinary shares and to buy back 6,220,850 Ordinary shares. At 31 August 2012, 2,982,500 Ordinary shares had been allotted and no Ordinary shares had been bought back from these authorities which will expire at the conclusion of the 2012 AGM. New authorities will therefore be sought at the 2012 AGM.

Independent Auditors

Grant Thornton UK LLP has indicated their willingness to continue in office. Accordingly, resolutions to re-appoint Grant Thornton UK LLP as auditor to the Company, and to authorise the Directors to determine their remuneration, will be proposed at the forthcoming AGM.

Directors' Statement as to Disclosure of Information to Auditors

All the Directors who were members of the Board at the time of approving this Report are listed on page 9. Each of those Directors confirms that:

- to the best of his knowledge and belief, there is no information relevant to the preparation of their report of which the Company's auditors are unaware; and
- he has taken all the steps a Director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditors are aware of that information.

By order of the Board

Tracey Lago, ACIS
For and on behalf of Henderson Secretarial Services Limited
Corporate Company Secretary

5 November 2012

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report, the Directors' Remuneration Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements respectively; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement under DTR 4.1.12

Each of the Directors, whose names and functions are listed on page 9 confirm that, to the best of their knowledge:

- the financial statements, which have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), give a true and fair view of the assets, liabilities, financial position and loss of the Company; and
- the Directors' Report in this Annual Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

For and on behalf of the Board

Christopher Jonas, CBE
Chairman
5 November 2012

The financial statements are published on the www.hendersoninternationalincometrust.com website, which is a website maintained by the Company's Manager, Henderson Global Investors Limited ('Henderson'). The maintenance and integrity of the website maintained by Henderson or any of its subsidiaries is, so far as it relates to the Company, the responsibility of Henderson. The work carried out by the auditors does not involve consideration of the maintenance and integrity of this website and, accordingly, the auditors accept no responsibility for any changes that have occurred to the financial statements since they were initially presented on the website. Visitors to the website need to be aware that legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Directors' Remuneration Report

Introduction

This report is submitted in accordance with sections 420-422 to the Companies Act 2006 (the 'Act'). The report also meets the relevant Listing Rules of the Financial Services Authority and describes how the Board has applied the principles relating to Directors' remuneration. As required by section 439 of the Act, a resolution to approve the report will be proposed at the AGM. The Company's auditors are required to report on certain information contained within this report. Where information set out below has been audited it is indicated as such.

Remuneration policy

All Directors are non-executive and a Remuneration Committee has not been established. The Board considers matters relating to Directors' remuneration as a whole. No advice or services were provided by any external person in respect of its consideration of the Directors' remuneration.

The Company's policy is that the fees payable to the Directors should reflect the time spent by the Board on the Company's affairs and the responsibilities borne by the Directors and be sufficient to enable candidates of high calibre to be recruited. The Chairman of the Board is paid a higher fee in recognition of his additional responsibilities, as is the Chairman of the Audit Committee. The policy is to review fee rates annually, although such review will not necessarily result in any change to the rates, and account is taken of fees paid to directors of other investment trust companies.

There are no long term incentive schemes provided by the Company and no performance fees are paid to Directors.

No Director has a service contract with the Company. There are no set notice periods and a Director may resign by notice in writing to the Board at any time.

Directors are remunerated in the form of fees, payable quarterly in arrears, to the Director personally. No other remuneration or compensation was paid or payable by the Company during the period to any of the current directors or third parties.

Directors' fees (Audited Information)

The Company's Articles of Association limit the fees payable to the Directors in aggregate to £500,000 per annum. The annual fees payable to the Directors are £35,000 for the Chairman, £25,000 for the Audit Committee Chairman and £20,000 for other Directors.

The fees payable by the Company in respect of each of the Directors who served during the period, having been appointed to the Board on 9 March 2011, were as follows:

Christopher Jonas[(1)]	**£51,805**
Peregrine Banbury	**£29,611**
Bill Eason	**£29,611**
Simon Jeffreys[(2)]	**£37,014**
TOTAL	**£148,041**

Notes:

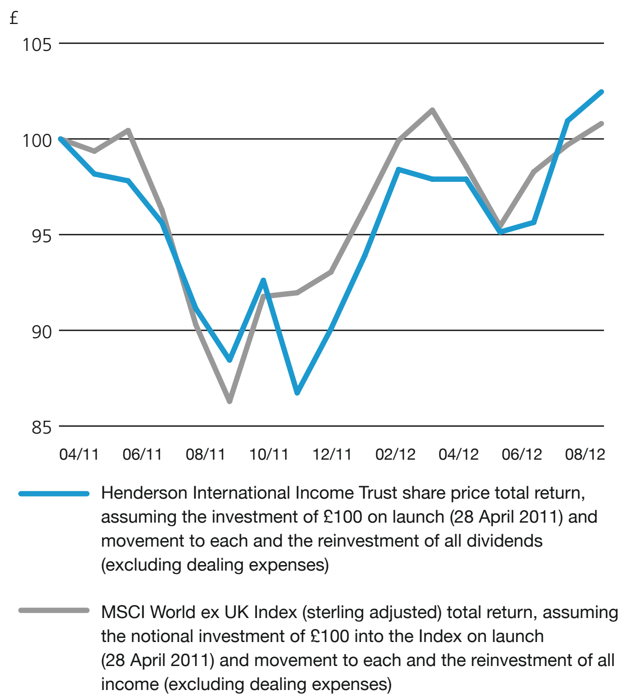
(1) Chairman of the Board.

(2) Chairman of the Audit Committee.

Christopher Jonas and Simon Jeffreys have been reimbursed expenses of £300 and £80 respectively during the period which related to costs incurred in respect of Board meeting attendance. No reimbursement was made to any other Director in this respect.

Performance Graph

A line graph, as required by the Act, showing the Company's share price total return compared to the Company's benchmark, the MSCI World ex UK Index (sterling adjusted), is shown below.



