



WITAN
INVESTMENT
TRUST PLC

Financial report for
the half year ended
30 June 2008

Witan investment trust

“If you would be wealthy, think of saving as well as getting.”

Benjamin Franklin

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Dividend

An interim dividend of 4.30p (2007: 4.10p) per ordinary share will be paid on Friday 5 September 2008 to shareholders registered on Friday 15 August 2008. The shares were quoted ex-dividend on 13 August 2008.

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 2008	Change since 31 December 2007	(Unaudited) 30 June 2007	(Audited) 31 December 2007
Net asset value per ordinary share	478.1p	-12.4%	549.5p	545.7p
Net asset value per ordinary share (valuing the prior charges at market value) ^(A)	476.4p	-11.4%	543.6p	537.9p
Share price	418.25p	-12.6%	491.5p	478.5p
Performance against the overall benchmark:				
Net asset value per ordinary share, capital return		-12.4%		
Benchmark, capital return		-13.1%		
Dividends per ordinary share	4.3p		4.1p	9.9p
Discount (valuing the prior charges at market value)	12.2%		9.6%	11.0%
Shares bought back in the period ^(B)	3.2%		5.9%	14.3%
Total expense ratio ^(C)	0.30%		0.28%	0.53%
Number of private investors ^(D)	39,282		40,304	41,936

(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
Total returns to 30 June 2008			
Share price ⁽¹⁾	-13.0	22.8	67.6
Net asset value per ordinary share ⁽¹⁾	-12.2	22.1	61.4
FTSE All-Share Index ⁽¹⁾	-13.0	23.2	71.0
FTSE World (ex UK) Index ⁽¹⁾	-8.1	21.3	55.0
Capital returns to 30 June 2008			
Net asset value per ordinary share	-13.0	15.2 ⁽¹⁾	45.0 ⁽¹⁾
FTSE All-Share Index ⁽¹⁾	-16.1	11.5	44.9
FTSE World (ex UK) Index ⁽¹⁾	-10.3	13.7	39.5
Benchmark ⁽²⁾⁽³⁾	-13.6	12.2	42.1

(1) Source: Datastream.

(2) Source: Lipper.

(3) Since 1 October 2007 the benchmark has been a composite of four indices, all on a capital change only basis: the FTSE All-Share Index 40%, the FTSE All-World North America Index 20%, the FTSE All-World Europe (ex UK) Index 20% and the FTSE All-World Asia Pacific Index 20%.

From 1 September 2004 to 30 September 2007 the benchmark comprised the FTSE All-Share Index 50% and the FTSE World (ex UK) Index 50%, on a capital change only basis. Prior to 1 September 2004 the benchmark comprised the FTSE All-Share Index 60% and the FTSE World (ex UK) Index 40%, on a capital change only basis.

Other Financial Highlights

	(Unaudited) 30 June 2008	Change since 31 December 2007	(Unaudited) 30 June 2007	(Audited) 31 December 2007
Net assets	£1,034 million	-15.3%	£1,349 million	£1,219 million
Number of ordinary shares in issue	216,282,439	-3.2%	245,489,750	223,426,499
Revenue earnings per ordinary share	7.17p		6.56p	11.08p
Gearing*	-1.2%		-0.6%	4.7%

*The total market value of the investments less shareholders' funds as a percentage of shareholders' funds. The negative figure at 30 June 2008 is a result of increasing the cash balances by realising a proportion of the investments from the portfolios.

Interim Management Report

Chairman's Statement

The share price at 30 June 2008 stood at 418¼ pence, down 12.6% since the beginning of the year and 14.9% below that of twelve months previous. This is obviously disappointing but I would urge shareholders to take a longer perspective, as highlighted in Jim Horsburgh's report below. The net asset value per ordinary share (NAV) has performed ahead of its benchmark (by 0.6%); yet again the outperformance is mainly a result of the share buy-back programme.

Your Board has reduced the Trust's exposure to the United Kingdom, whose economy and stockmarket have not only been adversely affected by the global credit crunch but also by its own economic circumstances. A global portfolio such as Witan's, diversified across economies and positioned to identify value, is probably the best way to ride out the current storm.

Your Board's commitment to a progressive buy-back policy is unshaken. However, through volatile and fast-moving markets it is in shareholders' best interests to apply this policy with a greater degree of flexibility. In the first six months of the current year we have bought back 7.1 million shares, compared with 15.3 million over the same period last year. The reduction in the volume of share buy-backs has been aided by demand from our savings schemes, run by Witan Investment Services Limited, which have benefited from positive inflows. We hope that the demand for Witan shares will be further enhanced by the launch of the Jump Child Trust Fund in April this year, building on the successful "Jump" brand.

