

# THE ESTABLISHMENT INVESTMENT TRUST PLC

Half-year report for the six months  
ended 30 September 2007



# THE ESTABLISHMENT INVESTMENT TRUST PLC

## **Directors**

Dr. James King (Chairman)  
Sir David Cooksey  
Henry Thornton  
Richard Thornton  
Harry Wells

## **Investment Manager**

BDT Invest LLP  
52 Jermyn Street  
London SW1Y 6LX

## **Company Secretary and registered office**

Phoenix Administration Services Limited  
Springfield Lodge  
Colchester Road  
Chelmsford  
Essex CM2 5PW

## **Registrars**

Capita Registrars  
Northern House  
Woodsome Park  
Fenay Bridge  
Huddersfield  
West Yorkshire HD8 0LA

## **Registered auditor**

Grant Thornton UK LLP  
30 Finsbury Square  
London EC2P 2YU

# THE ESTABLISHMENT INVESTMENT TRUST PLC

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# THE ESTABLISHMENT INVESTMENT TRUST PLC

## The Establishment Investment Trust plc

The Establishment Investment Trust plc is an investment trust listed on the London Stock Exchange. The Company invests primarily in equity and equity related securities (such as convertible bonds and warrants), although investment may also be made in collective investment schemes, bonds and other forms of debt instruments.

## Objective of the Company

To achieve long-term capital growth from a managed international portfolio of securities. The preservation of capital is of primary importance to the investment objective.

## Benchmark

The Company aims to achieve absolute returns and is not managed by reference to any equity or bond index or benchmark.

## Financial Highlights

### Performance comparisons in the current performance period (1 April 2007 - 30 September 2007)

	31 March 2007	<b>30 September 2007</b>	<b>Change</b>
<b>Share Price</b>	154.50p	<b>172.00p</b>	<b>+11.33%</b>
Net Asset Value	164.19p	<b>183.39p</b>	<b>+11.69%</b>
Performance Fee Hurdle #	179.14p	<b>188.10p</b>	<b>+5.00%</b>
Adjusted Market Capitalisation#	161.70p	<b>181.20p</b>	<b>+12.06%</b>
FTSE APCIMS Stock Market Balanced Index			+2.66%
UK Equity *			+3.97%
World Equity *			+5.18%
Japan Equity*			-4.97%
Asia ex Japan Equity *			+32.85%
UK Bond ^			+1.64%

# The Adjusted Market Capitalisation of an Ordinary Share at 30 September 2007 is based on the average share price for September 2007 of 171.25p plus dividends paid of 9.95p since the last performance fee was paid. As this was below the Performance Fee Hurdle of 188.10p at the half-year end, no performance fee provision has been made.