Source: FundData, Datastream

By order of the Board

Tracey Lago, ACIS
For and on behalf of
Henderson Secretarial Services Limited
Corporate Company Secretary

5 November 2012

Independent Auditors' Report

to the Members of Henderson International Income Trust plc

We have audited the financial statements of Henderson International Income Trust plc for the period ended 31 August 2012 which comprise the Income Statement, Reconciliation of Movements in Shareholders' Funds, Balance Sheet, Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities set out on page 20, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 August 2012 and of its profit for the period then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Under the Listing Rules, we are required to review:

- the Directors' Statement, set out on page 11, in relation to going concern;
- the part of the Corporate Governance Statement relating to the Company's compliance with the nine provisions of the UK Corporate Governance Code specified for our review; and
- certain elements of the report to the shareholders by the Board on directors' remuneration.

Julian Bartlett
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
LONDON

5 November 2012

Income Statement

for the period from incorporation (2 March 2011) to 31 August 2012

Notes		Revenue return £'000	Capital return £'000	Total £'000
2	Losses from investments held at fair value through profit or loss	–	(131)	(131)
3	Income from investments held at fair value through profit or loss	3,339	–	3,339
	Losses on foreign exchange	–	(495)	(495)
4	Option premium income and interest received	75	–	75
	Gross revenue and capital losses	3,414	(626)	2,788
5	Management fees	(109)	(327)	(436)
6	Other administrative expenses	(349)	–	(349)
	Net return/(loss) on ordinary activities before finance charges and taxation	2,956	(953)	2,003
7	Finance charges	(1)	(3)	(4)
	Net return/(loss) on ordinary activities before taxation	2,955	(956)	1,999
8	Taxation on net return/(loss) on ordinary activities	(344)	–	(344)
	Net return/(loss) on ordinary activities after taxation	2,611	(956)	1,655
9	**Basic and diluted return/(loss) per Ordinary share**	6.08p	(2.23)p	3.85p

The total column of this statement represents the Income Statement of the Company. The revenue return and capital return columns are supplementary to this and are prepared under guidance published by the Association of Investment Companies. All revenue and capital items derive from continuing operations. The Company had no recognised gains or losses other than those disclosed in the Income Statement.

The notes on pages 27 to 41 form part of these financial statements

Reconciliation of Movements in Shareholders' Funds

for the period from incorporation (2 March 2011) to 31 August 2012

Notes		Called up share capital £'000	Share premium account £'000	Other capital reserves £'000	Revenue reserve £'000	Total £'000
	At the start of the period	–	–	–	–	–
16	**Ordinary shares issued at launch**	415	41,002	–	–	41,417
	Subscription shares issued at launch	83	–	–	–	83
	Issue costs	–	(790)	–	–	(790)
		498	40,212	–	–	40,710
16	**Allotment of new Ordinary shares in the period**	41	3,820	–	–	3,861
	Issue costs	–	(44)	–	–	(44)
	Net (loss)/profit for the period	–	–	(956)	2,611	1,655
10	**Dividends paid**	–	–	–	(1,914)	(1,914)
	At 31 August 2012	539	43,988	(956)	697	44,268

The notes on pages 27 to 41 form part of these financial statements

Balance Sheet

at 31 August 2012

Notes		£'000
11	**Fixed asset investments held at fair value through profit or loss**	**43,997**
	Current assets	
12	Debtors	**981**
	Cash at bank	**162**
		1,143
13	**Creditors: amounts falling due within one year**	**(872)**
	Net current assets	**271**
	Total net assets	**44,268**
	Capital and reserves	
16	Called up share capital	**539**
17	Share premium account	**43,988**
18	Other capital reserves	**(956)**
18	Revenue reserve	**697**
	Total Shareholders' funds	**44,268**
14	**Net asset value per Ordinary share (basic and diluted)**	**97.2p**

The financial statements on pages 23 to 41 were approved and authorised for issue by the Board of Directors on 5 November 2012.

Christopher Jonas, CBE
Chairman

The notes on pages 27 to 41 form part of these financial statements

Cash Flow Statement

for the period ended 31 August 2012

Notes		£'000	£'000
19	**Net cash inflow from operating activities**		**2,234**
	Servicing of finance		
	Interest paid	**(4)**	
	Net cash outflow from servicing of finance		**(4)**
	Financial investment		
	Purchases of investments	**(60,526)**	
	Sales of investments	**16,235**	
	Net cash outflow from financial investment		**(44,291)**
	Equity dividends paid		**(1,914)**
	Net cash outflow before financing		**(43,975)**
	Financing		
	Proceeds from issue of Ordinary shares	**45,361**	
	Expenses paid in respect of shares issued	**(829)**	
	Net cash inflow from financing		**44,532**
	Increase in cash		**557**
	Reconciliation of net cash flow to movement in net funds		
20	Increase in cash as above		**557**
20	Exchange movements		**(555)**
20	**Net funds at 31 August**		**2**
	Represented by:		
	Cash at bank		**162**
	Bank overdraft		**(160)**
			2

The notes on pages 27 to 41 form part of these financial statements

Notes to the Financial Statements

The Company was incorporated on 2 March 2011 and the Ordinary and Subscription shares were listed on the London Stock Exchange on 28 April 2011. The financial statements relate to the period since incorporation to 31 August 2012.

1 Accounting policies

(a) Basis of accounting

The financial statements have been prepared on a going concern basis and under the historical cost basis of accounting, modified to include the revaluation of investments at fair value through profit or loss. The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom and with those parts of the Companies Act 2006 applicable to companies reporting under the standards and with the Statement of Recommended Practice ('SORP') for investment trusts issued by the Association of Investment Companies ('the AIC') in January 2009.

(b) Fixed asset investments and derivatives held at fair value through profit or loss

All investments are designated upon initial recognition as held at fair value through profit or loss. Assets are de-recognised at the trade date of the disposal. Proceeds are measured at fair value, which are regarded as the proceeds of sale less any transaction costs. The fair value of the financial instruments is based on their quoted bid price at the balance sheet date, without deduction of the estimated future selling costs.