In the half year statement last year, I informed shareholders that Jim Horsburgh had notified the Board of his intention to retire by the AGM in 2009. I am confident that the new arrangements for managing the Trust are well in hand to ensure a smooth and timely handover.

The Board increased the interim dividend from 4.1p per ordinary share to 4.3p per ordinary share, representing a year on year increase of 4.9%.

Chief Executive Officer's Statement

The net asset value per share of your company fell 12.4% in the first six months of 2008, reflecting the continuing falls in world markets as a result of the bursting of the credit bubble and the ever increasing price of oil. This has given rise to fears of both recession and inflation, a lethal combination for investment markets. The FTSE All-Share Index fell by 13.1% whilst the FTSE World (ex UK) Index fell by 11.5%. Of the top 100 companies

in the UK, 78 saw falls in their share price. Of those share prices which rose, the vast majority were Oil and Mining companies such as Eurasian Natural Resources (+108%), Tullow Oil (+46%), Petrofac (+34%) and BHP Billiton (+24%). Likewise, of the world's 40 largest markets all but four gave negative returns to investors. These falls, however, do need to be put in perspective. Since the new management arrangements were put in place in September 2004 Witan's net asset value has risen by 31%. Add in dividends and the total return has been +41%.

Over the six months Witan's net asset value per share has outperformed its benchmark by 0.6% and since September 2004 by +4.4%, mostly as a result of share buy-backs.

A breakdown of the individual managers' performance over the six months to the end of June is shown in the table on page 7. Since the year end, three new managers have been appointed to manage portfolios for Witan. The two UK managers, Artemis and Marathon, have got off to an encouraging start against their new benchmarks. Varenne, who manage a Pan-European portfolio for Witan, have fallen short. However, as they only hold ten stocks in their portfolio, short term performance judgments are even more invidious in this case than normal. Of the longer standing managers, the Henderson UK smaller companies team, Brandes, Thomas White and Comgest all produced excellent relative performance whilst Southeastern and Orbis produced disappointing numbers. Both of the latter managers can be classified as having a value-driven style and this style has not been a successful one over the last twelve to eighteen months as many 'value' stocks have simply got cheaper. In the long term, however, 'value' as an investment technique has consistently produced excellent returns provided the managers (and their clients) remain patient. Your Board remains confident in the skills of both of these managers and expects that when their styles return to favour the current underperformance will be more than recouped. The investment in the UBS Mellon currency loan note fell by £4.3 million, equivalent to a return of -1.5% on a notional £350 million currency portfolio. The continuing underperformance of Mellon is a cause for concern. The Board met with senior representatives of Mellon Capital at the beginning of July and tested thoroughly the assumptions behind the original appointment: namely, that investment in currency markets was capable of consistently adding value and that Mellon was a first class currency manager. For the time-being the Board decided to re-affirm the appointment, but will keep the situation under close scrutiny.

Interim Management Report

continued

As mentioned above Witan has three new managers. Artemis Investment Management Limited was established in 1997 and manages over £16 billion on behalf of a range of retail and institutional clients. The approach used for the Witan portfolio seeks to exploit market inefficiencies, with an absolute return mindset, primarily by focusing on stocks that are out of favour. Marathon Asset Management, founded in 1986, manages £20 billion on behalf of mainly institutional clients. At the heart of Marathon's investment philosophy is the 'capital cycle'. This is based on the idea that the prospect of high returns attracts investment and competition and vice versa. An assessment of management and how they react to the forces of the capital cycle is crucial to the decision on whether to invest in a company's shares. This approach is intrinsically contrarian and the investment ideas it generates require long gestation periods. Marathon's turnover therefore tends to be very low. Varenne, which was established in 2003, combines a deep value approach with a focus on companies with high quality business characteristics. Their portfolio will only contain 10 to 15 stocks at any one time.

Whilst the performance of investment managers will inevitably fluctuate, your Board believes that over the last four years Witan has appointed some of the best available fund managers from around the world and that over a full investment cycle they will generate positive investment returns.

Currently, the aftershocks of what has become known as the 'credit crunch', which started with the collapse in the value of sub-prime mortgage debt, are being felt. In the developed world, house prices are still falling (although there are some signs that they may have stabilised in the US), consumer spending has slumped and unemployment is on the increase. In the emerging world, inflation is high and rising and this is likely to lead to economic disruption in the future. The rises in many commodity prices, including oil and agricultural commodities, cannot be easily explained by economic fundamentals and must be regarded as a bubble. However, bubbles can expand for a surprisingly long time. At the moment there is little sign of these price rises impacting on wage inflation in western economies and therefore they should be regarded as deflationary rather than inflationary events. If this continues to be the case then interest rates in Europe are likely to fall as in the US. Ultimately, this should be good news for equity markets. In the meantime, our managers are telling us that the falls in stockmarkets are presenting them with very attractive opportunities for the long term.

