

ELECTRIC & GENERAL INVESTMENT TRUST PLC (the “Company”)

Preliminary Unaudited Results for the year ended 30 June 2008

Chairman’s Statement

Policy and Objective

The Company’s objective is to maximise total return whilst pursuing a progressive dividend policy, where achievable, within the over-riding objective of capital growth. The Investment Manager seeks to achieve the Company’s objectives by investing principally in a portfolio of quoted international equities.

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.

Performance

For the year ended 30 June 2008 the net asset value (“NAV”) of the Company (excluding income) decreased by 9.2%, which compares to a decrease of 11.7% in the MSCI World Index (Sterling excluding income). Over the same period the Company’s share price decreased by 10.3%, the difference in performance being made up by the discount to NAV having increased from 11.4% to 12.7% per share.

Dividend

The Board recommends that shareholders approve a final dividend of 5.85p per ordinary share, making a total of 7.85p per ordinary share for the year under review. This final dividend is recommended for payment to shareholders on the register as at 5 September 2008, payable on 1 October 2008.

Share Buy Backs

The Company did not make any market purchases of its own shares during the year ended 30 June 2008.

Market Background

The world’s equity markets have fallen during the year under review, with a number of macroeconomic factors clouding investors’ outlook. Rising inflation across the globe is reducing real incomes, and encouraging central banks in the emerging world in particular to tighten monetary conditions. Meanwhile, the very high levels of leverage that had built up within the financial sector over the past several years have led to a freezing of credit markets in many parts of the developed world, as banks begin to shrink assets and raise equity, thereby starving both consumers and corporates of credit. This manifested itself first in the United States (“US”) housing market, which is now in its third consecutive down year, and has now spread to many parts of the world.

Central banks have reacted quite differently around the world in response to these developments. The well publicised collapses of Northern Rock in the UK, and the investment bank Bear Stearns in the US, has led the US Federal Reserve, European Central Bank (“ECB”) and Bank of England to accept a wider range of collateral from financial institutions in order to provide liquidity to the system. The US Federal Reserve, which had raised rates to a high of 5.25% by the summer of 2007, has now cut these to 2.0% in an attempt to kick start the US economy. The Bank of England had initially followed this lead, cutting rates from 5.75% to 5.0%, but has now turned more hawkish in the face of rising inflation concerns. In contrast, recent rises in ongoing inflation have encouraged the ECB to raise rates, and their international peers are now considering following suit.

Other asset classes have also moved dramatically over the past twelve months. The US dollar has continued to fall on a trade weighted basis, both as the US Federal Reserve has cut rates far below global peers and as currency speculators have become more pessimistic about the US economy. Sterling, however, is little changed against the US dollar, as the view on the UK economy has soured at an equal pace. The Japanese Yen – which had been borrowed widely by speculators during the past few years of easier financial conditions – has strengthened, and meanwhile the Euro has become a relative “safe haven” currency, appreciating against all its major peers. The long awaited upward revaluation of the Chinese Renminbi continues, but at a glacial pace, with a slow rise against the US dollar, but not enough to keep pace with the Euro or Japanese Yen.

Oil, and the energy complex generally, has been the standout change on the year. A barrel of West Texas Intermediate crude oil doubled over the year under review to a price of \$140. The prices of natural gas and coal have moved in sympathy – thermal coal has risen by 170% over the year – and consequently the price of wholesale electricity has risen sharply. In the short term these moves in prices act as a tax on consumers of power around the world – and often of governments, who in many emerging markets subsidise the price of power. Meanwhile the owners of resources are enjoying a boom. The consequences of higher energy prices though are today, as at previous times in the past, stimulating a response both in terms of securing alternative, renewable sources of energy, and in terms of demand destruction, as both corporates and consumers around the world seek to reduce their consumption of ever more expensive resources.

The Investment Manager has responded in two ways to this rise in power prices. The fastest growing investment theme in the portfolio is clean energy. Nuclear energy has been an area of interest for some time, with both EDF in France and Exelon in the US benefiting from being low carbon emitting generators of power in an environment of increased sensitivity to the pollution cost of traditional fossil fuels. Two investments in solar power technology have been added over the past year. Q-Cells is the world's biggest manufacturer of photo voltaic cells for solar panels. It also owns a stake in Renewable Energy Corporation, the biggest maker of solar grade silicon, and has a number of holdings in thin-film technology, a relatively new approach which may continue to reduce the cost of solar power generation still further. As this technology and the industry matures the cost of producing electricity directly from sunlight has begun to approach parity with existing power prices – particularly in warm climates where peak power usage coincides with the hours of peak sunlight. Orkla is an alternative play on the same theme. It is a Norwegian conglomerate which trades on a substantial discount to its sum of the parts. One of its core holdings is a 40% stake in Renewable Energy Corporation. Toray, the world's biggest manufacturer of carbon fibre, is another recent addition to the portfolio which should benefit from rising concerns about energy efficiency. Carbon fibre is now a sufficiently mature technology to be used as a significant component of new aircraft, such as Airbus' A380 and Boeing's Dreamliner. It is both lighter and stronger than steel or aluminium, and therefore makes the planes more energy efficient.

