Invesco Asia Trust plc

Half-Yearly Financial Report
For the Six Months to 31 October 2012

KEY FACTS

Invesco Asia Trust plc is an investment trust listed on the London Stock Exchange.

Investment Objective

The objective of Invesco Asia Trust plc is to provide long-term capital growth by investing in a diversified portfolio of Asian and Australasian companies. The Company aims to achieve growth in its net asset value in excess of the MSCI All Countries Asia Pacific ex Japan Index, measured in sterling.

Investment Policy

Invesco Asia Trust plc invests primarily in the equity securities of companies listed on the stockmarkets of China, Hong Kong, India, Malaysia, Singapore, South Korea, Taiwan, Thailand and Australasia. It may also invest in unquoted securities up to 10% of the value of the Company's gross assets, and in warrants and options when it is considered the most economical means of achieving exposure to an asset.

The Company is actively managed and the Manager has broad discretion to invest the Company's assets to achieve its investment objective. The Manager seeks to ensure that the portfolio is appropriately diversified having regard to the nature and type of securities (such as performance and liquidity) and the geographic and sector composition of the portfolio.

Full details of the Company's investment limits can be found on page 18 of the 2012 annual financial report.

Performance Statistics

The Benchmark Index of the Company is the MSCI All Countries Asia Pacific ex Japan Index (in sterling terms).

	AT 31 OCT 2012	AT 30 APR 2012	% CHANGE
Total Return Statistics(1)			
Diluted net asset value(2)			+0.7
Benchmark Index			+3.6
Capital Statistics			
Net assets (£'000)	176,859	164,741	+7.4
Gross gearing	7.0%	3.8%	
Net gearing	6.9%	3.6%	
Net asset value:			
– diluted(2)	165.2p	168.6p	–2.0
Benchmark Index – capital return(1)	275.1	271.7	+1.3
Mid-market price:			
– ordinary shares	146.6p	149.4p	–1.9
Discount per ordinary share(3)			
– cum income	11.3%	11.4%	
– ex income	10.1%	9.7%	

(1) Source: Thomson Reuters Datastream.

(2) As there are no longer any subscription shares, the diluted NAV is the equivalent of the undiluted (basic) NAV for return statistics and the calculation of the discount.

(3) The discount is the amount by which the mid-market price per ordinary share is less than the undiluted (30 April 2012: diluted) net asset value per share.

INTERIM MANAGEMENT REPORT INCORPORATING THE CHAIRMAN'S STATEMENT

Chairman's Statement

Performance and prospects

Investor sentiment towards Asian equity markets has improved over the last six months, as policymakers have made progress in limiting the probability of a destabilising global macro downturn. In Europe, the European Central Bank has been explicit in its support for the euro, while reducing the likelihood of a Eurozone breakup. Meanwhile, the announcement of open-ended quantitative easing by the US Federal Reserve has increased investor risk appetite for 'riskier assets', and seen Asian equities outperform relative to global peers. While there is lingering uncertainty over the outlook for global growth, Asian equities appear to be consolidating their recent gains, buoyed by news that the slowdown in China's economy is stabilising. While the value of the portfolio has increased over the period, regrettably it has underperformed relative to the benchmark and this is discussed in detail in the Investment Managers' Report. Over the period, the diluted net asset value per ordinary share grew by 0.7%, compared to the benchmark index, the MSCI All Countries Asia Pacific ex-Japan Index, which returned growth of 3.6%, adjusted for sterling. The Company's share price fell from 149.4p to 146.6p, while the discount to net asset value (ex income) at which the shares trade has widened from 9.7% to 10.1%.

Dividend

As in previous years, no interim dividend is being declared.

Outlook

Asian economic growth has slowed as developed markets continue to go through a deleveraging process, with lingering uncertainty in the outlook for global growth. However, there are reasons for optimism as China appears to have avoided the hard landing scenario that some market participants had expected, with signs of improvement in industrial production, exports and the general condition of its manufacturing sector. Retail sales remain robust, while incomes continue to rise, suggesting the gradual structural shift away from investment-led growth to a more sustainable model continues.

