

*Electric & General  
Investment Trust plc*

Half Yearly Report and Financial Statements  
for the half year ended  
31 December 2008

Taube Hodson Stonex Partners LLP

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

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# **ELECTRIC & GENERAL INVESTMENT TRUST PLC**

## **INVESTMENT OBJECTIVE**

**The Company's objective is to maximise total return while pursuing a progressive dividend policy, where achievable, within the over-riding objective of capital growth.**

## **INVESTMENT POLICY**

The Investment Manager seeks to achieve the Company's objectives by investing principally in a portfolio of quoted international equities.

Further information on the Company's investment policy can be found on page 1 of the Annual Report and Financial Statements for the year ended 30 June 2008. Material changes to the Company's investment policy may, under the FSA Listing Rules, only be made with the approval of shareholders.

For the purposes of Listing Rule 15.2.5R of the UK Listing Authority, the Directors confirm that the Company does not currently hold any investments in UK listed investment companies, including investment trusts, nor is it in the Company's normal course of business to invest in such investment companies. However, in the unlikely event that the Company does decide at some future date to make an investment in any UK listed investment company, it confirms that no more than 15% of its gross assets may be invested in other UK listed investment companies, including investment trusts (as covered by Chapter 15 of the FSA Listing Rules).

## **BENCHMARK**

The benchmark against which the portfolio performance is measured is the MSCI World Index (Sterling excluding income), thus emphasising the global nature of the portfolio.

## **FINANCIAL HIGHLIGHTS**

	(Unaudited) Half year ended 31 December 2008 Pence	(Unaudited) Half year ended 31 December 2007 Pence	(Audited) Year ended 30 June 2008 Pence
Per ordinary share			
Net asset value	380.59	491.12	439.82
Share price	324.00	424.50	384.00
MSCI World Index (Sterling excluding income)	640.05	798.15	704.55
Revenue return per share	3.52	2.65	10.07
Total return per share	(53.38)	13.22	(36.08)
Dividend	2.00	2.00	7.85

## CHAIRMAN'S STATEMENT

### Performance

For the half year ended 31 December 2008, the Net Asset Value ("NAV") of the Company decreased by 13.5%, which compares with a decrease of 9.2% in the MSCI World Index (Sterling excluding income) (the "Index"). Over the same period the Company's share price decreased by 15.6%, the difference in performance being made up by the discount to NAV having widened from 12.7% per share to 14.9% per share.

Currencies have been very volatile over the period under review and this has had a major impact on performance. The weakness of Sterling has helped performance in general as only 21% of the Company's assets were Sterling denominated. Near the end of the period some of the Euro and Yen exposure was hedged back to Sterling to lock in part of that gain. The Investment Managers have always been conscious that the US (and therefore Dollar) weighting in the MSCI World Index of 50% was much higher than the Company's underlying equity investments of 11%. To that end, much of the Company's liquidity has been held in Dollars, but this has only pushed the exposure up to 21%. As the Dollar outperformed all major currencies other than the Yen, its strength has cost us some performance. However, looking forward, by the very nature of the Company, which is run as a broadly diversified global portfolio, it is very unlikely that it will ever be up to weight in the US when compared to the MSCI World Index.

### Dividend

The Directors have declared an interim dividend of 2.00p per ordinary share payable on 27 March 2009 to shareholders on the register of members at the close of business on 6 March 2009.

### Market Outlook

During 2008 stock markets suffered substantial losses. The credit crunch, which started in the second half of 2007, snowballed and affected both the price and availability of credit. The initial problems of the US sub-prime mortgage market spread more widely and affected the prices of securitised assets generally. This development had a profound effect on the global banking system,

which had grown both in size and complexity with the help of securitisation. The collapse of Lehman Brothers in September 2008 sparked a wave of panic, and confidence in the capital markets virtually disappeared. Government intervention became necessary to prop up banks and maintain confidence both in the US and across Europe.

