

Invesco Asia Trust plc

Half-Yearly Financial Report
For the Six Months to 31 October 2011

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 Morgan Stanley Capital International All Countries Asia Pacific ex Japan Index, measured in sterling.

Investment Policy and Risk

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 2011 annual financial report.

Share Capital

At the period end the Company's issued share capital consisted of 94,956,757 ordinary shares of 10p each and 17,648,153 subscription shares of 1p each. During the period, 820,152 subscription shares were exercised and converted to ordinary shares.

Performance Statistics

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

| | AT 31 OCTOBER 2011 | AT 30 APRIL 2011 | % CHANGE |
|---|--------------------------|------------------------|-------------|
| Total Return Statistics⁽¹⁾ | | | |
| Diluted net asset value | | | -6.9 |
| Benchmark Index | | | -10.9 |
| Capital Statistics | | | |
| Net assets (£'000) | 162,306 | 176,856 | -8.2 |
| Gross gearing | 2.1% | 4.1% | |
| Net gearing | 2.0% | 3.9% | |
| Net asset value: | | | |
| – basic | 170.7p | 187.7p | -9.1 |
| – diluted | 163.7p | 177.6p | -7.8 |
| Benchmark Index – capital return ⁽¹⁾ | 265.0 | 303.5 | -12.7 |
| Mid-market price: | | | |
| – ordinary shares | 146.0p | 166.1p | -12.1 |
| – subscription shares | 19.0p | 41.1p | -53.8 |
| Discount per ordinary share ⁽²⁾ | | | |
| – cum income | 10.8% | 6.5% | |
| – ex income | 9.5% | 4.9% | |

(1) Source: Thomson Reuters.

(2) The discount is the amount by which the mid-market price per ordinary share is less than the diluted net asset value per share.

INTERIM MANAGEMENT REPORT INCORPORATING THE CHAIRMAN'S STATEMENT

Chairman's Statement

Performance and prospects

In the six months ended 31 October 2011, global equity markets have endured an extended period of volatility and Asia has been no exception. The Eurozone sovereign debt crisis continues to dominate investor attention and combined with signs of a slowdown in global economic growth, has led to a period of heightened risk aversion which has seen Asian equity markets decline in line with their global peers. While it is regrettable to report that the value of the portfolio declined over the period, it is pleasing to note that the Company's investment strategy has delivered solid outperformance relative to the benchmark, underlining the importance of taking a long term perspective and maintaining a focus on value. Over the period, the net asset value per ordinary share fell by 6.9%, compared to the benchmark index, the MSCI All Countries Asia Pacific ex Japan Index, which fell 10.9%, in sterling terms. The Company's share price fell from 166.1p to 146.0p, while at the end of the period, the discount to net asset value at which the shares trade stood at 9.5% (ex income). The average discount for the year to date was 8.1%. During the period under review, net gearing reduced from 3.9% to 2.0%. The Board frequently review opportunities for gearing.

Dividend

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

Outlook

It is clear that Asian equity markets face a number of near-term headwinds, some of which are beyond their control. Volatility is a feature we have come to expect when investing in Asia, but market conditions should improve once further progress is made towards resolution of the Eurozone debt crisis. The Chinese authorities continue to take a proactive approach to policy-making as demonstrated by the recent cut to the required reserve ratio of commercial banks that clearly marked a formal entry into a monetary easing cycle.

Over the longer term there are solid fundamentals that continue to underpin Asia's growing contribution to global economic growth. While developed markets continue to struggle with a deleveraging cycle and years of likely anaemic growth, the levels of growth being expected in Asia over the coming years are far more attractive than those in developed economies. As reflected in recent economic data, Asian economic growth is not immune from the slowdown in global growth, but should become less dependent on exports to developed markets as domestic consumption and intra-Asia trade continue to grow strongly – structural trends supported by the region's favourable demographics and average income trends. Meanwhile, Asia continues to enjoy relatively low levels of leverage, with households, corporates and governments all enjoying strong balance sheets – providing room for manoeuvrability should the need arise. Recent evidence also shows that corporate profitability remains strong, and Asian companies have proven to be increasingly aware of their responsibilities to shareholders, further enhancing their attraction to investors. Asia's global significance continues to rise and I believe that its long term prospects continue to prove compelling.

