

**THE HENDERSON SMALLER COMPANIES
INVESTMENT TRUST PLC**

HALF YEAR REPORT
(unaudited)
for the six months ended 30 November 2016

THE HENDERSON SMALLER COMPANIES INVESTMENT TRUST PLC

Unaudited Results for the Half-Year Ended 30 November 2016

INVESTMENT OBJECTIVE

The Company's investment objective is to maximise shareholders' total returns by investing mainly in smaller companies that are quoted in the United Kingdom.

PERFORMANCE HIGHLIGHTS

- Net asset value ('NAV') total return¹ of +1.1% compared to a total return from the benchmark² of +4.4%
- Share price³ total return of +2.0%
- Interim dividend⁴ increase of +25% to 5.0p (2016:4.0p)

TOTAL RETURN PERFORMANCE (including dividends reinvested)

	6 Months	1 Year	3 Years	5 Years	10 Years
	%	%	%	%	%
NAV ¹	1.1	1.3	26.1	135.2	170.6
Benchmark ²	4.4	6.3	18.2	100.5	121.5
Share price ³	2.0	-4.6	28.4	171.0	168.2
Average Sector Share price ⁵	-1.1	-1.8	20.0	122.8	133.0
FTSE SmallCap Index (excluding investment companies)	5.3	8.0	21.0	129.0	64.6
FTSE All-Share Index	9.6	9.8	15.7	55.4	69.0

FINANCIAL HIGHLIGHTS

	(Unaudited) 30 November 2016	(Unaudited) 30 November 2015	(Audited) 31 May 2016
Net assets	£544.1 million	£548.2 million	£546.1 million
NAV per ordinary share	728.3p	733.8p	731.0p
Share price per ordinary share	617.5p	663.5p	616.5p
Total return/(loss) per ordinary share	8.3p	(10.3)p	(9.1)p
Revenue return per ordinary share	8.9p	6.9p	15.9p
Dividend per ordinary share	5.0p	4.0p	15.0p
Gearing	7.8%	8.9%	9.1%

¹ Net asset value per ordinary share total return with income reinvested for 6 months, 1, 3 and 5 years and Capital NAV plus income for 10 years.

² Numis Smaller Companies Index (excluding investment companies) total return

³ Share price total return using mid-market closing price

⁴ Interim dividend of 5.0p (2016: 4.0p) to be paid to shareholders on 10 March 2017

⁵ Average share price total return of the AIC UK Smaller Companies Sector

Sources: Morningstar Direct, Henderson

THE HENDERSON SMALLER COMPANIES INVESTMENT TRUST PLC

Unaudited Results for the Half-Year Ended 30 November 2016

INTERIM MANAGEMENT REPORT

CHAIRMAN'S STATEMENT

Half-Year ended 30 November 2016

Last summer in the International New York Times, Thomas Friedman wrote, "The pace of change in technology, globalisation and climate have started to outrun the ability of our political systems to build social, educational, community, workplace and political innovations needed for some citizens to keep up. What we have is a country - in fact, a world - that is changing rapidly and in ways that are unpleasant and disorientating for large segments of the population." With a large proportion of voters feeling disorientated and dislocated, the results of the EU Referendum and US Presidential election should not perhaps have been as surprising as they were. Also unexpected has been the strength of equity markets following these two events. The decline in the value of sterling has been a big contributor, particularly for those companies with overseas earnings.

Our Company's net asset value rose on a total return basis by 1.1% for the period under review, disappointingly 3.3% behind the Numis Smaller Companies Index (excluding investment companies), which rose by 4.4%. This was mainly due to the Company's underweight position in mining and metals stocks. However, our Company's share price rose by 2.0% on a total return basis for the period, when its peer group were on average down by 1.1%. The Company's discount has narrowed slightly from 15.7% at 31 May 2016 to 15.2% at 30 November 2016. I am glad to say that over the past five years, the Company's share price has risen by 171% on a total return basis, giving an annualised return to shareholders of 22.1%.

