

# WITAN INVESTMENT TRUST PLC

## Half year Report 2007

*“The main dangers  
in this life are the  
people who want to  
change everything –  
or nothing.”*

*Nancy Astor*

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## Dividend

An interim dividend of 4.10p (2006: 3.90p) per ordinary share will be paid on Friday 7 September 2007 to shareholders registered on Friday 17 August 2007. The shares were quoted ex-dividend on 15 August 2007.

**Investment trusts** are public limited companies, quoted on the London Stock Exchange, which provide shareholders with a professionally managed portfolio of investments. Investment trusts are exempt from tax on the capital gains arising on their investments. Income, net of expenses and tax, is distributed substantially to shareholders. Shareholders elect the directors.

## Objective

To be the first choice for wealth creation through equity investment.

## Philosophy

- ◆ Seek returns for our investors across global stockmarkets.
- ◆ Embrace new investment techniques when appropriate.
- ◆ Present ourselves to investors in a clear, no-nonsense way.

## Method

- ◆ To maintain at least 80% exposure to equity markets.
- ◆ To offer an independent multi-manager approach, accessing the best available talent within the global marketplace.
- ◆ To use alternative asset classes and investment techniques to improve performance.
- ◆ To grow the dividend at least in line with inflation.
- ◆ To buy back shares to improve net asset value and reduce the discount.
- ◆ To be ready to use borrowing in attractive markets while retaining the ability to convert to cash when prospects are poor.
- ◆ To promote and seek demand for Witan shares.
- ◆ To exercise strict controls on costs and keep expenses competitive.

## Key Performance Indicators

### Corporate Key Performance Indicators

	(Unaudited) 30 June 2007	Change since 31 December 2006	(Unaudited) 30 June 2006	(Audited) 31 December 2006
Net asset value per ordinary share	549.5p	6.3%	478.5p	517.1p
Net asset value per ordinary share (valuing the prior charges at market value) <sup>(A)</sup>	543.6p	6.9%	470.3p	508.4p
Share price	491.5p	8.1%	416.3p	454.5p
Performance against the overall benchmark:				
Net asset value per ordinary share, capital return		6.3%		
Benchmark, capital return		5.9%		
Dividends per ordinary share	4.1p		3.9p	9.2p
Discount (valuing the prior charges at market value)	9.6%		11.5%	10.6%
Shares bought back in the period <sup>(B)</sup>	5.9%		10.5%	11.6%
Total expense ratio <sup>(C)</sup>	0.28%		0.24%	0.47%
Number of private investors <sup>(D)</sup>	40,304			42,376

(A) Calculated by deducting from the total assets less current liabilities of the Company the preference shares, the debenture stock and the secured bonds at their market (or fair) values rather than at their par (or book) values.

(B) The percentage of the ordinary share capital in issue at the previous year end that was bought back during the period.

(C) The total of the management and performance fees and other administrative expenses (excluding the expenses of the subsidiary company) as a percentage of the average of shareholders' funds at the beginning and end of the period.

(D) The sum of the number of accounts on the Company's register of members and the number of accounts in Witan Wealthbuilder and Jump.

### Performance

	1 year % return	3 years % return	5 years % return
<b>Total returns to 30 June 2007</b>			
Share price <sup>(1)</sup>	20.6	74.2	59.5
Net asset value per ordinary share <sup>(2)</sup>	17.3	59.3	58.9
FTSE All-Share Index <sup>(1)</sup>	18.4	68.2	77.5
FTSE World (ex UK) Index <sup>(1)</sup>	15.5	48.8	53.6
<b>Capital returns to 30 June 2007</b>			
Net asset value per ordinary share	14.8	49.9 <sup>(2)</sup>	42.2 <sup>(2)</sup>
FTSE All-Share Index <sup>(1)</sup>	14.7	52.7	50.4
FTSE World (ex UK) Index <sup>(1)</sup>	13.1	39.8	38.7
Benchmark <sup>(3)</sup>	13.9	see note 3 below	see note 3 below

(1) Source: Datastream

(2) Source: Association of Investment Companies

(3) The benchmark comprises the FTSE All-Share Index and the FTSE World (ex UK) Index in the proportion 50:50 (capital change only). The benchmark in this proportion has applied only since 1 September 2004.

## Other Financial Highlights

	(Unaudited) 30 June 2007	Change since 31 December 2006	(Unaudited) 30 June 2006	(Audited) 31 December 2006
Net assets	£1,349 million	nil	£1,263 million	£1,349 million
Number of ordinary shares in issue	245,489,750	-5.9%	263,869,887	260,772,887
Revenue earnings per ordinary share	6.56p		5.95p	10.24p
Gearing*	-0.6%		4.7%	2.5%

\*The total market value of the investments less shareholders' funds as a percentage of shareholders' funds. The negative figure at 30 June 2007 is a result of increasing the cash balances by realising a proportion of the investments from the portfolios.

## Chairman's Statement



Harry Henderson

Witanwisdom

*"We must all obey the great law of change. It is the most powerful law of nature."*

*Edmund Burke*

The share price rose by 8.1% between 31 December 2006 and 30 June 2007 and was up by 18.1% over twelve months. The net asset value per share (NAV), which rose by 6.3% over the six months and by 14.8% over twelve months, was ahead of both the FTSE All-Share and the FTSE World (ex-UK) Indices over both periods and therefore outperformed the benchmark. Underlying that however, some managers outperformed and some underperformed as can be seen on page 4. Jim Horsburgh makes further comment on this in his report.

During July this year your Board announced that it had completed its first formal review of its underlying investment managers since moving to multi-manager in October 2004, replacing the incumbent Asia ex-Japan manager APS Asset Management with Comgest and Orbis to run Witan's Asia ex-Japan and Australian portfolios respectively. Further information about these managers can be found by visiting Witan's website [www.witan.com](http://www.witan.com).