Subscription Share Exercise

During the period under review, subscription shareholders had their second opportunity to exercise their right to subscribe for one ordinary share of the Company at a price of 125p. The second subscription period ended on 31 August 2011. As a result, 820,152 ordinary shares were allotted in mid-September 2011. Subscription shareholders will have a final opportunity to convert their holdings on 31 August 2012.

The issued share capital of your Company at the period end was 94,956,757 ordinary shares of 10p each and 17,648,153 subscription shares of 1p each.

David Hinde

Chairman

19 December 2011

Market & Economic Review

Asian equity markets fell over the period as market sentiment was hit by a number of factors. Investors initially focused on inflationary pressures in China and India and fears that policy tightening measures would stifle economic growth. These domestic concerns were supplanted by growing uncertainty over the Eurozone sovereign debt crisis and a row over the US debt ceiling. These led to an increase in investor risk aversion, combined with signs of a global growth slowdown. Apparent progress towards resolution of the Eurozone sovereign debt crisis and signs that a 'hard landing' in China had been averted helped lift markets from their October lows but market sentiment remains weak and the outlook opaque as investors lack confidence in European policymakers' ability to resolve their debt crisis.

Performance between markets has been mixed – Hong Kong and China underperformed in local currency terms, along with export-led economies like Taiwan and Korea. Cyclical sectors led the market lower, with industrials and materials the worst hit, while sectors with relatively defensive characteristics, like telecoms and consumer staples fared better. In Hong Kong and China, property and financial shares also sold off notably on negative newsflow surrounding the Chinese property market and local government financing. India continues to struggle with elevated levels of inflation and further monetary policy tightening. ASEAN economies generally outperformed over the period, especially the Philippines and Indonesia where inflationary pressures have remained muted allowing the Bank Indonesia to cut interest rates unexpectedly by 25 basis points to 6.50% to counter the effects of the global growth slowdown.

China's economy grew 9.1% year-on-year (y-o-y) in the third quarter which, although less than expected, remains robust with retail sales growing by 17.7% y-o-y. However, export growth to the EU fell from 22% y-o-y in September to 9.8% y-o-y in October prompting Premier Wen Jiabao to make a statement, widely interpreted as the first signs of a softening in tone on liquidity tightening. CPI inflation for October stands at 5.5% y-o-y, down from 6.2% in August. While economic data from China remains firm there were signs of fading growth elsewhere in the region, with second quarter GDP figures moderating in both India and Korea. Asian industrial production figures remain positive, but have begun to moderate, while export data appears resilient considering softer than expected global growth. In corporate news, although interim company reporting season for Asia largely met expectations, earnings forecasts are now being revised down, particularly those more sensitive to a downturn in global growth.

Company Performance

In the six months to the end of October 2011, the Company's net asset value decreased by 6.9%, which was ahead of the benchmark, the MSCI All Countries Asia Pacific ex Japan Index, which fell 10.9% (both total return, £).

During the period the Company's exposure to commercial banks, real estate developers and construction-related sectors detracted from overall performance as negative newsflow surrounding the Chinese property market intensified with weaker sales data suggesting property tightening measures introduced last year were having an effect. The Company's lack of exposure to the telecoms sector also detracted from overall performance as more defensive areas proved resilient in a weak market.

However, the Company did manage to outperform meaningfully relative to the benchmark benefiting from limited exposure to underperforming sectors such as metals and mining although our holding in Australian miner, Iluka Resources, was one of the strongest contributors to returns. Elsewhere, stock selection was positive across a number of sectors including energy, IT, insurance, and consumer discretionary. In the consumer sector, holdings in Daphne International and LG Fashion made a positive contribution as earnings proved robust, while in the IT sector, our holding in Samsung Electronics showed resilience after a period of underperformance as the market began to recognise the imminent bottoming of memory prices and the growth potential of its smart-phone and display panel businesses. The top single contributor to overall returns was Jardine Matheson, which continues to prove its worth as an excellent proxy for the growth of consumption in Asia as its businesses delivered impressive earnings.