Stranded energy around the world has become an increased area of focus, as the rising price of oil makes remote projects increasingly economic. Australia is a country rich in gas, as it is in other resources, but the absence of sufficient infrastructure to export the gas to international markets has left domestic prices in some parts of the continent very low for many years. As such, Santos has been added to the portfolio. It has extensive natural gas resources in Eastern Australia, boosted in particular by investments in coalbed methane. The desire to secure long term supplies of natural gas has led both Singapore and Malaysia to strike deals on generous terms with Australian producers that has caused the value of these assets to revalue. As LNG liquefaction plants are built over the next several years the price of natural gas in the domestic Australian market should reach equivalence with the international price, and these assets will continue to appreciate. Inpex, the Japanese upstream energy company, has also been added to the portfolio, in part because of its undervalued Australian gas assets, this time to the north west of the country. Repsol is another late cycle energy play added to the portfolio over the last few months. Repsol bought YPF in Argentina in 1999, but has been unable to earn appropriate returns from it over the years, particularly since the Argentine government keeps a low limit on domestic energy prices. A local investor has now however bought 15% of YPF, and a further stake is to be listed on the Buenos Aires stock exchange. Increasing power cuts in the domestic electricity market are demonstrating to the Argentine Government that increased investment in infrastructure is required, which in turn necessitates higher prices. Earnings from Argentina should therefore soon improve. Also, Repsol has a 20% stake in one of the bigger recent discoveries in offshore oil from Brazil. While this project will take years to bring to production, it provides an extra aspect to the investment case.

Emerging markets have been the great incremental engine of growth for the global economy over the past several years, and China in particular has been an aggressive consumer of basic materials such as copper, iron ore and aluminium. Higher inflation in food and energy prices has started to have a real effect in these markets over the past year, as these components represent a large portion of typical family expenditure. The portfolio has had substantial exposure to emerging market growth over the past few years, but direct exposure was reduced in the second half of 2007. Specific sales included PICC, the largest Chinese non-life insurer, as the multiple of book value expanded from two times at the time of purchase to around six times by last autumn. Also sold were both Standard Chartered, the UK listed bank with operations from Northern Africa to North Eastern Asia and DBS, the Singaporean bank. Two South African based telecom stocks were also removed from the portfolio – MTN and Telkom. The political situation in South Africa seems to be becoming less friendly to business, and that economy too is struggling with inflation. Commodities prices have thus far

continued to rise despite slowing economies around the world. The mining sector has been a great beneficiary of this boom. Profits have been taken in Rio Tinto in recent months in anticipation that the good times for the sector cannot continue forever.

Property and financial companies have been in the eye of the de-leveraging storm over the past eighteen months. Over the last few months some positions in property companies in other parts of the world have been added to the portfolio, largely in places where property prices have not been so buoyant and where financing remains available. ANF was added to the portfolio earlier this year. ANF is a property company majority owned by the French private equity firm Eurazeo, itself a holding in the portfolio. ANF owns commercial property in the business centres of both Lyon and Marseille. In the past twelve months ANF has attracted many more attractive tenants to Marseille, in particular, and rents are rising (and vacancies falling) in consequence. The company is conservatively financed and is well set up to implement further improvements in both of its major locations. Two real estate related plays in Japan have also been added to the portfolio. Sekisui House is Japan's biggest builder of detached homes, with a significant condominium and urban development business attached. It trades on a significant discount to book value and has large projects in both central Tokyo and Osaka which will come to maturity over the years 2009 to 2012. Japan Retail Fund is a Japanese real estate investment trust which specialises in shopping centres. It pays a dividend over 5% fully funded by rental income, and has shown considerable expertise in improving properties and raising rents over the past few years. The prospects for these modestly valued companies should improve as Japanese long term bond yields start to rise and the country begins to experience inflation for the first time in many years.