Derivatives are measured at fair value based on market prices or at valuations based on market prices.

Changes in the fair value of investments held at fair value through profit or loss and gains and losses on disposal are recognised in the Income Statement as 'Gains or losses from investments held at fair value through profit or loss'. Also included within this caption are transaction costs in relation to the purchase or sale of investments, including the difference between the purchase price of an investment and its bid price at the date of purchase.

(c) Capital gains and losses

Capital gains and losses arising on investments sold and investments held, together with exchange differences arising on the translation of foreign currency assets and liabilities, are dealt with in capital reserves.

(d) Income

Dividends receivable (including overseas withholding taxes) from equity shares are taken to revenue return on an ex-dividend basis except where, in the opinion of the Directors, the dividend is capital in nature, in which case it is taken to the capital return. Bank deposit interest is taken to revenue on an accruals basis.

Option premium income is recognised as revenue over the life of the contract and included in the revenue column of the Income Statement unless the option has been written for the maintenance and enhancement of the Company's investment portfolio and represents an incidental part of a larger capital transaction, in which case any premiums arising are allocated to the capital column of the Income Statement.

(e) Derivative financial instruments

Derivative transactions which the Company may enter into comprise forward exchange contracts (the purpose of which is to hedge foreign currency exposure). The Company may also write options on shares represented in the portfolio where such options are priced attractively relative to the Investment Manager's expectations for the relevant share prices and to generate additional return for shareholders. The Company does not use derivative financial instruments for speculative purposes. The use of financial derivatives is governed by the Company's policies as approved by the Board.

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the Income Statement as they arise. If capital in nature, the associated change in value is presented as a capital item in the Income Statement.

Where options are written for the purpose of generating revenue, applicable premiums are recognised evenly over the life of the option and shown in the revenue return, with the appropriate amount shown as capital return such that the total return reflects the overall change in the fair value of the option.

Notes to the Financial Statements
continued

1 Accounting policies (continued)

(f) Expenses and finance charges

All expenses are accounted for on an accruals basis. Finance charges, including any premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in the Income Statement using the effective interest rate method. On the basis of the Board's expected long term split of returns in the form of capital gains and income of 75% and 25% respectively, the Company charges 75% of its finance charges and management fee to the capital return. Any performance fees payable are allocated wholly to capital, reflecting the fact that although they are calculated on a total return basis, they are expected to be attributable largely, if not wholly, to capital performance. All other expenses are charged to revenue return. All of these amounts are stated net of any tax relief and inclusive of any related irrecoverable value added tax.

(g) Taxation

The tax expense represents the sum of the current tax and deferred tax arising from the accounting period.

The current tax is based on the taxable profit for the period. Taxable profit differs from net profit as reported in the Income Statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that were applicable at the balance sheet date.

In line with the recommendations of the SORP, the allocation method used to calculate tax relief on expenses presented against capital returns in the supplementary information in the Income Statement is the 'marginal basis'. Under this basis, if taxable income is capable of being offset entirely by expenses presented in the revenue return column of the Income Statement, then no tax relief is transferred from the capital return column.

Deferred taxation is provided on all timing differences that have originated but not reversed by the balance sheet date. This is subject to deferred tax assets only being recognised if it is considered more likely than not that there will be suitable profits from which the future reversal of timing differences can be deducted. Any liability to deferred tax is provided at the average rate of tax expected to apply based on tax rates and laws that have been enacted or substantially enacted at the balance sheet date. Deferred tax assets and liabilities are not discounted to reflect the time value of money.

(h) Foreign currency

In accordance with FRS 23: 'The effects of changes in Foreign Exchange Rates' the Company is required to nominate a functional currency, being the currency in which the Company predominantly operates. The Board, having regard to the currency of the Company's share capital and the predominant currency in which its Shareholders operate, has determined the functional currency to be Sterling.

Transactions denominated in foreign currencies are converted at actual exchange rates as at the date of the transaction. Monetary assets and liabilities and equity investments held at fair value through profit or loss denominated in foreign currencies at the year end are translated at the rates of exchange prevailing at the year end.

Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in revenue return or capital return, depending on whether the gain or loss is of a revenue or capital nature.

(i) Dividends payable to Shareholders

Dividends payable to Shareholders are recognised in the financial statements when they are paid or, in the case of final dividends, when they are approved by Shareholders. Dividends are dealt with in the Reconciliation of Movements in Shareholders' Funds.

Notes to the Financial Statements

continued

1 Accounting policies (continued)

(j) Capital reserves

Capital reserve arising on investments sold

The following are accounted for in this reserve:

– expenses and finance costs charged to capital net of tax relief;

– gains and losses on the disposals of investments;

– realised foreign exchange differences of a capital nature; and

– costs of repurchasing Ordinary share capital.

Capital reserve arising on investments held

The following are accounted for in this reserve:

– increases and decreases in the valuation of investments held at the year end; and

– unrealised foreign exchange differences of a capital nature.

2 Losses from investments held at fair value through profit or loss	**£'000**
Losses on investments sold in the year	**(1,341)**
Revaluation of investments held at 31 August	**1,210**
	(131)

3 Income from investments held at fair value through profit or loss	**£'000**
Overseas dividend income	**3,339**

4 Option premium income and interest received	**£'000**
Deposit interest	**1**
Option premium income	**74**
	75

5 Management fees	**Revenue return £'000**	**Capital return £'000**	**Total £'000**
Management fee	**109**	**327**	**436**

No performance fee was due in respect of the period ended 31 August 2012.

A summary of the terms of the management agreement is given in the Directors' Report on page 12.

Notes to the Financial Statements
continued

6	**Other administrative expenses (including irrecoverable VAT)**	**£'000**
	Directors' fees (see the Directors' Remuneration Report on page 21)	**148**
	Auditors' remuneration – for audit services relating to the period end audit	**22**
	Auditors' remuneration – other audit services relating to the initial accounts of the Company	**18**
	Other administrative expenses	**161**
		349

In addition, the auditors were paid £21,000 for other services in relation to the IPO Listing which were part of the issue expenses.