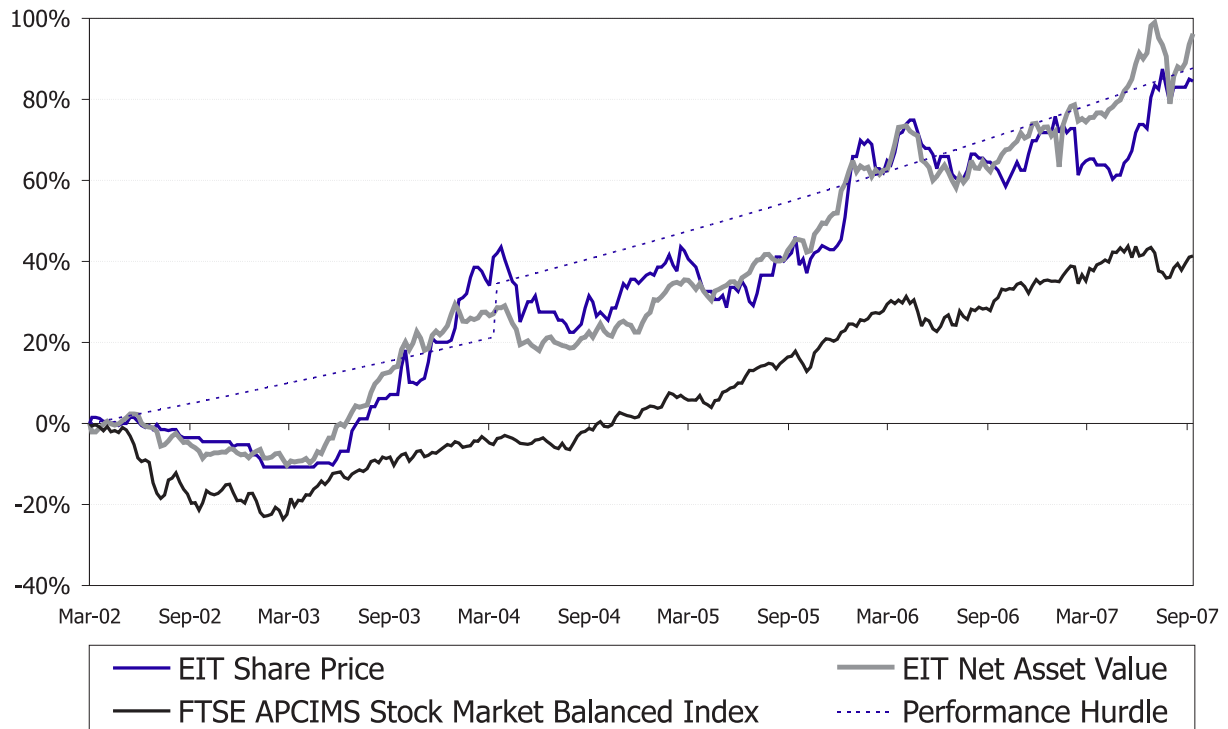
\* MSCI Indices converted into sterling. All total return indices (net dividend reinvested).

^ FTSE Actuaries Government Securities UK Gilts total return all stocks.

# THE ESTABLISHMENT INVESTMENT TRUST PLC

## Financial Highlights continued

**Share Price performance relative to the Net Asset Value,  
Performance Hurdle and FTSE APCIMS Stock Market Balanced Index  
for the period 18 March 2002 to 30 September 2007 (total return).**



Data in sterling, net dividends reinvested.

# THE ESTABLISHMENT INVESTMENT TRUST PLC

## Chairman's Statement

The first half of the financial year proved rewarding with the share price and net asset value rising by 11.3% and 11.7% respectively. In addition a final dividend of 1.7p, in respect of the year ended 31 March 2007, was paid to Shareholders on 25 July 2007 lifting the total return of the share price and the net asset value to 12.4% and 12.7% respectively.

The period under review includes the near shut down of the US credit markets during August and the subsequent run on the British bank Northern Rock. Global equity markets proved extremely volatile during the third quarter of the year but I am pleased to note that the net asset value of the Company was reasonably resilient during this period.

The Company has recently renewed its multi currency borrowing facility with the Bank of Scotland for a further three-year term to 29 September 2010 and the Bank has agreed to increase the facility from £5mn to £8mn.

Shareholders will be aware that BDT Invest LLP has been appointed as the Investment Manager of the Company with effect from 31 October 2007. The principals and investment managers of BDT Invest LLP are the same as those of BDT Investment Management Limited, the previous Manager. Your Company retains an economic interest in the Investment Manager via its shareholding in BDT Investment Management Limited which is a member of BDT Invest LLP. The principals of BDT Invest LLP believe the revised structure enhances their ability to attract, retain and remunerate investment professionals. Your Board is satisfied that the Company's economic interest in the Investment Manager has not changed materially.

Your Directors are aware that, following the ruling by the European Court of Justice, HM Revenue & Customs has conceded that investment trusts should be exempt from VAT on investment management fees. VAT is no longer being charged on fees for investment management but the process of recovering past VAT is only in the very early stages and no quantification has been effected. Your Board however believes that any past VAT which may be recoverable would not be material and accordingly no provision has been made in these accounts for it.

Rhoddy Swire retired from the Board on 30 September 2007 and I would like to record my thanks, and that of the Board, for his valuable contribution to the Company during the past five and a half years.

