

Henderson High Income Trust plc

Half Year Report to 30 June

2009



Henderson High Income Trust plc invests in a prudently diversified selection of both well-known and smaller companies to provide investors with a high dividend income stream whilst also maintaining the prospect of capital growth.

Approximately three-quarters of the Company's assets are currently invested in ordinary shares of listed companies with the balance in listed fixed interest stocks. The Company invests predominantly in companies listed in the UK and does not expect to invest more than 20% of total assets in non-UK listed companies. The selection process seeks to identify companies with strong balance sheets and dividends. There is a focus on well-managed companies whose qualities may have been temporarily overlooked and which offer potential for capital appreciation over the medium term. The Company has an active policy of using appropriate levels of gearing.

Highlights

Per ordinary share	Half year ended 30 June 2009	Half year ended 30 June 2008	Year ended 31 December 2008
Net asset value	97.46p	134.49p	102.73p
Share price	93.75p	119.00p	95.00p
Revenue earnings	4.46p	4.66p	8.90p

Performance (calculated on the AIC basis)	6 months	12 months
Total return (with net dividends reinvested)	%	%
Share price	+5.7	-14.0
Net asset value	+2.1	-21.9
FTSE All-Share Index	+0.8	-20.5
FTA Government All Stocks Index†	-2.1	+12.9
Benchmark*	+0.1	-12.2

Source: AIC Information Services Limited.

†Source: Datastream, gross dividends reinvested.

*The benchmark is a composite of 75% of the FTSE All-Share Index and 25% of the FTA Government All Stocks Index

Performance Dividends

Net dividend yield at 30 June 2009	%
Henderson High Income Trust plc	8.9
FTSE All-Share Index†	4.6
FTA Government All Stocks Index (gross)†	4.0

†Source: Datastream

A first interim dividend of 2.075p (2008: 2.075p) will be paid on 31 July 2009.

A second interim dividend of 2.075p (2008: 2.075p) has been declared payable on 30 October 2009 to shareholders registered at the close of business on 18 September 2009. The shares will be quoted ex-dividend from 16 September 2009.

Interim dividends are recognised in the period in which they are paid (see note 5 on page 11).

Interim Management Report

Chairman's Statement

Performance

The last six months have been rather like riding the big dipper at Alton Towers. The first part of the period saw the economy continue to deteriorate and with it sentiment, whilst in the latter part, although far from staging a recovery, the UK economy did at least show some signs of stabilising, which in turn improved sentiment. This was more extremely reflected in markets with the FTSE All-Share Index, having fallen sharply from the start of the year, bottomed in March and recovered strongly back to its starting levels by early June, falling back to close the six months slightly lower than where it had started. This performance, however, masks another torrid period in our all-important high yield market, although there has been some recovery in the corporate bond market from the very depressed levels reached earlier this year. All of this is covered in greater detail in our Manager's report but, in the circumstances, a small positive total return in the net asset value for the period of 2.1%, which was also ahead of our benchmark, was very creditable. More encouraging was the total return of the share price for the period of 5.7%, which reflects the current disappearance of the discount to NAV.

Dividends

The Board is declaring a second unchanged interim dividend of 2.075p per share to be paid on 30 October 2009. I can still make no definite forecast about the future level of the dividend, but our current aim remains to maintain distributions, although this

aspiration will continue to be kept under review during the year in light of our actual experience and the investment conditions at the time.

Related party transactions

Details of related party transactions are contained in the annual report. There have been no material transactions with our related parties during the six month period.

VAT on management fees

We have recognised in these accounts an amount of £145,131 in respect of the repayment of VAT paid by the Company on management fees during the period 1990 – 1996. This amount was received by the Company in July 2009. We have also included a conservative estimate of £72,000 in respect of interest due on the reclaim: this amount is outstanding as at the date of this report. We do not currently anticipate receiving any further repayments of VAT.

Outlook

In my annual statement, written in March, I wrote that we must be careful not to allow ourselves to become too depressed and so run the risk of missing the first signs of dawn. As it turned out, a glorious dawn was emerging as I was writing and markets recovered strongly from their low points. However, the question now is whether this was in reality a false dawn or the start of a wonderful new day. I think we can take heart that the authorities have probably stabilised the financial system and done enough to avoid a depression, but that does

Interim Management Report continued

Chairman's Statement continued

not mean that it will be easy going; indeed the new day is likely to be more overcast and uncertain than first hoped. However, we will remain focused on our objective of providing a high income stream and capital growth. I hope when I sit down to write my

next Chairman's statement that the recovery in share prices will have found wider support and broadened into a sustainable recovery. In the meantime, let us hope that we at least have some decent weather to enjoy in the rest of our summer.