As we look forward, despite the inevitable short term focus on the unfolding Brexit process and continuing global uncertainty, your Board believes that smaller companies remain a good investment for the long-term investor. Performance supports this, as smaller companies have materially outperformed markets as a whole over the past ten years. What is more, I am pleased to report that your Fund Manager, Neil Hermon, has outperformed the benchmark in twelve of the last thirteen financial years.

The Board have decided to increase the interim dividend by 25% to 5.0p per share. This reflects the continuing strong growth in the dividend payments from our portfolio companies. Absent of any unforeseen circumstances, it is expected the Board will also increase the final dividend. The final dividend for the year ended 31 May 2016 was 11.0p.

Finally, the Board have noted the intended merger of the Henderson Group with Janus Capital Group Inc. The transaction is expected to close in the second quarter of this year. The Board believe that this is a positive move and will monitor progress with interest.

Jamie Cayzer-Colvin
Chairman
23 January 2017

THE HENDERSON SMALLER COMPANIES INVESTMENT TRUST PLC

Unaudited Results for the Half-Year Ended 30 November 2016

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties associated with the Company's business fall broadly under the following categories:

- Investment activity and strategy;
- Accounting, legal and regulatory;
- Operational risk; and
- Financial instruments and the management of risk

Detailed information on these risks is given in the Strategic Report and in the Notes to the financial statements in the Company's Annual Report for the year ended 31 May 2016.

In the view of the Board these principal risks and uncertainties are as applicable to the remaining six months of the financial year as they were to the six months under review.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- the condensed set of financial statements has been prepared in accordance with "IAS34 Interim Financial Reporting";
- the Interim Management Report includes a fair review of the information required by Disclosure Guidance and Transparency Rule 4.2.7R (indication of important events during the first six months and description of the principal risks and uncertainties for the remaining six months of the year); and
- the Interim Management Report includes a fair review of the information required by Disclosure Guidance and Transparency Rule 4.2.8R (disclosure of related party transactions and changes therein).

For and on behalf of the Board

Jamie Cayzer-Colvin

Chairman

23 January 2017

THE HENDERSON SMALLER COMPANIES INVESTMENT TRUST PLC

Unaudited Results for the Half-Year Ended 30 November 2016

FUND MANAGER'S REVIEW

Half-Year ended 30 November 2016

Market Review – Six months to 30 November 2016

The period under review encompassed a period of significant political upheaval with the surprise wins for Brexit in the EU Referendum in June and the election of President-Elect Trump in November. Globally, a rise of populism and dissatisfaction with the perceived liberal ruling elite has become increasingly prevalent. That equity markets made such good progress is somewhat of a surprise, but has been helped in the UK by the significant devaluation of sterling, which has helped, in particular, large international earners. These are heavily represented in the FTSE 100 Index which has led the market higher over the period.

Global economic conditions have been mixed, with modest overall growth. Monetary conditions remained benign as quantitative easing continued in the EU, inflation remained low, UK interest rates were cut and the pace of US interest rate rises was more subdued than expected. Global geopolitical concerns remained heightened, with significant conflict in the Middle East causing an international migrant crisis. Commodity prices rebounded with robust Chinese economic growth and production cutbacks aiding a recovery in oil and metal prices.

Smaller companies underperformed larger companies over the period. This was driven principally by the lower proportion of international earners in the mid and small cap universe compared to the FTSE 100.

Fund Performance

The Company underperformed the benchmark in the period. The net asset value rose 1.1%, on a total return basis. This compares with a rise of 4.4% (total return) in the Numis Smaller Companies Index (excluding investment companies) and an increase of 5.3% (total return) in the FTSE SmallCap Index (excluding investment companies). The principal contributor to the underperformance was an underweight position in the mining and industrial metals sectors. These stocks have performed extremely well in 2016, after significant underperformance in 2015, as metal prices rebounded thanks to robust growth in China and the election of Donald Trump in the US. The Company has typically had an underweight position in this sector due to the volatile nature of commodity prices, the high leverage these companies typically employ, their position as price takers with little influence over the value of their output, and their poor corporate governance.