Related Party Transactions

During the first six months of the current financial year, no transactions with related parties have taken place which have materially affected the financial position or performance of the Company during the period. Details of related party transactions are contained in the annual report and accounts.

Principal Risks and Uncertainties

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

- a fall in equity prices
- the application of investment strategy: country, currency, industrial sector, stock selection, choice of investment manager
- appropriateness of corporate objective and strategy
- operational and regulatory risks.

Information on these risks is given in the Business Review and in the Notes to the Accounts in the Company's Report and Accounts for the year ended 31 December 2007.

In the view of the Board these principal risks and uncertainties are 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 IAS34;
- (b) the interim management report includes a fair review of the information required by Disclosure and Transparency Rule 4.2.7R (an indication of important events that have occurred during the first six months of the financial year and a description of the principal risks and uncertainties for the remaining six months of the financial 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).

For and on behalf of the Board

Harry Henderson
Chairman
19 August 2008

Portfolio Information

at 30 June 2008

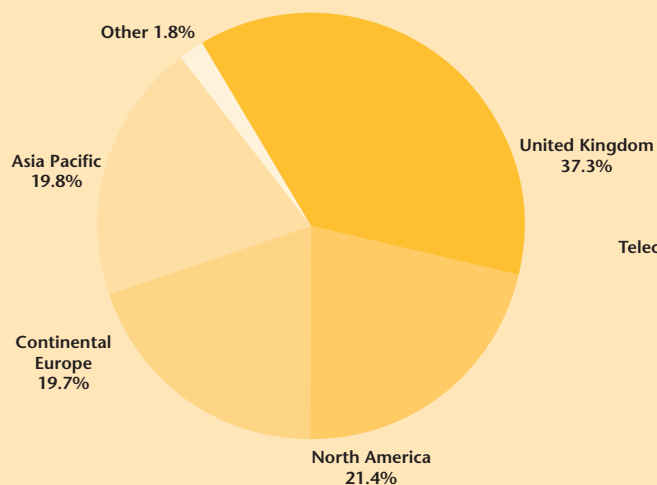
50 largest equity investments by market value

Company	£'000	Company	£'000
Royal Dutch Shell	20,939	Diageo	6,268
Liberty Media (United States)	18,616	BAE Systems	6,225
BP	18,272	Reckitt Benckiser	5,934
Dell (United States)	13,793	Everest Re (United States)	5,807
Nipponkoa Insurance (Japan)	12,871	AstraZeneca	5,306
Walt Disney (United States)	11,842	Anglo American	5,268
Vodafone	11,814	Tesco	5,218
GlaxoSmithKline	11,714	Inditex (Spain)	4,572
Japan Petroleum Exploration (Japan)	10,657	Singapore Telecommunications (Singapore)	4,483
Rio Tinto	10,575	Royal Bank of Scotland	4,424
HSBC	10,401	Cable & Wireless	4,423
Philips Electronics (Netherlands)	9,213	France Telecom (France)	4,370
Cemex (Mexico)	9,074	Unilever	4,061
BHP Billiton	8,517	Beneteau (France)	3,881
Fairfax Financial (Canada)	8,233	General Motors (United States)	3,773
Ebay (United States)	8,110	Enodis	3,750
Total (France)	7,811	TNT (Netherlands)	3,658
Sompo Japan Insurance (Japan)	7,749	Nestlé (Switzerland)	3,608
UBS (Switzerland)	7,513	Informa	3,599
Allied Irish Banks (Ireland)	7,348	Axa (France)	3,537
Willis (United States)	7,217	Smiths	3,518
DirecTV (United States)	7,214	Samsung Fire & Marine (Korea)	3,516
ACS Actividades (Spain)	7,202	British American Tobacco	3,499
LVMH Moët Hennessy (France)	6,846	Compass	3,471
BG	6,658	Wolters Kluwer (Netherlands)	3,449