With generally low levels of government, corporate and household debt and rising wealth levels across the region, Asian economies remain fundamentally strong. However, Asia's trade linkages with advanced economies and China's reduced ability to sustain the level of investment growth of the past decade suggest more moderate levels of economic growth going forward. Nevertheless, they will continue to compare favourably with those being generated elsewhere and moderate inflation in most countries across Asia will allow for a gradual easing of monetary policy. This should lend support to Asian markets as investors gain confidence in a stabilisation of economic and earnings growth where expectations appear to be more realistic.

Although the global economic backdrop remains troubled, it is clear that Asia is home to a growing number of companies that can continue to grow their earnings despite a challenging macro environment. Asia's global economic significance continues to rise and there are attractive investment opportunities for investors in the medium-term, which are trading at the low end of historical valuations.

Subscription Share Exercise and Share Buy Backs

During the period under review, subscription shareholders had their final opportunity to exercise their right to subscribe for ordinary shares of the Company at a price of 125p per share. The final subscription period ended on 31 August 2012 and, as a result, 17,648,153 ordinary shares were allotted in mid-September 2012. The Company subsequently bought back 2,678,325 of these shares into treasury. The Company also bought back a further 1,073,899 ordinary shares, of which 598,899 were retained in treasury and 475,000 were cancelled. These buy backs resulted in an enhancement to NAV of £750,000 (0.45%).

At the period end, the issued share capital consisted of 110,338,910 ordinary shares, of which 3,277,224 were held in treasury. Since the period end, a further 1,150,000 ordinary shares have been bought back and cancelled by the Company at a price of 143.73p, giving a further enhancement to NAV of £259,000 (0.14%).

David Hinde
Chairman
19 December 2012

Market & Economic Review

Asian equity markets made broad gains over the six months to the end of October, despite opening the period markedly weaker as the Eurozone debt crisis deepened and concerns grew over the strength of the US economic recovery and the economic slowdown in China. Markets recovered from June lows, taking positive momentum from a summit of EU leaders. Since then sentiment has continued to improve due to the high profile policy announcements made by the European Central Bank and US Federal Reserve in September. While external factors have continued to influence investor sentiment towards Asian equity markets, there have also been lingering concerns over the rate of deceleration in China's economy. However, recently released economic data from China has been better-than-expected, suggesting the economic cycle is starting to bottom-out.

China's 3Q GDP growth slowed to 7.4% year-on-year (y-o-y), from 7.6% the previous quarter. Although inflationary pressures have remained benign, there has been no sign of forceful stimulus from the Chinese authorities who refuse to panic over the growth slowdown. Policy easing has been more gradual and selective over the period, with two interest rate cuts, lower reserve requirements for banks, more favourable lending conditions for first time property buyers and a slight increase in approvals for infrastructure projects. Industrial production, exports and fixed investment growth showed signs of improvement in September, while retail sales growth remains robust at 14.2% y-o-y. More recently, the official manufacturing Purchasing Manager's Index for October rose to 50.2 from 49.8 in the prior month.

The Indian stockmarket generated strong gains lifted by a series of much-awaited policy announcements, including a cut to diesel subsidies and the opening up of the retail and aviation sectors to foreign direct investment. However, the economy continues to struggle with slowing growth and high inflation. Elsewhere in the region, weaker demand from Europe and the US has seen industrial production and exports disappoint, with growth forecasts downgraded accordingly. Taiwan and Korea remain particularly exposed to slowing global growth, with concerns raised over the strength of their domestic economies. Other Asian economies have proved more resilient, with strong domestic demand and robust intra-regional trade, while central banks have been able to ease monetary policy in support of their economies. Finally, although returns from Australia have been supported by attractive dividend yields, concerns remain over the outlook for the domestic economy, its reliance on the materials sector and the continued high valuation of the Australian dollar.

In corporate news, earnings growth forecasts have generally been downgraded to more reasonable levels. However, despite slower global economic growth and general macro uncertainty, selected Asian companies have continued to prove their ability to grow earnings. For example, Samsung Electronics and Taiwan Semiconductor Manufacturing have reported impressive earnings growth driven by strong demand for smartphones. Elsewhere, conglomerates such as Jardine Matheson and Hutchison Whampoa have beaten expectations driven by strong growth across diverse business units (Jardine's autos unit being the notable exception); an impressive result considering the moderation of growth in some of their major markets.

