

Company Number: 670489

LOWLAND INVESTMENT COMPANY PLC

HALF-YEAR REPORT (unaudited) for the half-year ended 31 March 2018

LOWLAND INVESTMENT COMPANY PLC

Unaudited Results for the Half-Year Ended 31 March 2018

Investment Objective

The Company aims to give shareholders a higher than average return with growth of both capital and income over the medium to long-term, by investing in a broad spread of predominantly UK Companies. The Company measures its performance against the FTSE All-Share Index Total Return.

Key Data for the Six Months to 31 March 2018

Net Asset Value Total Return	-3.6%
Benchmark ¹ Total Return	-2.3%
Growth in Dividend	8.3%
Dividend	26.0p

¹ FTSE All-Share Index

Financial Highlights

	Half-Year Ended 31 Mar 2018	Half-Year Ended 31 Mar 2017	Year Ended 30 Sept 2017
NAV Per Ordinary Share ¹	1,553p	1,561p	1,628p
Share Price ²	1,485p	1,445p	1,504p
Market Capitalisation	£401m	£390m	£406m
Dividend Per Share	26.0p	24.0p	49.0p
Ongoing Charge Including Performance Fee	0.6%	0.6%	0.7%
Ongoing Charge Excluding Performance Fee	0.6%	0.6%	0.6%
Dividend Yield ³	3.4%	3.2%	3.3%
Gearing	14.2%	12.6%	6.3%
Discount	-4.4%	-7.4%	-7.6%

¹ NAV (Net Asset Value) with debt at par value

² Using Mid-Market Closing Price

³ Based on dividends paid in respect of the previous twelve months

Total Return Performance (including dividends reinvested and excluding transaction costs)

	6 months %	1 year %	3 years %	5 years %	10 years %
Net Asset Value	-3.6	+2.6	+21.2	+51.6	+153.1
Share Price ¹	+0.4	+6.2	+26.5	+48.5	+159.9
Benchmark ²	-2.3	+1.3	+18.6	+37.6	+90.6

¹ Using Mid-Market Closing Price

² FTSE All-Share Index

Sources: Morningstar, Funddata, Datastream and Janus Henderson

Historical Record

Year to 30 September	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	As at 31 Mar 2018
Net Assets ¹ (£m)	178	174	204	214	266	347	362	355	387	440	420
Per Ordinary Share											
Net Asset Value ²	675p	657p	770p	811p	1,008p	1,307p	1,346p	1,318p	1,432p	1,628p	1,553p
Share Price	625p	610p	700p	763p	992p	1,325p	1,355p	1,287p	1,337p	1,504p	1,485p
Net Revenue	33.0p	22.7p	22.5p	28.8p	31.1p	36.7p	39.4p	46.4p	47.7p	49.1p	18.4p
Net Dividends Paid	26.5p	26.5p	27.0p	28.0p	30.5p	34.0p	37.0p	41.0p	45.0p	49.0p	26.0p ³

¹ Attributable to Ordinary Shares

² NAV with debt at par value

³ First Interim Dividend of 13p per Ordinary Share paid on 30 April 2018 and the Second Interim Dividend of 13p per Ordinary Share that will be paid on 31 July 2018

LOWLAND INVESTMENT COMPANY PLC

Unaudited Results for the Half-Year Ended 31 March 2018

Chairman's Statement

Review

Financial market volatility returned during the period. The tension between rising interest rates and reasonable economic growth caused stock prices to move up and down without any clear direction. The UK economy is growing, with manufacturing exporters expanding, but there is some very marked weakness in certain consumer-facing areas.

Over the six months under review, the Company's net asset value (NAV) total return was -3.6%, while the total return from the FTSE All Share Index was -2.3%. These returns should be seen in the context of the strong longer-term performance, as demonstrated in the Total Return Performance table above.

Dividend

The Company has long operated a progressive dividend policy; annual dividends have increased in every year since 1975, except in 2009, when the dividend was unchanged. Since we started paying quarterly dividends in 2013, the final quarterly dividend has been increased each year and has set the new base level for the following three quarterly dividends.