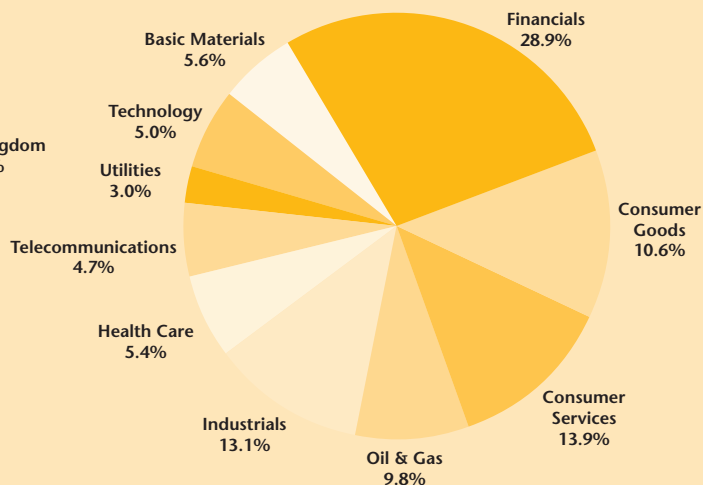
Note:

These investments total £369.8 million and represent 36.2% of the total investment portfolio on 30 June 2008. Unless stated otherwise, all are listed in the UK. The above listing is of the largest individual equity investments and as such excludes the collective investments used to invest in North America, Australasia and currencies. A full list of investments is available at www.witan.com

Equity portfolio by geographical classification



Sector breakdown of the equity portfolio



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
Artemis	UK	FTSE All-Share	Recovery/special situations
Marathon	UK	FTSE All-Share	Capital cycles
Southeastern Asset Management	Global	FTSE All-World	Value
MFS International	Global	FTSE All-World	Growth at an attractive price
Thomas White International	Global	FTSE All-World	Fundamental valuation techniques
Wellington Management Company	Continental Europe	FTSE World Europe (ex UK)	Fundamental research
Varenne	Continental Europe	FTSE All-World Developed Europe	Value
Henderson Global Investors	USA	FTSE World North America	Enhanced index
Brandes Investment Partners	Japan	FTSE Japan	Value
Comgest	Far East	FTSE All-World Asia Pacific (ex Japan/Australia/New Zealand)	Fundamental research
Orbis Investment Management	Australasia	FTSE Australasia	Value

“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

Performance of the Investment Managers

Performance for the periods from 1 January 2008 to 30 June 2008 and from inception to 30 June 2008

Investment Manager	Value of Funds under Management £m at 30.06.08	% of Witan's Assets under Management at 30.06.08*	Performance in the period 01.01.08 to 30.06.08 (%)	Benchmark Performance 01.01.08 to 30.06.08 (%)	Performance in the period since inception to 30.06.08 (%) (annualised)†	Benchmark Performance since inception to 30.06.08 (%) (annualised)†
Henderson Global Investors (UK mainstream)	172.6	16.7	-10.9	-11.1	10.1	9.9
Henderson Global Investors (UK smaller)	48.9	4.7	-7.4	-14.2	12.9	9.5
Artemis (UK)	71.6	6.9	not applicable		-3.3 (A)	-9.2 (A)
Marathon (UK)	69.2	6.7	not applicable		-7.2 (A)	-9.2 (A)
Southeastern Asset Management (Global)	147.7	14.3	-14.2	-10.7	5.0	9.5
MFS International (Global)	102.3	9.9	-9.2	-10.7	9.8	9.5
Thomas White International (Global)	104.8	10.1	-7.3	-10.7	-4.5 (B)	-9.9 (B)
Wellington Management Company (Europe)	86.9	8.4	-12.7	-11.7	9.8	15.6
Varenne (Europe)	29.0	2.8	not applicable		-11.8 (C)	-8.0 (C)
Henderson Global Investors (USA)	61.2	5.9	-11.1	-10.6	5.1	4.8
Brandes Investment Partners (Japan)	68.5	6.6	-0.4	-5.0	4.7	5.6
Comgest (Far East)	54.8	5.3	-19.2	-20.9	-5.8 (D)	-8.9 (D)
Orbis Investment Management (Australasia)	17.1	1.7	-13.8	-7.3	-0.7 (D)	2.8 (D)

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

† All performance returns are from 30.09.04 except:

(A) from 06.05.08

(B) from 28.09.07

(C) from 24.04.08

(D) from 31.07.07

Source: The WM Company

The investment in the UBS Mellon currency loan note fell by £4.3 million over the six months to 30 June 2008, equivalent to a return of -1.5% on a notional £350 million currency portfolio.