Attribution Analysis

The table below shows the top five contributors to and the bottom five detractors from the Company's relative performance. Some of the following stocks are included in the benchmark index but not held by the Company. These have an effect on relative performance.

Top five contributors to relative performance	6 month return %	Relative contribution %
Melrose Industries	+153.5	+1.1
Clinigen	+36.5	+0.5
RPC	+35.6	+0.4
Renishaw	+28.4	+0.4
Circassia Pharmaceuticals ¹	-68.4	+0.4
Top five detractors from relative performance	6 month return %	Relative contribution %
Evraz ¹	+116.0	-1.2
Vedanta Resources ¹	+139.6	-0.9
Essentra	-51.6	-0.8
Kaz Minerals ¹	+151.1	-0.6
Laird	-61.0	-0.5

¹ in benchmark index but not owned by the Company

Principal Contributors

Melrose Industries is a holding company for engineering and building material businesses; Clinigen is a global speciality pharmaceuticals group involved in the ethical supply of hard-to-access drugs; RPC is a highly acquisitive global plastic packaging group; Renishaw is a high technology precision measuring, calibration and additive manufacturing group; and Circassia Pharmaceuticals is a specialist biotechnology company.

THE HENDERSON SMALLER COMPANIES INVESTMENT TRUST PLC

Unaudited Results for the Half-Year Ended 30 November 2016

Principal Detractors

Evraz is a Russian steel producer; Vedanta Resources is an Indian diversified oil and metals group; Essentra is a specialist distributor, filter products and pharmaceutical packaging group; Kaz Minerals is a Kazakhstan copper company; and Laird is a provider of technology solutions for wireless connectivity, EMI shielding and precision metal cutting.

Portfolio Activity

Our approach is to consider our investments as long-term in nature and to avoid unnecessary turnover. The focus has been on adding stocks to the portfolio that have good growth prospects, sound financial characteristics and strong management, at a valuation level that does not reflect these strengths. Likewise we have been employing strong sell disciplines to cut out stocks that fail to meet these criteria.

In the period we have added to a number of positions in our portfolio and increased exposure to those stocks we feel are set to improve or will continue with strong performance.

New additions to the portfolio include Avon Rubber, the specialised product supplier into the defence and dairy markets; Burford Capital, the litigation financing company; Hollywood Bowl, the 10-pin bowling centre operator; Luceco, the manufacturer and distributor of electrical products; and Smart Metering Systems, the smart meter operator.

To balance these additions to our portfolio we have disposed of positions in companies which we felt were set for poor price performance or where the valuation had become extended, including the holdings Carpetright, First Group, Laird, LSL Property Services and Motorpoint. Additionally we sold our holding in Informa, where the company had grown to a market capitalisation that no longer fitted the remit of the Company.

Market Outlook

The outlook remains mixed, with subdued economic performance across the globe. The UK economy has defied the doom-mongers with post-Brexit resilience. However, the triggering of Article 50 and subsequent exit negotiations may lead to a drop in UK consumer and corporate confidence. The recent rise in US interest rates has flagged to investors that loose global monetary conditions will at some stage reverse. However the 'normalisation' of monetary policy should be slow and measured. Inflation, particularly in the UK, is likely to rise, primarily from the rising cost of imported goods. This could squeeze consumers as net disposable income could come under pressure as wage inflation fails to match cost-of-goods inflation.

In terms of valuations, the equity market is roughly in line with long-term averages. To see the market make progress we need to see earnings growth accelerate, a situation which will be aided by the recent devaluation of sterling.

Generally, balance sheets are strong and dividends are growing in the companies owned by the Company. M&A activity in the period has been depressed, probably due to the uncertainty caused by political upheaval. If corporate confidence improves, M&A will increase, especially as little or no return can currently be generated from cash and the cost of debt is historically low. Furthermore, the recent devaluation of sterling has made UK corporates more attractively valued for foreign buyers. These are trends which will help smaller companies in particular, as mergers and acquisition activity tends to be focused in this area. Indeed we have had a takeover of one of our larger investments immediately post period end with an agreed bid for e2v Technologies from Teledyne Technologies, a US company.

