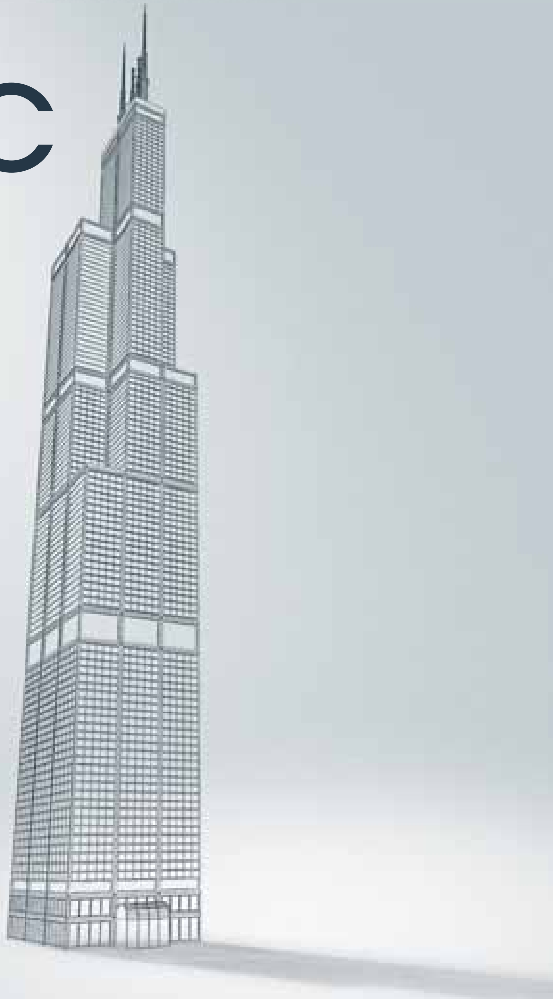
HENDERSON INTERNATIONAL INCOME TRUST PLC

Update for the half-year ended 28 February 2019



MANAGED BY
Janus Henderson
INVESTORS

Investment objective

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

This update contains material extracted from the unaudited half year results of the Company for the six months ended 28 February 2019. The unabridged results for the half year are available on the Company's website:

www.hendersoninternationalincometrust.com

The image on the front cover and above is based on the Sears Tower, Chicago

Performance highlights

Total return performance for the six months to 28 February 2019

NAV[1]
-6.9%

Benchmark[3]
-5.5%

Share price[4]
-5.3%

Dividends paid

28 Feb 2019 **2.80p**

28 Feb 2018 2.60p

NAV per share

28 Feb 2019 **152.9p**

31 Aug 2018 167.1p

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

	6 months %	1 year %	3 years %	Since launch %
NAV[1]	**-6.9**	-2.1	38.4	105.5[5]
Sector average[2]	**-3.9**	-0.9	43.9	95.6
Benchmark[3]	**-5.5**	4.8	54.0	138.3
Share price[4]	**-5.3**	-0.9	51.2	105.0

1 Calculated using published daily NAVs including current year revenue
2 The AIC Global Equity Income sector based on NAV
3 MSCI World (ex UK) Index (sterling adjusted)
4 Using mid-market share price
5 Incorporating the dilution resulting from the impact of the subscription shares which were exercised on 31 August 2014

Sources: AIC, Morningstar Direct, Janus Henderson and Datastream.

Chairman's statement

Performance and markets

During the six months to 28 February 2019, the net asset value ('NAV') total return per ordinary share was -6.9%. The Company's return on the ordinary share price (on the same basis) was -5.3%. In comparison, the Company's benchmark total return was -5.5% (MSCI World (ex UK) Index (sterling adjusted)).

It has been a volatile period for equity markets. There has been mounting uncertainty regarding the impact on economic growth of ongoing trade negotiations between the US and China on economic growth and business confidence, particularly against a backdrop of slowing economic growth in some parts of the world. For much of the period under review the indications from Central Banks were that they believed conditions merited the withdrawal of monetary stimulus extended in recent years. The combination of these factors led to a sharp, broad, equity market sell off in December. Recent communications from the US and European central banks suggests that they are acknowledging weaker economic data and delaying any further monetary tightening, which has been positive for investor sentiment and equity markets have recovered some of their losses as a result.