Banks and insurance companies have also been sharply derated during the year under review, as the market has focussed first on their write downs in their securities portfolios, then their liquidity concerns as interbank funding became less freely available, then the need of many banks to raise capital, and now onto rising impairment charges as economies weaken. The Investment Manager has acted somewhat contra-cyclically, adding to positions in financial stocks whose prospects remain strong and where valuations have contracted sharply. This includes the long standing holding in BNP Paribas, the French bank with extensive interests in both Italy and central Europe; to ING, the Dutch based bank assurer with a global savings business; to Swiss Re, one of the world's biggest reinsurers; and to Royal Bank of Scotland, where the recent well publicised £12bn rights issue gave management the opportunity to "spring clean" their balance sheet by writing down some treasury assets to conservative levels and simultaneously strengthen their balance sheet by raising more equity capital.

Some sectors of the stock market have become more expensive during the year under review, as investors paid a premium for business models perceived to be "defensive". The Investment Manager took the opportunity to sell down holdings in Kao Corp, a Japanese consumer products business, and Cadbury Schweppes, the carbonated drink and confectionary business, as both share prices benefited from this phenomenon. Nestle was also reduced, having been a great winner from emerging market demand, but having moved above fair value in the opinion of the Investment Manager.

One unlisted investment has been made in Medicover, a central European medical insurance business. The Investment Manager has invested previously with this management team. They are now expanding their operations both in their core market of Poland and elsewhere in the region. As incomes rise consumers' expectations of medical treatment accelerate, and Medicover is well placed to accommodate this demand.

Prospects

Global equity markets had enjoyed a period of strong and steady growth from the depths of the last bear market, after the bursting of the technology, media and telecom bubble in the early part of this decade. This time the challenges are different, and the solutions will take time to work their way through. The ramifications of the over expansion of leverage, both within financial institutions and on many consumers around the world, are leading to a deflation of asset prices which will continue to provide a strong headwind to equity markets. However the corporate sector in general is not over geared, as many companies have taken advantage of the past few years of good times to strengthen their balance sheets. Equity markets are not stretched in valuation terms, and there are now an increasing number of companies whose shares offer strong value. The portfolio continues to be diversified geographically and by business sector, and is concentrated on larger companies with relatively strong balance sheets. With a high liquidity position over the past several months providing the ability to take advantage of ongoing opportunities, there remain grounds to be cautiously optimistic in the medium term.

New Articles of Association

We are asking shareholders to approve a number of amendments to the Company's articles of association primarily to reflect the provisions of the Companies Act 2006. An explanation of the main changes between the proposed and the existing articles of association is set out in the Appendix on page 43 of the Annual Report and Financial Statements. The resolution will be proposed as an item of special business at the 2008 Annual General Meeting.

Annual General Meeting ("AGM")

The Company's AGM this year will be held at the offices of JPMorgan Cazenove Limited, 20 Moorgate, London EC2R 6DA on Wednesday, 24 September 2008 at 12 noon. Full details of the business to be conducted at the AGM are set out in the Notice of Meeting on pages 41 and 42 of the Annual Report and Financial Statements.

Naturally, your Board welcomes your attendance at the forthcoming AGM, not least because it provides an excellent opportunity for shareholders to put questions to the Directors and the Investment Manager. Should you have a query that requires a detailed or technical response, I would urge you to submit it to the Company Secretary in advance of the AGM to ensure the most thorough response. The Company Secretary's contact details can be found on page 4 of the Annual Report and Financial Statements. For those of you unable to attend the AGM, the Board would encourage you to submit your proxy votes.

Lindsay Bury

Chairman

14 August 2008

INCOME STATEMENT

for the year ended 30 June 2008

	Year ended 30 June 2008			Period ended 30 June 2007		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
(Losses)/gains on investments	-	(29,103)	(29,103)	-	49,984	49,984
Income	9,664	-	9,664	8,114	-	8,114
Foreign exchange gains/(losses)	-	411	411	-	(10)	(10)
Other interest receivable and similar income	421	-	421	455	-	455
Investment management fee	(657)	(657)	(1,314)	(701)	(701)	(1,402)
Performance fee	-	(802)	(802)	-	(1,513)	(1,513)
Administrative expenses	(567)	-	(567)	(527)	-	(527)
Net return on ordinary activities before interest payable and taxation	8,861	(30,151)	(21,290)	7,341	47,760	55,101
Interest payable	(194)	(564)	(758)	(198)	(595)	(793)
Net return on ordinary activities before taxation	8,667	(30,715)	(22,048)	7,143	47,165	54,308
Taxation	(2,091)	570	(1,521)	(940)	365	(575)
Net return on ordinary activities after taxation	6,576	(30,145)	(23,569)	6,203	47,530	53,733
Return per ordinary share (pence):						
Basic	10.07	(46.15)	(36.08)	9.47	72.54	82.01

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 during the year.