One of the advantages of open architecture is your Board's ability to change managers, with little disruption to the portfolio, either to improve the manager line up or to adapt to new developments and market conditions. In 2004 we populated the Witan portfolio with what we judged to be the right combination of managers, in the main not readily accessible to UK retail investors, with the correct mandates but we have always said that these arrangements would be reviewed as we approach the third anniversary of their implementation. Going forward this review process will be continuous, but always rigorous and disciplined, as your Board is aware of the costs associated with manager change.

Your Board increased the interim dividend to 4.10p per ordinary share (2006: 3.90p), a rise of 5.1%. This is somewhat ahead of

the current rate of inflation but represents the current healthy state of the revenue account as well as your Board's desire to have a more even distribution of dividend payments over time.

Your Board has continued to implement its share buy-back policy and in the first six months of 2007 bought back 15,283,137 shares, adding some 0.5% to NAV. This also helped to reduce the volatility of the discount.

You will note that at the end of June your Company was effectively ungeared. This was because during June the Board raised cash from the fund managers, reducing gearing from a then 10%. Whilst we have no worries about the medium term outlook for world equity markets, it did appear to us that at that time investors, in general, were ignoring potential risks and this is always a dangerous situation.

Jim Horsburgh, who has been your Company's chief executive since February 2004, has confirmed to the Board his decision to retire by the AGM in 2009. We will put in place a search to find his successor at an appropriate time to ensure a smooth transition.

The strategic review referred to earlier is not just about changing managers but is also about ensuring that your Company's strategy with regard to asset and geographical distribution and manager mandates provides it with the best opportunity to make money for shareholders over the medium term. Your Board is committed to implementing all necessary changes in order to achieve this aim.

Harry Henderson  
28 August 2007

## Performance of the Investment Managers

Investment Manager	Equity Mandate	Benchmark (Total Return)	Investment Style
Henderson Global Investors	UK mainstream equities	FTSE 350 (ex investment companies)	Enhanced Index
Henderson Global Investors	UK smaller companies	Hoare Govett Smaller Companies (ex investment companies)	Growth at an Attractive Price
Southeastern Asset Management	Global	FTSE All-World	Quality Businesses at a Discounted Valuation
MFS International	Global	FTSE All-World	Growth at an Attractive Price
Wellington Management Company	Continental Europe	FTSE World Europe (ex UK)	Fundamental Research
Henderson Global Investors	USA	FTSE World North America	Enhanced Index
Brandes Investment Partners	Japan	FTSE Japan	Value
APS Asset Management	Far East	FTSE All-World Asia Pacific (ex Japan)	Fundamental Research

### Performance

for the periods from 1 January 2007 to 30 June 2007 and from inception to 30 June 2007

Investment Manager	Value of Funds under Management £m at 30.06.07	% of Witan's Assets under Management at 30.06.07*	Performance in the period 01.01.07 to 30.06.07 (%)	Benchmark Performance 01.01.07 to 30.06.07 (%)	Performance in the period since inception 30.09.04 to 30.06.07 (% annualised)	Benchmark Performance since inception 30.09.04 to 30.06.07 (% annualised)
Henderson Global Investors (UK)	519.6	39.3	+7.9	+7.7	+19.8	+19.5
Henderson Global Investors (UK smaller)	69.6	5.3	+8.5	+4.6	+27.3	+25.6
Southeastern Asset Management	207.0	15.7	+7.6	+7.6	+13.5	+16.6
MFS International	144.1	10.9	+5.8	+7.6	+16.4	+16.6
Wellington Management Company	122.2	9.2	+6.1	+11.4	+19.1	+25.0
Henderson Global Investors (USA)	121.3	9.2	+6.0	+5.1	+11.4	+10.8
Brandes Investment Partners	61.9	4.7	+1.2	0.0	+9.1	+12.4
APS Asset Management	75.6	5.7	+11.1	+16.2	+18.1	+28.9

\*excluding cash balances and unquoted investments held centrally by Witan.

Source: The WM Company

The investment in the UBS Mellon currency loan note fell by £2.5 million over the six months to 30 June 2007, equivalent to a return of -0.7% on a notional £350 million currency portfolio.

*"In recruiting these managers we were looking for firms that had a strong investment philosophy..., that had a clear, rigorous and disciplined investment process... and for firms that had a long-term record of outperformance."*

*extract from the CEO's Review 2004*

## Chief Executive Officer's Statement



Jim Horsburgh

Witanwisdom

*"You must be the change you wish to see in the world"*

*Gandhi*

The net asset value per share of the Trust rose 6.3% in the first six months of 2007, reflecting the continuing rise of world equity markets. Despite a correction in February which saw markets fall by around 5%, the FTSE All-Share Index rose by 5.7% whilst the FTSE World (ex UK) Index rose by 6.0%. Since the new management arrangements were put in place in September 2004, the net asset value performance is 4.7% ahead of benchmark, primarily due to the beneficial impact of your Company's share buy-back programme.

A break down of the individual managers' performance over the six months to end June is shown in the table on page 4. It is encouraging to see continued good performance from the Henderson UK smaller companies team and the improving performance from Brandes and Southeastern but the performance of Wellington still gives the Board cause for concern. As you will have seen in the Chairman's Statement, APS, whose performance continued to disappoint, has been replaced. This was primarily because it became clear that APS' investment process produced a portfolio that was not in accord with the Board's aspirations. There is more detail on this below. On a positive note the two enhanced indexed portfolios performed well. Not only are both now ahead of their respective benchmark indices but, since September 2004, the North American portfolio would have outperformed the average UK-based North American unit trust and OEIC by 3.0% per annum. The total UK portfolio, combining mainstream and smaller company equities, would also have been in the upper quartile of all non-specialist UK equity invested unit trusts and OEICs, having produced a total return of 67.4% versus 63.5% for the FTSE All-Share Index. The investment in the UBS Mellon currency loan note fell by £2.5 million, equivalent to a return of -0.7% on a notional £350 million currency portfolio. This was mainly due to overweight positions in the yen and the US dollar. As we indicated at the time of the appointment, this

vehicle was always expected to be volatile and this outcome, whilst a disappointing start, was within the anticipated range.