Company Performance

In the six months to the end of October 2012, the Company's diluted net asset value grew by 0.7% (total return), compared to the benchmark MSCI All Countries Asia Pacific ex-Japan Index, which returned +3.6% (total return) in sterling terms.

Stock selection in financials was a significant detractor from Company performance over the period. Holdings in selected insurance companies and Korean banks disappointed with earnings results missing expectations due to the difficult trading environment. Our limited exposure in Australian banks also detracted, as the sector outperformed the market, supported by the attractive dividend yields a number of these stocks offer. We continue to prefer the earnings growth potential available in other regional banks, particularly those with a presence in the Asean region.

Stock selection in consumer-related sectors also disappointed, largely due to a number of holdings in Chinese retailers being negatively impacted by slowing demand and a competitive environment. A number of our holdings in US-listed Chinese companies have been negatively impacted by concerns over opaque ownership structures, although these fears have since receded. However, a number of these holdings are in Chinese internet companies, which have also faced increasing concerns over slowing growth from online advertising.

Conversely, stock selection in industrials made a positive contribution to Company performance, with our holding in Jardine Matheson having the single biggest impact. The company's 2Q earnings beat consensus expectations by a large margin, while the outlook for its major subsidiaries remains positive. With good exposure to the growth of domestic consumption in China and South-east Asia, 3Q earnings growth is expected to be robust, even against a backdrop of moderating growth in many of its key markets. Selected holdings in Hong Kong property developers have benefited from relative performance as prices have proved resilient. Finally, our underweight exposure in the materials and energy sectors also helped our performance against the benchmark.

Outlook for Asian Economies and Markets

Asian economic growth has slowed significantly in the face of global macro uncertainty and the lagged effects of earlier policy tightening measures. However, there are signs that China's economic cycle is close to bottoming-out, which would bring some stability back to Asian economic growth. Exports and industrial production have shown signs of improvement, supported by recent positive manufacturing PMI readings. Furthermore, income growth has held up well with retail sales remaining robust. While the Chinese government has certainly had the capacity to give its economy further support, the moderate policy response to the slowdown suggests the authorities are comfortable with a gradual transition from investment-led growth to a more sustainable model, where consumption plays a greater role. Aggressive stimulus is also unlikely considering the Chinese authorities are loath to repeat the large fiscal stimulus of 2008/9, which is now regarded as having been excessive.

Future economic growth rates for China, as well as the rest of the Asian region, are likely to be lower than they have been in the past. However, they are still likely to compare favourably with those being generated elsewhere. Asian economies remain fundamentally strong with low levels of household debt which, combined with increasing wage growth, should support consumer spending. Also, with inflation remaining moderate in most countries across Asia, further gradual easing of monetary policy can be expected if economic growth decelerates further. This should lend support to Asian markets as investors gain confidence in a stabilisation of economic and earnings growth. In the meantime, we believe there is likely to be a continued tug of war between improved liquidity conditions and earnings risk.

In recent months, earnings growth forecasts for Asia Pacific ex Japan companies have generally been downgraded, as they have elsewhere. Consensus estimates for earnings growth now stand at 3% for 2012 and at around 12% for 2013, bringing current valuation levels for the region to around 12.4 times 2012 earnings and 11.1 times 2013 earnings. These valuation levels are at the low end of their normal range, historically a good entry point for buying Asian equities. However, while these lowered estimates are more realistic, further small downward revisions, particularly for 2013, are likely given lingering global macroeconomic uncertainty.

Strategy

Investor concerns over the slowdown in China, particularly in relation to capital-intensive sectors such as materials, have seen valuation levels in this area fall considerably. Following signs of stabilisation in China's economy and the attractive valuations on offer, we have generally increased our cyclical exposure through existing holdings such as POSCO, BHP Billiton and Standard Chartered, and have introduced new holdings to the Company. Firstly, the airline company Cathay Pacific is attractive, in our view, trading at close to trough valuations and what we consider to be the bottom of the earnings cycle. Angang Steel, another addition, trades at close to half its book value and is well positioned to benefit from any pick-up in construction activity in the near term. Other additions include CNOOC, a Chinese oil exploration & production company, and Pacific Basin, a large dry-bulk carrier whose share price, in our view, is discounting a far too pessimistic outlook.