In the second half of 2008, the impact of frozen credit markets spread to the valuation of other asset classes including equities. In particular, the Company's holdings in financial institutions and companies with any significant degree of leverage or exposure to the economic cycle started to be called into question. While the Company was positioned reasonably cautiously with little or no exposure to both investment banks and highly leveraged companies, the prospect of a severe downturn in the real economy severely shook investors' confidence and their belief in company valuations and prospects. The Company also kept a significant portion (16.7%) of its assets in cash and cash equivalents. Had the Investment Manager anticipated the severity of the downturn, they would have steered an even more cautious course than they did.

Towards the end of 2008, government-sponsored support for the financial sector, via Central Bank intervention, and rapid lowering of interest rates to unprecedented levels had some effect on capital markets, notably inter-bank lending rates, and led to some improvement in the corporate bond market.

However, the economic consequences of the rapid withdrawal of credit are still emerging. House prices and consumer confidence have been declining, unemployment is rising and companies are rapidly having to adjust to a new and lower level of economic activity, with GDP growth going into reverse almost everywhere. The Investment Manager continues to steer a relatively cautious course, while gradually investing some of the cash in high quality companies which have fallen to compelling levels.

For example, new purchases have been made in Hennes & Mauritz, the Swedish high fashion retailer; Land Securities, which has a diversified

## **CHAIRMAN'S STATEMENT**

(continued)

UK commercial property portfolio and modest gearing; McKesson, the largest pharmaceutical distributor in North America; and Nintendo, the world's largest video game console maker. Early in the period shares were purchased in Ping An – one of China's largest life and general insurers – and in Wolseley, the UK building materials supplier, which has been hit by the housing downturn. A new holding was also started in Rupert Murdoch's News Corporation, which now looks very cheap against its global peer group. The purchase was funded by the sale of DirecTV, the US satellite broadcaster which, by contrast, has performed very well but now looks relatively expensive.

The Company has also increased a number of positions. For instance it added to the holding in QBE, a high quality Australian general insurer, and increased its holding in HSBC, one of the stronger banks.

Following significant Yen strength, the Company's Japanese exposure was reduced: NTT and Tokyu were sold and Kurita Water, Mitsubishi Heavy Industries and Sekisui House were trimmed. Kamigumi, the Japanese port operator was switched into China Merchant, the more attractively valued Chinese port operator. A number of holdings which had held up well were also sold including Chiba Bank, Prudential and National Grid.

Your Company continues to try to find the right balance between prudence during what will be a very difficult global economy for the near term, while at the same time, keeping an eye on the opportunities for the medium and longer term. Extreme short term volatility in stock markets has added to investor nervousness as unprecedented shifts in economic activity are recorded. However, although the world economy may be operating at a reduced level, there seems to be no reason to believe that the fundamental structures have been damaged.

### **Prospects**

2009 has not started any better than 2008 ended. Stock markets have continued to be volatile and have even fallen slightly further. The renewal of

confidence in corporate bond markets has provided some degree of optimism and governments and Central Banks, together with the financial sector, are working towards solutions to attempt to isolate the problems of a period of excessive leverage and gearing particularly associated with Western consumers. At the same time, governments are seeking various methods to replace the drop off in private sector demand by public sector initiatives. President Obama's stimulus plan of some US\$800 billion, along with similar initiatives both in Europe and the UK are in the process of being finalised. The effect of these initiatives, particularly on corporate and consumer confidence, will determine the extent of the economic downturn. As it is, we are clearly in the midst of an extremely severe recession and equity investors, having been buffeted by the events of the past eighteen months, are not minded to give any credit to these latest initiatives until the outlook, both for the economy and corporate earnings, becomes clearer. The Investment Manager continues to try to hold onto investments in fundamentally good companies, while making adjustments to the portfolio where it is clear that the prospects for an industry or a company have changed.

### **VAT Paid on Management Fees**

Further to previous disclosures, the Company agreed a refund of £579,630 (excluding simple interest) in respect of a refund of Value Added Tax ("VAT") from its former investment manager, Henderson Global Investors Limited ("HGI"). This refund is in respect of VAT charged on management fees paid to HGI between 2000 and 2004, when their contract terminated, and has been included in these Financial Statements. The Board is pleased to have been able to resolve this matter with HGI satisfactorily. Further claims in respect of VAT paid in prior periods to the previous and current Investment Manager, and Administrator, are in the process of being negotiated and the Board will report to shareholders on these in due course.