It is our ambition to continue this pattern of dividend increases should circumstances permit. The Board would only change the pattern if it felt that it might restrict capital growth. Capital growth over the long term is essential to provide the base for greater dividends. The Company's annual average rate of dividend growth over the last twenty-five years has been 7.3%. The Company's revenue earnings per share in the six months under review totalled 18.4p, an increase of 13.6%. The Company paid a first interim dividend of 13.0p per share at the end of April and has declared a second interim dividend of 13.0p payable at the end of July. Interim dividends in respect of the first half of the current financial year therefore amounted to 26.0p per share, an increase of 8.3% over last year. Barring unforeseen circumstances, the Board's intention is to pay a total dividend for this financial year of 53.0p, an increase of 8.2% on last year's 49.0p.

Dividend Payments

	1st Interim	2nd Interim	3rd Interim	Final
2015	10.0p	10.0p	10.0p	11.0p
2016	11.0p	11.0p	11.0p	12.0p
2017	12.0p	12.0p	12.0p	13.0p
2018	13.0p	13.0p	13.0p*	14.0p*

* Intention barring unforeseen circumstances

Management fees and finance costs

The Company currently charges all management fees and finance costs to the revenue account. The Board has reviewed this policy and an analysis of Lowland's historical source of returns indicates that a 50/50 allocation of these expenses between the revenue account and capital account would be appropriate. Whilst the current policy is an acceptable allocation policy, the Board is aware that most investment trusts allocate management fees and finance costs between revenue and capital accounts. In light of this analysis the Board has decided that with effect from 1 October 2018, these costs will be allocated 50% to revenue and 50% to capital to reflect the anticipated long-term sources of total return. If this policy had been applied in the prior full year to 30 September 2017, the revenue earnings per share would have been 54.5p instead of 49.1p. There will be no change to the allocation of any performance fee which will continue to be allocated to the capital account.

Share price discount

The share price discount to the NAV at the period end was 4.4%. In order to contribute to liquidity in the shares, the Company needs to be understood by potential new investors. To this end our Manager, Janus Henderson, has

LOWLAND INVESTMENT COMPANY PLC

Unaudited Results for the Half-Year Ended 31 March 2018

recently launched www.stepstoinvesting.com, an online educational resource for first-time investors containing videos, articles and tools to help people starting out in the world of investment.

A summary of the five biggest contributors and detractors to the portfolio is set out in this announcement. Conviviality was the biggest detractor and was written off, following its entry into administration. The company unravelled very quickly as a result of a weakness in trading and very poor financial controls. We had been investors since it had come to the market in 2015. Although the holding was reduced several times as the share price rose, it was a painful reminder that distribution companies need good financial disciplines and that their quality of earnings can be low.

Activity

We reduced gearing in the period immediately after the Brexit vote. UK earnings have held up better than expected but their valuation has fallen, giving us the opportunity to purchase relatively cheap UK assets. During the period the gearing was increased from 6.3% to 14.2% as we became increasingly confident that the valuation of certain companies fully discounted the likely difficulties they faced. The increase in the gearing of the portfolio is a reflection of the Fund Managers finding more opportunities to invest in companies that have the right attributes of reasonable valuation and real long-term growth prospects. For instance, a new addition to the portfolio has been **Greene King**.¹

Greene King brews popular beer and has a high-quality estate. These strengths should ensure it comes through the current subdued trading period. Part of the approach to running Lowland is to buy sound businesses when they fall out favour. There are opportunities to make this type of investment as many UK companies are being ignored by investors as a result of macroeconomic fears. However, as an equity investor, the Fund Managers are not buying the UK economy, but rather a share in a business that they believe may deal with the external circumstances and grow over time as a result of the excellence of their product or service.

The largest disposal was **GKN**, after it was the subject of a bid from Melrose PLC. The price paid was a significant premium to the price prior to the bid and it may fully reflect the inherent value.

Outlook

We expect the UK economy to continue to grow, albeit more slowly than Europe or the US. There are commentators who believe it will slow further due to concerns about Brexit, which may limit the free movement of goods and people. However, economic growth does not determine the direction of individual companies' share prices; rather, the driver is their operational performance and their equity valuation. The latter factor has moved into attractive territory.²

On a final note, we value contact with our shareholders and I would be delighted to be contacted at the Company Secretary's email address should you have any matters you wish to raise with me.