Otherwise, our strategy is largely unchanged, seeking to capitalise on Asia's structural strengths, especially the growth of domestic demand, with a focus on selecting underappreciated companies that offer a relatively high predictability and quality of earnings. Our main overweight position relative to the benchmark index remains Hong Kong & China, believing that companies there can take advantage of relatively good economic growth prospects. We favour consumer-related areas of these markets, including Hong Kong-listed conglomerates. We also have an overweight position in Korea, where the market is generally valued at a discount relative to the region. Holdings include global leaders with competitive advantages at what we consider to be attractive valuations. Our exposure in the technology sector remains significant and includes industry leaders with significant market share as well as Chinese internet companies.

Our main underweight position remains in Australia, which we believe is at a later stage in the credit cycle and has a lower growth profile compared to other economies in the region. We are also concerned by the continued strength of the Australian dollar. The underweight position is largely driven by our limited exposure to Australian banks. We prefer to hold banks which have an ability to grow their loan books profitably, such as those in Thailand and the Philippines where credit penetration is low. We remain modestly underweight in India, where valuations in some areas are relatively full in our opinion, although we remain on the lookout for opportunities as and when the market and currency exhibit significant weakness. The portfolio also continues to have selective exposure to smaller companies (with market cap of less than US$ 1 billion), which offer the opportunity to deliver superior returns being at an earlier stage in their growth cycle.

Stuart Parks / Ian Hargreaves
Investment Managers 19 December 2012

RELATED PARTIES AND TRANSACTIONS WITH THE MANAGER

Under accounting standards, the Company has no related parties. Invesco Asset Management Limited ('IAML'), a wholly-owned subsidiary of Invesco Limited, acts as Manager, Company Secretary and Administrator to the Company. Details of IAML's services and fee arrangements are given in the 2012 annual financial report, which is available on the Manager's website at www.invescoperpetual.co.uk/investmenttrusts.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risk factors relating to the Company can be summarised as follows:

– Investment objective – there can be no guarantee that the Company will meet its investment objective;

– Market risk – a fall in the stock markets and/or a prolonged period of decline in the stock markets relative to other forms of investment will affect the performance of the portfolio;

– Investment risk – the risk of poor performance of individual investments. This is mitigated by diversification and ongoing monitoring of investment guidelines;

– Foreign Exchange Risks – foreign exchange currency movements will affect the non-sterling assets and liabilities of the Company and could have a detrimental impact on performance;

– Ordinary Shares – the market value of the ordinary shares may not reflect their underlying NAV and may trade at a discount to it. The Company has a discount monitoring mechanism to help the management of this;

– Gearing – the use of borrowings will amplify the effect on shareholders' funds of portfolio gains and losses;

– Derivatives – derivative returns that do not exactly match the returns of the underlying assets or liabilities being hedged may expose the Company to greater loss than if derivative contracts had not been entered into;

– Reliance on Third Party Service Providers – failure by any service provider to carry out its obligations to the Company could have a materially detrimental impact on the operation of the Company and affect the ability of the Company to successfully pursue its investment policy; and

– Regulatory – consequences of a serious breach of regulatory rules could include, but are not limited to, the Company being subject to capital gains on its investments; suspension from the London Stock Exchange; fines; a qualified audit report; reputational problems and a loss of assets through fraud.

A detailed explanation of these principal risks and uncertainties can be found on pages 20 to 22 of the Company's 2012 annual financial report, which is available on the Manager's website www.invescoperpetual.co.uk/investmenttrusts

In the view of the Board these principal risks and uncertainties are as much applicable to the remaining six months of the financial year as they were to the six months under review.

GOING CONCERN

The financial statements have been prepared on a going concern basis. The Directors consider this is the appropriate basis as they have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. In considering this, the Directors took into account the diversified portfolio of readily realisable securities which can be used to meet short-term funding commitments, and the ability of the Company to meet all of its liabilities and ongoing expenses from its assets.

DIRECTORS' RESPONSIBILITY STATEMENT

in respect of the preparation of the half-yearly financial report

The Directors are responsible for preparing the half-yearly financial report using accounting policies consistent with applicable law and UK Accounting Standards.