The Company's holdings have been impacted by this volatility, but have been recovering since the start of the year. The investment team have taken advantage of the disruption to invest in companies they believe have good long-term growth and income potential.

Currency can have an impact on the Company's performance as it reports in sterling but has no sterling assets. Over the period, the pound strengthened slightly against a number of overseas currencies which was a slight drag on total returns. Volatility is expected to continue while Brexit uncertainty remains.

Earnings and dividends

The revenue return per ordinary share during the six months to 28 February 2019 was 1.59p. A fourth interim dividend of 1.40p per ordinary share, for the year ended 31 August 2018, was paid to shareholders on 30 November 2018, bringing the total dividend paid in respect of the year ended 31 August 2018 to 5.30p per ordinary share (year ended 31 August 2017: 4.90p per ordinary share).

The board declared a first interim dividend payment for the year ending 31 August 2019 of 1.40p per ordinary share and this was paid to shareholders on 28 February 2019. Subsequently, we have declared a second interim dividend of 1.40p per ordinary share that will be paid to shareholders on 31 May 2019. The board continues to monitor the level of dividend paid out to shareholders and aims to maintain the same level of dividend for the remaining six months of this financial year.

Gearing

Well-judged gearing enhances returns to shareholders. The board's current policy is to permit the fund manager to gear up to 25% of net assets at the time of drawdown or investment, as appropriate. Borrowing limits for this purpose include implied gearing through the use of derivatives. The gearing at the period end was 2.0% (31 August 2018: 1.9%). In order to take advantage of the fall in long-term interest rates, the Company has agreed to enter into fixed rate borrowings of €30,000,000 for 25 years at a rate of 2.43%.

Chairman's statement (continued)

Discount control

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

Material events and transactions during the period

A total of 400,000 new shares were issued in the six months to 28 February 2019 and the proceeds were added to the portfolio. Since the period end a further 600,000 new shares have been issued.

Corporate transaction

The board were pleased to announce on 12 April 2019 that terms had been agreed in principle for the Company to be the default rollover option on the liquidation of The Establishment Investment Trust plc ("EIT").

The proposed transaction is to be effected by way of a tax efficient liquidation of EIT under section 110 of the Insolvency Act. A circular to shareholders of the Company convening a general meeting, at which enabling resolutions will be put forward, will be published in due course.

It has been our ongoing ambition to build on the successful performance of the Company by growing through equity issuance. Since launch in 2011 we have grown the assets of the Company more than seven-fold by a combination of good investment performance, trust merger and the issue of shares from time to time to meet demand. We very much appreciate the opportunity to continue our growth by way of this proposed transaction and to welcoming new shareholders.

Outlook

In the absence of positive economic data, political events continue to preoccupy investors' minds. Whilst this is understandable, some sectors and equity markets have started to price in these concerns. Timing market movements in the short term is a notoriously difficult process, but for patient investors with longer time horizons, periods of uncertainty often provide good investment opportunities. We are hopeful that this is one of those times and have taken advantage of the collapse in bond yields to secure low financing rates, significantly below the dividend yields offered by the Company's portfolio.

Simon Jeffreys
Chairman
23 April 2019

Fund manager's report

Performance review

The portfolio produced a total return of -6.9% in net asset value ('NAV') per ordinary share over the period. This included dividends totalling 2.80p per share, which increased by 7.7% as compared to the same period in 2018.

The Company's investment process focuses on companies with attractive dividend yields, strong cash flow generation, and the potential to grow both earnings and distributions in the future. Income from the portfolio during the period has remained robust and the majority of companies have increased or maintained their dividends. Dividend growth has been widely spread across sectors and regions. Examples of large increases in dividends include Italian utility Enel (14% year-on-year increase in payment for the period), US bank JP Morgan (43%) and technology companies Microsoft (10%) and Cisco (6%). Dividend growth is mainly being driven by earnings growth, but there is still some 'normalisation' of dividend payout ratios post the financial crisis. The financial sector is the most obvious example of this normalisation; it has taken many years of regulatory change before some companies feel comfortable about increasing payouts, and in some cases for regulators to be comfortable to allow this. The large dividend increase by JP Morgan is an example of this. The other sector that has returned to growth after an earnings shock is the oil sector; Chevron increased its quarterly dividend by 6% and Total by 3%.