In this environment and with a positive perspective on likely future medium term returns from our portfolio we retain a moderate level of gearing, which stood at 7.8% at 30 November 2016.

In conclusion, the period under review has been a positive one for the equity market. However the Company's performance has been disappointing with an absolute gain but underperformance compared to our benchmark. This has been principally due to our under-exposure to the mining sector but, in general, our investments are trading well, are soundly financed and attractively valued. Additionally, smaller companies continue to throw up exciting growth opportunities in which the Company can invest.

Neil Hermon
Fund Manager
23 January 2017

THE HENDERSON SMALLER COMPANIES INVESTMENT TRUST PLC
Unaudited Results for the Half-Year Ended 30 November 2016

INVESTMENT PORTFOLIO

at 30 November 2016

Company	Valuation £'000	Portfolio %	Company	Valuation £'000	Portfolio %
Bellway	20,147	3.43	Onesavings Bank	6,538	1.12
NMC Health	18,945	3.23	Capital & Regional	6,510	1.11
Melrose Industries	14,660	2.50	Grainger	6,444	1.10
Paragon	13,520	2.30	Cineworld	6,262	1.07
Clinigen ¹	13,213	2.25	Jupiter Fund Management	6,228	1.06
Intermediate Capital	12,897	2.20	Ibstock	6,105	1.04
e2v Technologies	12,636	2.16	Aldermore	6,082	1.04
Playtech	11,104	1.89	Spectris	5,823	0.99
RPC	10,770	1.84	Gamma Communications ¹	5,209	0.89
WS Atkins	10,589	1.81	Cairn Energy	5,183	0.88
10 largest		138,481	40 largest		357,188
		23.61			60.90
Renishaw	10,366	1.77	Howden Joinery	5,130	0.87
Victrex	10,290	1.76	Tarsus	4,993	0.85
John Laing	9,911	1.69	CLS	4,950	0.84
Balfour Beatty	9,874	1.68	Countryside	4,934	0.84
Paysafe	9,314	1.59	Eurocell	4,806	0.82
Sanne	8,751	1.49	Rotork	4,690	0.80
AA	8,237	1.40	Oxford Instruments	4,594	0.78
Northgate	7,966	1.36	Sherborne Investors	4,502	0.77
Scapa ¹	7,800	1.33	Exova	4,501	0.77
Hunting	7,534	1.28	Ascential	4,479	0.76
20 largest		228,524	50 largest		404,767
		38.96			69.00
Aveva	7,297	1.24	NCC	4,470	0.76
Interserve	7,182	1.22	Essentra	4,461	0.76
St Modwen Properties	7,003	1.19	GVC	4,401	0.75
Dechra Pharmaceuticals	6,908	1.18	ITE	4,263	0.73
Euromoney Institutional Investor	6,738	1.15	Crest Nicholson	4,156	0.71
Synthomer	6,680	1.14	SQS Software ¹	4,087	0.70
Ted Baker	6,669	1.14	Tyman	3,982	0.68
RWS ¹	6,641	1.13	Spire Healthcare	3,896	0.67
Brewin Dolphin	6,610	1.13	DFS Furniture	3,868	0.66
Consort Medical	6,552	1.12	Vectura	3,718	0.63
30 largest		296,804	60 largest		446,069
		50.60			76.05
			Remaining 51		140,484
					23.95
			Total		586,553
					100.00

¹ Listed on the Alternative Investment market

THE HENDERSON SMALLER COMPANIES INVESTMENT TRUST PLC
Unaudited Results for the Half-Year Ended 30 November 2016