The Directors confirm that to the best of their knowledge:

– the condensed set of financial statements contained within the half-yearly financial report have been prepared in accordance with the Accounting Standards Board's Statement 'Half-Yearly Financial Reports';

– the interim management report includes a fair review of the information required by 4.2.7R and 4.2.8R of the FSA's Disclosure and Transparency Rules; and

– the interim management report includes a fair review of the information required on related party transactions.

The half-yearly financial report has not been audited or reviewed by the Company's auditors.

Signed on behalf of the Board of Directors.

David Hinde
Chairman 19 December 2012

TWENTY-FIVE LARGEST HOLDINGS AT 31 OCTOBER 2012

Ordinary shares unless otherwise stated

COMPANY	INDUSTRY GROUP†	COUNTRY	MARKET VALUE £'000	% OF PORTFOLIO
Samsung Electronics	Semiconductors & Semiconductor Equipment	South Korea	11,928	6.3
Jardine Matheson	Capital Goods	Hong Kong	8,631	4.6
Hutchison Whampoa	Capital Goods	Hong Kong	6,561	3.5
Daphne International	Consumer Durables & Apparel	Hong Kong	5,630	3.0
Taiwan Semiconductor Manufacturing	Semiconductors & Semiconductor Equipment	Taiwan	5,526	2.9
CNOOC[R]	Energy	China	4,835	2.6
Hon Hai Precision	Technology Hardware & Equipment	Taiwan	4,786	2.5
POSCO	Materials	South Korea	4,161	2.2
Standard Chartered	Banks	UK	4,003	2.1
China Mobile[R]	Telecommunication Services	China	3,945	2.1
China Taiping Insurance[R]	Insurance	China	3,882	2.1
Hyundai Mobis	Automobiles & Components	South Korea	3,833	2.0
DGB Financial	Banks	South Korea	3,796	2.0
BHP Billiton	Materials	Australia	3,765	2.0
Hyundai Motor	Automobiles & Components	South Korea	3,714	2.0
Housing Development Finance	Banks	India	3,499	1.8
HSBC	Banks	UK	3,347	1.8
United Phosphorus	Materials	India	3,304	1.7
Baidu.com	Software & Services	China	3,145	1.6
Goodpack	Transportation	Singapore	3,071	1.6
Shinhan Financial	Banks	South Korea	3,065	1.6
Industrial & Commercial Bank of China[H]	Banks	China	3,016	1.6
Kasikornbank	Banks	Thailand	2,986	1.6
AIA	Insurance	Hong Kong	2,983	1.6
Newcrest Mining	Materials	Australia	2,820	1.5
			110,232	58.3
Other investments			78,819	41.7
Total investments			189,051	100.0

H: H-Shares – shares issued by companies incorporated in the People's Republic of China ('PRC') and listed on the Hong Kong Stock Exchange.
R: Red Chip Holdings – holdings in companies incorporated outside the PRC, listed on the Hong Kong Stock Exchange, and controlled by PRC entities by way of direct or indirect shareholding and/or representation on the board.
† MSCI and Standard & Poor's Global Industry Classification Standard.

CONDENSED INCOME STATEMENT

	SIX MONTHS TO 31 OCTOBER 2012 REVENUE RETURN £'000	SIX MONTHS TO 31 OCTOBER 2012 CAPITAL RETURN £'000	SIX MONTHS TO 31 OCTOBER 2012 TOTAL RETURN £'000	SIX MONTHS TO 31 OCTOBER 2011 REVENUE RETURN £'000	SIX MONTHS TO 31 OCTOBER 2011 CAPITAL RETURN £'000	SIX MONTHS TO 31 OCTOBER 2011 TOTAL RETURN £'000	YEAR TO 30 APRIL 2012 TOTAL RETURN £'000
Losses on investments held at fair value through loss or profit	—	(3,239)	(3,239)	—	(14,452)	(14,452)	(10,169)
Losses on foreign currency revaluation	—	(199)	(199)	—	(472)	(472)	(318)
Income							
Overseas dividends	2,539	—	2,539	2,941	—	2,941	4,132
Scrip dividends	109	—	109	305	—	305	484
UK dividends	121	—	121	25	—	25	120
Deposit interest	—	—	—	—	—	—	2
Gross return	2,769	(3,438)	(669)	3,271	(14,924)	(11,653)	(5,749)
Investment management fee – note 2	(155)	(465)	(620)	(161)	(483)	(644)	(1,253)
Other expenses	(259)	(4)	(263)	(256)	(3)	(259)	(481)
Return before finance costs and taxation	2,355	(3,907)	(1,552)	2,854	(15,410)	(12,556)	(7,483)
Finance costs – note 2	(14)	(42)	(56)	(12)	(36)	(48)	(88)
Return on ordinary activities before tax	2,341	(3,949)	(1,608)	2,842	(15,446)	(12,604)	(7,571)
Tax on ordinary activities	(159)	—	(159)	(247)	—	(247)	(334)
Net return on ordinary activities after tax for the period	2,182	(3,949)	(1,767)	2,595	(15,446)	(12,851)	(7,905)
Return per ordinary share – note 3							
Basic	2.2p	(4.0)p	(1.8)p	2.8p	(16.4)p	(13.6)p	(8.4)p
Diluted	n/a	n/a	n/a	2.7p	(15.8)p	(13.1)p	(8.4)p