7	**Finance charges**	**Revenue return £'000**	**Capital return £'000**	**Total £'000**
	Bank interest	**1**	**3**	**4**

8 Taxation

(a)	**Analysis of charge in the period**	**Revenue return £'000**	**Capital return £'000**	**Total £'000**
	Foreign withholding taxes	**383**	**–**	**383**
	Overseas tax reclaimable	**(39)**	**–**	**(39)**
	Current tax charge for the period (see note 8(b))	**344**	**–**	**344**

(b) The tax assessed for the period is lower than the standard rate of corporation tax in the UK of 25.38%. The differences are explained below:

Factors affecting the tax charge for the period	**Revenue return £'000**	**Capital return £'000**	**Total £'000**
Net return/(loss) on ordinary activities before taxation	**2,955**	**(956)**	**1,999**
Corporation tax at 25.38%	**750**	**(243)**	**507**
Effects of:			
Non-taxable gains less losses on investments held at fair value through profit or loss and foreign exchange	**–**	**159**	**159**
Non-taxable overseas dividends	**(817)**	**–**	**(817)**
Overseas tax	**344**	**–**	**344**
Unutilised loan relationships	**3**	**–**	**3**
Expenses charged to capital available to be utilised	**(84)**	**84**	**–**
Excess management expenses	**148**	**–**	**148**
Current tax charge	**344**	**–**	**344**

Notes to the Financial Statements

continued

8 Taxation (continued)

(c) Deferred tax

The Company has unrecognised deferred tax assets of £142,000 at 31 August 2012 arising as a result of excess management expenses and loan relationship deficits. These expenses will only be utilised if the Company has profits chargeable to corporation tax in the future.

Due to its status as an investment trust, the Company is exempt from tax on capital gains or losses on the revaluation or disposal of investments.

9 Return per Ordinary share

The total return per Ordinary share is based on the net return attributable to the Ordinary shares of £1,655,000 and on 42,947,148 Ordinary shares being the weighted average number of Ordinary shares in issue during the period. The total return can be further analysed as follows:

	£'000
Revenue return	**2,611**
Capital loss	**(956)**
Total return	**1,655**
Weighted average number of Ordinary shares	**42,947,148**
Revenue return per Ordinary share	**6.08p**
Capital loss per Ordinary share	**(2.23)p**
Total return per Ordinary share	**3.85p**

At 31 August 2012 the Subscription shares were not dilutive.

10 Dividends on Ordinary shares for the period ended 31 August 2012

	Record date	Payment date	Ex-dividend date	£'000
1st interim dividend – 0.6p	12 August 2011	31 August 2011	10 August 2011	**249**
2nd interim dividend – 0.8p	11 November 2011	30 November 2011	9 November 2011	**332**
3rd interim dividend – 1.0p	3 February 2012	29 February 2012	1 February 2012	**431**
4th interim dividend – 1.0p	11 May 2012	31 May 2012	9 May 2012	**449**
5th interim dividend – 1.0p	3 August 2012	31 August 2012	1 August 2012	**453**
				1,914

Notes to the Financial Statements

continued

10 Dividends on Ordinary shares (continued)

The total dividends payable in respect of the financial period which form the basis of section 1158 of the Corporation Tax Act 2010 are set out below:

	£'000
Revenue available for distribution by way of dividend for the period	**2,611**
Interim dividends of 4.4p paid	**(1,914)**
Interim dividend for the period ended 31 August 2012 of 1.0p (based on 46,077,500 Ordinary shares in issue at 5 November 2012)	**(461)**
Undistributed revenue for section 1158 purposes*	**236**

*Undistributed revenue comprises 7.1% of the income from investments of £3,339,000 (see note 3).

11 Fixed asset investments and derivatives

	Listed Investments £'000	Derivatives – Options* £'000	Total £'000
Purchases at cost	60,955	–	**60,955**
Sales at cost	(18,224)	(6)	**(18,230)**
Cost of investments at 31 August 2012	42,731	(6)	**42,725**
Investment holding gains/(losses) at 31 August 2012	1,266	(56)	**1,210**
Valuation at 31 August 2012	**43,997**	**(62)**	**43,935**

*The total value of the call options is shown as a creditor.

Total transaction costs amounted to £91,000 of which purchase transaction costs for the period ended 31 August 2012 were £63,000 and comprise mainly brokers' commissions. Sale transaction costs for the period ended 31 August 2012 were £28,000.

12 Debtors

	£'000
Sales for future settlement	**654**
Withholding tax recoverable	**39**
Prepayments and accrued income	**154**
VAT recoverable	**74**
Fair value of foreign exchange contracts	**60**
	981

Notes to the Financial Statements

continued

13	**Creditors: amounts falling due within one year**	**£'000**
	Purchases for future settlement	**429**
	Management fee	**145**
	Bank overdraft	**160**
	Derivative financial instruments – options	**62**
	Issue costs payable	**5**
	Other creditors	**71**
		872

14 Net asset value per Ordinary share

The net asset value per Ordinary share of 97.2p is based on the net assets attributable to Ordinary shares of £44,268,000 and on 45,550,000 Ordinary shares in issue at 31 August 2012.

The Subscription shares were not dilutive at 31 August 2012, therefore, the basic and diluted net asset values are the same.

The movements during the period of the assets attributable to the Ordinary shares were as follows:

	£'000
Total net return on ordinary activities after taxation	**1,655**
Dividends paid on Ordinary shares in the year	**(1,914)**
Issue of Ordinary shares less issue costs	**44,527**
Total net assets attributable to the Ordinary shares at 31 August	**44,268**

15 Risk management policies and procedures

As an investment trust company the Company invests in equities and other investments for the long term so as to secure its investment objectives as stated on the inside front cover and in the Directors' Report. In pursuing its investment objective, the Company is exposed to a variety of financial risks that could result in either a reduction in the Company's net assets or a reduction in the profits available for distribution by way of dividends.

