

HENDERSON EUROTRUST PLC

HALF YEAR REPORT (unaudited) for the six months ended 31 January 2013

21 March 2013

HENDERSON EUROTRUST PLC
Unaudited Results for the half year ended 31 January 2013

Financial Highlights

	(Unaudited) Half year ended 31 January 2013	(Unaudited) Half year ended 31 January 2012	(Audited) Year ended 31 July 2012
Net asset value per ordinary share	690.2p	570.1p	580.2p
Revenue return per ordinary share	0.5p	0.2p	17.0p
Dividends per ordinary share	5.0p	5.0p	16.5p
Price per ordinary share	640.5p	495.3p	506.2p
Discount	7.2%	13.1%	12.7%

Total Return Performance (base 100)

	6 months	1 year	3 years	5 years
Net assets per ordinary share	121.20	124.46	139.63	148.79
Average Continental European investment trust*	122.06	127.04	138.50	138.72
FTSE World Europe (ex UK) Index (‘the benchmark index’)	124.59	123.59	123.25	119.19

Source: Morningstar and AIC

* Arithmetic average net asset value total return for the Europe sector.

Total return is the return on the share price or NAV taking into account both the rise and fall of share prices and dividends paid to shareholders. Dividends received are assumed to have been reinvested.

HENDERSON EUROTRUST PLC
Unaudited Results for the half year ended 31 January 2013

Interim Management Report
Chairman's Statement
Half year ended 31 January 2013

Long-standing investment trust investors will be aware that their returns are influenced by a number of factors. Unusually, during the six month period from the end of our fiscal year, last July, almost all of them have had a positive effect: markets have risen, and we have been modestly geared; the share price discount to net asset value has narrowed, and currency effects have further enhanced returns for sterling-based investors. These four effects have been off-set by some underperformance relative to the benchmark index, which our manager, Tim Stevenson, discusses below.

The recovery in European equity markets began in earnest when Mario Draghi, the European Central Bank president, warned markets in a speech in London not to underestimate the political will to maintain the Eurozone in its current form. At the same time, and perhaps more importantly, the ECB acknowledged that cross-border interbank lending had collapsed and that this private market function had to be replaced by official, non-private, sources.

We must recognise of course that many of the circumstances that so depressed European share prices in mid-2012 persist. Electorates are responding negatively to continued austerity – the recent Italian results are an example, while structural reforms to labour and other markets are taking a long time to take effect.

Your Company however does not invest in countries; it invests in companies, and these companies more often than not sell their products and services around the globe. This is evident from the list of our largest twenty holdings; for many of them, even a small rise in the spending power of a few large economies such as the US and China will on average more than outweigh any decline in Eurozone spending power. Thus while cognisant of the risks we enumerate below, our holdings are likely to benefit over the long term from economic growth wherever it occurs.

Finally, the regulatory environment in which your Company operates is changing with developments at both the UK and European level. Your Board is monitoring these changes carefully with a view to achieving the best possible outcome in terms of the total expenses borne by shareholders.

Mark Tapley
Chairman
21 March 2013

HENDERSON EUROTRUST PLC
Unaudited Results for the half year ended 31 January 2013

Principal Risks and Uncertainties

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

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

Information on these risks and how they are managed is given in the Report and Financial Statements for the year ended 31 July 2012. In the view of the Board these principal risks and uncertainties were unchanged over the last six months and are as applicable to the remaining six months of the financial year as they were to the six months under review.

Related Party Transactions

During the first six months of the current financial year, no transactions with related parties have taken place which have materially affected the financial position or performance of the Company during the period. Details of related party transactions are contained in the Report and Financial Statements for the year ended 31 July 2012.

Directors' Responsibility Statement

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

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

For and on behalf of the Board

Mark Tapley

Chairman

21 March 2013

HENDERSON EUROTRUST PLC
Unaudited Results for the half year ended 31 January 2013

Portfolio Manager's Commentary

European markets have had a good six months, and returns have been enhanced by a near 10% decline in Sterling against the Euro. We have lagged the Index, more through holdings we have not had, rather than any mistakes in our holdings themselves. I would like to think that we should therefore be able to recover this lag in the next few months or so. The portfolio has risen in value by 21.2% while the Index has appreciated by 24.6%. The sharp move in both the Euro and the markets is attributable to two things: firstly the excessive gloom surrounding all things European last July (which was just changing as we wrote the Annual Report and has continued to lift), and secondly the fact that the measures taken by the European Central Bank and supported by ongoing attempts to reduce government debt are beginning to show signs of progress. Furthermore, there are tentative signs that although economic growth remains low, it may perhaps be starting to improve in most regions of the world.