Witan Investment Trust plc

Consolidated Income Statement

for the half year ended 30 June 2008

	(Unaudited) Half year ended 30 June 2008			(Unaudited) Half year ended 30 June 2007			(Audited) Year ended 31 December 2007		
	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	18,128	–	18,128	20,763	–	20,763	31,817	–	31,817
Other income	4,921	–	4,921	3,036	–	3,036	7,659	–	7,659
(Losses)/gains on investments held at fair value through profit or loss	–	(153,608)	(153,608)	–	74,322	74,322	–	54,884	54,884
Total income/(loss)	23,049	(153,608)	(130,559)	23,799	74,322	98,121	39,476	54,884	94,360
Expenses									
Management and performance fees	(207)	(989)	(1,196)	(244)	(1,107)	(1,351)	(505)	(2,009)	(2,514)
Write-back of prior years' VAT	–	–	–	–	–	–	324	1,126	1,450
Other expenses	(2,668)	–	(2,668)	(3,025)	–	(3,025)	(5,432)	–	(5,432)
Profit/(loss) before finance costs and taxation	20,174	(154,597)	(134,423)	20,530	73,215	93,745	33,863	54,001	87,864
Finance costs	(1,256)	(3,644)	(4,900)	(1,316)	(3,822)	(5,138)	(2,618)	(7,600)	(10,218)
Profit/(loss) before taxation	18,918	(158,241)	(139,323)	19,214	69,393	88,607	31,245	46,401	77,646
Taxation	(3,140)	1,960	(1,180)	(2,527)	1,362	(1,165)	(4,108)	2,494	(1,614)
Profit/(loss) attributable to equity holders of the parent company	15,778	(156,281)	(140,503)	16,687	70,755	87,442	27,137	48,895	76,032
Earnings/(loss) per ordinary share (Note 2)	7.17p	(71.01)p	(63.84)p	6.56p	27.85p	34.41p	11.08p	19.97p	31.05p

The total columns 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 2008

	(Unaudited)					Total £'000
	Half year ended 30 June 2008					
Ordinary share capital £'000	Share premium £'000	Capital redemption reserve £'000	Other capital reserves £'000	Revenue reserve £'000		
At 31 December 2007	55,857	16,237	37,969	1,059,939	49,304	1,219,306
(Loss)/profit for the period	-	-	-	(156,281)	15,778	(140,503)
Ordinary dividend paid	-	-	-	-	(12,849)	(12,849)
Buy-backs of ordinary shares (Note 3)	(1,786)	-	1,786	(31,917)	-	(31,917)
At 30 June 2008	54,071	16,237	39,755	871,741	52,233	1,034,037

	(Unaudited)					Total £'000
	Half year ended 30 June 2007					
Ordinary share capital £'000	Share premium £'000	Capital redemption reserve £'000	Other capital reserves £'000	Revenue reserve £'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)
At 30 June 2007	61,372	16,237	32,454	1,189,951	48,872	1,348,886

	(Audited)					Total £'000
	Year ended 31 December 2007					
Ordinary share capital £'000	Share premium £'000	Capital redemption reserve £'000	Other capital reserves £'000	Revenue reserve £'000		
At 31 December 2006	65,193	16,237	28,633	1,192,597	45,874	1,348,534
Profit for the year	-	-	-	48,895	27,137	76,032
Ordinary dividends paid	-	-	-	-	(23,707)	(23,707)
Buy-backs of ordinary shares (Note 3)	(9,336)	-	9,336	(181,553)	-	(181,553)
At 31 December 2007	55,857	16,237	37,969	1,059,939	49,304	1,219,306

Witan Investment Trust plc

Consolidated Balance Sheet

as at 30 June 2008

	(Unaudited) 30 June 2008 £'000	(Unaudited) 30 June 2007 £'000	(Audited) 31 December 2007 £'000
Non current assets			
Investments held at fair value through profit or loss	<u>1,021,317</u>	<u>1,340,578</u>	<u>1,276,354</u>
Current assets			
Other receivables	16,238	11,133	6,742
Cash and cash equivalents	<u>152,568</u>	<u>152,173</u>	<u>88,394</u>
	<u>168,806</u>	<u>163,306</u>	<u>95,136</u>
Total assets	<u>1,190,123</u>	<u>1,503,884</u>	<u>1,371,490</u>
Current liabilities			
Other payables	<u>(16,039)</u>	<u>(8,131)</u>	<u>(5,277)</u>
Total assets less current liabilities	<u>1,174,084</u>	<u>1,495,753</u>	<u>1,366,213</u>
Non current liabilities			
8½ per cent. Debenture Stock 2016	(45,779)	(45,779)	(45,779)
6.125 per cent. Secured Bonds due 2025	(91,713)	(98,533)	(98,573)
3.4 per cent. cumulative preference shares of £1	(2,055)	(2,055)	(2,055)
2.7 per cent. cumulative preference shares of £1	(500)	(500)	(500)
	<u>(140,047)</u>	<u>(146,867)</u>	<u>(146,907)</u>
Net assets	<u>1,034,037</u>	<u>1,348,886</u>	<u>1,219,306</u>
Equity attributable to equity holders			
Ordinary share capital	54,071	61,372	55,857
Share premium	16,237	16,237	16,237
Capital redemption reserve	39,755	32,454	37,969
Retained earnings:			
Other capital reserves	871,741	1,189,951	1,059,939
Revenue reserve	<u>52,233</u>	<u>48,872</u>	<u>49,304</u>
Total equity	<u>1,034,037</u>	<u>1,348,886</u>	<u>1,219,306</u>
Net asset value per ordinary share (Note 7)	<u>478.1p</u>	<u>549.5p</u>	<u>545.7p</u>