These financial risks, market risk (comprising currency risk, interest rate risk and other price risk), liquidity risk and credit risk, and the Directors' approach to the management of these risks, are set out below. The Board of Directors and the Manager coordinate the Company's risk management.

The Board determines the objectives, policies and processes for managing the risks, and these are set out below under the relevant risk category. The policies for the management of risk have not changed since incorporation.

The Company has a spread of investments which by their nature are less risky than placing the entire amount of the Company's assets on one investment. By their nature, equity investments can be higher risk than some other investments but the longer term return can be positive. Performance of equities has been and is likely to continue to be volatile over shorter periods.

Notes to the Financial Statements
continued

15 Risk management policies and procedures (continued)

15.1 Market risk

The fair value of a financial instrument held by the Company may fluctuate due to changes in market prices. Market risk comprises other price risk (see note 15.1.1), currency risk (see note 15.1.2) and interest rate risk (see note 15.1.3). The Manager assesses the exposure to market risk when making each investment decision, and monitors the overall level of market risk on the whole of the investment portfolio on an ongoing basis.

15.1.1 Other price risk

Other price risks (changes in market prices other than those arising from interest rate risk or currency risk) may affect the value of the investments.

Management of the risk

The Board of Directors manages the risks inherent in the investment portfolio by ensuring that the portfolio is diversified and through full and timely reporting of relevant information from the Manager. Investment performance is reviewed at each Board meeting. The Board monitors the Portfolio Manager's compliance with the Company's objectives, and is directly responsible for investment strategy, asset allocation and diversification.

Options and forward currency contracts may be used to limit exposure which might adversely affect the value of the portfolio of investments.

The Company's exposure to other changes in market prices at 31 August 2012 on its investments held at fair value through profit or loss was £43,997,000.

Concentration of exposure to other price risks

An analysis of the Company's investment portfolio is shown on page 8. There is a concentration of exposure to Continental Europe, Far East, Australasia and the USA, though it is recognised that an investment's country of domicile or of listing does not necessarily equate to its exposure to the economic conditions in that country.

Other price risk sensitivity

The following table illustrates the sensitivity of the return after taxation for the period, and the equity, to an increase or decrease of 20% in the fair values of the Company's investments. This level of change is considered to be possible based on observation of current market conditions. The sensitivity analysis is based on the Company's equities at the balance sheet date, with all other variables held constant.

	Increase in fair value £'000	Decrease in fair value £'000
Income statement – return after tax		
Revenue return	**(18)**	**18**
Capital return	**8,735**	**(8,735)**
Total return after tax for the period	**8,717**	**(8,717)**
Impact on net assets	**8,717**	**(8,717)**

Notes to the Financial Statements

continued

15 Risk management policies and procedures (continued)

15.1.2 Currency risk

Most of the Company's assets, liabilities, income and expenses are denominated in currencies other than Sterling (the Company's functional currency, and presentational currency). As a result, movements in exchange rates may affect the Sterling value of those items.

Management of the risk

The Manager monitors the Company's exposure to foreign currencies on a daily basis and reports to the Board at each Board meeting. The Manager measures the risk to the Company of the foreign currency exposure by considering the effect on the Company's net asset value and total return of a movement in the exchange rate to which the Company's assets, liabilities, income and expenses are exposed.

Foreign currency borrowings may be used to hedge the Company's exposure to future changes in exchange rates which might otherwise adversely affect the value of the portfolio of investments. These borrowings are limited by the Board to 20% of net asset value.

Investment income denominated in foreign currencies is converted into Sterling on receipt. The Company does not use financial instruments to mitigate the currency exposure in the period between the time that income is included in the financial statements and its receipt.

Foreign currency exposure

The carrying values of the Company's monetary items that have foreign currency exposure at 31 August 2012 are shown below. Where the Company's equity investments, which are not monetary items, are denominated in a foreign currency, they have been included separately in the analysis so as to show the overall level of exposure.

Foreign currency exposure and sensitivity

Currency	Current assets £'000	Current liabilities £'000	Equity investments £'000
Australian Dollar	**118**	**(2,693)**	**3,262**
Euro	**191**	**(62)**	**9,445**
Hong Kong Dollar	**–**	**–**	**3,745**
Norwegian Krona	**3**	**–**	**1,582**
US Dollar	**43**	**–**	**19,411**
Other (non Sterling)	**697**	**(429)**	**6,552**
	1,052	**(3,184)**	**43,997**

The above amounts are not necessarily representative of the exposure to risk during the period as levels of monetary foreign currency exposure may change significantly throughout the period.

Foreign currency sensitivity

The following table illustrates the sensitivity of the total return after tax for the period and the net assets with regard to movements in the Company's foreign currency financial assets and financial liabilities caused by changes in the exchange rates.

Notes to the Financial Statements

continued

15 Risk management policies and procedures (continued)

It assumes that all exchange rates move by +/- 10% against Sterling:

This percentage is deemed reasonable based on the average market volatility in exchange rates in the period. The sensitivity analysis is based on the Company's foreign currency financial assets and financial liabilities held at the balance sheet date.

If Sterling had depreciated against the currencies shown the impact on the total return and net assets would have been as follows:

Impact on total returns	Australian Dollar £'000	Euro £'000	Hong Kong Dollar £'000	Norwegian Krona £'000	US Dollar £'000	Other £'000	Total £'000
Revenue return	33	101	10	6	69	90	309
Capital return	360	1,055	414	175	2,144	723	4,871
Change in total return after taxation for the period and shareholders' funds	393	1,156	424	181	2,213	813	5,180

If Sterling had appreciated against the currencies shown, this would have had the following effect:

Impact on total returns	Australian Dollar £'000	Euro £'000	Hong Kong Dollar £'000	Norwegian Krona £'000	US Dollar £'000	Other £'000	Total £'000
Revenue return	(27)	(82)	(8)	(5)	(56)	(75)	(253)
Capital return	(295)	(863)	(338)	(143)	(1,754)	(592)	(3,985)
Change in total return after taxation for the period and shareholders' funds	(322)	(945)	(346)	(148)	(1,810)	(667)	(4,238)

In the opinion of the Directors, the above sensitivity analyses are not necessarily representative of the period as a whole, since the level of exposure changes frequently as part of the currency risk management process used to meet the Company's objectives.