The investment team's objective is to provide investors with an attractive, rising level of dividends and capital appreciation over the long-term. Dividend growth from the portfolio has been excellent over the period but capital performance has been negative. The Chairman has discussed some of the drivers of the market volatility in his statement. Given the economic concerns it is not surprising that the more defensive stocks and sectors performed best. Italian utility Enel, and telecommunication companies Tele2 and HK Trust were the largest positive contributors to performance. Some of the portfolio's technology stocks were also strong performers, including long-term holding Cisco, which reported good results, and new additions last year BE Semiconductor and Lam Research. The semiconductor sector was one of the first sectors to be impacted by trade and growth concerns last year. We believe the industry is a long-term beneficiary of technology changes and took advantage of the weakness to add these names. Lower economic growth expectations resulted in lower interest rate expectations, which impacted sentiment regarding the outlook for some of the Company's financial holdings. We continue to see considerable long-term capital potential in the sector, but have refined the holdings list and reduced the exposure over the period in response to the change in economic conditions.

Portfolio positioning

The geographic weightings of the portfolio have not changed significantly over the period, but there have been a few portfolio changes within regions and sectors. Profits were taken in positions including private equity company Blackstone, and US electronic retailer Best Buy, which have both appreciated considerably since initial purchase. Volatility in the credit market during December highlighted the vulnerability of companies with debt on their balance sheets. Whilst the credit market has stabilised significantly since the year-end, we have taken advantage of this to close some positions in companies that could be vulnerable to further volatility, such as retailers Hanesbrands and CVS. New positions initiated included pharmaceutical company Sanofi, whose valuation does not reflect its portfolio or the potential impact of new management's cost savings, leader in the semiconductor equipment industry Lam Research, and Chinese cement manufacturer Anhui Conch, a beneficiary of government supply side reforms focused on industry efficiency and environmental concerns.

Ben Lofthouse
Fund Manager
23 April 2019

Financial summary

Extract from the Income Statement (unaudited)	Half-year ended 28 Feb 2019 Revenue return £'000	28 Feb 2019 Capital return £'000	28 Feb 2019 Total £'000	28 Feb 2018 Total £'000
Losses on investments held at fair value through profit or loss	-	(22,429)	**(22,429)**	(148)
Income from investments held at fair value through profit or loss	3,633	-	**3,633**	3,614
(Losses)/gains on foreign exchange	-	(31)	**(31)**	23
Other income	2	-	**2**	44
Gross revenue and capital (losses)/gains	3,635	(22,460)	**(18,825)**	3,533
Expenses, finance costs & taxation	(802)	(668)	**(1,470)**	(1,706)
Net return after taxation	2,833	(23,128)	**(20,295)**	1,827
Return per ordinary share	1.59p	(13.01)p	**(11.42)p**	1.04p

Extract from the Statement of Financial Position (unaudited except 31 August 2018 figures)	28 Feb 2019 £'000	28 Feb 2018 £'000	31 Aug 2018 £'000
Fixed asset investments held at fair value through profit or loss	**277,606**	287,231	302,416
Net current liabilities	**(5,519)**	(2,195)	(5,668)
Total net assets	**272,087**	285,036	296,748
Net asset value per ordinary share - basic and diluted	**152.9p**	161.5p	167.1p

Financial summary (continued)

Share capital

During the half-year to 28 February 2019, the Company issued 400,000 ordinary shares for a total consideration of £612,000 (28 February 2018: £3,803,000; 31 August 2018: £5,530,000 in addition, £33,000 was written back following the removal of a provision for issue costs relating to the issue of C shares which was not utilised) after deduction of issue costs.

Since the period end and up to 23 April 2019, the Company has issued 600,000 shares for net proceeds of £942,000.