Robert Robertson

Chairman

11 June 2018

¹ Data illustrating the Greene King Share Price is set out below

	March 2013	March 2014	March 2015	March 2016	March 2017	March 2018
Share Price	702.0p	903.0p	836.0p	872.0p	701.5p	471.4p

LOWLAND INVESTMENT COMPANY PLC

Unaudited Results for the Half-Year Ended 31 March 2018

² Data illustrating the FTSE All Share Adjusted Price Earnings Ratio' is set out below

March 1994	March 1995	March 1996	March 1997	March 1998	March 1999	March 2000	March 2001	March 2002	March 2003	March 2004	March 2005
16.3	18.4	18.4	16.4	21.1	25.8	24.7	20.2	23.5	15.4	15.8	13.8

March 2006	March 2007	March 2008	March 2009	March 2010	March 2011	March 2012	March 2013	March 2014	March 2015	March 2016	March 2017	March 2018
13.5	12.1	11.4	10.1	11.8	11.1	12.1	14.9	14.0	19.5	17.8	23.2	12.9

Performance as at 31 March 2018

The tables below show the top five contributors to and the bottom five detractors from the Company's total return performance over the six months under review.

Top 5 Contributors

Company	Sector	Contribution %
K3 Capital	Support Services	0.56
Royal Mail	Industrial Transportation	0.49
GKN	Automobiles & Parts	0.38
Hiscox	Non-Life Insurance	0.36
Avon Rubber	Aerospace & Defence	0.32

Bottom 5 Detractors

Company	Sector	Contribution %
Conviviality Retail	Food & Drug Retail	-1.32
Renold	Industrial Engineering	-0.48
Low & Bonar	Construction & Materials	-0.43
4D Pharma	Pharmaceuticals & Biotechnology	-0.39
Carclo	Chemicals	-0.32

Sector Analysis

	% as at 31 March 2018		% as at 30 September 2017	
	Company	Benchmark ¹	Company	Benchmark ¹
Financials	35.2	27.1	32.2	26.5
Industrials	27.4	10.8	28.7	11.3
Consumer Services	9.6	11.3	11.1	11.0
Oil & Gas	9.1	12.8	8.7	12.2
Basic Materials	5.3	7.7	6.1	7.2
Utilities	4.1	2.7	1.6	3.0
Health Care	4.0	8.6	4.2	8.5
Consumer Goods	3.0	14.8	5.5	15.7
Telecommunications	2.3	3.3	1.8	3.5
Technology	-	0.9	0.1	1.1
Total	100.0	100.0	100.0	100.0

¹ FTSE All-Share Index

LOWLAND INVESTMENT COMPANY PLC

Unaudited Results for the Half-Year Ended 31 March 2018

Related Party Transactions

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

In relation to the provision of services by Janus Henderson, other than fees payable by the Company in the ordinary course of business and the provision of sales and marketing services, there have been no material transactions with Janus Henderson affecting the financial position of the Company during the year under review.

Principal Risks and Uncertainties

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

- Investment Activity and Strategy;
- Portfolio and Market Price;
- Financial;
- Gearing;
- Operational; and
- Accounting, Legal and Regulatory.

Information on these risks is given in the Annual Report for the year ended 30 September 2017. 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.

Statement of Directors' Responsibilities

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

- (a) the set of financial statements for the half-year to 31 March 2018 has been prepared in accordance with "FRS 104 Interim Financial Reporting";
- (b) the Interim Management Report includes a fair review of the information required by Disclosure Guidance and Transparency Rule 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and
- (c) the Interim Management Report includes a fair review of the information required by the Disclosure Guidance and Transparency Rule 4.2.8R (disclosure of related party transactions and changes therein).

For and on behalf of the Board
Robert Robertson
Chairman
11 June 2018

LOWLAND INVESTMENT COMPANY PLC
Unaudited Results for the Half-Year Ended 31 March 2018