Witan Investment Trust plc

Consolidated Cash Flow Statement

for the half year ended 30 June 2008

	(Unaudited) Half Year ended 30 June 2008 £'000	(Unaudited) Half Year ended 30 June 2007 £'000	(Audited) Year ended 31 December 2007 £'000
Operating activities			
(Loss)/profit before taxation	(139,323)	88,607	77,646
Interest paid	4,836	5,114	10,072
Losses/(gains) on investments held at fair value through profit or loss	153,608	(74,322)	(54,884)
Net sales of investments held at fair value through profit or loss	102,961	111,810	158,309
Increase in other receivables	(351)	(881)	(1,202)
Decrease in other payables	(280)	(582)	(420)
Cash (outflow)/inflow from futures contracts	(2,544)	2,421	3,029
Script dividends included in investment income	(300)	(262)	(269)
Net cash inflow from operating activities before interest and taxation	118,607	131,905	192,281
Interest paid	(4,836)	(5,114)	(10,072)
Amortisation of debt issue costs	40	39	79
Tax on overseas income	(1,435)	(1,493)	(1,836)
Net cash inflow from operating activities	112,376	125,337	180,452
Financing activities			
Equity dividends paid	(12,849)	(13,689)	(23,707)
Buy-backs of ordinary shares	(31,144)	(73,892)	(182,567)
Buy-backs of secured bonds	(7,518)	–	–
Net cash outflow from financing activities	(51,511)	(87,581)	(206,274)
Increase/(decrease) in cash and cash equivalents	60,865	37,756	(25,822)
Cash and cash equivalents at the start of the period	88,394	114,610	114,610
Effect of foreign exchange rate changes	3,309	(193)	(394)
Cash and cash equivalents at the end of the period	152,568	152,173	88,394

The gains on investments held at fair value through profit or loss include purchase transaction costs of £528,000 (half year ended 30 June 2007: £624,000; year ended 31 December 2007: £1,163,000) and sales transaction costs of £248,000 (half year ended 30 June 2007: £284,000; year ended 31 December 2007: £531,000).

Notes to the Accounts

1 Basis of preparation

The condensed set of financial statements for the half year ended 30 June 2008 have been prepared on the basis of the accounting policies set out in the consolidated financial statements for the year ended 31 December 2007.

2 Earnings per ordinary share

The earnings per ordinary share figure is based on the net loss for the half year of £140,503,000 (half year ended 30 June 2007: profit of £87,442,000; year ended 31 December 2007: profit of £76,032,000) and on 220,092,948 ordinary shares (half year ended 30 June 2007: 254,093,240; year ended 31 December 2007: 244,901,514), 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 2008 £'000	(Unaudited) Half year ended 30 June 2007 £'000	(Audited) Year ended 31 December 2007 £'000
Net revenue profit	15,778	16,687	27,137
Net capital (loss)/profit	(156,281)	70,755	48,895
Net total (loss)/profit	<u>(140,503)</u>	<u>87,442</u>	<u>76,032</u>
Weighted average number of ordinary shares in issue during the period	220,092,948	254,093,240	244,901,514
	Pence	Pence	Pence
Revenue earnings per ordinary share	7.17	6.56	11.08
Capital (losses)/earnings per ordinary share	<u>(71.01)</u>	<u>27.85</u>	<u>19.97</u>
Total (losses)/earnings per ordinary share	<u>(63.84)</u>	<u>34.41</u>	<u>31.05</u>

3 Ordinary share capital

At 30 June 2008 there were 216,282,439 ordinary shares in issue (30 June 2007: 245,489,750; 31 December 2007: 223,426,499). During the half year ended 30 June 2008 the Company bought 7,144,060 of its own issued ordinary shares in the market for cancellation (half year ended 30 June 2007: 15,283,137; year ended 31 December 2007: 37,346,388). The cost of the share buy-backs, including stamp duty, amounted to £31,917,000 (half year ended 30 June 2007: £73,401,000; year ended 31 December 2007: £181,553,000).