The Board has proposed an interim dividend for the year ending 31 March 2008 of 1.4p per Ordinary Share, an increase of 7.7% over the previous year's interim dividend payment.

**Dr. James King**  
**Chairman,**  
23 November 2007

# THE ESTABLISHMENT INVESTMENT TRUST PLC

## Investment Manager's Report

The share price and net asset value recorded advances of 12.4% and 12.7% (including the final dividend) respectively during the first half of the Company's financial year. This compares favourably with the 4.0% and 5.2% advance in the MSCI UK and World Indices and the 1.6% increase in the FTSE Gilt Index. In our specialist Asian areas the return of the Company in comparison to various indices proved rather more varied. Japan continued to disappoint with the MSCI Japan Index declining 5.0% during the period while, in stark contrast, the MSCI Asia ex Japan Equity Index rose by 32.9%, driven by the 70.4% and 40.1% rises in the MSCI China and India Indices respectively.

We have had some outstanding individual performers in the portfolio (for example China Insurance, Hyundai Heavy Industries and Thoresen Thai Agencies returned 145%, 123% and 110% respectively during the period under review) but, with the benefit of hindsight, we have been too cautious in our approach to both India and China. Our reluctance to pay fancy prices ahead of a significant slowdown in the global economy has been confounded by a tidal wave of liquidity following the decision of the Federal Reserve to ease monetary policy in the light of severe problems in Western credit markets. The MSCI China and India indices rallied by 51% and 24% respectively from the August lows to the end of September. There will be a significant global economic slowdown in 2008 - of that we have little doubt - and this will inevitably lead to slower growth in the export orientated Asian economies and may well result in a significant setback to commodity prices. Under these circumstances, and in view of the recent strong performance, we expect equities in the region to mark time in the short term as this less certain outlook unfolds.

The debt fuelled economic expansion in the developed world over the past decade and the recent freezing of the asset backed commercial paper market have presented policy makers with new problems. The Chairman of the US Federal Reserve, Ben Bernanke, revealed his colours with an immediate 50bps cut in short term interest rates and the European Central Bank appears equally happy to extend unlimited liquidity. If the Greenspan "put" has thus seamlessly metamorphosed into the Bernanke "put", we have considerable sympathy with the view that investment success will follow from correctly identifying the "next bubble". The strong external balances of most Asian economies, and a continued desire by the authorities to limit currency appreciation against the US Dollar, have predictably powerful consequences for domestic liquidity. It would appear that the most obvious "next bubble" is Asian equities.

The majority of the Company's assets continue to be deployed across Asian equity markets either directly or via absolute return vehicles and the net asset value should continue to benefit from both the buoyant liquidity conditions and improving profitability of companies in the region. Your Manager's first job, however, is to preserve Shareholders' capital and, reflecting the increased economic uncertainty mentioned previously, the portfolio retains a significant position in short dated sovereign bonds and, more recently, your Manager initiated a position in gold bullion via an exchange traded fund. Your Manager is hopeful of making further progress in the second half of the Company's financial year.

**BDT Invest LLP**  
**Investment Manager**  
23 November 2007

# THE ESTABLISHMENT INVESTMENT TRUST PLC

## Income Statement

	<b>Six months ended 30 September 2007</b>		
	<b>Unaudited</b>		
	<b>Revenue</b>	<b>Capital</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Gains/(losses) on investments	-	<b>3,723</b>	<b>3,723</b>
Losses on derivatives	-	<b>(72)</b>	<b>(72)</b>
Exchange differences	-	<b>83</b>	<b>83</b>
Income (note 5)	<b>956</b>	-	<b>956</b>
Investment management fees	<b>(26)</b>	<b>(72)</b>	<b>(98)</b>
Other expenses	<b>(153)</b>	<b>(1)</b>	<b>(154)</b>
	<hr/>	<hr/>	<hr/>
<b>Net return/(loss) before finance costs and taxation</b>	<b>777</b>	<b>3,661</b>	<b>4,438</b>
Interest payable and similar charges	<b>(26)</b>	<b>(98)</b>	<b>(124)</b>
	<hr/>	<hr/>	<hr/>
<b>Return/(loss) on ordinary activities before tax</b>	<b>751</b>	<b>3,563</b>	<b>4,314</b>
Tax on ordinary activities	<b>(185)</b>	<b>51</b>	<b>(134)</b>
	<hr/>	<hr/>	<hr/>
<b>Return/(loss) on ordinary activities after tax for the period</b>	<b>566</b>	<b>3,614</b>	<b>4,180</b>
	<hr/>	<hr/>	<hr/>
<b>Return/(loss) per Ordinary Share</b>	<b>2.83p</b>	<b>18.07p</b>	<b>20.90p</b>