15.1.3 Interest rate risk

The Company had an overdraft of £160,000 at HSBC at 31 August 2012.

Management of the risk

The majority of the Company's financial assets are non-interest bearing. As a result, the Company's financial assets are not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates.

Notes to the Financial Statements
continued

15 Risk management policies and procedures (continued)

Interest rate exposure

The exposure at 31 August of financial assets and financial liabilities to floating interest rates is shown below:

	Total (within one year) £'000
Exposure to floating interest rates:	
Net cash at bank	**2**

At 31 August 2012 there was an overdraft at HSBC Bank plc of £160,000 and a margin cash balance of £162,000 at UBS.

Interest rate sensitivity

The Company utilised its multi-currency overdraft facility and therefore was exposed to interest rate risk.

15.2 Liquidity risk

This is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities.

Management of the risk

Liquidity risk is not significant as the majority of the Company's assets are investments in quoted securities that are readily realisable. The Company had available a multi-currency overdraft facility with HSBC Bank plc of the lesser of £25 million or 20% of custody assets.

The Board gives guidance to the Portfolio Manager as to the maximum amount of the Company's resources that should be invested in any one company. The policy is that the Company should generally remain fully invested and that short term borrowings be used to manage short term cash requirements.

Liquidity risk exposure

The contractual maturities of the financial liabilities at 31 August, based on the earliest date on which payment can be required were as follows:

	Due within one month £'000
Other creditors and accruals	**650**
Derivative financial instruments	**62**
Bank overdraft	**160**
	872

Notes to the Financial Statements
continued

15 Risk management policies and procedures (continued)

15.3 Credit risk

The failure of the counterparty to a transaction to discharge its obligations under that transaction could result in the Company suffering a loss.

Management of the risk

Credit risk is managed as follows:

- investment transactions may be carried out with a large number of approved brokers, whose credit standard is reviewed periodically by the Manager, and limits are set on the amount that may be due from any one broker.
- cash at bank is held only with banks considered to be credit worthy and is subject to continual review.

None of the Company's financial assets or liabilities are secured by collateral or other credit enhancements.

15.4 Fair values of financial assets and financial liabilities

Financial assets and financial liabilities are either carried in the balance sheet at their fair value (investments) or the balance sheet amount is a reasonable approximation of fair value due to their short term to maturity (amounts due from brokers, dividends and interest receivable and amounts due to brokers, accruals, cash at bank and bank overdrafts).

15.5 Fair value hierarchy disclosures

The table below sets out fair value measurements using the FRS 29 fair value hierarchy.

Financial assets at fair value through profit or loss at 31 August 2012	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equity investments	**43,997**	**–**	**–**	**43,997**
Derivative financial instruments – options	**–**	**(62)**	**–**	**(62)**
Forward foreign exchange contracts	**–**	**60**	**–**	**60**

Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to thefair value measurement of the relevant asset as follows:

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; and

Level 3 – valued by reference to valuation techniques using inputs that are not based on observable market data.

Notes to the Financial Statements

continued

15 Risk management policies and procedures (continued)

15.6 Capital management policies and procedures

The Company's capital management objectives are:

– to ensure that it will be able to continue as a going concern; and
– to maximise the income and capital return to its equity shareholders

through an appropriate balance of equity capital and debt.

The Company's capital at 31 August 2012 comprised its equity share capital, Subscription shares and reserves that are shown in the balance sheet at a total of £44,268,000.

The Board, with the assistance of the Manager, monitors and reviews the broad structure of the Company's capital on an ongoing basis. This review includes:

– the need for new issues of equity shares;
– the need to buy back equity shares for cancellation, which takes account of the difference between the net asset value per share and the share price (the level of share price discount or premium); and
– the extent to which revenue in excess of that which is required to be distributed should be retained.

The Company's objectives, policies and processes for managing capital are unchanged since incorporation.

The Company is subject to additional externally imposed capital requirements:

– As a public company, the Company has a minimum issued share capital of £50,000; and
– In order to be able to pay dividends out of profits available for distribution by way of dividends, the Company has to be able to meet one of the two capital restriction tests imposed on investment companies by law.

These requirements are unchanged since incorporation, and the Company has complied with them.

16 Called up share capital	**Number of shares**	**Number of shares entitled to dividend**	**£'000**
Ordinary shares of 1p each			
Issued at the start of the period	41,500,000	41,500,000	415
Allotment of new shares in the period	4,050,000	4,050,000	41
At 31 August 2012	**45,550,000**	**45,550,000**	**456**
Subscription shares of 1p each			
Issued at the start of the period	8,300,000	–	83
At 31 August 2012	**8,300,000**	**–**	**83**

The Company was incorporated on 2 March 2011 and was admitted to trading on the London Stock Exchange on 28 April 2011 with an initial capital of £498,000 divided into 41,500,000 Ordinary shares of 1p each and 8,300,000 Subscription shares of 1p each which were all issued and fully paid.

During the period 4,050,000 new Ordinary shares were allotted for a total value of £3,861,000 (before expenses). Since the period end a further 527,500 Ordinary shares have been allotted for a total value of £531,000 (before expenses).

Notes to the Financial Statements

continued

16 Called up share capital (continued)

The Company issued Subscription shares to all subscribers on the basis of one Subscription share for every five Ordinary shares subscribed. Each Subscription share confers the right to subscribe for one Ordinary share on payment of the subscription price of 100p. Notice to exercise the Subscription Rights may be given by Subscription Shareholders during the 30 days prior to the Subscription Date of 31 August 2014 after which the Subscription Rights will lapse.