We have made a number of changes to the portfolio over the six months and have added to the absolute number of holdings to take us to the longest list we have had for some years – which I believe is a good indication of the attractive opportunities we are finding. Whilst those opportunities are there we are happy to tolerate a longer list for a while. A number of the new names are returns to old favourites, such as ABB, Sandvik and Philips, all of which are economically sensitive and should do better in a stronger period of economic growth. We have also added more financial stocks: insurance company Talanx, and banks UBS, Aareal, ING and Nordea. I have made the point in the past that we need to be prepared to hold those banks that are soundly financed and which have corrected at least some of the underlying mistakes and contradictions of the past decade. These names fit that category in our view. We remain alert to any other necessary changes; but within the context of believing that economic growth will stay at subdued levels for many years. As such we shall stick with many of the reliable growth names that have lagged the market significantly over the first six months of our financial year, but in which the underlying growth remains entirely intact.

Outlook

We have been utilising more than half of our £15million borrowing facility for most of the last few months, and I suspect that we will continue to utilise the rest over coming weeks and months. There is clearly a growing trend to prefer European equities to bonds, and whilst it would be naïve to think that this will be a 'wall of money', I believe it will lead to incremental buying of what are now accepted as being very good value, quality growth companies. Europe has begun to be rehabilitated into the global investor's view after a lengthy absence. There are bound to be alarms and worries, but a clear line has been drawn. European governments remain committed to a path of fiscal discipline that may yet put the USA and the UK to shame, and if that leads to a more stable growth and economic environment in the next few years, then European markets will continue the recent trend of better performance.

Tim Stevenson
Portfolio Manager
21 March 2013

HENDERSON EUROTRUST PLC
Unaudited Results for the half year ended 31 January 2013

Twenty Largest Holdings

These twenty investments total £74,401,000 representing 50.0% by value of the total investments.

	Name of Investment	Country	Sector	Valuation £'000	% of Total Portfolio
1	Deutsche Post	Germany	Industrials	7,624	5.1
2	Sodexo	France	Consumer Services	4,742	3.2
3	SAP	Germany	Technology	4,426	3.0
4	Fresenius	Germany	Health Care	4,231	2.8
5	Deutsche Börse	Germany	Financials	4,022	2.7
6	BIC	France	Consumer Goods	3,970	2.7
7	Adecco	Switzerland	Industrials	3,884	2.6
8	Dufry	Switzerland	Consumer Services	3,615	2.4
9	Roche	Switzerland	Health Care	3,490	2.4
10	Luxottica	Italy	Consumer Goods	3,481	2.3
11	ABB	Switzerland	Industrials	3,478	2.3
12	SGS	Switzerland	Industrials	3,474	2.3
13	A P Moller-Maersk	Denmark	Industrials	3,444	2.3
14	UBS	Switzerland	Financials	3,366	2.3
15	Legrand	France	Industrials	3,035	2.1
16	Deutsche Telekom	Germany	Telecommunications	2,855	1.9
17	Linde	Germany	Basic Materials	2,835	1.9
18	Novartis	Switzerland	Health Care	2,835	1.9
19	ING	Netherlands	Financials	2,825	1.9
20	Amadeus	Spain	Industrials	2,769	1.9
	Total			74,401	50.0

Sector Analysis

Name of Sector	31 Jan	31 Jan	Index*
	2013	2012	31 Jan
	%	%	%
Basic Materials	3.1	5.0	8.4
Consumer Goods	20.2	11.0	18.7
Consumer Services	8.5	7.7	5.2
Financials	18.1	13.5	22.3
Health Care	11.7	16.0	12.3
Industrials	26.4	26.7	14.6
Oil & Gas	4.3	9.3	6.6
Technology	5.8	7.6	3.5
Telecommunications	1.9	3.2	4.2
Utilities	-	-	4.2
Total	100.0	100.0	100.0