All revenue and capital items in the above statement derive from continuing operations.

The total columns of this statement represent the profit and loss accounts of the Company. The supplementary revenue and capital columns are both prepared under guidance published by the Association of Investment Companies.

A statement of Total Recognised Gains and losses is not required as all gains and losses of the Company have been reflected in the above statement.

No operations were acquired or discontinued during the period.

# THE ESTABLISHMENT INVESTMENT TRUST PLC

Revenue	Six months ended 30 September 2006		Revenue	Year ended 31 March 2007	
	Capital	Total		Capital	Total
£'000	£'000	£'000	£'000	£'000	£'000
-	(1,497)	(1,497)	-	760	760
-	-	-	-	-	-
-	54	54	-	147	147
1,008	-	1,008	1,345	-	1,345
(27)	(51)	(78)	(55)	(121)	(176)
<u>(149)</u>	<u>(44)</u>	<u>(193)</u>	<u>(298)</u>	<u>(51)</u>	<u>(349)</u>
832	(1,538)	(706)	992	735	1,727
<u>(14)</u>	<u>(51)</u>	<u>(65)</u>	<u>(37)</u>	<u>(128)</u>	<u>(165)</u>
818	(1,589)	(771)	955	607	1,562
<u>(178)</u>	<u>31</u>	<u>(147)</u>	<u>(192)</u>	<u>60</u>	<u>(132)</u>
<u>640</u>	<u>(1,558)</u>	<u>(918)</u>	<u>763</u>	<u>667</u>	<u>1,430</u>
3.20p	(7.79p)	(4.59p)	3.81p	3.34p	7.15p

# THE ESTABLISHMENT INVESTMENT TRUST PLC

## Reconciliation of Movements in Shareholders' Funds

	Share capital £'000	Share premium £'000	Capital reserve realised £'000	Capital reserve unrealised £'000	Revenue reserve £'000	Total £'000
<b>For the six months ended 30 September 2007</b>						
Net assets at 31 March 2007	5,000	14,701	4,579	7,911	647	32,838
Return on ordinary activities after tax for the period	-	-	2,312	1,302	566	4,180
Dividends paid	-	-	-	-	(340)	(340)
<b>Net assets at 30 September 2007</b>	<b>5,000</b>	<b>14,701</b>	<b>6,891</b>	<b>9,213</b>	<b>873</b>	<b>36,678</b>
	Share capital £'000	Share premium £'000	Capital reserve realised £'000	Capital reserve unrealised £'000	Revenue reserve £'000	Total £'000
<b>For the six months ended 30 September 2006</b>						
Net assets at 31 March 2006	5,000	14,701	2,786	9,037	464	31,988
Return on ordinary activities after tax for the period	-	-	36	(1,594)	640	(918)
Dividends paid	-	-	-	-	(320)	(320)
<b>Net assets at 30 September 2006</b>	<b>5,000</b>	<b>14,701</b>	<b>2,822</b>	<b>7,443</b>	<b>784</b>	<b>30,750</b>
	Share capital £'000	Share premium £'000	Capital reserve realised £'000	Capital reserve unrealised £'000	Revenue reserve £'000	Total £'000
<b>For the year ended 31 March 2007</b>						
Net assets at 31 March 2006	5,000	14,701	2,786	9,037	464	31,988
Return on ordinary activities after tax for the year	-	-	1,793	(1,126)	763	1,430
Dividends paid	-	-	-	-	(580)	(580)
<b>Net assets at 31 March 2007</b>	<b>5,000</b>	<b>14,701</b>	<b>4,579</b>	<b>7,911</b>	<b>647</b>	<b>32,838</b>