17 Share premium account

	£'000
At the start of the period	–
Ordinary and Subscription shares issued at launch	**41,002**
Ordinary shares allotted subsequently	**3,820**
Issue costs	**(834)**
At 31 August 2012	**43,988**

18 Reserves

	Capital reserve arising on investments sold £'000	Capital reserve arising on investments held £'000	Total capital reserves £'000	Revenue reserve £'000
At the start of the period	–	–	**–**	**–**
Net movement on investments held at fair value through profit or loss	(1,341)	1,210	**(131)**	**–**
Net movement on foreign exchange	(555)	60	**(495)**	**–**
Expenses and finance costs charged to capital	(330)	–	**(330)**	**–**
Net revenue return after taxation for the period	–	–	**–**	**2,611**
Interim dividends for the period ended 31 August 2012	–	–	**–**	**(1,914)**
At 31 August 2012	**(2,226)**	**1,270**	**(956)**	**697**

19 Reconciliation of operating revenue to net cash inflow from operating activities

	£'000
Net return before finance charges and taxation	**2,003**
Capital loss before finance charges and taxation	**953**
Revenue return before finance charges and taxation	**2,956**
Increase in creditors	**216**
Increase in debtors	**(228)**
Tax on unfranked investment income deducted at source	**(383)**
Expenses allocated to capital	**(327)**
Net cash inflow from operating activities	**2,234**

Notes to the Financial Statements

continued

20 Analysis of changes in net funds	Cashflow £'000	Exchange movements £'000	**Total £'000**
Net cash at bank	557	(555)	**2**

At 31 August 2012 there was an overdraft at HSBC Bank plc of £160,000 and a margin cash balance of £162,000 at UBS.

21 Transactions with the management company

Under the terms of an agreement dated 15 March 2011, the Company appointed a wholly owned subsidiary company of Henderson Global Investors (Holdings) plc ('Henderson') to provide investment management, accounting, company secretarial and administrative services. Henderson has contracted with BNP Paribas Securities Services to provide accounting and administration services.

Details of the management fee arrangements for these services are given in the Directors' Report on page 12. The total of the fees paid or payable under this agreement to Henderson in respect of the period ended 31 August 2012 was £436,000, of which £145,000 (per note 13) was outstanding at 31 August 2012.

No performance fee is due for the period under review.

In addition to the above services, Henderson has provided the Company with marketing services during the period. The total fees, excluding VAT paid or payable for these services for the period ended 31 August 2012 amounted to £14,000 of which £2,000 was outstanding at 31 August 2012. For the twelve months ending 31 December 2012, Henderson was paid £20,000 for ISA marketing of which there was a prepayment of £7,000.

Glossary of Terms

AIC – Association of Investment Companies
The trade body representing a broad range of closed-ended investment companies, incorporating investment trusts, offshore investment companies and venture capital trusts which are traded on the London Stock Exchange, AIM, SFM, Euronext and the Channel Islands Stock Exchange. The AIC's work focuses on the following five areas: Public affairs and lobbying; Technical advice and guidance; Support services for Directors; Communication and media relations; and Website and statistics.

AIC Sector
A grouping of members by reference to the investment policy, type and location of underlying investments.

The Company is listed within the Global Growth & Income sector which incorporates companies whose objective is to produce a total return to shareholders from capital and dividend growth and diversify their investments across various geographic areas.

Benchmark
A measure against which the performance of an investment company is compared or against which it sets its objective.

The Company is measured against the MSCI World ex UK Index (sterling adjusted).

Corporation tax
The tax a company may have to pay on its profits for a year. Investment trust companies are exempt from corporation tax on their capital gains and also do not pay tax on any UK dividends. As they can also offset expenses against any taxable income, most investment trusts do not pay corporation tax and are therefore very tax efficient.

Crest
The system introduced in July 1996 by the securities industry through which transactions in securities are 'settled' by the payment of cash or by the delivery of securities against payment.

Dividend
The income receivable from an investment in equity shares.

Dividend yield
The yield indicates the percentage level of annual income return on the share in relation to its current price. A dividend yield can give you an indication of the level of income you might receive. However, actual or future dividends may be higher or lower than indicated by the current dividend yield depending on the performance of the company.

Ex-Dividend
When a dividend is announced by a company it is based upon a 'record date'. In order to ensure a fair market in trading on the London Stock Exchange and 'ex' date is set two days before the record date; before the ex date all trading includes the benefit due from the announced dividend, after the ex date the benefit will remain with the holder of the shares on the record date.

Gearing
Gearing reflects the level of borrowings (i.e. bank loans or overdraft facilities) the company has used for investment purposes in the expectation that the returns on the investments purchased using the borrowings exceeds the costs of those borrowings. For example a figure of 115 means the company is 15% geared and indicates the extra amount by which the shareholders' funds would rise or fall if the total assets were to rise or fall. A figure of 100 means there is no gearing.

Investment company
A closed-ended fund which invests primarily in a diversified portfolio of the shares and securities of other companies.

Investment trust
A publicly quoted investment company which satisfies the requirements of Section 1158 of Corporation Tax Act 2010. Investment trusts are exempt from having to pay tax on the capital gains they realise from sales of the investments within their own portfolios.

Issued capital
The total number of shares subscribed to by the shareholders.

Glossary of Terms

continued

Management fee
The charge levied by an external investment manager for the management of a company. It is usually charged annually, and may consist of a fixed fee and/or a performance related fee.

Market capitalisation
The stock market value of a company as determined by multiplying the number of shares in issue by the market price of the shares.

NAV – Net Asset Value
The NAV is the available shareholders' funds (investments and cash less liabilities) divided by the number of shares in issue. The NAV is published daily.

NAV capital return performance
A simple measure of NAV at the end of the period compared with NAV at the beginning of the period.