CONDENSED INCOME STATEMENT

	(Unaudited) Half-year ended 31 March 2018			(Unaudited) Half-year ended 31 March 2017			(Audited) Year-ended 30 September 2017		
	Revenue return £'000	Capital return £'000	Total £'000	Revenue return £'000	Capital return £'000	Total £'000	Revenue return £'000	Capital return £'000	Total £'000
(Losses)/gains on investments held at fair value through profit or loss	-	(18,550)	(18,550)	-	36,742	36,742	-	52,847	52,847
Income from investments	6,888	-	6,888	6,037	-	6,037	16,871	-	16,871
Other interest receivable and similar income	93	-	93	40	-	40	50	-	50
Gross revenue and capital (losses)/gains	6,981	(18,550)	(11,569)	6,077	36,742	42,819	16,921	52,847	69,768
Management fee and performance fee (note 2)	(1,009)	-	(1,009)	(948)	-	(948)	(1,920)	(416)	(2,336)
Other administrative expenses (note 2)	(296)	-	(296)	(276)	-	(276)	(553)	-	(553)
Net return/(loss) before finance costs and taxation	5,676	(18,550)	(12,874)	4,853	36,742	41,595	14,448	52,431	66,879
Finance costs	(606)	-	(606)	(398)	-	(398)	(1,009)	-	(1,009)
Net return before taxation	5,070	(18,550)	(13,480)	4,455	36,742	41,197	13,439	52,431	65,870
Taxation on net return	(95)	-	(95)	(76)	-	(76)	(186)	-	(186)
Net return after taxation	4,975	(18,550)	(13,575)	4,379	36,742	41,121	13,253	52,431	65,684
Return per ordinary share – basic and diluted (note 3)	18.4p	(68.7p)	(50.3p)	16.2p	136.0p	152.2p	49.1p	194.1p	243.2p

The total columns of this statement represent the Income Statement of the Company, prepared in accordance with FRS 104. The revenue and capital columns are supplementary to this and are published under guidance from the Association of Investment Companies.

The Company has no recognised gains or losses other than those disclosed in the Income Statement and Statement of Changes in Equity.

All items in the above statement derive from continuing operations. No operations were acquired or discontinued during the period.

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

LOWLAND INVESTMENT COMPANY PLC
Unaudited Results for the Half-Year Ended 31 March 2018

CONDENSED STATEMENT OF CHANGES IN EQUITY

	(Unaudited)					
	Half-year ended 31 March 2018					
	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Other capital reserves £'000	Revenue reserve £'000	Total £'000
At 1 October 2017	6,755	61,619	1,007	357,030	13,485	439,896
Net return after taxation	-	-	-	(18,550)	4,975	(13,575)
Third interim dividend (12.0p) for the year ended 30 September 2017	-	-	-	-	(3,242)	(3,242)
Final dividend (13.0p) for the year ended 30 September 2017	-	-	-	-	(3,512)	(3,512)
At 31 March 2018	<u>6,755</u>	<u>61,619</u>	<u>1,007</u>	<u>338,480</u>	<u>11,706</u>	<u>419,567</u>

	(Unaudited)					
	Half-year ended 31 March 2017					
	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Other capital reserves £'000	Revenue reserve £'000	Total £'000
At 1 October 2016	6,755	61,619	1,007	304,599	12,930	386,910
Net return after taxation	-	-	-	36,742	4,379	41,121
Third interim dividend (11.0p) for the year ended 30 September 2016	-	-	-	-	(2,972)	(2,972)
Final dividend (12.0p) for the year ended 30 September 2016	-	-	-	-	(3,242)	(3,242)
At 31 March 2017	<u>6,755</u>	<u>61,619</u>	<u>1,007</u>	<u>341,341</u>	<u>11,095</u>	<u>421,817</u>

	(Audited)					
	Year ended 30 September 2017					
	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Other capital reserves £'000	Revenue reserve £'000	Total £'000
At 1 October 2016	6,755	61,619	1,007	304,599	12,930	386,910
Net return after taxation	-	-	-	52,431	13,253	65,684
Third interim dividend (11.0p) for the year ended 30 September 2016	-	-	-	-	(2,972)	(2,972)
Final dividend (12.0p) for the year ended 30 September 2016	-	-	-	-	(3,242)	(3,242)
First interim dividend (12.0p) for the year ended 30 September 2017	-	-	-	-	(3,242)	(3,242)
Second interim dividend (12.0p) for the year ended 30 September 2017	-	-	-	-	(3,242)	(3,242)
At 30 September 2017	<u>6,755</u>	<u>61,619</u>	<u>1,007</u>	<u>357,030</u>	<u>13,485</u>	<u>439,896</u>

The accompanying notes form an integral part of these condensed financial statements.