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
- Portfolio and market risks
- Regulatory, financial and operational risks

Information on these risks and how they are managed is given in the annual report. 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:

- a) the condensed set of financial statements has been prepared in accordance with the Accounting Standards Board's statement "Half-Yearly Financial Reports";
- b) the interim management 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) the interim management report includes a fair review of the information required by Disclosure and Transparency Rule 4.2.8R (disclosure of related party transactions and changes therein).

Hugh Twiss, Chairman
30 July 2009

Interim Management Report continued

Investment Manager's Report

Markets and performance

This half year encapsulated another particularly volatile period of performance, as the UK market fell 19% from the year end to early March and then recovered most of the fall by the end of June. The market was driven by fear and uncertainty in the first two months: fearful of the impact of the global economic decline on company profits and uncertain how the huge economic stimulus provided by governments would play out. Record low levels of interest rates and better than expected corporate results led to the start of a strong rally in share prices which, as it progressed, dragged investors back into the market.

Protecting our portfolio against the swings in prices has been challenging. We have reduced gearing over recent years, retreated into defensive stocks and increased bonds; however, the downturn was felt just as hard by defensives and bonds. The fear of default and poor liquidity drove bond yields to levels not seen since the depression in the 1930's. Certain bonds from UK banks fell to below 20p for 100p of nominal value; the average across our portfolio was 45p. There has subsequently been a strong rally but our bonds remain on average trading at a 25% discount to our purchase prices, offering substantial further recovery potential.

Higher yielding equities have not participated fully in the recent rally, although they did not lose as much in the earlier fall. This is probably to be expected, as the most economically sensitive companies have been forced to cut or pass dividends and, as such, we are limited in our ability to hold these stocks without placing stress on our income generation. Despite a defensive stance, we have experienced a number of dividend cuts from companies we hold, such as HSBC, Dairy Crest, GKN and Marston's

amongst others. Often these cuts are the result of dilution from rights issues but also a desire to accelerate the paying down of debt. Overall, our investment income is down 14% compared with the same period last year, which is principally due to a 20% fall in the equity dividend income – broadly in line with the fall in UK market dividends. The reduction in UK dividends now exceeds that experienced in the early 1970's and is a function of higher gearing, bigger pension fund deficits and a desire to pay down debt more quickly. The subsequent recovery in dividend growth should start next year but will not be pronounced unless earnings bounce strongly.

Our performance has exceeded the benchmark composite index and has been a function of gearing and a recovery in bond prices since March. The equity portfolio performance is broadly in line with the FTSE All-Share but lacks exposure to the mining sector, where dividends are scarce. The exposure to smaller caps, industrials and financials has been supportive to performance and allowed the portfolio to keep pace with the market rally.

Transactions

The level of bank borrowings at the end of June was £3.2m lower than at the year end, although the total liabilities, net of current assets, were broadly the same as the year end. Given the extreme volatility in share prices over this period, the gearing has moved up and down but ended the period at 22.2%, slightly higher than at the year end. The key focus has been the fixed interest portfolio because of its importance for our revenue generation. We have in the past had up to 10% of assets in preference shares (predominantly issued by financials) as they have provided high yields and were tax advantageous. However, as they rank lowly in a company's financial

Interim Management Report continued

Investment Manager's Report continued

structure, at times of stress the coupons may be prone to deferral or omission. We have been reducing this risk by selling higher priced preference shares favoured by retail investors, such as those from the Co-operative Bank, Abbey Santander, General Accident and Standard Chartered. We have also been exchanging bonds, taking advantage of those banks reforming their credit structure and in the process moving from junior to more senior ranked debt.

The equity portfolio remains defensive in terms of sensitivity to economic activity, as we expect only a slow recovery from the current recession. We have added to our pharmaceutical position with a holding in AstraZeneca. The company is lowly rated due to a perceived poor pipeline of drugs and patent exposure on their existing sales. However, this view is gently changing with recently announced new drugs in trial and, with low expectations, the shares could re-rate over the coming year. Elsewhere we have sold our holding of BT in anticipation of a dividend cut and reinvested into the Dutch telecom company KPN, whose dividend appears to be safer and has better growth prospects. We have limited holdings of European stocks but the telecom sector offers interesting prospects in Europe as valuations are low and dividends high, with levels of debt half that of the late 1990's.