NAV total return performance
Assumes dividends are reinvested at NAV at the time the shares were quoted ex-dividend, a measure of investment management performance of the company which is not affected by movements in discounts/premiums.

Official List
A list of securities maintained by the UK Listing Authority. The Official List includes all securities that are approved for trading in the UK.

Ongoing Charges
Ongoing Charges represent the drag on performance caused by all annual operating costs (including administration, management and audit fees). Previously represented by a Total Expense Ratio.

Ordinary shares
The main type of equity capital issued by conventional investment companies; investors are entitled to their share of both income and any capital growth.

Portfolio yield
The portfolio yield, represents the expected revenue, over the next twelve months from the appropriate month-end, as a percentage of the total assets at the appropriate month end.

Premium/Discount
The amount by which the market price of a share is higher then the NAV per share – premium; or the amount by which the market price of a share is lower than the NAV per share – discount.

Reinvestment of dividends
The process of reinvesting dividends by buying additional shares in the investment company.

Subscription shares
A form of traded option which gives the holder the right, but not the obligation to subscribe for Ordinary shares in the company at some time in the future at a fixed price.

Total assets
The total value of all assets held, less current liabilities, before deducting prior charges, including listed investments at their fair value price and unlisted investments at directors' valuation.

Warning to Shareholders

Shareholders should be wary of unsolicited telephone calls or correspondence concerning the Company and offering investment advice, offers to buy shares at a discount or free company reports.

It is extremely unlikely that Henderson International Income Trust plc, its Manager (Henderson Global Investors) or its Registrar (Computershare Investor Services) would make unsolicited telephone calls to Shareholders. In the event that the Company or its advisers did make unsolicited calls, Shareholders would never be asked to confirm their personal details and such calls would relate only to official documentation already circulated to Shareholders and never be in respect of offering investment advice, or unpublished investment or financial information regarding the Company.

If you are in any doubt about the veracity of an unsolicited phone call, please call or email the Company Secretary on the details provided on page 44.

Investor Information

Directors
Christopher Jonas, CBE (Chairman)
Peregrine Banbury, CVO
William (Bill) Eason
Simon Jeffreys

Manager
Henderson Global Investors Limited,
represented by Ben Lofthouse

Henderson Global Investors Limited is authorised and regulated by the Financial Services Authority

Company Secretary
Henderson Secretarial Services Limited,
represented by Tracey Lago, ACIS

Telephone: 020 7818 7818
Email: ITSecretariat@henderson.com

Company Incorporation
Incorporated on 2 March 2011
Listed on the LSE 28 April 2011

Registered Office
Henderson Global Investors Limited
201 Bishopsgate
London EC2M 3AE

Registered Number
Registered in England and Wales as an investment company, No. 7549407

Independent Auditors
Grant Thornton UK LLP
30 Finsbury Square
London EC2P 2YU

Legal Advisers
Stephenson Harwood LLP
1 Finsbury Circus
London EC2M 7SH

Custodian and Bankers
HSBC Bank plc
8 Canada Square
London E14 5HQ

Registrar
Computershare Investors Services PLC
The Pavilions
Bridgwater Road
Bristol BS99 6ZZ
Telephone: 0870 707 4033
Email: web.queries@computershare.co.uk

Investors with share certificates (i.e. not those in a share plan or ISA) can check their holdings at www.computershare.com

Halifax Share Dealing Limited
Lovell Park Road
Leeds LS1 1NS
Telephone: 0845 609 0408
Email: communications@halifax.co.uk
www.halifax.co.uk

Henderson ISA
ISA Department
Henderson Global Investors
PO Box 10665
Chelmsford CH99 2BF
Telephone: 0800 856 5656

Share Identification Codes

Ordinary shares
ISIN: GB00B3PHCS86
SEDOL: B3PHCS8
EPIC: HINT

Subscription shares
ISIN: GB00B511KX90
SEDOL: B511KX9
EPIC: HINS

London Stock Exchange
LISTED
PREMIUM

aic
The Association of Investment Companies

Investor Information

continued

Release of Results

Half year results are announced in April. Full year results are announced in late October or early November.

Shareholder Details

Shareholders who hold their shares in certificated form can check their shareholding with the Registrar, Computershare Investor Services PLC, via **www.computershare.com**.

BACS

Dividends and interest can be paid to Shareholders by means of BACS (Bankers' Automated Clearing Services); mandate forms for this purpose are available from the Registrar. Alternatively, Shareholders can write to the Registrar (the address is given on page 44) to give their instructions; these must include the bank account number, the bank account title and the sort code of the bank to which payments are to be made.

Nominee Share Code

Where notification has been provided in advance, the Company will arrange for copies of Shareholder communications to be provided to the operators of nominee accounts. Nominee investors may attend general meetings and speak at them when invited to do so by the Chairman.

Investors in Halifax Share Dealing Limited products and Henderson ISAs receive all Shareholder communications. A voting instruction form is provided to facilitate voting at general meetings of the Company.

Disability Act

Copies of this Report and other documents issued by the Company are available from the Company Secretary. If needed, copies can be made available in a variety of formats, including Braille or larger type as appropriate.

You can contact the Registrar, Computershare Investor Services PLC, which has installed textphones to allow speech and hearing impaired people who have their own textphone to contact them directly, without the need for an intermediate operator by dialling 0870 702 0005. Specially trained operators are available during normal business hours to answer queries via this service.

Alternatively, if you prefer to go through a 'typetalk' operator (provided by the Royal National Institute for Deaf People) dial 18001 followed by the number you wish to dial.

Share Price Listing

The market price of the Company's Ordinary shares is published daily in 'The Financial Times' which also shows figures for the estimated NAV and the discount.
The Company's NAV is published daily. Both the Ordinary and Subscription share prices are available on the London Stock Exchange website.

Keeping up to date with Henderson International Income Trust plc

Website

For more information about Henderson International Income Trust plc, including the Ordinary and Subscription share prices, visit the website at **www.hendersoninternationalincometrust.com**

HGi

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