LOWLAND INVESTMENT COMPANY PLC
Unaudited Results for the Half-Year Ended 31 March 2018

CONDENSED STATEMENT OF FINANCIAL POSITION

	(Unaudited) Half-year ended 31 March 2018 £'000	(Unaudited) Half-year ended 31 March 2017 £'000	(Audited) Year ended 30 September 2017 £'000
Fixed assets			
Investments held at fair value through profit or loss (note 4)	479,143	475,098	467,488
Current assets			
Debtors	2,479	2,857	2,061
Cash at bank	1,115	2,288	11,362
	3,594	5,145	13,423
Creditors: amounts falling due within one year	(33,409)	(28,678)	(11,260)
Net current (liabilities)/assets	(29,815)	(23,533)	2,163
Total assets less current liabilities	449,328	451,565	469,651
Creditors: amounts falling due after more than one year	(29,761)	(29,748)	(29,755)
Net assets	419,567	421,817	439,896
Capital and reserves			
Called up share capital	6,755	6,755	6,755
Share premium account	61,619	61,619	61,619
Capital redemption reserve	1,007	1,007	1,007
Other capital reserves	338,480	341,341	357,030
Revenue reserve	11,706	11,095	13,485
Total shareholders' funds	419,567	421,817	439,896
Net asset value per ordinary share – basic and diluted (note 6)	1,552.9p	1,561.2p	1,628.1p

The accompanying notes form an integral part of these condensed financial statements.

LOWLAND INVESTMENT COMPANY PLC
Unaudited Results for the Half-Year Ended 31 March 2018

CONDENSED STATEMENT OF CASH FLOWS

	(Unaudited) Half-year ended 31 March 2018 £'000	(Unaudited) Half-year ended 31 March 2017 £'000	(Audited) Year ended 30 September 2017 £'000
Cash flows from operating activities			
Net return before taxation	(13,480)	41,197	65,870
Add back: finance costs	606	398	1,009
Add/(less): losses/(gains) on investments held at fair value through profit or loss	18,550	(36,742)	(52,847)
Withholding tax on dividends deducted at source	(109)	(96)	(211)
(Increase)/decrease in debtors	(404)	(311)	93
(Decrease)/increase in creditors	(410)	(30)	423
Net cash inflow from operating activities	4,753	4,416	14,337
Cash flows from investing activities			
Purchase of investments	(50,043)	(46,864)	(72,559)
Sale of investments	24,862	18,620	68,038
Net cash outflow from investing activities	(25,181)	(28,244)	(4,521)
Cash flows from financing activities			
Equity dividends paid (net of refund of unclaimed distributions and reclaimed distributions)	(6,754)	(6,214)	(12,698)
Net loans drawn down/(repaid)	17,540	574	(16,897)
Issue of senior unsecured notes (net of issue expenses)	-	29,745	29,745
Interest paid	(600)	(168)	(779)
Net cash inflow/(outflow) from financing activities	10,186	23,937	(629)
Net (decrease)/increase in cash and cash equivalent	(10,242)	109	9,187
Cash and cash equivalents at start of year	11,362	2,178	2,178
Effect of foreign exchange rates	(5)	1	(3)
Cash and cash equivalents at end of year	1,115	2,288	11,362
Comprising:			
Cash at bank	1,115	2,288	11,362

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

LOWLAND INVESTMENT COMPANY PLC

Unaudited Results for the Half-Year Ended 31 March 2018

Notes to the Financial Statements

The half-year financial statements cover the period from 1 October 2017 to 31 March 2018 and have not been audited or reviewed by the Company's auditors.

1. Accounting policies – basis of preparation

The condensed set of financial statements has been prepared in accordance with FRS 104, Interim Financial Reporting, issued in March 2015, the revised reporting standard for half-year reporting that was issued following the introduction of FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland, which is effective for periods commencing on or after 1 January 2015. The Statement of Recommended Practice for "Financial Statements of Investment Trust Companies and Venture Capital Trusts", in accordance with which the Company's financial statements are also prepared, was updated by the Association of Investment Companies in November 2014 and in February 2018 with consequential amendments.