The Witan multi-manager structure is approaching its three year anniversary. With this in mind the Board of Witan has been undertaking a strategic review of the Trust's structure, mandates and managers. The first result of this review was the replacement, in July, of APS by a combination of Comgest SA and Orbis Investment Management (Australia) Pty Limited. They will manage £56 million and £20 million respectively. Comgest is a Paris-based Asian and Emerging Markets specialist and it is managing a segregated mandate for Witan covering the Pacific but excluding Japan, Australia and New Zealand. The £20 million managed by Orbis has been invested in the Orbis/SM Australia Equity Fund, which also has investments in New Zealand. The Board of Witan judged that, as the outlook for Australia is driven by different factors (e.g. commodity prices) to other Pacific countries, it should have a specialist focus. Further changes arising from this review will be implemented in the coming months.

Since the end of June markets have had a turbulent time, ostensibly triggered by failures in the sub-prime lending markets. The only real connection between this market and equity markets, however, is that the problems of sub-prime lending served to remind investors that investment is not a risk free exercise. Investors around the world had been chasing the highest returns without due regard for the risks involved. Whilst we may see further falls in world equity markets in the short term as these issues unwind, if this turbulence results ultimately in a more sensible pricing of risk, then, in the medium term, we would regard this as a very positive event for Witan shareholders.

Jim Horsburgh  
28 August 2007

# Portfolio Information

at 30 June 2007

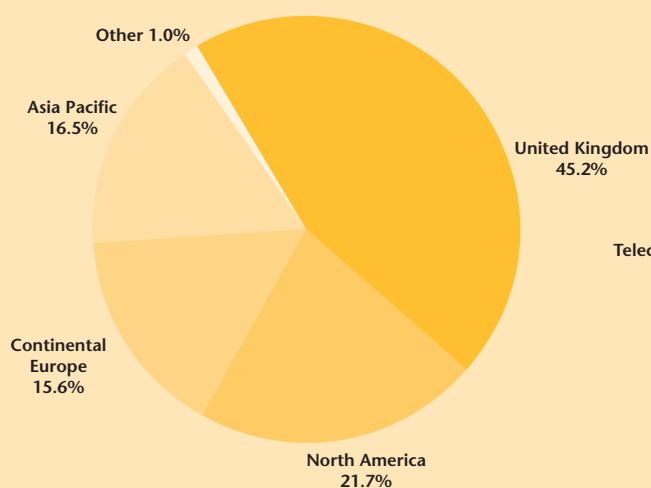
## 50 largest investments by value (Note 1)

Company	£'000	Company	£'000
Royal Dutch Shell	35,234	Willis (United States)	10,037
UBS Loan Note (Note 2)	32,927	Rio Tinto	9,732
BP	29,037	Tesco	9,428
HSBC	26,829	Lloyds TSB	8,971
Vodafone	22,132	Sompo Japan Insurance (Japan)	8,588
GlaxoSmithKline	21,773	UBS (Switzerland)	8,556
Liberty Media (United States)	18,854	Nestlé (Switzerland)	8,402
Dell (United States)	18,359	BHP Billiton	8,197
DirecTV (United States)	14,976	HBOS	8,099
Royal Bank of Scotland	14,079	BG	7,868
Nikko Cordial (Japan)	13,405	Everest Re (United States)	7,841
Nipponkoa Insurance (Japan)	13,228	AXA (France)	7,672
Olympus Optical (Japan)	13,146	Unilever	7,375
Walt Disney (United States)	13,056	Diageo	7,071
Cemex (Mexico)	12,965	BT	6,963
General Motors (United States)	12,535	Reckitt Benckiser	6,948
Philips Electronics (Netherlands)	11,954	E.ON (Germany)	6,927
Anglo American	11,760	Standard Chartered	6,737
Fairfax Financial (Canada)	11,685	British American Tobacco	6,637
Total (France)	11,450	National Grid	6,253
Barclays	11,297	Xstrata	6,123
Sprint Nextel (United States)	11,222	Prudential	5,514
Cheung Kong (Hong Kong)	11,157	Aviva	5,353
KDDI (Japan)	10,170	Exxon Mobil (United States)	5,039
AstraZeneca	10,169	Johnson & Johnson (United States)	5,017

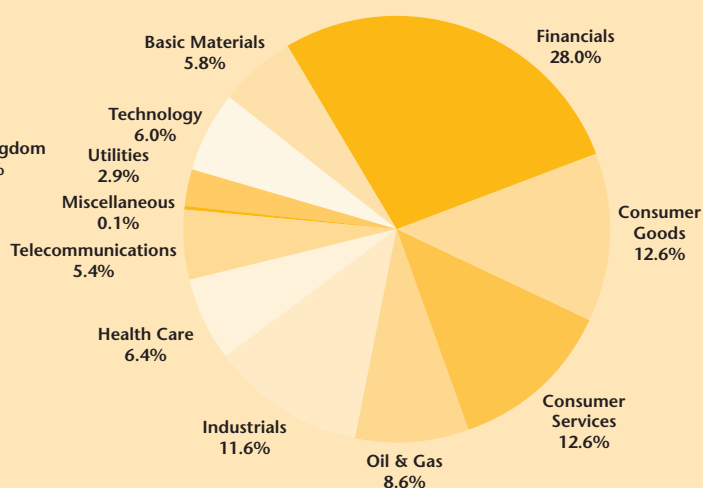
Notes:

- 1 These investments have a market value of £598.7 million or 44.7% of the portfolio. Unless stated otherwise, all are listed in the UK. A full list of investments is available at [www.witan.com](http://www.witan.com)
- 2 The capital value of the UBS Loan Note rises and falls with the return on the Mellon Offshore Enhanced Currency Opportunity Fund.