Dividend

A first interim dividend payment for the year ending 31 August 2019 of 1.40p per ordinary share was paid to shareholders on 28 February 2019. A second interim dividend payment for the year ending 31 August 2019 of 1.40p per ordinary share has been declared and will be paid to shareholders on 31 May 2019.

Principal risks and uncertainties

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

- Investment activity and performance risks;
- Portfolio and market price risks;
- Tax and regulatory risks; and
- Operational risks.

Information on these risks and how they are managed is given in the annual report to 31 August 2018. 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.

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.

Subsequent events

Subsequent to the period end, the Company has agreed to enter into long-term fixed rate borrowings of €30,000,000 for 25 years at a rate of 2.43%.

The Company announced on 12 April 2019 that terms have been agreed in principle for the Company to be the default rollover option on the liquidation of The Establishment Investment Trust plc ("EIT"). The proposed transaction is to be effected by way of a tax efficient liquidation of EIT under section 110 of the Insolvency Act. A circular to shareholders of the Company convening a general meeting, at which enabling resolutions will be put forward, will be published in due course.

Statement of directors' responsibilities

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

(a) the financial statements for the half-year ended 28 February 2019 have been prepared in accordance with 'FRS 104 Interim Financial Reporting';

(b) the Interim Management Report includes a fair review of the information required by Disclosure Guidance and Transparency Rule 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and

(c) the Interim Management Report includes a fair review of the information required by Disclosure Guidance and Transparency Rule 4.2.8R (disclosure of related party transactions and changes therein).

For and on behalf of the board

Simon Jeffreys
Chairman
23 April 2019

Portfolio information at 28 February 2019

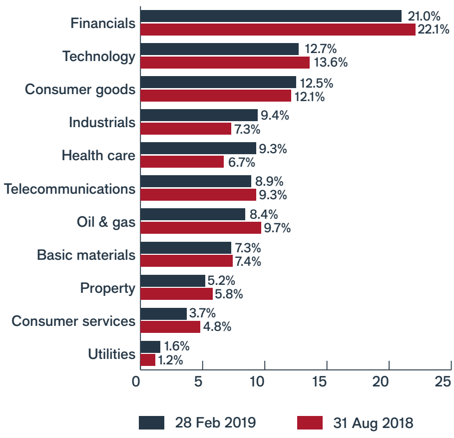
Ten largest investments

Company	Sector	Country	Market value £'000	% of portfolio
Microsoft	Technology	US	12,212	4.4
Nestlé	Consumer goods	Switzerland	8,909	3.2
Chevron	Oil & Gas	US	7,172	2.6
Pfizer	Health care	US	6,881	2.5
Coca-Cola	Consumer goods	US	6,879	2.5
Cisco Systems	Technology	US	6,728	2.4
Roche	Health care	Switzerland	6,136	2.2
Novartis	Health care	Switzerland	6,128	2.2
BASF	Basic materials	Germany	5,979	2.2
AXA	Financials	France	5,654	2.0

These investments total £72,678,000 which represents 26.2% of the portfolio.