2. Expenses

All expenses with the exception of the performance fee are charged wholly to revenue. Expenses which are incidental to the purchase or sale of an investment are included in the cost or deducted from the proceeds of sale of the investment. A provision of £nil (31 March 2017: £nil; 30 September 2017: actual £416,000) has been made for a performance fee based on the Company's performance relative to the FTSE All-Share Index (the benchmark) over the thirty months to 31 March 2018. Any performance fee payable will be calculated based on the actual relative performance for the 36 months to 30 September 2018 and will be equal to 15% of any outperformance (on a total return basis) of the FTSE All-Share Index by more than 10% (the 'hurdle rate'). The performance fee is capped at 0.25% of average net chargeable assets for the year.

No performance fee will be payable if the net asset value per share on the last day of the relevant calculation period is lower than the net asset value per share on the first day of the calculation period.

3. Return per ordinary share – basic and diluted

	(Unaudited) Half-year ended 31 March 2018 £'000	(Unaudited) Half-year ended 31 March 2017 £'000	(Audited) Year ended 30 September 2017 £'000
The return per ordinary share is based on the following figures:			
Net revenue return	4,975	4,379	13,253
Net capital return	(18,550)	36,742	52,431
	-----	-----	-----
Net total return	(13,575)	41,121	65,684
	=====	=====	=====
Weighted average number of ordinary shares in issue for each period	27,018,565	27,018,565	27,018,565
Revenue return per ordinary share	18.4p	16.2p	49.1p
Capital return per ordinary share	(68.7p)	136.0p	194.1p
	-----	-----	-----
Total return per ordinary share	(50.3)p	152.2p	243.2p
	=====	=====	=====

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

LOWLAND INVESTMENT COMPANY PLC
Unaudited Results for the Half-Year Ended 31 March 2018

4. Fair value of financial assets and liabilities

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

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

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

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

Investments held at fair value through profit or loss at 31 March 2018 (unaudited)	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investments	476,874	-	2,269	479,143
Investments held at fair value through profit or loss at 31 March 2017 (unaudited)	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investments	472,997	-	2,101	475,098
Investments held at fair value through profit or loss at 30 September 2017 (audited)	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investments	465,270	-	2,218	467,488

A reconciliation of movements within Level 3 is set out below:

	2018 £'000
Opening balance	2,218
Disposal proceeds	-
Transfers in	2,006
Total (loss)/gain included in the Income Statement	
– on investments held	<u>(1,955)</u>
Closing balance	<u>2,269</u>

The transfer-in relates to the Company's holding in Conviviality, which has subsequently been written down to zero.

The valuation techniques used by the Company are explained in the accounting policies note in the Company's Annual Report for the year ended 30 September 2017.

The fair value of the senior unsecured loan notes at 31 March 2018 has been estimated to be £31,679,000 (31 March 2017: £31,949,000; 30 September 2017: £31,013,000). The fair value of the senior unsecured loan notes is calculated using a discount rate which reflects the yield on a UK Gilt of similar maturity plus a suitable credit spread.

The senior unsecured loan notes are categorised as level 3 in the fair value hierarchy.

LOWLAND INVESTMENT COMPANY PLC

Unaudited Results for the Half-Year Ended 31 March 2018

5. Transaction costs

Purchase transaction costs for the half-year ended 31 March 2018 were £277,000 (31 March 2017: £160,000; 30 September 2017: £213,000). Sale transaction costs for the half-year ended 31 March 2018 were £12,000 (31 March 2017: £17,000; 30 September 2017: £45,000). These comprise mainly stamp duty and commission.

6. Net asset value per ordinary share – basic and diluted

The net asset value per ordinary share is based on the net assets attributable to the ordinary shares of £419,567,000 (31 March 2017: £421,817,000; 30 September 2017: £439,896,000) and on 27,018,565 ordinary shares (31 March 2017 and 30 September 2017: 27,018,565), being the number of ordinary shares in issue at the end of each period.

7. Dividend

On 30 April 2018, a first interim dividend of 13.0p per ordinary share was paid in respect of the year ending 30 September 2018. A second interim dividend of 13.0p per ordinary share has been declared and will be paid on 31 July 2018 to shareholders on the register of members at the close of business on 6 July 2018. The ex-dividend date is 5 July 2018. Based on the number of shares in issue on 11 June 2018 of 27,018,565, the cost of the dividend will be £3,512,000.

8. Going concern

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

9. 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 March 2018 and 31 March 2017 has not been audited nor reviewed by the Company's auditors. The figures and financial information for the year ended 30 September 2017 are extracted from the latest published accounts do not constitute the statutory accounts for that year. Those accounts have been delivered to the Registrar of Companies and included the report of the independent auditors, which was unqualified and did not include a statement under either section 498(2) or 498(3) of the Companies Act 2006.