We have taken advantage of underwriting linked to a number of rights issues in the UK but have been conservative in our selection of underwriting commitments. This opportunity looks as if it might last to the end of the year and we will continue to monitor our commitments carefully.

Outlook

It is proving to be a great challenge finding reliable income-generating investment opportunities. An

increasing number of companies have cut their dividends and our own income has been impacted but, through much lower borrowing costs and the VAT reclaim, we have reduced the possible shortfall of income in the first half. There will undoubtedly be more cuts and further rights issues ahead, but we should be past the worst and next year could see a modest resumption in growth.

The market rally has favoured distressed companies and cyclicals, the same mix that led the market down after the New Year. This is not normally the sign of a new bull market, which is typically characterised by new leadership in the market. Investors have yet to find a consensus on the effect of rising unemployment and the impact of higher taxes in the future. A political vacuum also exists in the UK until the election next year, when important issues surrounding tax and government borrowing could impact sterling and corporate plans.

With share prices down 24% from a year ago, there is much bad news embedded into valuations and as improving economic news seeps out, shares should respond positively. Companies have done well to limit the profit impact during the slowdown by cutting costs early and consequently it will be interesting to see how they respond to an uplift in orders. A recent example is house builders with low stocks of new homes as buyer interest has picked up.

The recovery in shares has been narrowly focused on certain sectors and, to confirm the end of the downturn, a broader mix of stocks needs to rise. We have maintained a degree of gearing and, with both bonds and equities showing signs of improving, we are in a good position to rebuild capital value over the remainder of the year.

Alex Crooke
Portfolio Manager

Classification of Investments

as at 30 June 2009

	Total 30 June 2009		Total 30 June 2009	
	%	£'000	%	£'000
Fixed Interest				
Preference Shares	5.8	5,895		
Other	19.8	20,207		
	25.6	26,102		
Oil & Gas				
Oil & Gas Producers	8.8	8,974		
	8.8	8,974		
Industrials				
Construction & Materials	2.7	2,762		
Aerospace & Defence	1.2	1,185		
Electronic & Electrical Equipment	0.1	101		
Industrial Engineering	0.2	268		
Industrial Transportation	1.8	1,801		
Support Services	4.3	4,396		
	10.3	10,513		
Consumer Goods				
Automobiles & Parts	0.5	496		
Beverages	1.0	1,046		
Food Producers	1.9	1,925		
Tobacco	5.9	5,998		
	9.3	9,465		
Health Care				
Pharmaceuticals & Biotechnology	2.6	2,698		
	2.6	2,698		
Consumer Services				
General Retailers	0.4	417		
Media	0.5	454		
Travel & Leisure	2.3	2,353		
	3.2	3,224		
Telecommunications				
Fixed Line Telecommunications	2.6	2,657		
Mobile Telecommunications	4.4	4,492		
	7.0	7,149		
Utilities				
Electricity	2.7	2,699		
Gas Water & Multiutilities	7.8	7,965		
	10.5	10,664		
Financials				
Banks	3.5	3,559		
Nonlife Insurance	7.0	7,144		
Life Assurance	4.6	4,675		
Real Estate	0.2	226		
General Financial	6.1	6,201		
Equity Investment Instruments	1.3	1,299		
	22.7	23,104		
TOTAL INVESTMENTS	100.0	101,893		

10 Largest Investments

as at 30 June 2009

	Value 30 June 2009 £'000	Value 30 June 2009 £'000	
BP	6,689	* National Grid	4,008
*British American Tobacco	4,599	Catlin	4,000
Vodafone	4,492	Prodesse Investment	3,870
*HSBC	4,411	*Imperial Tobacco	3,570
*Aviva	4,026	Scottish & Southern Energy	2,699

These investments total £42,364,000 or 41.6% of the portfolio.