4 Interim dividend

The directors have declared an interim dividend of 4.30p (2007: 4.10p) per ordinary share, payable on Friday 5 September 2008 to shareholders registered on Friday 15 August 2008. The shares were quoted ex-dividend on 13 August 2008.

5 Half year accounts

The condensed set of financial statements, forming the half year accounts, has been neither audited nor reviewed by the Company's 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 2008 and 30 June 2007 has been neither audited nor reviewed by the auditors.

The figures and financial information for the year ended 31 December 2007 are extracted from the latest published audited financial statements of the Company and do not constitute the statutory accounts for that year. The audited financial statements for the year ended 31 December 2007 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 £1,034,037,000 (half year ended 30 June 2007: £1,348,886,000; year ended 31 December 2007: £1,219,306,000) and on 216,282,439 (half year ended 30 June 2007: 245,489,750; year ended 31 December 2007: 223,426,499) 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.

Warning to Shareholders

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 financial report for the half year ended 30 June 2008 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.

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 savings 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.
- Jump Child Trust Fund (CTF) offers the opportunity for parents to invest the Government's £250 CTF Voucher in Witan Investment Trust plc. Further contributions may be made up to an annual limit of £1,200. The investment is free of all tax.
- 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 for more information and application forms.

Further information on all products is available by calling 0800 082 8180 or online via 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.

You're not my mum!



You've got a prickly chin.
 You hold me like a rugby ball.
 You manage to sleep through my screaming.
 You put my babygrog on backwards.
 You retch at the slightest whiff of poo.
 And your nipples are completely useless.
 But I love you anyway, dad.
 And I'll love you even more if you start a
 Jump Child Trust Fund for me, so I can buy the mother
 of all motorbikes when I get older.

You may be lacking in certain areas, but at least you can show your offspring that you weren't born yesterday (like them) by investing the £250 voucher the government now give every newborn child in a Jump Child Trust Fund. It's tax free, further contributions can be made by direct debit or lump sum, and the fund is invested in shares by Witan's expert managers. Call us or click for an information pack now. 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.

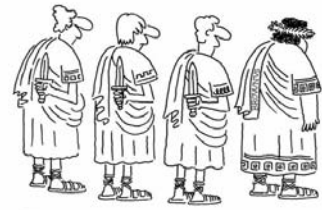


Child Trust Fund
 0800 011 2015 | www.jumpsavings.com
 Ref XXXX

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Witan...



THE LABOUR TOGA-PARTY CONFERENCE

wisdom

Gordon Bennett – you don't know who you can trust these days.
 Unless you voted for Witan to look after your investments, of course.

Witan investment trust

0800 082 81 80 | www.witan.com quoting ref. XXXX

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. Issued and approved by Witan Investment Services Limited. Witan Investment Services Limited is registered in England no. 5272533 of 4 Broadgate, London EC2M 2DA. Witan Investment Services Limited provides investment products and services and is authorised and regulated by the Financial Services Authority. Calls may be recorded for our mutual protection and to improve customer service.

Witan

*"I was the kid
 next door's
 imaginary
 friend."*



Emo Philips.

wisdom

Our three new friends are expert stockpickers, and will make a very real difference to the focus of our multi-manager team.

'You can't choose your family', the old saying goes, 'but you can choose your friends.'
 At Witan, we beg to differ. In compiling our 'best of breed' multi-manager team over the years, we've not only made some great friends, but also found people who've quickly become part of our trusted family of experts. And we fully expect the three new managers we've welcomed to the

fold – Artemis Investment Management, Marathon Asset Management and Varenne Capital Partners – to have their feet under the table in no time.
 After rigorous research we identified them as being exactly the right mix of talents to help us ensure that our globally diversified, relatively low-risk fund becomes a better place to invest than ever.

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.

As you can imagine, our new managers are as keen as mustard to demonstrate how their appointment has added a whole new dimension to Witan. So why not be a mate, and get in touch by visiting www.witan.com or calling 0800 082 81 80.



0800 082 81 80 | www.witan.com
 Please quote reference 3787 when calling.

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Available
 on the
 Child Trust Fund

Big deal.



'Three more mouthfuls of broccoli.'

'Oh come on, two.'

'Telly off in five minutes.'

'Make it ten.'

'Four more thank-you letters.'

'How about one?'

'Back by eleven.'

'Say half past.'

'Here's £7,500 I've been saving up for you.'

'But the Kawasaki Ninja's £9,999.'

Negotiating? You missed your vocation at ACAS. But there's one thing you don't want to compromise on – a decent start in life for your kids. So slip a small monthly sum into Jump, the savings scheme for children. And further down the line, you could be writing them a cheque they'll snatch from your hands. No debate.