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.

BALANCE SHEET

at 30 June 2008

	As at 30 June 2008 £'000	As at 30 June 2007 £'000
Investments		
Investments at fair value through profit or loss	287,978	316,576
	-----	-----
Current assets		
Debtors and prepayments	2,134	3,025
Cash and short term deposits	8,045	8,837
	-----	-----
	10,179	11,862
Creditors: amounts falling due within one year	(3,280)	(4,651)
	-----	-----
Net current assets	6,899	7,211
	-----	-----
Total assets less current liabilities	294,877	323,787
	-----	-----
Creditors: amounts falling due after more than one year		
Debentures	(7,000)	(7,000)
Provision for liabilities and charges	(594)	(1,239)
	-----	-----
Net assets	287,283	315,548
	=====	=====
Capital and reserves		
Called up share capital	3,266	3,266
Share premium account	19,937	19,937
Capital redemption reserve	1,441	1,441
Capital reserves	246,861	277,006
Revenue reserve	15,778	13,898
	-----	-----
Equity shareholders' funds	287,283	315,548
	=====	=====
Net asset value per ordinary share (pence):		
Basic	439.82	483.09
	=====	=====

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

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

for the year ended 30 June 2008

	Share capital £'000	Share premium £'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 (see note 3)	-	-	-	-	-	(4,696)	(4,696)
Balance at 30 June 2008	3,266	19,937	1,441	242,914	3,947	15,778	287,283

For the period ended 30 June 2007

	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Capital reserve- realised £'000	Capital reserve- unrealised £'000	Revenue reserve £'000	Total £'000
Balance at 31 May 2006	3,276	19,937	1,431	199,385	30,955	11,528	266,512
Return on ordinary activities after taxation	-	-	-	21,185	26,345	6,203	53,733
Purchase of own shares for cancellation	(10)	-	10	(864)	-	-	(864)
Dividends paid (see note 3)	-	-	-	-	-	(3,833)	(3,833)
Balance at 30 June 2007	3,266	19,937	1,441	219,706	57,300	13,898	315,548

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

CASH FLOW STATEMENT

for the year ended 30 June 2008

	Year ended 30 June 2008 £'000	Period ended 30 June 2007 £'000
Return on ordinary activities before taxation	(21,290)	55,101
Adjustments for:		
Losses/(gains) on investments	29,103	(49,984)
Effect of foreign exchange rates	(411)	10
Increase in accrued income	(184)	(5)
Decrease/(increase) in other debtors	1,612	(1,616)
Tax on unfranked investment income	(859)	(666)
(Decrease)/increase in creditors	(1,296)	1,569
	-----	-----
Net cash inflow from operating activities	6,675	4,409
Servicing of finance		
Debenture interest paid	(752)	(815)
Bank overdraft and loan interest paid	(6)	21
	-----	-----
Net cash outflow from servicing of finance	(758)	(794)
Taxation		
UK corporation tax paid	(401)	-
	-----	-----
Net cash outflow from taxation	(401)	-
Financial investment		
Purchases of investments	(148,646)	(134,586)
Sales of investments	147,580	139,628
Net loss from forward foreign currency exchange contract	(957)	-
	-----	-----
Net cash (outflow)/inflow from financial investment	(2,023)	5,042
	-----	-----
Equity dividends paid	(4,696)	(3,833)
	-----	-----
Net cash (outflow)/inflow before financing	(1,203)	4,824
Financing		
Purchase of own ordinary shares	-	(864)
	-----	-----
(Decrease)/increase in cash	(1,203)	3,960
	=====	=====
Reconciliation of net cash flow to movements in net funds		
(Decrease)/increase in cash as above	(1,203)	3,960
Exchange movements	411	(10)
	-----	-----
Movement in net funds in the period	(792)	3,950
Net funds at start of period	1,837	(2,113)
	-----	-----
Net funds at end of period	1,045	1,837
Represented by:		
Cash	8,045	8,837

Debt due after more than one year	(7,000)	(7,000)
	-----	-----
	1,045	1,837
	=====	=====

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2008

1. Accounting Policies

Basis of preparation and going concern

The Financial Statements have been prepared in accordance with applicable UK Generally Accepted Accounting Practice (UK GAAP) and with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies' (issued January 2003 and revised in December 2005). They have also been prepared on the assumption that approval as an investment trust will continue to be granted. The Financial Statements have been prepared on a going concern basis.