Outlook for Asian Economies and Markets

Newsflow surrounding the Eurozone sovereign debt crisis and the degree to which the global economy is slowing continue to be the external short term drivers of Asian equities. Investors are likely to remain risk averse and markets volatile until investors believe that a viable plan is in place to resolve the Eurozone's financial crisis.

Domestically, the Asian economic outlook remains largely contingent on the outlook for China. While the rate of economic growth in China is decelerating, it is still at a relatively robust level which has helped temper fears of a 'hard' landing. Beyond the potential impact of a slowdown in global economic growth, concerns still exist over bank lending, which grew out of hand in 2009/10. The problem has been identified by the authorities and the rate of credit growth has successfully been brought down to a more sustainable level, although fears remain over bad debts emerging from local government financing vehicles, and some loans made to small and medium sized enterprises. However, Chinese banks are well capitalised, have good levels of general provisioning and strong core operating profitability. The recent move by the Chinese authorities to cut the reserve requirement ratio for banks marks the formal start of monetary easing. We do not expect policy decisions to be as aggressive as in the past. The slowdown so far has been gradual, and the authorities are still dealing with the negative effects of the previous stimulus. However, there is certainly room to ease monetary policy as and when it is required.

While we consider the current valuation of Asian equities undemanding at around 10.7 times 2011 earnings, the uncertainty in the economic outlook is likely to lead to further earnings downgrades in the short term. Consensus expectations for 2012 earnings growth of 11.3% remain too high in our opinion. However, Asia's solid long term fundamentals remain in place. Economic growth continues to compare favourably with that generated by developed economies, while becoming less dependent on exports with domestic consumption growing strongly. Furthermore, government, corporate and household balance sheets are in good shape with low levels of debt.

Strategy

Given the deteriorating macroeconomic outlook, we adjusted the emphasis of the Company early in the period by gradually building a more defensive bias. We reduced our exposure to the more cyclical areas of the market and took profits from holdings that had outperformed. As such, we cut our exposure to Taiwanese technology companies and trimmed our holdings in banks although we continued to hold select names in the financial sector, with real estate well represented particularly in the retail and commercial areas.

More recently, market volatility has seen share prices across the region fall to valuation levels that appear increasingly attractive. As such, we have started selectively adding to areas that we believe have strong upside potential, for example the energy sector, where share prices have been hit unduly hard by declines in the oil price.

The Company continues to seek to capitalise on Asia's structural strengths, especially the growth of domestic demand, with a focus on selecting under-appreciated companies that offer relatively high predictability and quality of earnings. We have recently seen particular value in the internet sector where the growth potential is not fully recognised by the market in our view. Millions of new users are joining such networks and companies are increasingly relying on online advertising and other online brand building exercises to capture greater market share. As such, we have introduced Baidu, Sohu and Digital China to the portfolio – internet and IT Services companies with leading businesses in their fields. The portfolio also continues to have selective exposure to a few smaller companies (with market cap of less than US\$1 billion), which offer the opportunity to deliver superior returns due to their being at an earlier stage in their growth cycle.

We continue to favour China and Hong Kong, believing that companies there can take advantage of the favourable economic backdrop. We also have a positive bias towards Korean companies which are valued at a discount relative to the region despite offering decent growth and competitive advantages. We are underweight in Australia due to the high level of the Australian dollar. This represents a risk to the returns of offshore-based investors. It is also having a deflationary impact on companies exposed to the domestic economy. As a result many companies have been subject to earnings downgrades this year. This has meant that we have been able to find investments elsewhere in the region that offer better earnings profiles but at similar valuations. We remain modestly underweight in India, where valuations in some areas are relatively full although we remain on the lookout for opportunities as and when the market and currency exhibit significant weakness. We have scaled back our exposure to holdings in the Indonesian market which has enjoyed a decent period of outperformance, preferring to add to quality franchises in Singapore, while also having limited exposure to some of the smaller, more export dependent, regional economies like Thailand and Malaysia.