Call us, or click on the website below, for an information pack. 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 full amount originally invested.



Savings Plan
 0800 011 2015 | www.jumpsavings.com
 Ref XXXX

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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 1142
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

Post:

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

aic
The Association of
Investment Companies

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 2008. Young riders bridge the gap between junior and senior competition for those between the ages of 18 and 21. The team has won gold at the last two European Championships.

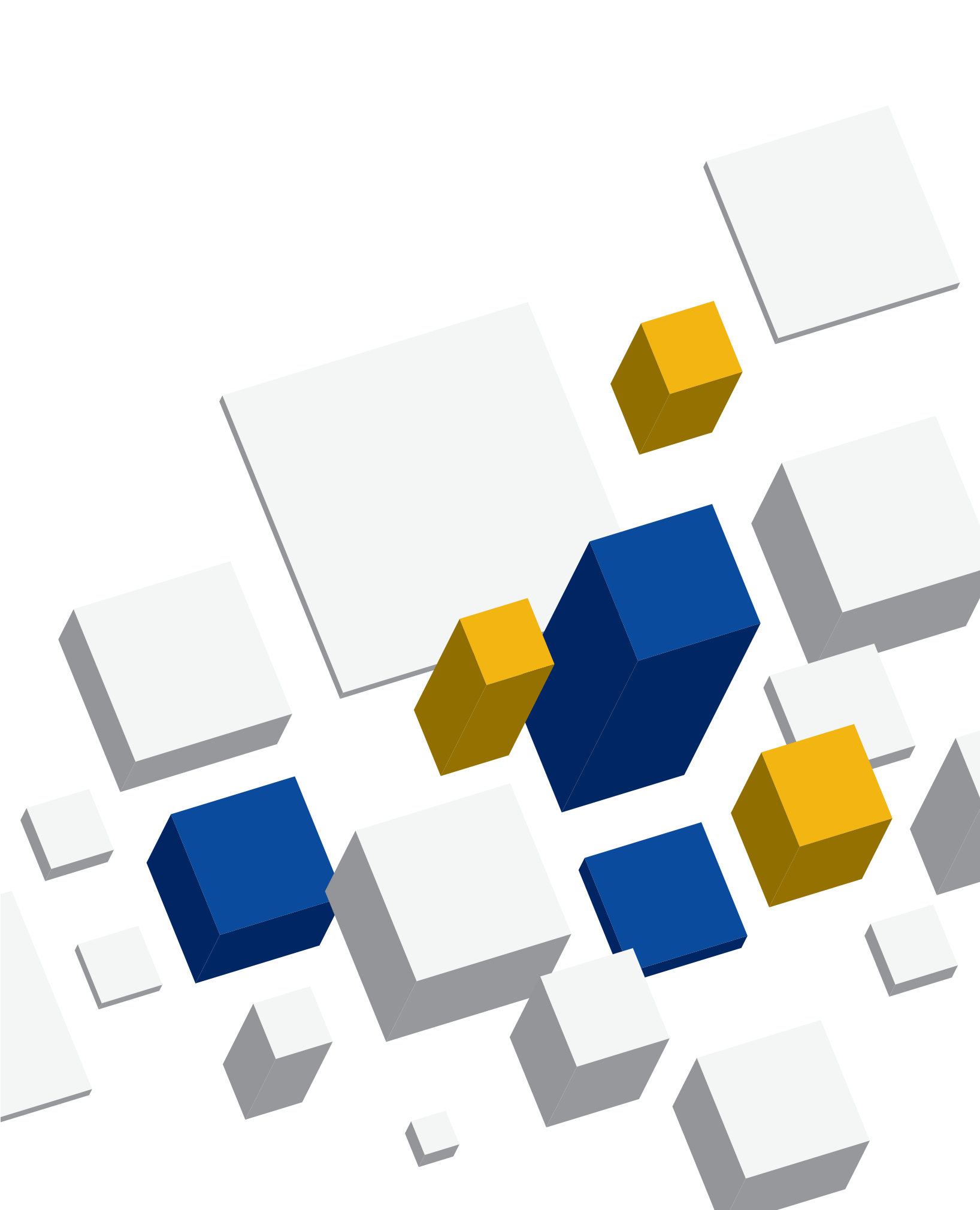


If you would like to find out more about British Eventing, please visit www.britisheventing.com

Chemmy Alcott

Witan is principal sponsor of Britain's number one female alpine skier, at least until 2010 and the Olympics in Canada. Last season Miss Alcott competed at the highest level. Once again she was British Champion and also added the French National Championship to her list of successes. For more information please visit www.chemmyalcott.com





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