Country Analysis

Name of Country	31 Jan	31 Jan
	2013	2012
	%	%
Austria	1.3	-
Denmark	2.3	2.2
Finland	-	2.8
France	22.2	24.5
Germany	30.3	25.7
Italy	5.0	4.8
Netherlands	4.6	2.8
Norway	1.7	2.1
Spain	2.9	5.8
Sweden	6.8	12.4
Switzerland	22.9	16.9
Total	100.0	100.0

* FTSE World Europe (ex UK) Index

Source: Morningstar and Henderson

HENDERSON EUROTRUST PLC
Unaudited Results for the half year ended 31 January 2013

Income Statement

for the half year ended 31 January 2013

	(Unaudited) Half year ended 31 January 2013			(Unaudited) Half year ended 31 January 2012			(Audited) Year ended 31 July 2012		
	Revenue return £'000	Capital return £'000	Total £'000	Revenue return £'000	Capital return £'000	Total £'000	Revenue return £'000	Capital return £'000	Total £'000
Gains/(losses) from investments held at fair value through profit or loss	-	25,082	25,082	-	(7,828)	(7,828)	-	(7,819)	(7,819)
Investment income	372	-	372	324	-	324	4,374	-	4,374
Gross revenue and capital gains/(losses)	372	25,082	25,454	324	(7,828)	(7,504)	4,374	(7,819)	(3,445)
Management and performance fees (note 4)	(96)	(387)	(483)	(75)	(1,278)	(1,353)	(161)	(1,614)	(1,775)
Other administrative expenses	(130)	-	(130)	(140)	-	(140)	(288)	-	(288)
Net return/(loss) on ordinary activities before finance costs and taxation	146	24,695	24,841	109	(9,106)	(8,997)	3,925	(9,433)	(5,508)
Finance charges	(8)	(28)	(36)	(1)	(2)	(3)	(8)	(32)	(40)
Net return/(loss) on ordinary activities before taxation	138	24,667	24,805	108	(9,108)	(9,000)	3,917	(9,465)	(5,548)
Taxation on net return/(loss) on ordinary activities	(35)	-	(35)	(66)	-	(66)	(437)	-	(437)
Net return/(loss) on ordinary activities after taxation	103	24,667	24,770	42	(9,108)	(9,066)	3,480	(9,465)	(5,985)
Return /(loss) per ordinary share (note 2)	0.5p	121.0p	121.5p	0.2p	(44.5)p	(44.3)p	17.0p	(46.3)p	(29.3)p

The total columns of this statement represent the Income Statement of the Company.

All revenue and capital returns in the above statement derive from continuing operations.

No operations were acquired or discontinued during the half year ended 31 January 2013. The Company has no recognised gains or losses other than those recognised in the Income Statement and the Reconciliation of Movements in Shareholders' Funds.

HENDERSON EUROTRUST PLC
Unaudited Results for the half year ended 31 January 2013

Reconciliation of Movements in Shareholders' Funds
for the half year ended 31 January 2013

Half year ended 31 January 2013 (Unaudited)	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Other capital reserves £'000	Revenue reserve £'000	Total £'000
As at 31 July 2012	1,020	33,814	263	78,676	4,534	118,307
Net return on ordinary activities after taxation	-	-	-	24,667	103	24,770
Final dividend for 2012 paid	-	-	-	-	(2,345)	(2,345)
As at 31 January 2013	1,020	33,814	263	103,343	2,292	140,732
Half year ended 31 January 2012 (Unaudited)						
As at 31 July 2011	1,026	33,814	257	88,774	4,327	128,198
Net (loss)/return on ordinary activities after taxation	-	-	-	(9,108)	42	(9,066)
Repurchase of ordinary shares	(6)	-	6	(607)	-	(607)
Final dividend for 2011 paid	-	-	-	-	(2,253)	(2,253)
As at 31 January 2012	1,020	33,814	263	79,059	2,116	116,272
Year ended 31 July 2012 (Audited)						
As at 31 July 2011	1,026	33,814	257	88,774	4,327	128,198
Net (loss)/return on ordinary activities after taxation	-	-	-	(9,465)	3,480	(5,985)
Repurchase of ordinary shares	(6)	-	6	(633)	-	(633)
Final dividend for 2011 paid	-	-	-	-	(2,253)	(2,253)
Interim dividend for 2012 paid	-	-	-	-	(1,020)	(1,020)
As at 31 July 2012	1,020	33,814	263	78,676	4,534	118,307