# THE ESTABLISHMENT INVESTMENT TRUST PLC

## Balance Sheet

	<b>30 September 2007 Unaudited £'000</b>	30 September 2006 Unaudited £'000	31 March 2007 Audited £'000
<b>Fixed assets</b>			
Investments held at fair value through profit or loss	<u>39,638</u>	<u>29,654</u>	<u>34,877</u>
<b>Current assets</b>			
Debtors	226	216	234
Cash at bank	<u>1,567</u>	<u>5,311</u>	<u>2,350</u>
	<b>1,793</b>	5,527	2,584
Creditors: amounts falling due within one year	<u>(4,740)</u>	<u>(4,425)</u>	<u>(4,608)</u>
<b>Net current (liabilities)/assets</b>	<u>(2,947)</u>	<u>1,102</u>	<u>(2,024)</u>
<b>Total assets less current liabilities</b>	<b>36,691</b>	30,756	32,853
Provision for liabilities and charges	<u>(13)</u>	<u>(6)</u>	<u>(15)</u>
<b>Net assets</b>	<u><b>36,678</b></u>	<u>30,750</u>	<u>32,838</u>
<b>Capital and reserves</b>			
Called up share capital	5,000	5,000	5,000
Share premium	14,701	14,701	14,701
Capital reserve - realised	6,891	2,822	4,579
Capital reserve - unrealised	9,213	7,443	7,911
Revenue reserve	<u>873</u>	<u>784</u>	<u>647</u>
<b>Equity shareholders' funds</b>	<u><b>36,678</b></u>	<u>30,750</u>	<u>32,838</u>
<b>Net asset value per Ordinary Share</b>	<b>183.39p</b>	153.75p	164.19p

# THE ESTABLISHMENT INVESTMENT TRUST PLC

## Cash Flow Statement

	<b>Six months ended 30 September 2007 Unaudited £'000</b>	Six months ended 30 September 2006 Unaudited £'000	Year ended 31 March 2007 Audited £'000
Net cash inflow from operating activities	<b>641</b>	661	714
Servicing of finance	<b>(164)</b>	(42)	(142)
Taxation	<b>(43)</b>	(105)	(447)
Financial investment	<b>(816)</b>	1,009	(2,242)
Net cash (outflow)/inflow before financing	<b>(382)</b>	1,523	(2,117)
Equity dividends paid	<b>(340)</b>	(320)	(580)
Financing activities	<b>(144)</b>	1,448	2,630
(Decrease)/increase in cash in the period	<b>(866)</b>	2,651	(67)
<b>Reconciliation of net cash flow to movement in net debt</b>			
(Decrease)/increase in cash in the period	<b>(866)</b>	2,651	(67)
Cash outflow/(inflow) from movement in net debt	<b>144</b>	(1,448)	(2,630)
Exchange movements	<b>83</b>	54	147
Opening net (debt)/cash	<b>(2,147)</b>	403	403
<b>Closing net (debt)/cash</b>	<b>(2,786)</b>	1,660	(2,147)
<b>Represented by</b>			
Cash at bank	<b>1,567</b>	5,311	2,350
Bank loan	<b>(4,353)</b>	(3,651)	(4,497)
	<b>(2,786)</b>	1,660	(2,147)
<b>Reconciliation of operating profit/(loss) to net cash inflow from operating activities</b>			
Net return before finance costs and taxation	<b>4,438</b>	(706)	1,727
(Gains)/losses on investments held at fair value	<b>(3,723)</b>	1,497	(760)
Gains on exchange movements	<b>(83)</b>	(54)	(147)
Decrease/(increase) in other debtors	<b>39</b>	6	(31)
Increase in accrued income	<b>(32)</b>	(91)	(78)
Increase in creditors	<b>2</b>	9	3
Net cash inflow from operating activities	<b>641</b>	661	714