STATEMENT OF COMPREHENSIVE INCOME

	(Unaudited) Half-year ended 30 November 2016			(Unaudited) Half-year ended 30 November 2015			(Audited) Year ended 31 May 2016		
	Revenue return £'000	Capital return £'000	Total return £'000	Revenue return £'000	Capital return £'000	Total return £'000	Revenue return £'000	Capital return £'000	Total return £'000
Investment income	7,186	-	7,186	6,021	-	6,021	13,621	-	13,621
Other income	148	-	148	14	-	14	91	-	91
Gains/(losses) on investments held at fair value through profit or loss	-	649	649	-	(11,312)	(11,312)	-	(15,596)	(15,596)
Total income/(expense)	7,334	649	7,983	6,035	(11,312)	(5,277)	13,712	(15,596)	(1,884)
Expenses									
Management and performance fees	(270)	(631)	(901)	(284)	(663)	(947)	(565)	(1,319)	(1,884)
Other expenses	(268)	(5)	(273)	(252)	-	(252)	(487)	-	(487)
Profit/(loss) before finance costs and taxation	6,796	13	6,809	5,499	(11,975)	(6,476)	12,660	(16,915)	(4,255)
Finance costs	(182)	(424)	(606)	(366)	(854)	(1,220)	(755)	(1,764)	(2,519)
Profit/(loss) before taxation	6,614	(411)	6,203	5,133	(12,829)	(7,696)	11,905	(18,679)	(6,774)
Taxation	-	-	-	-	-	-	(9)	-	(9)
Profit/(loss) for the period and total comprehensive income	6,614	(411)	6,203	5,133	(12,829)	(7,696)	11,896	(18,679)	(6,783)
Earnings per ordinary share (note 3)	8.85p	(0.55)p	8.30p	6.87p	(17.17)p	(10.30)p	15.92p	(25.00)p	(9.08)p

The total column of this statement represents the Statement of Comprehensive Income, prepared in accordance with IFRS as adopted by the European Union.

The revenue return and capital return columns are supplementary to this and are prepared under guidance published by the Association of Investment Companies.

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

THE HENDERSON SMALLER COMPANIES INVESTMENT TRUST PLC
Unaudited Results for the Half-Year Ended 30 November 2016

STATEMENT OF CHANGES IN EQUITY

(Unaudited)
 Half-year ended 30 November 2016

	Called up share capital £'000	Capital redemption reserve £'000	Other capital reserves £'000	Revenue reserve £'000	Total £'000
Total equity at 1 June 2016	18,676	26,745	483,295	17,364	546,080
Total comprehensive income:					
(Loss)/profit for the period	-	-	(411)	6,614	6,203
Transactions with owners, recorded directly to equity:					
Ordinary dividend paid	-	-	-	(8,217)	(8,217)
	-----	-----	-----	-----	-----
Total equity at 30 November 2016	18,676	26,745	482,884	15,761	544,066
	=====	=====	=====	=====	=====

(Unaudited)
 Half-year ended 30 November 2015

	Called up share capital £'000	Capital redemption reserve £'000	Other capital reserves £'000	Revenue reserve £'000	Total £'000
Total equity at 1 June 2015	18,676	26,745	501,974	15,926	563,321
Total comprehensive income:					
(Loss)/profit for the period	-	-	(12,829)	5,133	(7,696)
Transactions with owners, recorded directly to equity:					
Ordinary dividend paid	-	-	-	(7,470)	(7,470)
	-----	-----	-----	-----	-----
Total equity at 30 November 2015	18,676	26,745	489,145	13,589	548,155
	=====	=====	=====	=====	=====

(Audited)
 Year ended 31 May 2016

	Called up share capital £'000	Capital redemption reserve £'000	Other capital reserves £'000	Revenue reserve £'000	Total £'000
Total equity at 1 June 2015	18,676	26,745	501,974	15,926	563,321
Total comprehensive income:					
(Loss)/profit for the period	-	-	(18,679)	11,896	(6,783)
Transactions with owners, recorded directly to equity:					
Ordinary dividend paid	-	-	-	(10,458)	(10,458)
	-----	-----	-----	-----	-----
Total equity at 31 May 2016	18,676	26,745	483,295	17,364	546,080
	=====	=====	=====	=====	=====