HENDERSON EUROTRUST PLC
Unaudited Results for the half year ended 31 January 2013

Balance Sheet

as at 31 January 2013

	(Unaudited) 31 January 2013 £'000	(Unaudited) 31 January 2012 £'000	(Audited) 31 July 2012 £'000
Fixed asset investments held at fair value through profit or loss	148,800	114,297	119,696
Current assets			
Debtors	4,727	430	383
Cash at bank and short term deposits	1,127	3,136	2,014
	5,854	3,566	2,397
Creditors: amounts falling due within one year	(13,922)	(1,591)	(3,786)
Net current (liabilities)/assets	(8,068)	1,975	(1,389)
Total net assets	140,732	116,272	118,307
Capital and reserves			
Called up share capital	1,020	1,020	1,020
Share premium account	33,814	33,814	33,814
Capital redemption reserve	263	263	263
Other capital reserves	103,343	79,059	78,676
Revenue reserve	2,292	2,116	4,534
Equity shareholders' funds	140,732	116,272	118,307
Net asset value per ordinary share (note 3)	690.2p	570.1p	580.2p

HENDERSON EUROTRUST PLC
Unaudited Results for the half year ended 31 January 2013

Cash Flow Statement

for the half year ended 31 January 2013

	(Unaudited) Half year ended 31 January 2013 £'000	(Unaudited) Half year ended 31 January 2012 £'000	(Audited) Year ended 31 July 2012 £'000
Net cash (outflow)/inflow from operating activities	(1,328)	(931)	1,995
Servicing of finance	(32)	(4)	(40)
Overseas tax recovered	66	55	186
Net cash (outflow)/ inflow from financial investment	(4,139)	5,631	112
Equity dividends paid	(2,345)	(2,253)	(3,273)
	-----	-----	-----
Net cash (outflow)/inflow before financing	(7,778)	2,498	(1,020)
Net cash inflow/(outflow)from financing	7,426	(1,132)	808
	-----	-----	-----
(Decrease)/increase in cash	(352)	1,366	(212)
	=====	=====	=====
Reconciliation of operating revenue to net cash (outflow)/inflow from operating activities			
Net gain/(loss) before finance costs and taxation	24,841	(8,997)	(5,508)
Capital (gain)/loss before finance costs and taxation	(24,695)	9,106	9,433
Increase in prepayments, accrued income and other debtors	(101)	(4)	-
(Decrease)/increase in creditors and accruals	(943)	286	291
Expenses charged to capital	(387)	(1,278)	(1,614)
Tax on unfranked investment income deducted at source	(43)	(44)	(607)
	-----	-----	-----
Net cash (outflow)/inflow from operating activities	(1,328)	(931)	1,995
	=====	=====	=====
Reconciliation of net cash flow to movements in net funds			
(Decrease)/increase in cash as above	(352)	1,366	(212)
Cash (inflow)/outflow from (increase)/decrease in loans	(7,426)	525	(1,441)
Exchange movements	(535)	(274)	182
	-----	-----	-----
Movement in net funds	(8,313)	1,617	(1,471)
Net funds at start of the period	48	1,519	1,519
	-----	-----	-----
Net (debt)/funds at end of the period	(8,265)	3,136	48
	=====	=====	=====
Represented by:			
Cash and cash equivalents	1,127	3,136	2,014
Bank loans	(9,392)	-	(1,966)
	-----	-----	-----
	(8,265)	3,136	48
	=====	=====	=====

HENDERSON EUROTRUST PLC

Unaudited Results for the half year ended 31 January 2013

Notes

1. **Accounting policies**
The accounts have been prepared on a going concern basis and under the historical cost convention, modified to include the revaluation of investments at fair value and in accordance with applicable accounting standards, pronouncements on interim reporting issued by the Accounting Standards Board and with the Statement of Recommended Practice for Investment Trusts ('SORP') dated January 2009.