*includes fixed interest

Income Statement

for the half year ended 30 June 2009

	(Unaudited)		
	Half year ended 30 June 2009		
	Revenue return £'000	Capital return £'000	Total £'000
Losses on investments held at fair value through profit or loss	–	(4,664)	(4,664)
Investment income	4,204	–	4,204
Other interest receivable and similar income	217	–	217
Gross revenue and capital losses	4,421	(4,664)	(243)
Management fees	(135)	(203)	(338)
Write back of prior years' VAT	62	83	145
Other administrative expenses	(157)	–	(157)
Net return/(loss) before finance costs and taxation	4,191	(4,784)	(593)
Finance costs	(52)	(157)	(209)
Net return/(loss) on ordinary activities before taxation	4,139	(4,941)	(802)
Taxation on net return on ordinary activities	(323)	315	(8)
Net return/(loss) on ordinary activities after taxation	3,816	(4,626)	(810)
Return/(loss) per share (note 2)	4.46p	(5.41)p	(0.95)p

The columns of this statement headed "Total" represent the Company's Income Statement, prepared in accordance with UK GAAP. 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 the Reconciliation of Movements in Shareholders' Funds.

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

(Unaudited) Half year ended 30 June 2008			(Audited) Year ended 31 December 2008		
Revenue return £'000	Capital return £'000	Total £'000	Revenue return £'000	Capital return £'000	Total £'000
–	(27,489)	(27,489)	–	(54,313)	(54,313)
4,859	–	4,859	9,062	–	9,062
40	–	40	289	–	289
<u>4,899</u>	<u>(27,489)</u>	<u>(22,590)</u>	<u>9,351</u>	<u>(54,313)</u>	<u>(44,962)</u>
(182)	(272)	(454)	(358)	(537)	(895)
–	–	–	39	58	97
<u>(143)</u>	<u>–</u>	<u>(143)</u>	<u>(276)</u>	<u>–</u>	<u>(276)</u>
4,574	(27,761)	(23,187)	8,756	(54,792)	(46,036)
<u>(243)</u>	<u>(729)</u>	<u>(972)</u>	<u>(428)</u>	<u>(1,285)</u>	<u>(1,713)</u>
4,331	(28,490)	(24,159)	8,328	(56,077)	(47,749)
<u>(345)</u>	<u>345</u>	<u>–</u>	<u>(724)</u>	<u>724</u>	<u>–</u>
<u>3,986</u>	<u>(28,145)</u>	<u>(24,159)</u>	<u>7,604</u>	<u>(55,353)</u>	<u>(47,749)</u>
<u>4.66p</u>	<u>(32.94)p</u>	<u>(28.28)p</u>	<u>8.90p</u>	<u>(64.79)p</u>	<u>(55.89)p</u>

Reconciliation of Movements in Shareholders' Funds

for the half year ended 30 June 2009

Half year ended 30 June 2009 (unaudited)	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Other capital reserves £'000	Revenue reserve £'000	Total £'000
At 31 December 2008	4,291	56,877	26,302	(4,387)	4,681	87,764
Net (loss)/return on ordinary activities after taxation	-	-	-	(4,626)	3,816	(810)
Third interim dividend (2.075p per share) for year ended 31 December 2008 paid 30 January 2009	-	-	-	-	(1,773)	(1,773)
Fourth interim dividend (2.075p per share) for year ended 31 December 2008 paid 30 April 2009	-	-	-	-	(1,773)	(1,773)
Refund of statute-barred dividends	-	-	-	-	4	4
At 30 June 2009	4,291	56,877	26,302	(9,013)	4,955	83,412

Half year ended 30 June 2008 (unaudited)	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Other capital reserves £'000	Revenue reserve £'000	Total £'000
At 31 December 2007	4,291	56,877	26,302	50,966	4,169	142,605
Net (loss)/return on ordinary activities after taxation	-	-	-	(28,145)	3,986	(24,159)
Third interim dividend (2.075p per share) for year ended 31 December 2007 paid 31 January 2008	-	-	-	-	(1,773)	(1,773)
Fourth interim dividend (2.075p per share) for year ended 31 December 2007 paid 30 April 2008	-	-	-	-	(1,773)	(1,773)
At 30 June 2008	4,291	56,877	26,302	22,821	4,609	114,900

Year ended 31 December 2008 (audited)	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Other capital reserves £'000	Revenue reserve £'000	Total £'000
At 31 December 2007	4,291	56,877	26,302	50,966	4,169	142,605
Net (loss)/return on ordinary activities after taxation	-	-	-	(55,353)	7,604	(47,749)
Third interim dividend (2.075p per share) for year ended 31 December 2007 paid 31 January 2008	-	-	-	-	(1,773)	(1,773)
Fourth interim dividend (2.075p per share) for year ended 31 December 2007 paid 30 April 2008	-	-	-	-	(1,773)	(1,773)
First interim dividend (2.075p per share) for year ended 31 December 2008 paid 31 July 2008	-	-	-	-	(1,773)	(1,773)
Second interim dividend (2.075p per share) for year ended 31 December 2008 paid 31 October 2008	-	-	-	-	(1,773)	(1,773)
At 31 December 2008	4,291	56,877	26,302	(4,387)	4,681	87,764