# THE ESTABLISHMENT INVESTMENT TRUST PLC

## Notes to the Financial Statements

1. The financial information for the year ended 31 March 2007 included in this half-year report has been based upon the Company's full accounts, which for the year to 31 March 2007 carry an unqualified audit report and did not include statements under Section 237(2) or (3) of the Companies Act 1985 and which have been filed with the Registrar of Companies.
2. The financial statements for the six months ended 30 September 2007 have been prepared on a basis consistent with the accounting policies adopted by the Company in its statutory accounts for the year ended 31 March 2007.
3. The Income Statement for the six months ended 30 September 2007, six months ended 30 September 2006 and year ended 31 March 2007 have been prepared in accordance with the Statement of Recommended Practice "Financial Statements of Investment Trust Companies" issued by The Association of Investment Companies in January 2003 (revised December 2005), by the Association of Investment Companies which has been adopted by the Company.
4. The Income Statement includes the results of the Company and together with the Reconciliation of Movements in Shareholders' Funds, Balance Sheet and Cash Flow Statement at 30 September 2007, are unaudited and do not constitute full statutory accounts within the meaning of section 240 of the Companies Act 1985.

5. Income

	<b>Six months ended 30 September 2007 Unaudited £'000</b>	Six months ended 30 September 2006 Unaudited £'000	Year ended 31 March 2007 Audited £'000
Overseas dividends	<b>631</b>	645	808
UK dividends	<b>132</b>	262	309
Fixed interest income	<b>166</b>	78	164
Deposit interest	<b>27</b>	23	64
	<b><u>956</u></b>	<u>1,008</u>	<u>1,345</u>

6. The net asset value per Ordinary Share is based on net assets at 30 September 2007 of £36,678,000 (31 March 2007: £32,838,000 and 30 September 2006: £30,750,000) and on 20,000,000 Ordinary Shares in issue at 30 September 2007 (31 March 2007 and 30 September 2006: 20,000,000).
7. Shareholders approved an increase in the aggregate investments which may be made in BDT Products from 20% to 30% at the Annual General Meeting on 7 July 2005. Aggregate investments in BDT Products at 30 September 2007 totalled 20.52%. BDT Invest rebates management fees in respect of BDT Products back to the Company. The Company additionally owns shares in BDT Investment Management Limited which equate to 4.06 % of the portfolio.

# THE ESTABLISHMENT INVESTMENT TRUST PLC

## Notes to the Financial Statements continued

### 8. Returns per Ordinary Share

#### Total return

The total return per Ordinary Share is based on net gain on ordinary activities after taxation of £4,180,000 for the six months ended 30 September 2007 (31 March 2007: £1,430,000 and 30 September 2006: loss £918,000) divided by 20,000,000 Ordinary Shares (31 March 2007 and 30 September 2006: 20,000,000) being the weighted average number of Ordinary Shares in issue during the period.

The total return per Ordinary Share figures detailed above can be further analysed between revenue and capital, as below:

#### Revenue return

The revenue return per Ordinary Share is based on gain on ordinary activities after taxation of £566,000 for the six months ended 30 September 2007 (31 March 2007: £763,000 and 30 September 2006: £640,000) divided by 20,000,000 Ordinary Shares (31 March 2007 and 30 September 2006: 20,000,000) being the weighted average number of Ordinary Shares in issue during the period.

#### Capital return

The capital return per Ordinary Share is based on net gain on ordinary activities after taxation of £3,614,000 for the six months ended 30 September 2007 (31 March 2007: £667,000 and 30 September 2006: loss £1,558,000) divided by 20,000,000 Ordinary Shares (31 March 2007 and 30 September 2006: 20,000,000) being the weighted average number of Ordinary Shares in issue during the period.

### 9. Interim dividend

The Directors have declared an interim dividend of 1.40p per Ordinary Share in respect of the year ending 31 March 2008. The shares will be quoted ex-dividend on 5 December 2007 and the dividend will be paid on 14 December 2007, to Shareholders on the register on 7 December 2007.