## Equity portfolio by geographical classification



## Sector breakdown of the equity portfolio



# Witan Investment Trust plc

## Consolidated Income Statement

for the half year ended 30 June 2007

	(Unaudited) Half year ended 30 June 2007			(Unaudited) Half year ended 30 June 2006			(Audited) Year ended 31 December 2006		
	Revenue return £'000	Capital return £'000	Total £'000	Revenue return £'000	Capital return £'000	Total £'000	Revenue return £'000	Capital return £'000	Total £'000
Investment income	20,763	–	20,763	19,818	–	19,818	32,483	–	32,483
Other income	3,036	–	3,036	3,051	–	3,051	7,276	–	7,276
Gains on investments held at fair value through profit or loss	–	74,322	74,322	–	11,103	11,103	–	112,547	112,547
Total income	23,799	74,322	98,121	22,869	11,103	33,972	39,759	112,547	152,306
<b>Expenses</b>									
Management and performance fees	(244)	(1,107)	(1,351)	(233)	(1,057)	(1,290)	(460)	(2,044)	(2,504)
Other expenses	(3,025)	–	(3,025)	(2,385)	–	(2,385)	(4,990)	–	(4,990)
Profit before finance costs and taxation	20,530	73,215	93,745	20,251	10,046	30,297	34,309	110,503	144,812
Finance costs	(1,316)	(3,822)	(5,138)	(1,316)	(3,821)	(5,137)	(2,632)	(7,647)	(10,279)
<b>Profit before taxation</b>	19,214	69,393	88,607	18,935	6,225	25,160	31,677	102,856	134,533
Taxation	(2,527)	1,362	(1,165)	(2,454)	1,055	(1,399)	(4,112)	2,410	(1,702)
<b>Profit attributable to equity holders of the parent company</b>	16,687	70,755	87,442	16,481	7,280	23,761	27,565	105,266	132,831
Earnings per ordinary share (Note 2)	6.56p	27.85p	34.41p	5.95p	2.63p	8.58p	10.24p	39.13p	49.37p

The total column of this statement represents the Group's Income Statement, prepared in accordance with IFRS. The revenue return and capital return columns are supplementary to this and are prepared under guidance published by the Association of Investment Companies. All items in the above statement derive from continuing operations.

All income is attributable to the equity holders of Witan Investment Trust plc, the parent company. There are no minority interests.

# Witan Investment Trust plc

## Consolidated Statement of Changes in Equity

for the half year ended 30 June 2007

	(Unaudited)					Total £'000
	Ordinary share capital £'000	Share premium £'000	Capital redemption reserve £'000	Other capital reserves £'000	Retained earnings £'000	
At 31 December 2006	65,193	16,237	28,633	1,192,597	45,874	1,348,534
Profit for the period	–	–	–	70,755	16,687	87,442
Ordinary dividend paid	–	–	–	–	(13,689)	(13,689)
Buy-backs of ordinary shares (Note 3)	(3,821)	–	3,821	(73,401)	–	(73,401)
<b>At 30 June 2007</b>	<b>61,372</b>	<b>16,237</b>	<b>32,454</b>	<b>1,189,951</b>	<b>48,872</b>	<b>1,348,886</b>

	(Unaudited)					Total £'000
	Ordinary share capital £'000	Share premium £'000	Capital redemption reserve £'000	Other capital reserves £'000	Retained earnings £'000	
At 31 December 2005	73,747	16,237	20,079	1,232,310	42,544	1,384,917
Profit for the period	–	–	–	7,280	16,481	23,761
Ordinary dividend paid	–	–	–	–	(14,046)	(14,046)
Buy-backs of ordinary shares (Note 3)	(7,780)	–	7,780	(131,905)	–	(131,905)
<b>At 30 June 2006</b>	<b>65,967</b>	<b>16,237</b>	<b>27,859</b>	<b>1,107,685</b>	<b>44,979</b>	<b>1,262,727</b>

	(Audited)					Total £'000
	Ordinary share capital £'000	Share premium £'000	Capital redemption reserve £'000	Other capital reserves £'000	Retained earnings £'000	
At 31 December 2005	73,747	16,237	20,079	1,232,310	42,544	1,384,917
Profit for the year	–	–	–	105,266	27,565	132,831
Ordinary dividend paid	–	–	–	–	(24,235)	(24,235)
Buy-backs of ordinary shares (Note 3)	(8,554)	–	8,554	(144,979)	–	(144,979)
<b>At 31 December 2006</b>	<b>65,193</b>	<b>16,237</b>	<b>28,633</b>	<b>1,192,597</b>	<b>45,874</b>	<b>1,348,534</b>