Balance Sheet

as at 30 June 2009

	(Unaudited) 30 June 2009 £'000	(Unaudited) 30 June 2008 £'000	(Audited) 31 December 2008 £'000
Fixed assets			
Investments held at fair value through profit or loss	101,893	139,912	106,000
Current assets			
Debtors	1,745	2,678	3,018
Cash at bank	1,073	1,751	3,198
	2,818	4,429	6,216
Creditors: amounts falling due within one year	(21,299)	(29,441)	(24,452)
Net current liabilities	(18,481)	(25,012)	(18,236)
Total net assets	83,412	114,900	87,764
Capital and reserves			
Called up share capital	4,291	4,291	4,291
Share premium account	56,877	56,877	56,877
Capital redemption reserve	26,302	26,302	26,302
Other capital reserves	(9,013)	22,821	(4,387)
Revenue reserve	4,955	4,609	4,681
Equity shareholders' funds	83,412	114,900	87,764
Net asset value per share (note 3)	97.46p	134.49p	102.73p

Cash Flow Statement

for the half year ended 30 June 2009

	(Unaudited) Half year ended 30 June 2009 £'000	(Unaudited) Half year ended 30 June 2008 £'000	(Audited) Year ended 31 December 2008 £'000
Net cash inflow from operating activities	5,060	4,023	7,772
Net cash outflow from servicing of finance	(75)	(1,009)	(1,750)
Net tax recovered	4	–	–
Net cash (outflow)/inflow from financial investment	(660)	6,256	13,205
Equity dividends paid	(3,546)	(3,546)	(7,092)
Refund of statute-barred dividends	4	–	–
Net cash inflow before financing	787	5,724	12,135
Net cash outflow from financing	(2,920)	(4,000)	(8,997)
(Decrease)/increase in cash	(2,133)	1,724	3,138
Notes to the Cash Flow Statement			
Reconciliation of operating revenue to net cash inflow from operating activities			
Net loss before finance costs and taxation	(593)	(23,187)	(46,036)
Add: capital loss before finance costs and taxation	4,784	27,761	54,792
Net return before finance costs and taxation	4,191	4,574	8,756
Decrease/(increase) in revenue debtors and accrued income	1,161	(277)	(443)
Decrease in creditors	(81)	–	(35)
Tax deducted at source	(8)	(2)	–
Management and administrative fees charged to capital	(203)	(272)	(479)
Stock dividends included in investment income	–	–	(27)
Net cash inflow from operating activities	5,060	4,023	7,772
Reconciliation of net cash flow to movement in net debt			
(Decrease)/increase in cash	(2,133)	1,724	3,138
Net repayment of loans	3,072	4,000	8,997
Exchange movements	8	3	37
Movement in net debt in the period	947	5,727	12,172
Net debt at the beginning of the period	(20,887)	(33,059)	(33,059)
Net debt at the end of the period	(19,940)	(27,332)	(20,887)
Represented by:			
Cash at bank and short-term deposits	1,073	1,751	3,198
Debt falling due within one year	(21,013)	(29,083)	(24,085)
Total	(19,940)	(27,332)	(20,887)

Notes

1. Accounting policies

Basis of accounting

The condensed set of financial statements has been prepared using the same accounting policies as are set out in the Company's Report and Accounts for the year ended 31 December 2008.

The condensed set of financial statements has not been audited or reviewed by the Company's auditors.

2. Returns per share

The loss per ordinary share is based on the following figures:

	(Unaudited) Half year ended 30 June 2009 £'000	(Unaudited) Half year ended 30 June 2008 £'000	(Audited) Year ended 31 December 2008 £'000
Revenue return	3,816	3,986	7,604
Capital loss	(4,626)	(28,145)	(55,353)
Total	(810)	(24,159)	(47,749)
Weighted average number of ordinary shares in issue for each period	85,453,148	85,435,744	85,435,744
Revenue return per ordinary share	4.46p	4.66p	8.90p
Capital loss per ordinary share	(5.41)p	(32.94)p	(64.79)p
Total	(0.95)p	(28.28)p	(55.89)p

The Company does not have any dilutive securities.