10. The Company holds (via the 17.04% ownership of BDT Investment Management Limited) an effective economic interest of 14.98% (fully diluted) in the Investment Manager, BDT Invest LLP. Accordingly, the shares in BDT Investment Management Limited are accounted for and disclosed in the same way as other investments in the portfolio. The valuation of the Company's investment in BDT Investment Management Limited is calculated at the end of each quarter on the basis of fair value as determined by Directors of the Company. The valuation process is based on the average of book value of BDT Invest LLP, 4% of the value of funds under management and four times its annual management charges (excluding performance fees).
11. Following the publication of the Investment Entities (Listing Rules and Conduct of Business) Instrument 2003, on 20 October 2003 the Company announced that it is the Company's policy to invest no more than 15% of its gross assets in other UK listed investment companies (including UK listed investment trusts) as defined in Listing Rule 15.
12. It is the intention of the Directors to conduct the affairs of the Company so that it satisfies the conditions for approval as an Investment Trust Company set out in Section 842 of the Income and Corporation Taxes Act 1988.

By order of the Board

**Phoenix Administration Services Limited**

Secretary

23 November 2007

# THE ESTABLISHMENT INVESTMENT TRUST PLC

## Interim Management Report

The Directors are required to provide an Interim Management Report in accordance with the UK Listing Authority's Disclosure and Transparency Rules and consider that the Chairman's Statement, Investment Manager's Report on pages 5 to 7 of this Report and the statement below on related party transactions, together constitute the Interim Management Report for the Company for the six months ended 30 September 2007.

The Directors confirm that no related party transactions were undertaken by the Company in the first six months of the current financial year. There have been no changes to the related party disclosures set out in the Annual Report of the Company for the year ended 31 March 2007 save that BDT Invest LLP was appointed as Investment Manager to the Company in place of BDT Investment Management Limited on 31 October 2007 on substantially the same terms as contained in the Investment Management agreement dated 11 February 2002 with BDT Investment Management Limited.

The half-year report for the six months ended 30 September 2007 has not been reviewed by the Company's Auditors Grant Thornton UK LLP.

## Directors' Responsibility Statement

The Directors listed at the front of this Report being the persons responsible, confirm that to the best of their knowledge:

- (a) the condensed set of financial statements, which have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice, give a true and fair view of the assets, liabilities and financial position of the Company;
- (b) the Interim Management Report includes a fair review; as required by Disclosure and Transparency Rule 4.2.7 R; of important events that have occurred during the first six months of the financial year, their impact on the condensed set of financial statements, 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 concerning related parties transactions as required by Disclosure and Transparency Rule 4.2.8 R.

The half-year report was approved by the Board on 23 November 2007 and the above responsibility statement was signed on its behalf by:

**Dr. James King**  
**Chairman**

# THE ESTABLISHMENT INVESTMENT TRUST PLC

## Portfolio Holdings at 30 September 2007

(All equity shares unless otherwise stated)