# Witan Investment Trust plc

## Consolidated Balance Sheet

as at 30 June 2007

	(Unaudited) 30 June 2007 £'000	(Unaudited) 30 June 2006 £'000	(Audited) 31 December 2006 £'000
<b>Non current assets</b>			
Investments held at fair value through profit or loss	<u>1,340,578</u>	<u>1,321,933</u>	<u>1,382,554</u>
<b>Current assets</b>			
Other receivables	11,133	8,884	6,368
Cash and cash equivalents	<u>152,173</u>	<u>90,286</u>	<u>114,610</u>
	<u>163,306</u>	<u>99,170</u>	<u>120,978</u>
<b>Total assets</b>	<u>1,503,884</u>	<u>1,421,103</u>	<u>1,503,532</u>
<b>Current liabilities</b>			
Other payables	<u>8,131</u>	<u>11,588</u>	<u>8,170</u>
<b>Total assets less current liabilities</b>	<u>1,495,753</u>	<u>1,409,515</u>	<u>1,495,362</u>
<b>Non current liabilities</b>			
8½ per cent. Debenture Stock 2016	45,779	45,779	45,779
6.125 per cent. Secured Bonds due 2025	98,533	98,454	98,494
3.4 per cent. cumulative preference shares of £1	2,055	2,055	2,055
2.7 per cent. cumulative preference shares of £1	<u>500</u>	<u>500</u>	<u>500</u>
	<u>146,867</u>	<u>146,788</u>	<u>146,828</u>
<b>Net assets</b>	<u>1,348,886</u>	<u>1,262,727</u>	<u>1,348,534</u>
<b>Equity attributable to equity holders</b>			
Ordinary share capital	61,372	65,967	65,193
Share premium	16,237	16,237	16,237
Capital redemption reserve	32,454	27,859	28,633
Other capital reserves	<u>1,189,951</u>	<u>1,107,685</u>	<u>1,192,597</u>
Retained earnings	<u>48,872</u>	<u>44,979</u>	<u>45,874</u>
<b>Total equity</b>	<u>1,348,886</u>	<u>1,262,727</u>	<u>1,348,534</u>
<b>Net asset value per ordinary share</b> (Note 7)	<u>549.5p</u>	<u>478.5p</u>	<u>517.1p</u>

# Witan Investment Trust plc

## Consolidated Cash Flow Statement

for the half year ended 30 June 2007

	(Unaudited) Half Year ended 30 June 2007 £'000	(Unaudited) Half Year ended 30 June 2006 £'000	(Audited) Year ended 31 December 2006 £'000
<b>Operating activities</b>			
Profit before taxation	88,607	25,160	134,533
Interest paid	5,114	5,094	10,183
Gains on investments held at fair value through profit or loss	(74,322)	(11,103)	(112,547)
Net sales of investments held at fair value through profit or loss	111,810	136,329	175,508
Increase in other receivables	(881)	(1,316)	(106)
(Decrease)/increase in other payables	(582)	197	245
Increase in unrealised gain on derivatives	–	45	–
Cash inflow from futures contracts	2,421	1,190	1,316
Scrip dividends included in investment income	(262)	(240)	(414)
<b>Net cash inflow from operating activities before interest and taxation</b>	<b>131,905</b>	<b>155,356</b>	<b>208,718</b>
Interest paid	(5,114)	(5,094)	(10,183)
Amortisation of debt issue costs	39	40	80
Tax on overseas income	(1,493)	(1,615)	(1,558)
<b>Net cash inflow from operating activities</b>	<b>125,337</b>	<b>148,687</b>	<b>197,057</b>
<b>Financing activities</b>			
Equity dividend paid	(13,689)	(14,046)	(24,235)
Buy-backs of ordinary shares	(73,892)	(129,720)	(143,001)
<b>Net cash outflow from financing</b>	<b>(87,581)</b>	<b>(143,766)</b>	<b>(167,236)</b>
<b>Increase in cash and cash equivalents</b>	<b>37,756</b>	<b>4,921</b>	<b>29,821</b>
Cash and cash equivalents at the start of the period	114,610	86,319	86,319
Effect of foreign exchange rate changes	(193)	(954)	(1,530)
<b>Cash and cash equivalents at the end of the period</b>	<b>152,173</b>	<b>90,286</b>	<b>114,610</b>

The gains on investments held at fair value through profit or loss include purchase transaction costs of £624,000 (half year ended 30 June 2006: £947,000; year ended 31 December 2006: £1,695,000) and sales transaction costs of £284,000 (half year ended 30 June 2006: £500,000; year ended 31 December 2006: £836,000).

# Notes to the Accounts

## 1 Basis of preparation

The financial statements for the half year ended 30 June 2007 have been prepared on the basis of the accounting policies set out in the consolidated financial statements for the year ended 31 December 2006.

## 2 Earnings per ordinary share

The earnings per ordinary share figure is based on the net profit for the half year of £87,442,000 (half year ended 30 June 2006: £23,761,000; year ended 31 December 2006: £132,831,000) and on 254,093,240 ordinary shares (half year ended 30 June 2006: 276,850,937; year ended 31 December 2006: 269,065,426), 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) Half year ended 30 June 2007 £'000	(Unaudited) Half year ended 30 June 2006 £'000	(Audited) Year ended 31 December 2006 £'000
Net revenue profit	16,687	16,481	27,565
Net capital profit	70,755	7,280	105,266
Net total profit	<u>87,442</u>	<u>23,761</u>	<u>132,831</u>
Weighted average number of ordinary shares in issue during the period	<b>254,093,240</b>	276,850,937	269,065,426
	Pence	Pence	Pence
Revenue earnings per ordinary share	6.56	5.95	10.24
Capital earnings per ordinary share	<u>27.85</u>	<u>2.63</u>	<u>39.13</u>
Total earnings per ordinary share	<u>34.41</u>	<u>8.58</u>	<u>49.37</u>

## 3 Ordinary share capital

At 30 June 2007 there were 245,489,750 ordinary shares in issue (30 June 2006: 263,869,887; 31 December 2006: 260,772,887). During the half year ended 30 June 2007 the Company bought 15,283,137 of its own issued ordinary shares in the market for cancellation (half year ended 30 June 2006: 31,118,264; year ended 31 December 2006: 34,215,264). The cost of the share buy-backs, including stamp duty, amounted to £73,401,000 (half year ended 30 June 2006: £131,905,000; year ended 31 December 2006: £144,979,000).

## 4 Interim dividend

The directors have declared an interim dividend of 4.10p (2006: 3.90p) per ordinary share, payable on Friday 7 September 2007 to shareholders registered on Friday 17 August 2007. The shares were quoted ex-dividend on 15 August 2007.