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

THE HENDERSON SMALLER COMPANIES INVESTMENT TRUST PLC
Unaudited Results for the Half-Year Ended 30 November 2016

BALANCE SHEET

	(Unaudited) Half-year ended 30 November 2016 £'000	(Unaudited) Half-year ended 30 November 2015 £'000	(Audited) Year-ended 31 May 2016 £'000
Non current assets			
Investments held at fair value through profit or loss	586,553	596,922	595,927
Current assets			
Securities sold for future settlement	3	-	670
Taxation recoverable	11	17	23
Prepayments and accrued income	1,149	731	1,942
Cash and cash equivalents	2,209	1,849	10,224
	3,372	2,597	12,859
Total assets	589,925	599,519	608,786
Current liabilities			
Securities purchased for future settlement	(578)	(2,190)	(437)
Accruals and deferred income	(477)	(148)	(354)
Financial liabilities	-	(20,000)	-
Bank loans	(15,012)	(29,022)	(32,107)
	(16,067)	(51,360)	(32,898)
Total assets less current liabilities	573,858	548,159	575,888
Non current liabilities	(29,792)	(4)	(29,808)
Net assets	544,066	548,155	546,080
Equity attributable to equity shareholders			
Called up share capital (note 5)	18,676	18,676	18,676
Capital redemption reserve	26,745	26,745	26,745
Retained earnings:			
Capital reserves	482,884	489,145	483,295
Revenue reserve	15,761	13,589	17,364
Total equity	544,066	548,155	546,080
Net asset value per ordinary share (note 6)	728.3p	733.8p	731.0p

THE HENDERSON SMALLER COMPANIES INVESTMENT TRUST PLC
Unaudited Results for the Half-Year Ended 30 November 2016

CASH FLOW STATEMENT

	(Unaudited) Half-year ended 30 November 2016 £'000	(Unaudited) Half-year ended 30 November 2015 £'000	(Audited) Year ended 31 May 2016 £'000
Profit/(loss) before taxation	6,203	(7,696)	(6,774)
Interest payable	606	1,220	2,519
(Gains)/losses on investments held at fair value through profit or loss	(649)	11,312	15,596
Purchases of investments	(64,299)	(89,741)	(158,484)
Sales of investments	74,322	87,249	152,700
Increase in receivables	145	1,277	(150)
Decrease in amounts due from brokers	667	731	61
Decrease in accrued income	648	(4)	211
Increase/(decrease) in payables	134	(2,331)	(2,350)
Increase/(decrease) in amounts due to brokers	142	1,511	(242)
Taxation on investment income	11	(5)	(20)
	-----	-----	-----
Net cash inflow from operating activities before interest and taxation	17,930	3,523	3,067
	-----	-----	-----
Interest paid	(634)	(1,242)	(2,511)
	-----	-----	-----
Net cash inflow from operating activities	17,296	2,281	556
	=====	=====	=====
Financing activities			
Equity dividends paid	(8,217)	(7,470)	(10,458)
(Repayment)/drawdown of bank loans	(17,094)	(3,179)	(94)
Repayment of 10.5% Debenture Stock	-	-	(20,000)
Issue of Unsecured Loan Notes	-	-	30,000
	-----	-----	-----
Net cash outflow from financing activities	(25,311)	(10,649)	(552)
	-----	-----	-----
(Decrease)/increase in cash and cash equivalents	(8,015)	(8,368)	4
Cash and cash equivalents at the start of the period	10,224	10,183	10,183
Exchange movements	-	34	37
	-----	-----	-----
Cash and cash equivalents at the period end	2,209	1,849	10,224
	=====	=====	=====

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

THE HENDERSON SMALLER COMPANIES INVESTMENT TRUST PLC
Unaudited Results for the Half-Year Ended 30 November 2016

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

1. **Accounting policies - basis of preparation**

The Henderson Smaller Companies Investment Trust plc ('the Company') is a company incorporated and domiciled in the United Kingdom under the Companies Act 2006.