During the year the Company adopted FRS 29 'Financial Instruments: Disclosures'. This standard mainly concerns the disclosure of financial instruments and risks.

The comparative figures are for the 13 months ended 30 June 2007.

This Preliminary Announcement is prepared on the same basis as set out in the previous years' Financial Statements.

2. Income

	Year ended 30 June 2008 £'000	Period ended 30 June 2007 £'000
Income from investments		
UK listed – franked	1,794	2,119
Dividend income	6,381	4,622
Interest income	1,489	1,373
	-----	-----
	9,664	8,114
	=====	=====
Other interest receivable and similar income		
Bank interest	421	399
Treasury bill interest	-	55
Other income & underwriting commission	-	1
	-----	-----
	421	455
	-----	-----
Total income	10,085	8,569
	=====	=====

3. Dividends

	Year Ended 30 June 2008 £'000	Period ended 30 June 2007 £'000
Amounts recognised as distributions to equity holders in the period:		
Final dividend for 2007: 5.19p (2006: 3.85p)	3,390	2,523
Interim dividend for 2008: 2.00p (2007: 2.00p)	1,306	1,310
	-----	-----
	4,696	3,833
	=====	=====

The proposed final dividend for 2008 is subject to approval by shareholders at the 2008 AGM and has not been included as a liability in these Financial Statements.

We set out below the total dividends paid and proposed in respect of the financial year, which is the basis on which the requirements of Section 842 ICTA are considered. The revenue available for distribution by way of dividend for the year is £6,576,000 (2007: £6,203,000).

	Year ended 30 June 2008	Period ended 30 June 2007
	£'000	£'000
Interim dividend for 2008: 2.00p (2007: 2.00p)	1,306	1,310
Proposed final dividend for 2008: 5.85p (2007: 5.19p)	3,821	3,390
	-----	-----
	5,127	4,700
	=====	=====

4. Return per Ordinary Share

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

	Year ended 30 June 2008			Period ended 30 June 2007		
	Revenue Pence	Capital Pence	Total Pence	Revenue Pence	Capital Pence	Total Pence
Basic	10.07	(46.15)	(36.08)	9.47	72.54	82.01
	=====	=====	=====	=====	=====	=====

The total return per ordinary share is calculated on the net return on ordinary activities after taxation of (£23,569,000) (2007: £53,733,000) and on 65,318,174 (2007: 65,519,405) ordinary shares, being the weighted average number of shares in issue during the year.

The revenue return per ordinary share is calculated on the net revenue on ordinary activities after taxation of £6,576,000 (2007: £6,203,000) and on 65,318,174 (2007: 65,519,405) ordinary shares, being the weighted average number of ordinary shares in issue during the year.

The capital return per ordinary share is calculated on the net capital return for the year of (£30,145,000) (2007: £47,530,000) and on 65,318,174 (2007: 65,519,405) ordinary shares, being the weighted average number of ordinary shares in issue during the year.

Both the total and capital returns noted above for the year under review are negative.

5. Net Asset Value ("NAV") per Ordinary Share

	As at 30 June 2008	As at 30 June 2007
Net assets attributable	£287,283,000	£315,548,000
Number of ordinary shares in issue at period end	65,318,174	65,318,174
NAV per ordinary share (pence)	439.82	483.09
	=====	=====

The NAV per share at 30 June 2008, adjusted to include the debenture stock at market value rather than at par is 438.23p (2007: 481.13p).

6. The figures and financial information for the period ended 30 June 2007 have been extracted from the latest published Financial Statements and do not constitute the statutory accounts for that year as defined in Section 240 of the Companies Act 1985. Those Financial Statements have been delivered to the Registrar of Companies and included the report of the auditors which was unqualified and did not contain a statement either under Section 237(2) or Section 237(3) of the Companies Act 1985.

The financial information disclosed for the year ended 30 June 2008 does not constitute statutory Financial Statements for that period as defined in Section 240 of the Companies Act 1985.

7. The Annual Report and Financial Statements for the year ended 30 June 2008 will be posted to shareholders in August 2008 and thereafter copies will be available upon request at the Company's

registered office: 55 Moorgate, London EC2R 6PA. The Company's AGM will be held at 12 noon on Wednesday, 24 September 2008 at the offices of JPMorgan Cazenove Limited, 20 Moorgate, London EC2R 6DA.

For further information, please contact:

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Company Secretary

Tel: 020 7410 3132

14 AUGUST 2008