3. Net asset value per share

The net asset value per share is based on the net assets attributable to the shares of £83,412,000 (30 June 2008: £114,900,000; 31 December 2008: £87,764,000) and on the 85,585,744 shares in issue (excluding shares held in treasury) (30 June 2008: 85,435,744; 31 December 2008: 85,435,744).

4. Share capital

During the half year ended 30 June 2009 150,000 ordinary shares of 5p each held by the Company in treasury were sold at a price of 101.5p per share (half year ended 30 June 2008: no change; year ended 31 December 2008: no change). At 30 June 2009 there were 250,000 shares still being held in treasury.

5. Dividends

Interim dividends are recognised in the period in which they are paid.

In respect of the year ended 31 December 2008, a third interim dividend of 2.075p per share (2007: 2.075p) was paid on 30 January 2009 to shareholders on the register at close of business on

Notes

continued

9 January 2009. A fourth interim dividend of 2.075p per share (2007: 2.075p) was paid on 30 April 2009 to shareholders on the register at close of business on 3 April 2009. These two dividends are reflected in these half year accounts.

In respect of the year ending 31 December 2009, a first interim dividend of 2.075p per share (2008: 2.075p) will be paid on 31 July 2009 to shareholders on the register on 26 June 2009. The aggregate cost of this dividend will be £1,776,000. A second interim dividend of 2.075p per share (2008: 2.075p) will be paid on 30 October 2009 to shareholders on the register on 18 September 2009. The shares will go ex-dividend on 16 September 2009. In accordance with FRS 21, the first and second interim dividends have not been accrued for in the half year accounts as they are paid after the period end.

6. 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 figures and financial information for the year ended 31 December 2008 are extracted from the latest published accounts and 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 237(2) or 237(3) of the Companies Act 1985.

Glossary of Terms

Ordinary Shares

Confer certain rights to the holder as laid down in the Articles of Association. These include entitlements to any income distributions paid by the Company, to all undistributed net income if the Company is wound up and certain voting rights. They rank for payment of capital after repayment of borrowings.

Dividend Yield

The annual dividend expressed as a percentage of the share price.

Net Asset Value

The value of the total assets less the liabilities. Liabilities for this purpose include both current and long-term liabilities. To calculate the net asset value per share, divide the net asset value by the number of shares in issue.

Effective Interest Rate

The rate of interest applicable to a financial asset or liability taking into account all related cash flows from its acquisition to its redemption date.

Discount

The amount by which the market price per share of an investment trust company is lower than the net asset value per share. The discount is normally expressed as a percentage of the net asset value per share.

Premium

The amount by which the market price per share of an investment trust company exceeds the net asset value per share. The premium is normally expressed as a percentage of the net asset value per share.

Gearing

Total assets including all liabilities being used for investment purposes (irrespective of how long the debt has to run until repayment) divided by shareholders' funds.

Directors and other Information

Directors

H J Twiss (Chairman)
V P Bazalgette
A L C Bell
M Littlejohns
A J R Newhouse
J S Walker

Registered office

201 Bishopsgate
London EC2M 3AE
Telephone: 020 7818 1818

Registered number

Registered as an investment company in England and Wales No. 2422514

Investment manager

Henderson Global Investors Limited, authorised and regulated by the Financial Services Authority
Portfolio Manager: A A Crooke
Deputy Portfolio Manager: B Lofthouse

Secretary

Henderson Secretarial Services Limited represented by D J Trickett ACIS

Registrar

Computershare Investor Services PLC
Telephone: 0870 707 1039

Halifax Share Dealing holders

Telephone: 0845 609 0408

Henderson investor services

Telephone: 0800 856 5656

Results

The half year results are announced at the end of July/beginning of August. The full year results are announced in March. The Annual General Meeting is held in London in May.

Share price information

The market price of the Company's ordinary shares is published daily in The Financial Times and other leading newspapers. The Financial Times also shows figures for the estimated net asset value and the premium/discount applicable to the shares.

Dividend payments

First interim payable on 31 July 2009
Second interim payable on 30 October 2009
Third interim payable on 29 January 2010
Fourth interim payable on 30 April 2010

Website

Further information on the Company, including the market price and net asset value, can be found on the Company's website:

www.hendersonhighincome.com

Shareholders who hold their shares in certificated form can check their holdings with the Registrar, Computershare Investor Services PLC, via **www.computershare.com**. Please note that to gain access to your details on the Computershare site you will need the holder reference number stated on the top left corner of your share certificate.

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