## 5 Half year accounts

The half year accounts have been neither audited nor reviewed by the auditors.

## 6 Comparative information

The financial information contained in this half year report does not constitute statutory accounts as defined in section 240 of the Companies Act 1985. The financial information for the half years ended 30 June 2007 and 30 June 2006 has not been audited.

The information for the year ended 31 December 2006 has been extracted from the latest published audited financial statements. The audited financial statements for the year ended 31 December 2006 have been filed with the Registrar of Companies. The report of the independent auditors on those accounts contained no qualification or statement under section 237(2) or section 237(3) of the Companies Act 1985.

# Notes to the Accounts

continued

## **7 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 £1,348,886,000 (half year ended 30 June 2006: £1,262,727,000; year ended 31 December 2006: £1,348,534,000) and on 245,489,750 (half year ended 30 June 2006: 263,869,887; year ended 31 December 2006: 260,772,887) ordinary shares, being the number of ordinary shares in issue at the period end.

## **8 Subsidiary undertaking**

The Company has an investment in the issued ordinary share capital of its wholly owned subsidiary undertaking, Witan Investment Services Limited, which is registered in England and Wales, operates in the United Kingdom and is regulated by the Financial Services Authority.

## Witan's Sponsorship Partners

### The Royal Horticultural Society

Witan has enjoyed a long and fruitful partnership with the Royal Horticultural Society. The Trust is currently sponsoring the building of a series of urban gardens at the RHS's flagship centre, Wisley, Surrey.



### Tommy's Campaign

Witan, through Jump, the Savings Plan for Children, supports Tommy's campaign which funds a national programme of medical research, education and information into the field of miscarriage, still birth and premature birth.



### GB Young Riders

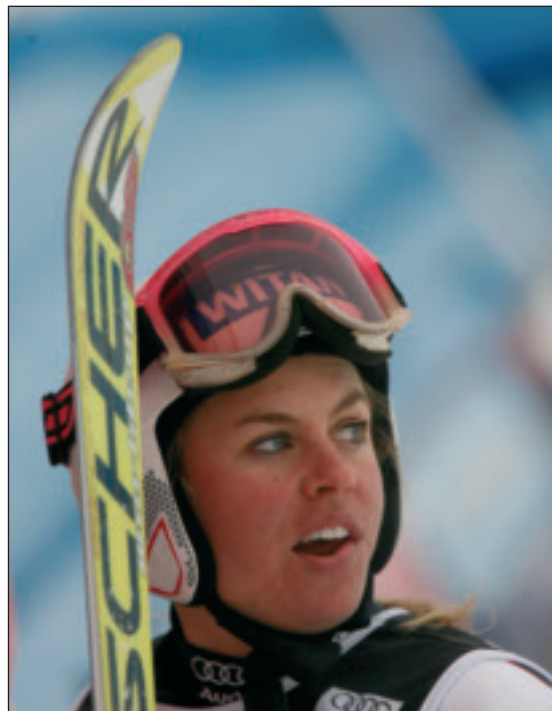
Jump, the Savings Plan for Children, has continued its sponsorship of the British Eventing Young Riders team in 2007. Young riders bridge the gap between junior and senior competition for those between the ages of 18 and 21.



Trials for the 2007 Young Rider European Championship started in March of this year and ran through to June. This year the Championship was held on home ground at the picturesque Blair Castle in Perthshire, where the Jump Young Riders took team gold for the second year running. If you would like to find out more about British Eventing, please visit [www.BritishEventing.com](http://www.BritishEventing.com)

### Chemmy Alcott

Witan is principal sponsor of Britain's number one female skier, at least until 2010 and the Olympics in Canada. Last season Miss Alcott competed successfully at the highest level, with top ten performances in World Cup races as well as becoming British Champion across all Alpine disciplines once again. For more information please visit [www.chemmyalcott.com](http://www.chemmyalcott.com)



## Witan Wealthbuilder

### How to Invest

There are a variety of ways to invest in Witan Investment Trust plc. Naturally Witan's shares can be traded through any UK stockbroker. However, Witan is also available for investment through the Witan Wealthbuilder savings platform managed by Witan Investment Services. Witan Wealthbuilder offers a variety of different savings wrappers which carry the benefits of income reinvestment, regular saving and tax efficient investment. These saving schemes may be purchased online, by telephone or through the post. Online dealing is fixed at £15 per trade while telephone and postal business is charged at 1% per deal (subject to a minimum of £1.25).

- The Share Plan is a straightforward savings scheme with minimum lump sum investment from £500 and/or regular saving from £50 per month or quarter.
- The ISA enables investors to save tax efficiently up to a limit of £7,000 per annum. Minimum lump sum investment is £2,000 with regular savings from £50 per month.
- The Transfer PEP allows investors to transfer all or any number of their existing PEP holdings to Witan Wealthbuilder. The investments retain their tax free status during and after transfer.
- Jump, the Savings Plan for Children, buys shares in Witan Investment Trust plc. Jump gives parents, grandparents and other adults the chance to save effectively for children over the long-term. Minimum lump-sum investment is set at £100 and regular contributions can be made from as little as £25 a month or quarter. Please visit [www.jumpsavings.com](http://www.jumpsavings.com) for more information and application forms.

Further information on all products is available by calling 0800 082 8180 or online via [www.witan.com](http://www.witan.com). If you would prefer to write to request further information the address is:

Witan Wealthbuilder  
PO Box 4605, Worthing, West Sussex, BN99 6QY

Investors are reminded that the value of investments and the income from them may go down as well as up and investors may not get back the amount originally invested. Tax benefits may change if the law changes and their value will depend upon individual circumstances.

Issued and approved by Witan Investment Services. Witan Investment Services Limited (of 4 Broadgate, London EC2M 2DA) provides investment products and services and is authorised and regulated by the Financial Services Authority.

We may record telephone calls for our mutual protection and to improve customer service.