These condensed financial statements comprise the unaudited results of the Company for the half year ended 30 November 2016. They have been prepared on a going concern basis and in accordance with International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union and with the Statement of Recommended Practice for Investment Trusts ("SORP") dated November 2014, where the SORP is consistent with the requirements of IFRS.

For the period under review the Company's accounting policies have not varied from those described in the annual report for the year ended 31 May 2016. These financial statements have not been either audited or reviewed by the Company's Auditor.

2. **Expenses**

Expenses, finance costs and taxation include provision for a performance fee when the relevant criteria have been met. For the six months to 30 November 2016 there was no performance fee provision (30 November 2015: £nil; 31 May 2016: £nil). Any provision is charged 100% to capital. The actual performance fee, if any, payable to Henderson for the year to 31 May 2017 will depend on outperformance over the full financial year, subject to a cap on the total fees paid to Henderson of 0.9% of the average value of the net assets of the Company during the year. No performance fee is payable if on the last day of the accounting year the Company's share price or NAV is lower than the share price and NAV at the preceding year end. Details of the performance fee arrangements are set out in the Company's 2016 Annual Report.

3. **Earnings per ordinary share**

The earnings per ordinary share figure is based on the net profit for the half-year of £6,203,000 (30 November 2015: net loss of £7,696,000; 31 May 2016: net loss of £6,783,000) and on 74,701,796 (30 November 2015: 74,701,796; 31 May 2016: 74,701,796) ordinary shares, being the weighted average number of ordinary shares in issue during the period.

The earnings per ordinary share figure detailed above can be further analysed between revenue and capital, as below.

	(Unaudited) 30 November 2016 £'000	(Unaudited) 30 November 2015 £'000	(Audited) 31 May 2016 £'000
Net revenue profit	6,614	5,133	11,896
Net capital loss	(411)	(12,829)	(18,679)
Net total profit/ loss	6,203	(7,696)	(6,783)
Weighted average number of ordinary shares in issue during the period	74,701,796	74,701,796	74,701,796
	Pence	Pence	Pence
Revenue profit per ordinary share	8.85	6.87	15.92
Capital loss per ordinary share	(0.55)	(17.17)	(25.00)
Total profit/(loss) per ordinary share	8.30	(10.30)	(9.08)

4. **Dividends**

The Board has declared an interim dividend of 5.0p (2015: 4.0p) to be paid on 10 March 2017 to shareholders on the register at the close of business on 17 February 2017. The ex-dividend date will be 16 February 2017. No provision has been made for the interim dividend in these condensed financial statements.

The final dividend of 11.0p per ordinary share, paid on 30 September 2016, in respect of the year ended 31 May 2016, has been recognised as a distribution in the period.

THE HENDERSON SMALLER COMPANIES INVESTMENT TRUST PLC

Unaudited Results for the Half-Year Ended 30 November 2016

5. **Share Capital**

At 30 November 2016 there were 74,701,796 ordinary shares in issue (30 November 2015: 74,701,796; 31 May 2016: 74,701,796). During the half-year ended 30 November 2016 the Company bought no ordinary shares in the market for cancellation (30 November 2015: nil; 31 May 2016: nil). No shares have been bought back since the period end.

6. **Net Asset Value per Ordinary Share**

The net asset value per ordinary share is based on the net assets attributable to the equity shareholders of £544,062,000 (30 November 2015: £548,154,000; 31 May 2016: £546,080,000) and on 74,701,796 (30 November 2015: 74,701,796; 31 May 2016: 74,701,796) ordinary shares, being the number of ordinary shares in issue at the period end.

7. **Transaction Costs**

Purchase transaction costs for the half-year ended 30 November 2016 were £236,000 (30 November 2015: £325,000; 31 May 2016: £543,000). These comprise mainly stamp duty and commission. Sale transaction costs for the half-year ended 30 November 2016 were £78,000 (30 November 2015: £83,000; 31 May 2016: £141,000).