### **Lindsay Bury**

Chairman

25 February 2009

## INCOME STATEMENT

for the half year ended 31 December 2008

		(Unaudited)		
		Half year ended 31 December 2008		
	Notes	Revenue £'000	Capital £'000	Total £'000
(Losses)/gains on investments		–	(36,682)	(36,682)
Income	2	3,281	–	3,281
Foreign exchange gains		–	309	309
Investment management fee		(267)	(267)	(534)
VAT recoverable on investment management fees	9	290	290	580
Performance fee		–	229	229
Administrative expenses		(265)	–	(265)
<b>Net return on ordinary activities before interest payable and taxation</b>		3,039	(36,121)	(33,082)
Interest payable		(95)	(282)	(377)
<b>Net return on ordinary activities before taxation</b>		2,944	(36,403)	(33,459)
Taxation	3	(645)	(762)	(1,407)
<b>Return on ordinary activities after taxation</b>		<u>2,299</u>	<u>(37,165)</u>	<u>(34,866)</u>
<b>Return per ordinary share (pence)</b>	5	<u>3.52</u>	<u>(56.90)</u>	<u>(53.38)</u>

The total column of this statement represents the profit and loss account of the Company.

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

No operations were acquired or discontinued in the period.

The Company has no recognised gains or losses other than those recognised in the Income Statement above.

The accompanying notes are an integral part of the Financial Statements.

<b>(Unaudited)</b>			<b>(Audited)</b>		
<b>Half year ended 31 December 2007</b>			<b>Year ended 30 June 2008</b>		
<b>Revenue</b>	<b>Capital</b>	<b>Total</b>	<b>Revenue</b>	<b>Capital</b>	<b>Total</b>
<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
-	7,431	7,431	-	(29,103)	(29,103)
3,105	-	3,105	10,085	-	10,085
-	263	263	-	411	411
(319)	(319)	(638)	(657)	(657)	(1,314)
-	-	-	-	-	-
-	(527)	(527)	-	(802)	(802)
(518)	-	(518)	(567)	-	(567)
2,268	6,848	9,116	8,861	(30,151)	(21,290)
(99)	(282)	(381)	(194)	(564)	(758)
2,169	6,566	8,735	8,667	(30,715)	(22,048)
(439)	338	(101)	(2,091)	570	(1,521)
<u>1,730</u>	<u>6,904</u>	<u>8,634</u>	<u>6,576</u>	<u>(30,145)</u>	<u>(23,569)</u>
<u>2.65</u>	<u>10.57</u>	<u>13.22</u>	<u>10.07</u>	<u>(46.15)</u>	<u>(36.08)</u>

**BALANCE SHEET**  
as at 31 December 2008

	(Unaudited) 31 December 2008	(Unaudited) 31 December 2007	(Audited) 30 June 2008
Notes	£'000	£'000	£'000
<b>Investments</b>			
Investments at fair value through profit or loss	259,816	322,447	287,978
<b>Current assets</b>			
Debtors	1,548	1,184	2,134
Cash and short term deposits	4,620	6,612	8,045
	6,168	7,796	10,179
<b>Creditors: amounts falling due within one year</b>	(10,388)	(1,924)	(3,280)
<b>Net current (liabilities)/assets</b>	(4,220)	5,872	6,899
<b>Total assets less current liabilities</b>	255,596	328,319	294,877
<b>Creditors: amounts falling due after more than one year</b>			
Debentures	(7,000)	(7,000)	(7,000)
Provision for liabilities and charges	-	(527)	(594)
<b>Net assets</b>	248,596	320,792	287,283
<b>Share capital and reserves</b>			
Called-up share capital	3,266	3,266	3,266
Share premium account	19,937	19,937	19,937
Capital redemption reserve	1,441	1,441	1,441
Capital reserves	209,696	283,910	246,861
Revenue reserve	14,256	12,238	15,778
<b>Equity shareholders' funds</b>	248,596	320,792	287,283
<b>Net asset value per ordinary share (pence)</b>	6 380.59	491.12	439.82

The accompanying notes are an integral part of the Financial Statements.

## RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

### For the half year ended 31 December 2008 (Unaudited)

	Notes	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve - realised £'000	Capital reserve - unrealised £'000	Revenue reserve £'000	Total £'000
Balance at 30 June 2008		3,266	19,937	1,441	242,914	3,947	15,778	287,283
Return on ordinary activities after taxation		-	-	-	1,416	(38,581)	2,299	(34,866)
Dividends paid	4	-	-	-	-	-	(3,821)	(3,821)
<b>Balance at 31 December 2008</b>		<u>3,266</u>	<u>19,937</u>	<u>1,441</u>	<u>244,330</u>	<u>(34,634)</u>	<u>14,256</u>	<u>248,596</u>

### For the half year ended 31 December 2007 (Unaudited)

	Notes	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve - realised £'000	Capital reserve - unrealised £'000	Revenue reserve £'000	Total £'000
Balance at 30 June 2007		3,266	19,937	1,441	219,706	57,300	13,898	315,548
Return on ordinary activities after taxation		-	-	-	18,206	(11,302)	1,730	8,634
Dividends paid	4	-	-	-	-	-	(3,390)	(3,390)
<b>Balance at 31 December 2007</b>		<u>3,266</u>	<u>19,937</u>	<u>1,441</u>	<u>237,912</u>	<u>45,998</u>	<u>12,238</u>	<u>320,792</u>

### For the year ended 30 June 2008 (Audited)

	Notes	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve - realised £'000	Capital reserve - unrealised £'000	Revenue reserve £'000	Total £'000
Balance at 30 June 2007		3,266	19,937	1,441	219,706	57,300	13,898	315,548
Return on ordinary activities after taxation		-	-	-	23,208	(53,353)	6,576	(23,569)
Dividends paid	4	-	-	-	-	-	(4,696)	(4,696)
<b>Balance at 30 June 2008</b>		<u>3,266</u>	<u>19,937</u>	<u>1,441</u>	<u>242,914</u>	<u>3,947</u>	<u>15,778</u>	<u>287,283</u>

The accompanying notes are an integral part of the Financial Statements.

## CASH FLOW STATEMENT

for the half year ended 31 December 2008

	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>Half year</b>	<b>Half year</b>	<b>Year</b>
	<b>ended</b>	<b>ended</b>	<b>ended</b>
	<b>31 December</b>	<b>31 December</b>	<b>30 June</b>
	<b>2008</b>	<b>2007</b>	<b>2008</b>
<b>Notes</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Return on ordinary activities before taxation</b>	(33,082)	9,116	(21,290)
Adjustments for:			
Losses/(gains) on investments	36,682	(7,431)	29,103
Exchange gains	(309)	(263)	(411)
Decrease/(increase) in accrued income	404	37	(184)
(Increase)/decrease in other debtors	(578)	1,492	1,612
Tax on unfranked investment income	(202)	(97)	(859)
Decrease in creditors	(1,709)	(1,357)	(1,296)
<b>Net cash inflow from operating activities</b>	<u>1,206</u>	<u>1,497</u>	<u>6,675</u>
<b>Servicing of finance</b>			
Debenture interest paid	(376)	(376)	(752)
Bank overdraft and loan interest paid	(1)	(5)	(6)
<b>Net cash outflow from servicing of finance</b>	<u>(377)</u>	<u>(381)</u>	<u>(758)</u>
<b>Taxation</b>			
UK corporation tax paid	(336)	-	(401)
<b>Financial investment</b>			
Purchases of investments	(61,024)	(88,642)	(148,646)
Sales of investments	60,349	88,428	147,580
Net gain/(loss) from forward foreign currency exchange contracts	269	-	(957)
<b>Net cash outflow from financial investment</b>	<u>(406)</u>	<u>(214)</u>	<u>(2,023)</u>
<b>Equity dividends paid</b>	<u>4</u> (3,821)	<u>(3,390)</u>	<u>(4,696)</u>
<b>Decrease in cash</b>	<u>(3,734)</u>	<u>(2,488)</u>	<u>(1,203)</u>
<b>Reconciliation of net cash flow to movements in net funds</b>			
Decrease in cash as above	(3,734)	(2,488)	(1,203)
Exchange movements	309	263	411
Movement in net funds in the period	(3,425)	(2,225)	(792)
Net funds at start of period	1,045	1,837	1,837
<b>Net (debt)/funds at end of period</b>	<u>(2,380)</u>	<u>(388)</u>	<u>1,045</u>
<b>Represented by:</b>			
Cash	4,620	6,612	8,045
Debt due after more than one year	(7,000)	(7,000)	(7,000)
	<u>(2,380)</u>	<u>(388)</u>	<u>1,045</u>

The accompanying notes are an integral part of the Financial Statements.