Stuart Parks / Ian Hargreaves

Investment Managers

19 December 2011

RELATED PARTY

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 2011 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 Policy and Process – the adopted investment policy and process may not achieve the returns sought by the Company;
- Market movements and portfolio performance – 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;
- Foreign Exchange Risk – 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 – share prices are affected by market sentiment, supply and demand for the shares, and dividends declared as well as portfolio performance;
- 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 the derivative had not been entered into;
- Gearing – the use of borrowings will amplify the effect on shareholders' funds of portfolio gains and losses;
- 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; and
- 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.

A detailed explanation of these principal risks and uncertainties can be found on pages 22 to 25 of the Company's 2011 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.

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 2011

TWENTY-FIVE LARGEST HOLDINGS AT 31 OCTOBER 2011

Ordinary shares unless otherwise stated

| COMPANY | INDUSTRY GROUP [†] | COUNTRY | MARKET VALUE £'000 | % OF PORTFOLIO |
|--|-----------------------------|-------------|-----------------------|-------------------|
| Samsung Electronics | Semiconductors | South Korea | 10,027 | 6.1 |
| Jardine Matheson | Capital Goods | Hong Kong | 8,119 | 4.9 |
| Daphne International | Consumer Durables & Apparel | Hong Kong | 4,321 | 2.6 |
| United Phosphorus | Materials | India | 4,238 | 2.6 |
| Hutchison Whampoa | Capital Goods | Hong Kong | 4,166 | 2.5 |
| Shinhan Financial | Banking | South Korea | 4,057 | 2.4 |
| HSBC | Banking | UK | 3,995 | 2.4 |
| DGB Financial | Banking | South Korea | 3,827 | 2.3 |
| Taiwan Semiconductor Manufacturing | Semiconductors | Taiwan | 3,425 | 2.1 |
| China Mobile ^R | Telecommunication Services | Hong Kong | 3,354 | 2.0 |
| LG Fashion | Consumer Durables & Apparel | South Korea | 2,861 | 1.7 |
| Korean Reinsurance | Insurance | South Korea | 2,859 | 1.7 |
| QBE Insurance | Insurance | Australia | 2,834 | 1.7 |
| Hyundai Motor | Automobiles & Components | South Korea | 2,776 | 1.7 |
| China Construction Bank ^H | Banking | China | 2,702 | 1.6 |
| BHP Billiton | Materials | Australia | 2,694 | 1.6 |
| Industrial & Commercial Bank of China ^H | Banking | China | 2,609 | 1.6 |
| China Shenhua Energy ^H | Energy | China | 2,586 | 1.6 |
| Newcrest Mining | Materials | Australia | 2,584 | 1.6 |
| Infosys Technologies | Software & Services | India | 2,581 | 1.6 |
| Posco | Materials | South Korea | 2,566 | 1.5 |
| CNOOC ^R | Energy | China | 2,564 | 1.5 |
| Charm Communications | Media | Hong Kong | 2,518 | 1.5 |
| China Taiping Insurance ^R | Insurance | Hong Kong | 2,477 | 1.5 |
| Hyundai Mobis | Automobiles & Components | South Korea | 2,420 | 1.5 |
| | | | 89,160 | 53.8 |
| Other investments | | | 76,404 | 46.2 |
| Total investments | | | 165,564 | 100.0 |

R: Red Chip Holdings; H: H-Shares

[†] MSCI and Standard & Poor's Global Industry Classification Standard.