**It's payback time.**



The cost of training a parent is quite high, don't you find?

See throat, from bawling for a bit of sweets.

Tired arms, from hurling dreary carrot sticks.

Aching jaw, from spitting those tedious dumplings.

And numb bum, from not budging without the buggy.

But now, I'm delighted to say, it's payback time.

The little deans have started a savings fund, with my name on it. So a few years down the line, they can settle their enormous debt to me. Ah, bliss.


It costs to be a parent. And soon where you start paying. The Jump savings fund could be just the help you're looking for. A small sum, put away regularly every month, could grow your child's nest egg over time. Call us now for an information pack, or visit our website. And please remember, past performance is not a guide to future performance, and the value of your shares and the income from them can rise and fall, so you may not get back the amount originally invested.



**Witan investment trust**

Issued and approved by Witan Investment Management. Witan Investment Services Limited is registered in England no. 1072103 at 1 Brooklands, London N12 8BH. Witan Investment Services Limited provides investment products and services and is authorised and regulated by the Financial Conduct Authority. Calls may be recorded for our internal purposes and to improve customer service.

**Witan...**



**\* WHAT, AND LOSE OUR PAB BREAKS? \***

**wisdom**

Hypnosis? Acupuncture? Aromatherapy? Why don't smokers simply adopt a different habit - like investing regularly with Witan.

0800 082 81 80 | [www.witan.com](http://www.witan.com) opening at 10:00am

**Witan investment trust**

These results are performance from a public share subscription which also raises shares and the value from this source and will not be repeated. The amount invested in the Witan Investment Services Limited is registered in England no. 1072103 at Brooklands, London N12 8BH. Witan Investment Services Limited provides investment products and services and is authorised and regulated by the Financial Conduct Authority. Calls may be recorded for our internal purposes and to improve customer service.

**Witan**

*"Never doubt that a small group of thoughtful, committed people can change the world. Indeed, it is the only thing that ever has."*



*Margaret Mead.*

**wisdom**

**Introducing our multi-manager investment team – experts hand picked from all around the globe.**

Over two years ago, Witan broke new ground among major international investment trusts by going multi-manager - a strategy designed to ensure steady long-term growth by having enough outperformers to offset any possible underperformers.



But though you might be familiar with this approach, we doubt that you're familiar with the actual specialists that make up our team. Which is a shame, because we believe they are each rather impressive.

US-based MFS, for example, who have a Global Equity mandate, not only created the first US mutual fund in 1924, but also established one of the industry's first in-house research departments, way back in 1932. And there are five more, equally interesting and equally talented expert investment firms, with offices right across the globe, concentrating on delivering steady long-term growth for our clients.

To find out more about them, and discover other interesting facts about us, call us today or contact your financial adviser.

Please remember, past performance is not a guide to future performance, and the value of your shares and the income from them can rise and fall, so you may not get back the amount originally invested.

0800 082 81 80 [www.witan.com](http://www.witan.com) **Witan investment trust**

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**Witan**

*"When the sardines follow the trailer, it's because they think sardines will be thrown into the sea."*



*Eric Carraway*

**wisdom**

**Steady long-term performance. Low charges. And a choice of remuneration for IFAs. Is there a catch?**

It certainly sounds like it. In fact, it would be worth thinking out, looking and taking a closer look at what we do. We're not just a company, we're a team. And our performance figures have shown we have delivered on our promise, and achieved a Top Award of 2014 for our multi-manager in October 2014, and a 2014 Top Award for our year - figures that compare more than favourably against the FTSE 100 index.

	2013	2012	2011
Witan Investment Trust	10.2%	11.2%	11.2%
FTSE 100 Index	10.2%	11.2%	11.2%

Source: Investment Performance Review and Annual Report 2014. Performance after deducting management fees of 0.25% per annum.

We also have a 100% Total Return Index at 100% which means the total return we deliver from the first year in charge and compares more than favourably with a top 100 of 100% for the average FTSE 100 Index Global Credit Index. And, looking to provide options, not only do we offer commission-free, we also let you choose the remuneration option which best suits your business needs.

All in all, we hope you'll agree that our multi-manager strategy offers both for investors, and their clients. The real test will be your decision. To find out more about us, and the full range of options that make up our multi-manager team, call us when you can or call 0800 011 2015.

Available through **Witan Investment Trust**



0800 011 2015 [www.witan.com](http://www.witan.com)

**Witan investment trust**

Not all approved by the Financial Conduct Authority. Witan Investment Services Limited is registered in England no. 1072103 at Brooklands, London N12 8BH. Witan Investment Services Limited provides investment products and services and is authorised and regulated by the Financial Conduct Authority. Calls may be recorded for our internal purposes and to improve customer service.

The above represent some examples of Witan Investment Trust's advertising.

## Directors and other Information

### Directors

H M Henderson♦ (Chairman)  
J Horsburgh (Chief Executive Officer)  
A W Jones♦  
R H McGrath♦  
R A Bruce●  
A Watson●  
J E B Bevan  
R W Boyle●

- Member of the audit committee, which is chaired by Mr Boyle
- ♦ Member of the remuneration committee, which is chaired by Mr Jones

### Secretary

Henderson Secretarial Services Limited,  
represented by G S Rice ACIS

### Registered Office

4 Broadgate  
London  
EC2M 2DA

Telephone: 020 7638 5757

### Registered Number

Registered as an investment company  
in England and Wales No. 101625

### Registrar

Computershare Investor Services PLC  
PO Box 82  
The Pavilions  
Bridgwater Road  
Bristol  
BS99 7NH

Telephone: 0870 702 0010

### Payment of Dividends:

Dividends can be paid directly to a shareholder's bank account by means of BACS. Mandate forms for this purpose are available on request from the Registrar (at the address above). Alternatively, shareholders can write to the Registrar to give their instructions: these must include the bank account number, the bank account title and the sort code of the bank to which payments are to be made.