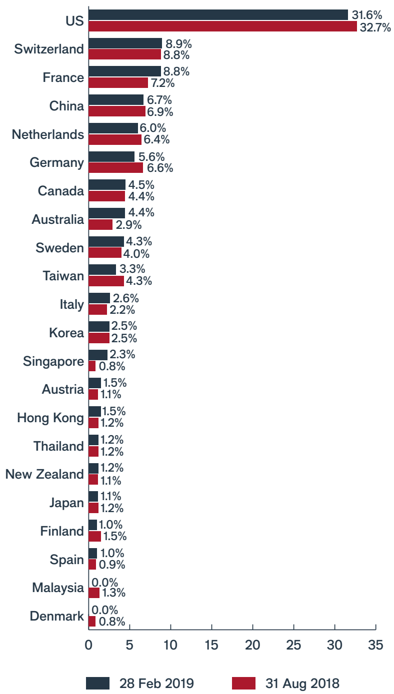
Sector exposure

As a percentage of the investment portfolio excluding cash



Geographic exposure

As a percentage of the investment portfolio excluding cash



Source: Janus Henderson

Investment portfolio at 28 February 2019

Company	Country	Market value £'000	% of portfolio
Basic materials			
BASF	Germany	5,979	2.2
Nutrien	Canada	4,197	1.5
DowDuPont	US	3,979	1.4
Indorama Ventures	Thailand	3,421	1.2
UPM-Kymmene	Finland	2,750	1.0
		20,326	7.3
Consumer goods			
Nestlé	Switzerland	8,909	3.2
Coca-Cola	US	6,879	2.5
Anta Sports	China	4,247	1.5
Samsung	Korea	3,558	1.3
Hasbro	US	3,427	1.2
Treasury Wine Estates	Australia	3,148	1.1
Dali Foods	China	3,044	1.1
General Motors	US	1,486	0.6
		34,698	12.5
Consumer services			
Royal Caribbean Cruises	US	4,810	1.7
Sabre	US	2,735	1.0
Las Vegas Sands	US	2,728	1.0
		10,273	3.7

Company	Country	Market value £'000	% of portfolio
Financials			
AXA	France	5,654	2.0
ING	Netherlands	5,189	1.9
Manulife Financial	Canada	4,833	1.7
Bawag	Austria	4,262	1.5
Nordea	Sweden	4,077	1.5
E. Sun	Taiwan	3,691	1.3
Van Lanschot	Netherlands	3,650	1.3
United Overseas	Singapore	3,585	1.3
Macquarie	Australia	3,193	1.2
Swedbank	Sweden	3,156	1.1
Mitsubishi Financial	Japan	3,091	1.1
BNP Paribas	France	2,925	1.1
Banca Farmafactoring	Italy	2,870	1.0
Allianz	Germany	2,739	1.0
JP Morgan Chase	US	2,183	0.8
Natixis	France	1,642	0.6
Société Générale	France	1,630	0.6
		58,370	21.0
Health care			
Pfizer	US	6,881	2.5
Roche	Switzerland	6,136	2.2
Novartis	Switzerland	6,128	2.2
Sanofi	France	3,469	1.2
Medtronic	US	3,283	1.2
		25,897	9.3

Investment portfolio at 28 February 2019 (continued)

Company	Country	Market value £'000	% of portfolio
Industrials			
Siemens	Germany	4,974	1.8
Jiangsu Expressway	China	3,901	1.4
ABB	Switzerland	3,666	1.3
Anhui Conch	China	3,356	1.2
Amcor	Australia	3,343	1.2
Prosegur Cash	Spain	2,689	1.0
Watsco	US	2,380	0.9
Deutsche Post	Germany	1,815	0.6
		26,124	**9.4**
Oil & gas			
Chevron	US	7,172	2.6
Total	France	4,772	1.7
China Petroleum and Chemical	China	4,188	1.5
Occidental	US	3,589	1.3
Vermilion	Canada	3,438	1.3
		23,159	**8.4**
Property			
Crown Castle	US	3,946	1.4
Eurocommercial	Netherlands	2,962	1.1
Mapletree North Asia	Singapore	2,713	1.0
Scentre	Australia	2,499	0.9
Cyrusone	US	1,534	0.5
Nexity	France	871	0.3
		14,525	**5.2**

Company	Country	Market value £'000	% of portfolio
Technology			
Microsoft	US	12,212	4.4
Cisco Systems	US	6,728	2.4
Taiwan Semiconductor Manufacturing	Taiwan	5,455	2.0
LAM Research	US	3,352	1.2
Maxim	US	2,792	1.0
ASML	Netherlands	2,582	1.0
BE Semiconductor	Netherlands	1,994	0.7
		35,115	**12.7**
Telecommunications			
Verizon Communications	US	5,475	2.0
Tele2	Sweden	4,766	1.7
HKT Trust and HKT Ltd	Hong Kong	4,179	1.5
Orange	France	3,656	1.3
SK Telecom	Korea	3,454	1.2
Spark New Zealand	New Zealand	3,209	1.2
		24,739	**8.9**
Utilities			
Enel	Italy	4,380	1.6
		4,380	**1.6**
Total investments		**277,606**	**100.0**

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MANAGED BY
Janus Henderson
INVESTORS

The Association of Investment Companies

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