CONDENSED INCOME STATEMENT

| | SIX MONTHS TO 31 OCTOBER 2011 | | | SIX MONTHS TO 31 OCTOBER 2010 | | | YEAR TO 30 APRIL 2011 |
|--|----------------------------------|----------------------------|--------------------------|----------------------------------|----------------------------|--------------------------|-----------------------------|
| | REVENUE RETURN £'000 | CAPITAL RETURN £'000 | TOTAL RETURN £'000 | REVENUE RETURN £'000 | CAPITAL RETURN £'000 | TOTAL RETURN £'000 | TOTAL RETURN £'000 |
| (Losses)/gains on investments held at fair value through loss or profit | — | (14,452) | (14,452) | — | 14,000 | 14,000 | 25,303 |
| (Losses)/gains on foreign currency revaluation | — | (472) | (472) | — | 41 | 41 | 368 |
| Income | | | | | | | |
| Overseas dividends | 2,941 | — | 2,941 | 2,296 | — | 2,296 | 3,462 |
| Scrip dividends | 305 | — | 305 | 265 | — | 265 | 564 |
| UK dividends | 25 | — | 25 | 52 | — | 52 | 75 |
| Deposit interest | — | — | — | — | — | — | 3 |
| Gross return | 3,271 | (14,924) | (11,653) | 2,613 | 14,041 | 16,654 | 29,775 |
| Investment management fee – note 2 | (161) | (483) | (644) | (141) | (423) | (564) | (1,212) |
| Other expenses | (256) | (3) | (259) | (237) | (4) | (241) | (537) |
| Return before finance costs and taxation | 2,854 | (15,410) | (12,556) | 2,235 | 13,614 | 15,849 | 28,026 |
| Finance costs – note 2 | (12) | (36) | (48) | (10) | (31) | (41) | (100) |
| Return on ordinary activities before tax | 2,842 | (15,446) | (12,604) | 2,225 | 13,583 | 15,808 | 27,926 |
| Tax on ordinary activities | (247) | — | (247) | (184) | — | (184) | (267) |
| Net return on ordinary activities after tax for the period | 2,595 | (15,446) | (12,851) | 2,041 | 13,583 | 15,624 | 27,659 |
| Return per ordinary share – note 3 | | | | | | | |
| Basic | 2.8p | (16.4)p | (13.6)p | 2.2p | 14.5p | 16.7p | 29.4p |
| Diluted | 2.7p | (15.8)p | (13.1)p | 2.1p | 14.2p | 16.3p | 28.5p |

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 2011 £'000 | AT 30 APRIL 2011 £'000 | AT 31 OCTOBER 2010 £'000 |
|---|-----------------------------------|---------------------------------|-----------------------------------|
| Fixed assets | | | |
| Investments designated at fair value | 165,564 | 183,564 | 172,395 |
| Current assets | | | |
| Amounts due from brokers | — | 80 | 27 |
| Taxation | 291 | 216 | 272 |
| VAT recoverable | 9 | 15 | 7 |
| Prepayments and accrued income | 46 | 526 | 65 |
| Cash at bank | 229 | 370 | 319 |
| | 575 | 1,207 | 690 |
| Creditors: amounts falling due within one year | | | |
| Bank overdraft | — | (651) | — |
| Bank loans | (3,409) | (6,650) | (7,490) |
| Amounts owed to brokers | — | (144) | (356) |
| Accruals and deferred income | (424) | (470) | (418) |
| | (3,833) | (7,915) | (8,264) |
| Net current liabilities | (3,258) | (6,708) | (7,574) |
| Total net assets | 162,306 | 176,856 | 164,821 |
| Capital and reserves | | | |
| Share capital | 9,672 | 9,598 | 9,598 |
| Share premium | 75,457 | 74,506 | 74,506 |
| Capital redemption reserve | 1,863 | 1,863 | 1,863 |
| Special reserve | 11,798 | 11,798 | 11,798 |
| Capital reserve | 59,187 | 74,633 | 63,540 |
| Revenue reserve | 4,329 | 4,458 | 3,516 |
| | 162,306 | 176,856 | 164,821 |
| Net asset value per share – note 4 | | | |
| Basic | 170.7p | 187.7p | 174.9p |
| Diluted | 163.7p | 177.6p | 166.9p |