## NOTES TO THE HALF YEARLY FINANCIAL STATEMENTS (UNAUDITED)

for the half year ended 31 December 2008

### 1. Accounting policies

The Financial Statements have been prepared under the historical cost convention, as modified to include the revaluation of investments and in accordance with applicable UK Accounting Standards, with pronouncements on half yearly reporting issued by the Accounting Standards Board and with the Statement of Recommended Practice for 'Financial Statements of Investment Trust Companies' (December 2005). They have also been prepared on the assumption that approval as an investment trust will continue to be granted as dictated by Section 842 of the Income and Corporation Taxes Act 1988.

The Financial Statements and the NAV per share figures have been prepared in accordance with UK Generally Accepted Accounting Practice ("UK GAAP").

The Half Yearly Report and Financial Statements have been prepared using the same accounting policies as the preceding Annual Report and Financial Statements for the year ended 30 June 2008.

### 2. Income

	(Unaudited) Half year ended 31 December 2008 £'000	(Unaudited) Half year ended 31 December 2007 £'000	(Audited) Year ended 30 June 2008 £'000
<b>Income from investments</b>			
UK listed - franked	576	679	1,794
Dividend income	2,031	1,365	6,381
Fixed interest income	529	799	1,489
	<u>3,136</u>	<u>2,843</u>	<u>9,664</u>
<b>Other interest receivable and similar income</b>			
Bank interest	145	262	421
<b>Total income</b>	<u><u>3,281</u></u>	<u><u>3,105</u></u>	<u><u>10,085</u></u>

### 3. Taxation

The taxation expense reflected in the Income Statement on pages 4 and 5 is based on the Company's best estimate of the weighted average annual income tax rate expected for the full financial year. The estimated average annual tax rate used for the year to 30 June 2009 is 28%.

## NOTES TO THE HALF YEARLY FINANCIAL STATEMENTS (UNAUDITED)

(continued)

### 4. Dividends

	(Unaudited) Half year ended 31 December 2008 £'000	(Unaudited) Half year ended 31 December 2007 £'000	(Audited) Year ended 30 June 2008 £'000
Final dividend for 2008: 5.85p (2007: 5.19p)	3,821	3,390	3,390
Interim dividend for 2008: 2.00p	–	–	1,306
	3,821	3,390	4,696

The Company has declared an interim dividend in respect of the year ending 30 June 2009 of 2.00p (2008: 2.00p) per ordinary share which will be paid on 27 March 2009 to ordinary shareholders on the register on 6 March 2009.

### 5. Return per ordinary share

	(Unaudited) Half year ended 31 December 2008 Pence	(Unaudited) Half year ended 31 December 2007 Pence	(Audited) Year ended 30 June 2008 Pence
Revenue return per ordinary share	3.52	2.65	10.07
Capital return per ordinary share	(56.90)	10.57	(46.15)
<b>Total return per ordinary share</b>	<b>(53.38)</b>	<b>13.22</b>	<b>(36.08)</b>

The figures above are based on the following:

	£000	£000	£000
Revenue return	2,299	1,730	6,576
Capital return	(37,165)	6,904	(30,145)
<b>Total return</b>	<b>(34,866)</b>	<b>8,634</b>	<b>(23,569)</b>

Weighted average number of ordinary shares in issue	65,318,174	65,318,174	65,318,174
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## NOTES TO THE HALF YEARLY FINANCIAL STATEMENTS (UNAUDITED)

(continued)

### 6. Net asset value per ordinary share

	(Unaudited) As at 31 December 2008 £'000	(Unaudited) As at 31 December 2007 £'000	(Audited) As at 30 June 2008 £'000
The net assets attributable to the ordinary shares were as follows:			
Net assets attributable	£248,596,000	£320,792,000	£287,283,000
Number of ordinary shares	65,318,174	65,318,174	65,318,174
Net asset value per share (pence)	<u>380.59</u>	<u>491.12</u>	<u>439.82</u>