The total column of this statement represents the Company's profit and loss account. The supplementary revenue and capital columns are presented for information purposes in accordance with the Statement of Recommended Practice issued by the Association of Investment Companies. All items in the above statement derive from continuing operations and the Company has no other gains or losses, therefore no statement of total recognised gains and losses is presented. No operations were acquired or discontinued in the period.

CONDENSED BALANCE SHEET

Registered Number 03011768

	AT 31 OCTOBER 2012 £'000	AT 31 OCTOBER 2011 £'000	AT 30 APRIL 2012 £'000
Fixed assets			
Investments designated at fair value	189,051	165,564	170,744
Current assets			
Amounts due from brokers	132	—	169
Taxation	292	291	258
VAT recoverable	13	9	9
Prepayments and accrued income	72	46	378
Cash at bank	92	229	327
	601	575	1,141
Creditors: amounts falling due within one year			
Bank overdraft	(550)	—	—
Bank loans	(11,779)	(3,409)	(6,286)
Amounts owed to brokers	—	—	(413)
Accruals and deferred income	(464)	(424)	(445)
	(12,793)	(3,833)	(7,144)
Net current liabilities	(12,192)	(3,258)	(6,003)
Total net assets	176,859	162,306	164,741
Capital and reserves			
Share capital	11,034	9,672	9,493
Share premium	95,907	75,457	75,457
Capital redemption reserve	2,090	1,863	2,042
Special reserve	4,113	11,798	9,287
Capital reserve	59,186	59,187	63,135
Revenue reserve	4,529	4,329	5,327
	176,859	162,306	164,741
Net asset value per share – note 4			
Basic	165.2p	170.7p	176.6p
Diluted	n/a	163.7p	168.6p

CONDENSED CASH FLOW STATEMENT

	SIX MONTHS TO 31 OCTOBER 2012 £'000	SIX MONTHS TO 31 OCTOBER 2011 £'000	YEAR TO 30 APRIL 2012 £'000
Return before finance costs and taxation	(1,552)	(12,556)	(7,483)
Adjustment for losses on investments	3,239	14,452	10,169
Adjustment for losses on currency revaluation	199	472	318
Tax on unfranked investment income	(197)	(333)	(376)
Scrip dividends received as income	(109)	(305)	(484)
Decrease in debtors	302	486	154
Increase/(decrease) in creditors	19	(46)	(30)
Cash inflow from operating activities	1,901	2,170	2,268
Servicing of finance			
Interest paid on bank loans	(56)	(48)	(83)
Taxation	4	11	—
Dividends paid	(2,980)	(2,724)	(2,724)
Capital expenditure and financial investment			
Purchase of investments	(42,216)	(32,815)	(57,721)
Sale of investments	20,403	36,604	61,036
Net cash (outflow)/inflow before financing	(22,944)	3,198	2,776
Financing			
Bank debt	5,408	(3,241)	(372)
Shares bought back	(5,174)	—	(2,511)
Net proceeds from conversion of subscription shares	22,039	1,025	1,025
(Decrease)/increase in cash in the period	(671)	982	918
Cash flow from movement in debt	(5,408)	3,241	372
Loss on currency revaluation	(199)	(472)	(318)
Movement in net (debt)/funds in the period	(6,278)	3,751	972
Net debt at beginning of period	(5,959)	(6,931)	(6,931)
Net debt at end of period	(12,237)	(3,180)	(5,959)
Analysis of changes in net (debt)/funds			
Brought forward:			
Net cash/(overdraft) at bank	327	(281)	(281)
Debt due within one year	(6,286)	(6,650)	(6,650)
Net debt brought forward	(5,959)	(6,931)	(6,931)
Movements in the period:			
Cash (outflow)/inflow from bank	(671)	982	918
Movement on currency revaluation	(199)	(472)	(318)
Debt due within one year	(5,408)	3,241	372
Net debt at end of period	(12,237)	(3,180)	(5,959)