### New Zealand Registrar

Computershare Investor Services Limited  
Private Bag 92119  
Auckland 1020  
New Zealand

Telephone: (New Zealand) (64) 09 488 8777

### Other Points of Contact

If you have any questions or need more information concerning Witan, you may contact us in the following ways:

#### Freephone:

**0800 082 8180**

#### Website:

[www.witan.com](http://www.witan.com)

#### Post:

For Witan Wealthbuilder (and Jump) queries:  
Witan Wealthbuilder  
PO Box 4605  
Worthing  
West Sussex  
BN99 6QY

**aic**  
The Association of  
Investment Companies

### **Warning to Shareholders**

Over recent months many companies have become aware that their shareholders have received unsolicited phone calls or correspondence concerning investment matters. These are typically from overseas based 'brokers' who target UK shareholders offering to sell them what often turn out to be worthless or high risk shares in US or UK investments. They can be very persistent and extremely persuasive. Shareholders are therefore advised to be very wary of any unsolicited advice, offers to buy shares at a discount or offers of free company reports.

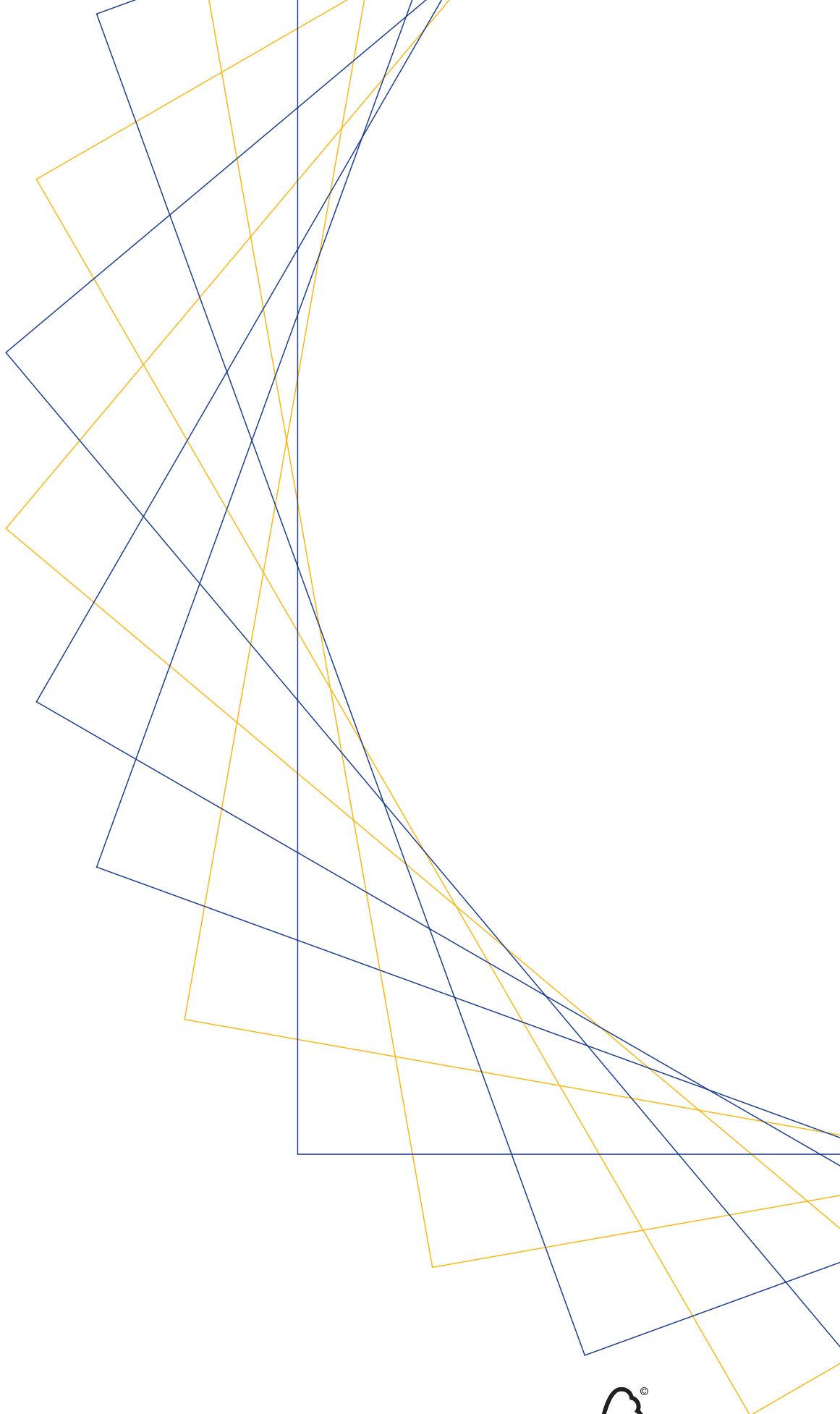
Please note that it is very unlikely that either the Company or the Company's Registrar, Computershare Investor Services PLC, would make unsolicited telephone calls to shareholders and that any such calls would relate only to official documentation already circulated to shareholders and never in respect of investment 'advice'.

If you are in any doubt about the veracity of an unsolicited phone call, please call either the Company Secretary or the Registrar at the numbers provided on page 16.

### **Note to those who access this document by electronic means**

The report for the half year ended 30 June 2007 has been approved by the Board of Witan Investment Trust plc and circulated to the Company's shareholders in hard copy format. It is also made available in electronic format for the convenience of readers. However, the Board cannot accept responsibility for guaranteeing the integrity of the document in electronic format. Printed copies are available from the Company's Registered Office in London.

Readers should note that legislation in the United Kingdom governing the preparation and dissemination of financial statements differs from legislation in other jurisdictions.



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