CONDENSED CASH FLOW STATEMENT

| | SIX MONTHS TO 31 OCTOBER 2011 £'000 | YEAR TO 30 APRIL 2011 £'000 | SIX MONTHS TO 31 OCTOBER 2010 £'000 |
|---|---|--------------------------------------|---|
| Net return before finance costs and taxation | (12,556) | 28,026 | 15,849 |
| Adjustment for losses/(gains) on investments | 14,452 | (25,303) | (14,000) |
| Translation differences | 472 | (368) | (41) |
| Tax on unfranked investment income | (333) | (233) | (280) |
| Scrip dividends received as income | (305) | (564) | (265) |
| Decrease/(increase) in debtors | 486 | (172) | 297 |
| (Decrease)/increase in creditors | (46) | 80 | 9 |
| Cash inflow from operating activities | 2,170 | 1,466 | 1,569 |
| Servicing of finance | | | |
| Interest paid on bank loans | (48) | (103) | (42) |
| Taxation | 11 | 5 | 93 |
| Net dividends paid | (2,724) | (2,111) | (2,111) |
| Capital expenditure and financial investment | | | |
| Purchase of investments | (32,815) | (64,320) | (30,818) |
| Sale of investments | 36,604 | 61,144 | 27,477 |
| Net cash inflow/(outflow) before financing | 3,198 | (3,919) | (3,832) |
| Financing | | | |
| Bank debt | (3,241) | 1,699 | 2,490 |
| Conversion of subscription shares | 1,025 | 374 | 374 |
| Increase/(decrease) in cash in the period | 982 | (1,846) | (968) |
| Cash flow from movement in debt | 3,241 | (1,699) | (2,490) |
| Translation difference | (472) | 368 | 41 |
| Movement in net funds/(debt) in the period | 3,751 | (3,177) | (3,417) |
| Net debt at beginning of period | (6,931) | (3,754) | (3,754) |
| Net debt at end of period | (3,180) | (6,931) | (7,171) |
| Analysis of changes in net (debt)/funds | | | |
| Brought forward: | | | |
| Net (overdraft)/cash at bank | (281) | 1,246 | 1,246 |
| Debt due within one year | (6,650) | (5,000) | (5,000) |
| Net debt brought forward | (6,931) | (3,754) | (3,754) |
| Movements in the period: | | | |
| Cash inflow/(outflow) from bank | 982 | (1,846) | (968) |
| Exchange movement | (472) | 368 | 41 |
| Debt due within one year | 3,241 | (1,699) | (2,490) |
| Net debt at end of period | (3,180) | (6,931) | (7,171) |

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 2011 | | | | | | | |
| At 30 April 2010 | 9,571 | 74,159 | 1,863 | 11,798 | 49,957 | 3,586 | 150,934 |
| Final dividend | — | — | — | — | — | (2,111) | (2,111) |
| Net return for the year | — | — | — | — | 24,676 | 2,983 | 27,659 |
| Exercise of subscription shares into ordinary shares | (3) | 3 | — | — | — | — | — |
| Issue of ordinary shares on conversion of subscription shares | 30 | 344 | — | — | — | — | 374 |
| At 30 April 2011 | 9,598 | 74,506 | 1,863 | 11,798 | 74,633 | 4,458 | 176,856 |
| 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 |
| 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 |
| Final dividend for 2011 | — | — | — | — | — | (2,730) | (2,730) |
| Unclaimed dividends | — | — | — | — | — | 6 | 6 |
| At 31 October 2011 | 9,672 | 75,457 | 1,863 | 11,798 | 59,187 | 4,329 | 162,306 |
| For the six months ended 31 October 2010 | | | | | | | |
| At 30 April 2010 | 9,571 | 74,159 | 1,863 | 11,798 | 49,957 | 3,586 | 150,934 |
| Final dividend for 2010 | — | — | — | — | — | (2,111) | (2,111) |
| Net return from ordinary activities | — | — | — | — | 13,583 | 2,041 | 15,624 |
| Exercise of subscription shares into ordinary shares | (3) | 3 | — | — | — | — | — |
| Issue of ordinary shares on conversion of subscription shares | 30 | 344 | — | — | — | — | 374 |
| At 31 October 2010 | 9,598 | 74,506 | 1,863 | 11,798 | 63,540 | 3,516 | 164,821 |