10. Manager

Henderson Investment Funds Limited ('HIFL') is appointed to act as the Company's Alternative Investment Fund Manager. HIFL delegates investment management services to Henderson Global Investors Limited. References to Janus Henderson within these results refer to the services provided by both entities.

LOWLAND INVESTMENT COMPANY PLC
Unaudited Results for the Half-Year Ended 31 March 2018

11. General information

Company Status

The Company is a UK-domiciled investment trust company. Registered number: 670489.

The London Stock Exchange Daily Official List SEDOL number is 0536806 and the ISIN number is GB0005368062.

The London Stock Exchange (EPIC) Code is LWI.

The Global Intermediary Identification Number (GIIN) is 2KBHLK.99999.SL.826.

The Legal Entity Identifier Number (LEI) is 2138008RHG5363FEHV19

Directors

The Directors of the Company are Robert Robertson (Chairman), Duncan Budge, Kevin Carter, Gaynor Coley (Audit Committee Chairman) and Karl Sternberg.

Corporate Secretary

Henderson Secretarial Services Limited, represented by Matthew Purkis ACIS.

Email: ITSecretariat@janushenderson.com

Registered Office

201 Bishopsgate, London EC2M 3AE.

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.lowlandinvestment.com.

12. Half-year update

An abbreviated version of the half-year report, the 'Update' will be posted to shareholders in June 2018.

The Update will also be available on the Company's website www.lowlandinvestmentcompany.com or in hard-copy form from the Company's registered office, 201 Bishopsgate, London EC2M 3AE.

LOWLAND INVESTMENT COMPANY PLC
Unaudited Results for the Half-Year Ended 31 March 2018

Portfolio Information

as at 31 March 2018

Company	Sector	Market Value £'000	% of Portfolio
Royal Dutch Shell	Oil & Gas Producers	29,866	6.2
Senior	Aerospace & Defence	15,030	3.2
Phoenix	Life Insurance	14,483	3.0
HSBC	Banks	14,339	3.0
Hiscox	Non-Life Insurance	14,070	2.9
Prudential	Life Insurance	11,560	2.4
Irish Continental (Ireland)	Travel & Leisure	9,457	2.0
Standard Chartered	Banks	8,758	1.8
GlaxoSmithKline	Pharmaceuticals & Biotechnology	8,016	1.7
Vodafone	Mobile Telecommunications	7,901	1.7
10 Largest		133,480	27.9
Direct Line	Non-Life Insurance	7,817	1.6
Aviva	Life Insurance	7,686	1.6
Royal Mail	Industrial Transportation	7,301	1.5
International Personal Finance	Financial Services	7,258	1.5
Rolls-Royce	Aerospace & Defence	7,191	1.5
BP	Oil & Gas Producers	6,949	1.5
Severn Trent	Gas Water & Multiutilities	6,915	1.4
Johnson Service ¹	Support Services	6,830	1.4
Relx	Media	6,592	1.4
National Grid	Gas Water & Multiutilities	6,551	1.4
20 Largest		204,570	42.7
Standard Life Aberdeen	Life Insurance	6,540	1.4
DS Smith	General Industrials	6,353	1.3
FBD (Ireland)	Non-Life Insurance	6,318	1.3
Avon Rubber	Aerospace & Defence	6,033	1.2
Elementis	Chemicals	5,760	1.2
Clarkson	Industrial Transportation	5,628	1.2
Croda	Chemicals	5,623	1.2
Low & Bonar	Construction & Materials	5,589	1.2
Randall & Quilter ¹	Non-Life Insurance	5,275	1.1
Headlam	Household Goods & Home Construction	5,006	1.0
30 Largest		262,695	54.8
Stobart	Industrial Transportation	4,972	1.0
K3 Capital ¹	Support Services	4,925	1.0
Henderson Opportunities Trust	Equity Investment Instruments	4,825	1.0
CRH (Ireland)	Construction & Materials	4,818	1.0
Mondi	Forestry & Paper	4,787	1.0
Ten Entertainment	Travel & Leisure	4,690	1.0
Land Securities	Real Estate	4,686	1.0
BAE Systems	Aerospace & Defence	4,651	1.0
Morgan Advanced Materials	Electronic & Electrical Equipment	4,617	1.0
St Modwen Properties	Real Estate	4,616	1.0
40 Largest		310,282	64.8
Numis ¹	Financial Services	4,563	1.0
Herald Investment Trust	Equity Investment Instruments	4,560	1.0
Castings	Industrial Engineering	4,538	0.9
Rio Tinto	Mining	4,514	0.9
Park ¹	Financial Services	4,487	0.9
Chesnara	Life Insurance	4,414	0.9
Consort Medical	Health Care Equipment & Services	4,375	0.9
Hill & Smith	Industrial Engineering	4,339	0.9
International Consolidated Airline	Travel & Leisure	4,302	0.9
H&T Group ¹	Financial Services	4,124	0.9
50 Largest		354,498	74.0
Marshalls	Construction & Materials	4,098	0.9
Babcock	Support Services	4,013	0.8
Balfour Beatty	Construction & Materials	3,766	0.8
Somero Enterprises ¹ (USA)	Industrial Engineering	3,750	0.8
Palace Capital	Real Estate	3,555	0.7