CONDENSED RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	SHARE CAPITAL £'000	SHARE PREMIUM £'000	CAPITAL REDEMPTION RESERVE £'000	SPECIAL RESERVE £'000	CAPITAL RESERVE £'000	REVENUE RESERVE £'000	TOTAL £'000
For the year ended 30 April 2012							
At 30 April 2011	9,598	74,506	1,863	11,798	74,633	4,458	176,856
Final dividend for 2011	—	—	—	—	—	(2,724)	(2,724)
Net return from ordinary activities	—	—	—	—	(11,498)	3,593	(7,905)
Exercise of subscription shares into ordinary shares	(8)	8	—	—	—	—	—
Issue of ordinary shares on conversion of subscription shares	82	943	—	—	—	—	1,025
Shares bought back and cancelled	(179)	—	179	(2,511)	—	—	(2,511)
At 30 April 2012	9,493	75,457	2,042	9,287	63,135	5,327	164,741
For the six months ended 31 October 2012							
At 30 April 2012	9,493	75,457	2,042	9,287	63,135	5,327	164,741
Interim (in lieu of final) dividend for 2012	—	—	—	—	—	(2,980)	(2,980)
Net return from ordinary activities	—	—	—	—	(3,949)	2,182	(1,767)
Exercise of subscription shares into ordinary shares	(176)	176	—	—	—	—	—
Issue of ordinary shares on conversion of subscription shares	1,765	20,274	—	—	—	—	22,039
Shares bought back and cancelled/held in treasury	(48)	—	48	(5,174)	—	—	(5,174)
At 31 October 2012	11,034	95,907	2,090	4,113	59,186	4,529	176,859
For the six months ended 31 October 2011							
At 30 April 2011	9,598	74,506	1,863	11,798	74,633	4,458	176,856
Final dividend for 2011	—	—	—	—	—	(2,724)	(2,724)
Net return from ordinary activities	—	—	—	—	(15,446)	2,595	(12,851)
Exercise of subscription shares into ordinary shares	(8)	8	—	—	—	—	—
Issue of ordinary shares on conversion of subscription shares	82	943	—	—	—	—	1,025
At 31 October 2011	9,672	75,457	1,863	11,798	59,187	4,329	162,306

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

1. **Accounting Policy**
   The condensed financial statements have been prepared using the same accounting policies as those adopted in the 2012 annual financial report, which were prepared under the historical cost convention and are consistent with applicable UK Accounting Standards and with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts'.

2. **Management Fee and Finance Costs**
   Investment management fees and finance costs of borrowings are charged 75% to capital and 25% to revenue.

3. **Basis of Returns**

	SIX MONTHS TO 31 OCT 2012	SIX MONTHS TO 31 OCT 2011	YEAR TO 30 APR 2012
Basic returns after tax:			
Revenue	£2,182,000	£2,595,000	£3,593,000
Capital	£(3,949,000)	£(15,446,000)	£(11,498,000)
Total	£(1,767,000)	£(12,851,000)	£(7,905,000)
Weighted average number of ordinary shares in issue during the period:			
– basic	97,550,904	94,355,015	94,419,356
– diluted	n/a	97,783,176	97,481,606

4. **Basis of Net Asset Value ('NAV') per Ordinary Share**

	AT 31 OCT 2012	AT 31 OCT 2011	AT 30 APR 2012
Basic:			
Ordinary shareholders' funds	£176,859,000	£162,130,000	£164,565,000
Subscription shareholders funds of 1p each	—	£176,000	£176,000
Total shareholders' funds	£176,859,000	£162,306,000	£164,741,000
Number of ordinary shares in issue	107,061,686	94,956,757	93,165,757
NAV per ordinary share	165.2p	170.7p	176.6p
Diluted:			
Ordinary shareholders' funds	n/a	£184,366,000	£186,801,000
Number of ordinary shares in issue	n/a	112,604,910	110,813,910
NAV per ordinary share	n/a	163.7p	168.6p