Holding	Company	Fair value £'000	% of total assets
69,622	BDT Invest Asia Fund Distributor	4,101	11.18
£3,000,000	Treasury 5% 07/03/2008	2,996	8.17
€4,000,000	Bundesobligation 3.5% 10/10/2008	2,777	7.57
£2,500,000	Treasury 4% 07/03/2009	2,464	6.72
200,000	BDT Invest Emerging Markets Focus Fund 'B'	2,146	5.85
1,373,000	China Insurance	2,052	5.60
50,000	iShares COMEX Gold Trust	1,803	4.92
725,000	SR Europe Investment Trust	1,718	4.68
128,012	BDT Investment Management Limited*	1,490	4.06
2,546,550	Siam Steel Service Center	1,212	3.30
4,800	Hyundai Heavy Industries	1,088	2.97
60,000	BDT Invest Japan Fund Distributor	907	2.47
7,800	Samsung Fire & Marine Insurance	824	2.25
960,000	Thoresen Thai Agencies	797	2.18
560,000	Cathay Pacific Airways	750	2.04
760,000	Farglory Land Development	719	1.96
19,450,000	Bank Pan Indonesia	710	1.94
1,600,000	Kiatnakin Bank Public	705	1.92
4,000	Bedlam Asset Management UK Fund	678	1.85
673,349	Taiwan Semiconductor	643	1.75
15,700	Kookmin Bank ADR's	630	1.72
100,000	Aero Inventory	573	1.56
2,150,000	Rizal Commercial Banking	545	1.49
190,000	Isuzu Motors	532	1.45
67,000	Nippon Electric Glass	526	1.43
700,000	Minth Group	525	1.43
200,000	Bedlam Asset Management Plc*	500	1.36
13,000	Nidec Corp	445	1.21
1,000,000	Pos Malaysia	435	1.19
25,000	Sumitomo Realty & Development	431	1.18
5,200,000	Rexcapital Financial	414	1.13
1,325,000	Yuanta Financial	399	1.09
1,000,000	GK Goh	393	1.07
25,000	Mitsubishi Corp	386	1.05
60,000	BDT Invest Japan Smaller Cos Fund 'B'	375	1.02
325,000	IJM Corp	372	1.01
1,385,000	Lafarge Malayan Cement	359	0.98
2,000	Lindsell Train Investment Trust	342	0.93
100	Japan Tobacco	269	0.73
12,000	Aisin Seiki	234	0.64
4,443	Hana Tour Service	219	0.60
145,000	SR Europe Investment Trust (Subscription Shares)	77	0.21
645,420	Vigilant Technology	39	0.11
50,300	Uni-President Enterprise Corp	38	0.10
	Total investments	39,638	108.07
	Net current liabilities	(2,947)	(8.03)
	Provision for liabilities and charges	(13)	(0.04)
	<b>Net assets</b>	<b>36,678</b>	<b>100.00</b>

\* Unlisted investments

# THE ESTABLISHMENT INVESTMENT TRUST PLC

## Portfolio Analysis at 30 September 2007

<b>Sector Analysis</b>	<b>Fair value £'000</b>	<b>% of total assets</b>
Investment Companies	14,137	38.53
UK Government Bonds	5,460	14.89
Insurance	2,876	7.84
EuroBonds	2,777	7.57
Banks	2,590	7.06
Transport	1,547	4.23
Steel & Other Materials	1,213	3.31
Speciality & Other Finance	1,206	3.29
Electronic & Electronic Equipment	1,169	3.18
Engineering & Machinery	1,088	2.97
Automobiles	1,056	2.88
Construction & Building Materials	731	1.99
Real Estate	719	1.96
Support Services	654	1.79
Cyclical Consumer Goods	620	1.69
Software & Computer Services	612	1.67
Industrial	445	1.21
Financials	431	1.18
Non Cyclical Consumer Goods	269	0.73
Food Producers & Processors	38	0.10
Total investments	39,638	108.07
Net current liabilities	(2,947)	(8.03)
Provision for liabilities and charges	(13)	(0.04)
<b>Net assets</b>	<b>36,678</b>	<b>100.00</b>

# THE ESTABLISHMENT INVESTMENT TRUST PLC

Portfolio Analysis at 30 September 2007 continued

## Geographical Analysis (based on listing or domicile)

	<b>Fair value £'000</b>	<b>% of total assets</b>
United Kingdom	18,407	50.18
Hong Kong	3,740	10.20
Japan	2,823	7.69
Europe	2,777	7.57
Thailand	2,715	7.41
United States	2,433	6.63
South Korea	2,131	5.82
Taiwan	1,798	4.90
Malaysia	1,166	3.18
Indonesia	710	1.94
Philippines	545	1.48
Singapore	393	1.07
Total investments	39,638	108.07
Net current liabilities	(2,947)	(8.03)
Provision for liabilities and charges	(13)	(0.04)
<b>Net assets</b>	<b>36,678</b>	<b>100.00</b>

## Classification of Assets

	<b>Fair value £'000</b>	<b>% of total assets</b>
Equities	31,401	85.61
Fixed Interest Securities	8,237	22.46
Net current liabilities	(2,947)	(8.03)
Provision for liabilities and charges	(13)	(0.04)
<b>Net assets</b>	<b>36,678</b>	<b>100.00</b>



# THE ESTABLISHMENT INVESTMENT TRUST PLC

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