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 2011 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 OCTOBER 2011 | SIX MONTHS TO 31 OCTOBER 2010 | YEAR TO 30 APRIL 2011 |
|--|-------------------------------------|-------------------------------------|-----------------------------|
| Basic returns after tax: | | | |
| Revenue | £2,595,000 | £2,041,000 | £2,983,000 |
| Capital | £(15,446,000) | £13,583,000 | £24,676,000 |
| Total | £(12,851,000) | £15,624,000 | £27,659,000 |
| Weighted average number of ordinary shares in issue during the period: | | | |
| – basic | 94,355,015 | 93,917,098 | 94,025,950 |
| – diluted | 97,783,176 | 95,716,705 | 96,912,161 |

The subscription shares are dilutive for the purposes of return per share when they would result in the issue of ordinary shares. This occurs when the average market price of the ordinary shares during the period is greater than the exercise price of 125p. The average market price for the six months ended 31 October 2011 was 153.07p and was dilutive. The average market price for the six months ended 31 October 2010 was 138.32p and for the year ended 30 April 2011 was 147.99p, both of which were dilutive.

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

| | AT 31 OCTOBER 2011 (UNAUDITED) | AT 30 APRIL 2011 (AUDITED) | AT 31 OCTOBER 2010 (UNAUDITED) |
|---|---|-------------------------------------|---|
| Basic: | | | |
| Ordinary shareholders' funds | £162,130,000 | £176,671,000 | £164,636,000 |
| Subscription shareholders' funds of 1p each | £176,000 | £185,000 | £185,000 |
| Total shareholders' funds | £162,306,000 | £176,856,000 | £164,821,000 |
| Number of ordinary shares in issue | 94,956,757 | 94,136,605 | 94,136,605 |
| Net asset value per ordinary share | 170.7p | 187.7p | 174.9p |
| Diluted: | | | |
| Ordinary shareholders' funds | £184,366,000 | £199,941,000 | £187,906,000 |
| Number of ordinary shares in issue | 112,604,910 | 112,604,910 | 112,604,910 |
| Net asset value per ordinary share | 163.7p | 177.6p | 166.9p |

When the basic NAV is greater than the exercise price of 125p, the subscription shares are dilutive. However, subscription shareholders are not likely to exercise their option unless the market price is greater than the exercise price as this could dilute their holdings

5. Share Capital

(a) Ordinary Shares of 10p each

| | SIX MONTHS TO 31 OCTOBER 2011 | YEAR TO 30 APRIL 2011 | SIX MONTHS TO 31 OCTOBER 2010 |
|-------------------------------|-------------------------------------|-----------------------------|-------------------------------------|
| Number of ordinary shares: | | | |
| Brought forward | 94,136,605 | 93,837,425 | 93,837,425 |
| Subscription shares exercised | 820,152 | 299,180 | 299,180 |
| In issue at period end | 94,956,757 | 94,136,605 | 94,136,605 |

No shares have been repurchased since the period end.

(b) Subscription Shares of 1p each

During the period under review no new subscription shares were issued. On 2 September 2011, 820,152 subscription shares were converted into 820,152 ordinary shares, resulting in there being 17,648,153 subscription shares in issue at 31 October 2011.

(c) Total Share Capital

The total share capital of the Company is £9,672,000 comprising £9,496,000 in respect of ordinary shares and £176,000 in respect of subscription shares.

6. Dividends

The Company paid a final dividend of 2.9p per ordinary share for the year ended 30 April 2011 on 12 August 2011 to shareholders on the register on 15 July 2011. The Directors do not propose the payment of an interim dividend (2010: nil).

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 set out in section 1158 of the Corporation Tax Act 2010.

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 2011 and 31 October 2010 have not been audited. The figures and financial information for the year ended 30 April 2011 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 Auditors, 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 2011

DIRECTORS, INVESTMENT MANAGER AND ADMINISTRATION

Directors

David Hinde (Chairman)

Carol Ferguson

Tom Maier

James Robinson (Chairman of the Audit and Management Engagement Committees)

All Directors are members of the Audit, Management Engagement and Remuneration 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 and Transfer Office

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 8.30am 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 6.30pm each business day on ☎ 0800 085 8677.

The Invesco Perpetual investment trust website is:

🌐 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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Invesco Perpetual is a business name of Invesco Asset Management Limited