5. **Share Capital**
   Ordinary Shares of 10p each

	SIX MONTHS TO 31 OCT 2012	SIX MONTHS TO 31 OCT 2011	YEAR TO 30 APR 2012
Number of ordinary shares:			
Brought forward	93,165,757	94,136,605	94,136,605
Subscription shares exercised	17,648,153	820,152	820,152
Shares bought back and cancelled	(475,000)	—	(1,791,000)
In issue at period end	110,338,910	94,956,757	93,165,757

   On 3 September 2012, the remaining 17,648,153 subscription shares were converted into the same number of ordinary shares. Included in the 110,338,910 ordinary shares are 3,277,224 shares held in treasury following buy backs in the six months to 31 October 2012.

   Since the period end a further 1,150,000 ordinary shares have been repurchased and cancelled for an average price of 143.73p per share.

6. **Dividends**
   The Company paid an interim (in lieu of final) dividend of 3.2p per ordinary share for the year ended 30 April 2012 on 1 August 2012 to shareholders on the register on 6 July 2012.

7. **Investment Trust Status**
   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.

8. **Status of Half-Yearly Financial Report**
   The financial information contained in this half-yearly report, which has not been reviewed or audited by the independent auditors, does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006. The financial information for the half years ended 31 October 2012 and 31 October 2011 have not been audited. The figures and financial information for the year ended 30 April 2012 are extracted and abridged from the latest published accounts and do not constitute the statutory accounts for that year. Those accounts have been delivered to the Registrar of Companies and include the Report of the Independent Auditor, which was unqualified and did not include a statement under section 498 of the Companies Act 2006.

By order of the Board
Invesco Asset Management Limited
Company Secretary
19 December 2012

DIRECTORS, INVESTMENT MANAGER AND ADMINISTRATION

Directors

David Hinde (Chairman of the Board and Remuneration and Nomination Committees)
Carol Ferguson
Tom Maier
James Robinson (Chairman of the Audit and Management Engagement Committees)

All Directors are members of the Audit, Management Engagement, Remuneration and Nomination Committees

Manager, Secretary and Registered Office

Invesco Asset Management Limited
30 Finsbury Square, London EC2A 1AG
☎ 020 7065 4000

Company Secretarial contact: Kelly Nice

Company Number

Registered in England and Wales: No. 03011768

Registrars

Capita Registrars,
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU

If you hold your shares directly rather than through an ISA or savings scheme, and have any queries relating to your shareholding you should contact Capita on: ☎ 0871 664 0300 between 9am and 5.30pm Monday to Friday (excluding Bank Holidays). Calls cost 10p per minute plus network extras (from outside the UK: +44 (0)208 639 3399).

Shareholders holding shares directly can also access their holding details via Capita's website www.capitaregistrars.com or www.capitashareportal.com

Capita provide an on-line and telephone share dealing service to existing shareholders who are not seeking advice on buying or selling. This service is available at www.capitadeal.com or ☎ 0871 664 0364. Calls cost 10p per minute plus network extras (From outside the UK: +44 (0)203 367 2686). Lines are open 8am to 4.30pm Monday to Friday (excluding Bank Holidays).

Invesco Perpetual Investor Services

Invesco Perpetual has an Investor Services Team available to assist you from 8.30am to 6pm each business day on ☎ 0800 085 8677.

Invesco Perpetual Investment Trust Savings Scheme and ISA Administrators

For both the Invesco Perpetual Investment Trust Savings Scheme & ISA:
International Financial Data Services
IFDS House
St Nicholas Lane
Basildon
Essex SS14 5FS
☎ 0800 028 5544

enquiry@invescoperpetual.co.uk

Manager's Website

Information relating to the Company can be found on the Manager's website at www.invescoperpetual.co.uk/investmenttrusts.

The contents of websites referred to in this document, or accessible from links within those websites, are not incorporated into, nor do they form part of, this document.

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