For the period under review the Company's accounting policies have not varied from those described in the Annual Report and Financial Statements for the year ended 31 July 2012. The Financial Statements have not been either audited or reviewed by the Company's auditors.
2. **Return/(loss) per ordinary share**
Return/(loss) per ordinary share is based on the net return attributable to the ordinary shares of £24,770,000 (half year ended 31 January 2012: loss of £9,066,000; year ended 31 July 2012: loss of £5,985,000) and on the 20,390,541 weighted average number of shares (half year ended 31 January 2012: 20,467,717; year ended 31 July 2012: 20,429,558) in issue.

Revenue return per ordinary share is based on the net revenue return attributable to the ordinary shares of £103,000 (half year ended 31 January 2012: £42,000; year ended 31 July 2012: £3,480,000) and on the 20,390,541 weighted average number of shares (half year ended 31 January 2012: 20,467,717; year ended 31 July 2012: 20,429,558) in issue.

Capital return per ordinary share is based on the net capital return attributable to the ordinary shares of £24,667,000 (half year ended 31 January 2012: loss of £9,108,000; year ended 31 July 2012: loss of £9,465,000) and on the 20,390,541 weighted average number of shares (half year ended 31 January 2012: 20,467,717; year ended 31 July 2012: 20,429,558) in issue.
3. **Net asset value per ordinary share**
Net asset value per ordinary share is based on the 20,390,541 (half year ended 31 January 2012: 20,395,541; year ended 31 July 2012: 20,390,541) ordinary shares in issue. During the period ended 31 January 2013, no ordinary shares were repurchased for cancellation (half year ended 31 January 2012: 126,134 shares at a total cost of £607,000; year ended 31 July 2012: 131,134 shares at a total cost of £633,000).
4. **Management and performance fees**
Management and performance fees are charged in accordance with the terms of the management agreement. Performance fees are provided for, based on the out-performance of the Company's net asset value against the FTSE World Europe (ex UK) Index. For the half year ended 31 January 2013, there was no performance fee provision (half year ended 31 January 2012: £978,000 and year ended 31 July 2012: £970,000).
5. **Going Concern**
The Directors believe that it is appropriate to adopt the going concern basis in preparing the financial statements. The assets of the Company consist mainly of securities that are readily realisable and, accordingly, the Company has adequate financial resources to continue in operational existence for the foreseeable future.
6. **Interim dividend**
An interim dividend of 5.0p per ordinary share will be paid on 26 April 2013 to shareholders on the Register of Members on 5 April 2013. The Company's shares will be quoted ex-dividend on 3 April 2013. Based on the number of shares in issue on 21 March 2013, the cost of this dividend will be £1,020,000.
7. **Comparative information**
The financial information contained in this half year report does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. The financial information for the half years ended 31 January 2012 and 31 January 2013 has not been audited or reviewed by the Company's auditors. The figures and financial information for the year ended 31 July 2012 are an extract based on the latest published accounts and do not constitute statutory accounts for that year. Those accounts have been delivered to the Registrar of Companies and included the report of the auditors which was unqualified and did not contain a statement under either section 498(2) or 498(3) of the Companies Act 2006.
8. **General Information**
 - a) *Company Objective and Investment Style*
Invests predominantly in large and medium sized companies which are perceived to be undervalued in view of their growth prospects or on account of a significant change in management or structure. The Company's aim is to achieve a superior total return from a portfolio of high quality European investments.
 - b) *Company Status*
Henderson EuroTrust plc is registered in England, No. 2718241, has its registered office at 201 Bishopsgate, London EC2M 3AE and is listed on the London Stock Exchange. The SEDOL/ISIN number is GB0004199294. The London Stock Exchange (EPIC) Code is HNE.

HENDERSON EUROTRUST PLC
Unaudited Results for the half year ended 31 January 2013

8. **General Information (continued)**

c) Directors and Secretary

The Directors of the Company are Mark Tapley (Chairman), John Cornish, Joop Feilzer and David Marsh. The Secretary is Henderson Secretarial Services Limited, represented by Ruth Saunders.

d) Website

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

9. **Half Year Report**

The Half Year Report will be available in typed format on the Company's website (www.hendersoneurotrust.com) or from the Company's registered office, 201 Bishopsgate, London EC2M 3AE. An abbreviated version, the 'Update', will be circulated to shareholders in late March.