### 7. Transaction costs

During the half year ended 31 December 2008, expenses were incurred in acquiring or disposing of investments classified as fair value through profit or loss. These have been expensed through capital and are included within (losses)/gains on investments in the Income Statement. The total costs were as follows:

	(Unaudited) Half year ended 31 December 2008 £'000	(Unaudited) Half year ended 31 December 2007 £'000	(Audited) Year ended 30 June 2008 £'000
Purchases	93	48	186
Sales	57	87	175
	<u>150</u>	<u>135</u>	<u>361</u>

### 8. Financial information

The financial information in this Half Yearly Report and Financial Statements comprises non-statutory accounts as defined in Sections 434-436 of the Companies Act 2006. The financial information for the year ended 30 June 2008 has been extracted from the published Annual Report and Financial Statements that has been delivered to the Registrar of Companies and on which the report of the Auditor was unqualified under Section 235 of the Companies Act 1985. The Half Yearly Report and Financial Statements have been prepared using the same accounting policies as the preceding Annual Report and Financial Statements for the year ended 30 June 2008.

## **NOTES TO THE HALF YEARLY FINANCIAL STATEMENTS (UNAUDITED)**

(continued)

### **9. Contingent assets**

On 5 November 2007, the European Court of Justice ruled that management fees on investment trusts should be exempt from VAT. HM Revenue & Customs ("HMRC") has announced its intention not to appeal against this ruling to the UK VAT Tribunal and therefore protective claims which have been made in relation to the Company will be processed by HMRC in due course. The Company has not been charged VAT on its investment management fees from October 2007 and administration fees from October 2008.

Henderson Global Investors Limited ("HGI"), the Company's former investment manager, has agreed to refund £579,630 (excluding simple interest) to the Company in respect of VAT charged on investment management fees paid to HGI between 2000 and 2004, when their contract terminated, and this has been included in these Financial Statements. This repayment has been allocated between revenue and capital in line with the accounting policy of the Company for the periods in which the VAT was charged. The reclaim for previous periods with HGI and the reclaim with the current Investment Manager and Administrator are at present uncertain and the Company has taken no account in these Financial Statements of any such repayment.

## **RESPONSIBILITY STATEMENT OF THE DIRECTORS**

in respect of the Half Yearly Report and Financial Statements  
for the half year ended 31 December 2008

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

- the Financial Statements contained within the Half Yearly Report and Financial Statements have been prepared in accordance with the Accounting Standards Board's Statement 'Half Yearly Financial Reports'; and
- the Chairman's Statement includes a fair review of the information required by 4.2.7R and 4.2.8R of the FSA's Disclosure and Transparency Rules.

The Half Yearly Report and Financial Statements were approved by the Board and the above Responsibility Statement has been signed on it's behalf by:

**Lindsay Bury**

Chairman

25 February 2009

## PORTFOLIO INFORMATION

at 31 December 2008

£'000	Thirty largest investments by value	Description	% of total portfolio
7,355	Newcrest Mining	<i>Mining</i>	2.8
7,239	Nestle	<i>Food Producers</i>	2.8
6,807	France Telecom	<i>Fixed Line Telecommunications</i>	2.6
5,912	SNC-Lavalin	<i>Construction &amp; Materials</i>	2.3
5,447	Vodafone	<i>Mobile Telecommunications</i>	2.1
5,339	Royal Dutch Shell	<i>Oil &amp; Gas Producers</i>	2.1
4,913	Vivendi Universal	<i>Media</i>	1.9
4,620	Electricite de France	<i>Electricity</i>	1.8
4,539	QBE Insurance	<i>Nonlife Insurance</i>	1.7
4,539	ANF	<i>Real Estate Investment Trusts</i>	1.7
4,415	Carrefour	<i>Food &amp; Drug Retailers</i>	1.7
4,339	Swiss Reinsurance	<i>Nonlife Insurance</i>	1.7
4,284	Intel	<i>Technology, Hardware &amp; Equipment</i>	1.6
4,167	Repsol YPF	<i>Oil &amp; Gas Producers</i>	1.6
4,068	Fraport	<i>Industrial Transportation</i>	1.6
3,920	HSBC Holdings	<i>Banks</i>	1.5
3,869	Hutchison Whampoa	<i>General Industrials</i>	1.5
3,756	Allianz	<i>Nonlife Insurance</i>	1.4
3,596	Belgacom	<i>Fixed Line Telecommunications</i>	1.4
3,594	Mediceo	<i>Pharmaceuticals &amp; Biotechnology</i>	1.4
3,593	British Sky Broadcasting	<i>Media</i>	1.4
3,582	News Corporation	<i>Media</i>	1.4
3,357	Deutsche Post AG	<i>Industrial Transportation</i>	1.3
3,267	Experian Group	<i>Support Services</i>	1.3
3,242	Medicover Holding	<i>Health Care Equipment &amp; Services</i>	1.2
3,240	Orkla	<i>Food Producers</i>	1.2
3,071	Kurita Water Industries	<i>Industrial Engineering</i>	1.2
3,022	BNP Paribas	<i>Banks</i>	1.2
2,933	Petro-Canada	<i>Oil &amp; Gas Producers</i>	1.1
2,918	Nintendo	<i>Leisure Goods</i>	1.1

These investments account for 49.6% of the total portfolio valuation of £259,816,000.

The remaining 57 investments comprise 50.4% of the portfolio.

## PORTFOLIO INFORMATION

at 31 December 2008 (continued)

<b>Portfolio analysis</b>	<b>£'000</b>	<b>% of total portfolio</b>
Europe excluding United Kingdom	91,178	35.1
North America	65,786	25.3
United Kingdom	48,760	18.8
Pacific excluding Japan	29,575	11.4
Japan	24,517	9.4
	<u>259,816</u>	<u>100.0</u>

## COMPANY INFORMATION

### Directors

Lindsay C N Bury (Chairman)  
Gerry P Aherne<sup>†</sup>  
John D W Pocock\*  
Jonathan G Ruffer

\*Chairman of the Audit Committee

<sup>†</sup>Chairman of the Remuneration and Management  
Engagement Committee

### Company Secretary and Registered Office

BNP Paribas Secretarial Services Limited  
55 Moorgate  
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Telephone: +44 (0)20 7410 3132

Facsimile: +44 (0)20 7477 5849

Email: [secretarialservice@uk.bnpparibas.com](mailto:secretarialservice@uk.bnpparibas.com)

### Registered Number in England and Wales

31506

### Investment Manager

Taube Hodson Stonex Partners LLP  
Cassini House  
57-59 St James's Street  
London SW1A 1LD

### Registrar

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

Telephone: +44 (0)870 702 1032

### Custodian

BNP Paribas Securities Services  
55 Moorgate  
London EC2R 6PA

Telephone: +44 (0)20 7595 2000

### Auditor

Ernst & Young LLP  
1 More London Place  
London SE1 2AF

### Stockbroker

JPMorgan Cazenove Limited  
20 Moorgate  
London EC2R 6DA

### Solicitor

Linklaters  
One Silk Street  
London EC2Y 8HQ

### Savings Scheme Administrator

BNP Paribas Securities Services  
55 Moorgate  
London EC2R 6PA

Investor helpline: +44 (0)845 358 1113

### Information

Share price and performance information can be found on the Company's website:

**[www.electricandgeneral.com](http://www.electricandgeneral.com)**

The Company publishes the net asset value per share daily. The market price of the shares is published in the *Financial Times* and other leading newspapers. The London Stock Exchange Daily Official List (SEDOL) Code is 0309019. Investors with Share Certificates (i.e. not those in the Share Plan or an ISA Scheme) can check their holding with our Registrar, Computershare Investor Services PLC. The link can be found via:

**[www.computershare.com](http://www.computershare.com)**

**Annual and Half Yearly Reports**

Copies of the Annual and Half Yearly Reports are available from the Company Secretary.  
Telephone: +44 (0)20 7410 3132

A member of the Association of Investment Companies.  
An investment company as defined under Section 833 of the Companies Act 2006.

Registered in England and Wales, Number 31506.