LOWLAND INVESTMENT COMPANY PLC
Unaudited Results for the Half-Year Ended 31 March 2018

IMI	Industrial Engineering	3,548	0.7
Redde ¹	Financial Services	3,532	0.7
Churchill China ¹	Household Goods & Home Construction	3,518	0.7
Epwin ¹	Construction & Materials	3,299	0.7
Pennon	Gas Water & Multiutilities	3,217	0.7
60 Largest		390,794	81.5
Carclo	Chemicals	3,194	0.7
Shoe Zone ¹	General Retailers	3,186	0.7
AstraZeneca	Pharmaceuticals & Biotechnology	3,133	0.7
Daily Mail & General Trust	Media	3,070	0.6
Greene King	Travel & Leisure	3,064	0.6
TT Electronics	Electronic & Electrical Equipment	2,985	0.6
Ibstock	Construction & Materials	2,899	0.6
Renold	Industrial Engineering	2,880	0.6
Mucklow	Real Estate	2,866	0.6
Centrica	Gas Water & Multiutilities	2,844	0.6
70 Largest		420,915	87.8
Renewi	Support Services	2,813	0.6
Marstons	Travel & Leisure	2,779	0.6
IP group	Financial Services	2,699	0.6
Sabre Insurance	Non-Life Insurance	2,640	0.6
Greencore (Ireland)	Food Producers	2,515	0.5
Findel	General Retailers	2,503	0.5
Gordon Dadds ¹	Support Services	2,216	0.5
Gibson Energy (Canada)	Oil & Gas Producers	2,214	0.5
Hammerson	Real Estate	2,146	0.4
Provident Financial	Financial Services	2,125	0.4
80 Largest		445,565	93.0
Virgin Money Holding 8.75%	Banks	2,116	0.4
Pearson	Media	2,060	0.4
Weir	Industrial Engineering	1,995	0.4
PRS	Real Estate	1,752	0.4
Airea ¹	Personal Goods	1,733	0.4
McCull's Retail	Food & Drug Retail	1,694	0.4
Elecosoft ¹	Technology	1,640	0.3
Atlantis Resources ¹	Alternative Energy	1,518	0.3
Manx Telecom ¹	Fixed Line Telecommunications	1,486	0.3
Oxford Sciences Innovation ²	Pharmaceuticals & Biotechnology	1,455	0.3
90 Largest		463,014	96.6
Inmarsat	Mobile Telecommunications	1,448	0.3
Indus Gas ¹	Oil & Gas Producers	1,377	0.3
Carr's Group	Food Producers	1,365	0.3
Moss Bros	General Retailers	1,020	0.2
Velocys ¹	Chemicals	1,015	0.2
Strix ¹	Electronic & Electrical Equipment	953	0.2
4D Pharma ¹	Pharmaceuticals & Biotechnology	910	0.2
Premier Oil	Oil & Gas Producers	865	0.2
Faron Pharmaceuticals ¹ (Finland)	Pharmaceuticals & Biotechnology	810	0.2
Topps Tiles	General Retailers	780	0.1
100 Largest		473,557	98.8

¹ AIM Stocks

² Unlisted Investments

For further information, please contact:

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