8. **Financial Instruments**

The investments are held at fair value through profit or loss. All the net current liabilities are held in the Balance Sheet at a reasonable approximation of fair value. The Debenture Stock was repaid in May 2016 and so there was no fair value at 30 November 2016 or 31 May 2016. The fair value of the Debenture Stock at 30 November 2015 was £20,885,000. The Debenture Stock was carried in the Balance Sheet at par. At 30 November 2016 the fair value of the Preference Stock was £4,000 (30 November 2015: £4,000; 31 May 2016: £4,000). The fair value of the Preference Stock is estimated using the prices quoted on which the investment trades.

The Unsecured Loan Notes are carried in the Balance Sheet at par less the issue expenses which are amortised over the life of the notes. The fair value of the Unsecured Loan Notes is estimated to be its par value.

The Debenture Stock and Preference Stock are categorised as level 1 in the fair value hierarchy (see below for definitions). The Unsecured Loan Notes are categorised as level 3 in the fair value hierarchy.

Fair Value Hierarchy

The table below sets out the fair value measurements using the IFRS 13 fair value hierarchy. Categorisation within the hierarchy has been determined on the basis of the lowest level of input that is significant to the fair value measurement of the relevant asset as follows:

Level 1: quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2: valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3: valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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As at 30 November 2016	Note	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equity investments	a)	586,553	-	-	586,553
		-----	-----	-----	-----
		586,553	-	-	586,553
		=====	=====	=====	=====
As at 30 November 2015	Note	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equity investments	a)	596,922	-	-	596,922
		-----	-----	-----	-----
		596,922	-	-	596,922
		=====	=====	=====	=====
As at 31 May 2016	Note	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equity investments	a)	595,927	-	-	595,927
		-----	-----	-----	-----
		595,927	-	-	595,927
		=====	=====	=====	=====

a) Equity investments:

The fair value of the Group's investments in quoted equities has been determined by reference to their quoted bid prices at the reporting date. Quoted equities included in Fair Value Level 1 are actively traded on recognised stock exchanges.

The valuation techniques used by the Company are explained in the accounting policies note 1(c) of the Annual Report for the year ended 31 May 2016.

9. **Going Concern**

Having reassessed the principal risks and uncertainties, the Directors consider that it is appropriate to continue to adopt the going concern basis in preparing the financial statements. The assets of the Company consist almost entirely of securities that are readily realisable and, accordingly, the Company has adequate financial resources to continue in existence for the foreseeable future.

10. **Related Party Transactions**

During the first six months of the current financial year, no transactions with related parties have taken place which has materially affected the financial position or performance of the Company during the period. Details of related party transactions are contained in the Annual Report and financial statements for the year ended 31 May 2016.

11. **Comparative Information**

The financial information contained in this half-yearly financial report does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. The financial information for the half-years ended 30 November 2016 and 30 November 2015 has not been audited.

The information for the year ended 31 May 2016 has been extracted from the statutory accounts for that year, which have been filed with the Registrar of Companies. The report of the auditors on those accounts was unqualified and contained no statement under either section 498(2) or section 498(3) of the Companies Act 2006.

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12.

General information

Company Status

The Henderson Smaller Companies Investment Trust plc is registered in England and Wales Company Number 25526, has its registered office at 201 Bishopsgate, London EC2M 3AE and is listed on the London Stock Exchange. The SEDOL number is 0906506. The London Stock Exchange (TIDM) Code is HSL. The Company's Global Intermediary Identification Number (GIIN) is WZD8S7.99999.SL.826 and its Legal Entity Identifier (LEI) is 213800NE2NCQ67M2M998.

Directors and Corporate Secretary

The Directors of the Company are Jamie Cayzer-Colvin (Chairman of the Board), Beatrice Hollond (Chairman of the Audit Committee), David Lamb, Victoria Sant and Mary Ann Sieghart (Senior Independent Director). The Corporate Secretary is Henderson Secretarial Services Limited, represented by Rachel Peat FCIS.

Website

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

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