

NEWS RELEASE

18 November 2011

WORLDWIDE HEALTHCARE TRUST PLC

Unaudited Preliminary Results for the six months ended 30 September 2011

Worldwide Healthcare Trust PLC today announces its interim results for the six months ended 30 September 2011.

Performance

	Six months to 30 September 2011	One year to 31 March 2011	
Share price (total return)#	+3.1%	-0.9%	
Net asset value per share (total return)#	-0.9%	+4.0%	
Benchmark index (total return)*	-0.3%	+2.5%	
	30 September 2011	31 March 2011	Six months % Change
Shareholders' funds	£332.3m	£344.8m	-3.6
Net asset value per share – diluted (dilution for subscription shares)	745.0p	773.5p	-3.7
Share price	693.0p	686.0p	+1.0
Discount of share price to diluted net asset value per share	7.0%	11.3%	-
Benchmark Index *	83.89	84.11	-0.3
Gearing **	15.4%	13.3%	-
Total expense ratio (excluding performance fees)	1.1%	1.0%	-

Source – Morningstar. Net asset value diluted for subscription shares and treasury shares.

* With effect from 1 October 2010, the performance of the Company is measured against the MSCI World Health Care Index on a total return, sterling adjusted basis. Prior to this date, performance was measured against the Datastream World Pharmaceutical & Biotechnology Index (total return, sterling adjusted). Historical data, therefore, consists of a blended figure containing both indices.

**Calculated using the Association of Investment Companies' definition (prior charges as a percentage of net assets).

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Chairman's Statement

Performance

Volatility was the primary characteristic of a difficult period for markets that saw the MSCI World Index (measured in sterling terms on a total return basis) fall by 13.7%. However, the defensive qualities of the Healthcare sector helped it to achieve a substantial outperformance of the wider market with the Company's benchmark, the MSCI World Healthcare Index (measured in sterling terms on a total return basis) falling by just 0.3% over the same period. I am pleased to report that the Company's net asset value total return of -0.9% was broadly in line with its benchmark with the Company's share price performing significantly better with a total return of +3.1% over the same period. The average discount of the Company's share price to the diluted net asset value per share during the period was 6.0%, in line with the Board's stated target.

Further information on investment performance and the outlook for the Company is given in the Review of Investments.

Capital

The Board regularly reviews its discount policy where it seeks to maintain the discount to the net asset value per share at which the Company's shares are quoted on the London Stock Exchange at no greater than 6% over the long-term, subject to adverse market conditions. There can be no guarantee, however, that the Board's discount policy will always be successful or capable of being implemented. I am pleased to report that due to continued demand for the Company's shares only 25,000 were repurchased for treasury during the period and to the date of this report, at a cost of £174,000 (including expenses), compared to 358,607 shares, at a cost of c.£2,500,000, in the previous six months. This perhaps reflects the performance of the Healthcare sector relative to wider markets.

On 28 July 2011, a total of 358,607 shares held in treasury were cancelled. The Board has confirmed that any shares held in treasury will be cancelled on or as soon as practicable following the Annual General Meeting each year.

During the period and to the date of this report a total of 380,652 subscription shares were exercised at an exercise price of 638p per share raising c.£2,400,000 of additional funds for the Company. The next subscription date will be 31 January 2012 at a subscription price of 638p per share.

Revenue and Dividends

The revenue return for the period was £3,314,000 (six months ended 30 September 2010: return of £2,196,000) and no interim dividend is declared (six months ended 30 September 2010: nil).

The Board expects that, on the basis of revenue estimates for the full year, the Company's dividend will be greater than in the previous year. The Board reminds shareholders that it remains the Company's policy to pursue capital growth for shareholders and to pay dividends to the extent required to maintain investment trust status. The amount of the dividend for the full year to 31 March 2012 is expected to be announced in May 2012.

Outlook

While previous falls in equity markets could be explained by overvaluation, the issue this time appears to be the market's faith, or lack of it, in the governments that underpin our economies. The Healthcare sector, however, continues to play to its strengths as investors are increasingly looking for high quality, defensive, and in some cases dividend yielding stocks.

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On a global basis, China, India and Brazil are predicted to be the fastest growing among developing countries. Also, an ageing population, the growth of chronic diseases, increased levels of merger and acquisition activity and an acceleration of new product approvals will continue to be major drivers for the growth in the sector. Your Board believes that we are well positioned to take advantage of this encouraging outlook for Healthcare.

Although we will continue to take advantage of high yielding securities, where they can be purchased at attractive prices, our focus remains on the selection of stocks with strong prospects for capital enhancement and we continue to believe that the long term investor in our sector will be well rewarded.

Martin Smith

Chairman

Review of Investments

Performance

During the half year global equity markets experienced extreme turmoil and broad market performance in the period was characterised by an August sell off as concerns over sovereign defaults and weak economic data swept across the markets worldwide, and equity markets remained weak into the end of September. The MSCI World Total Return Index was down 13.7% in sterling term in the period. Healthcare stocks performed significantly better than the broader market, partly reflecting their defensive nature, as the MSCI World Healthcare Total Return Index declined only 0.3%.

The Company outperformed the broader market and in line with the healthcare specific index, with a share price total return of +3.1% and a net asset value total return of -0.9%. The primary drivers of this outperformance included both stock specific factors and healthcare sub-sector allocation decisions. The central investment focus remains on biotechnology companies, selective exposure to pharmaceutical firms, and diversification across other healthcare sectors with compelling growth rates (such as generic drug companies), attractive valuations (such as specialty pharmaceutical companies), or both (such as managed care organisations).

With respect to biopharmaceutical companies, our most compelling investments often involve a new product launch. If successful, a product launch can lead to dramatic revenue and earnings growth, valuation expansion, and strong share price performance. This is exemplified by the period's top contributor to the Company's performance, the Japanese specialty pharmaceutical company, Mitsubishi Tanabe Pharma. The company is one year into the launch by its licensee of the first ever oral therapy for the treatment of multiple sclerosis. The product, known as Gilenya (fingolimod), was licensed to Novartis for U.S. and European markets. Recently, Novartis management described the roll-out of Gilenya as "one of the best specialty care launches ever in the industry". Mitsubishi Tanabe Pharma enjoys a double-digit royalty on sales of Gilenya by Novartis, a product we expect to reach mega-blockbuster status. The company has several other new product opportunities, including a novel therapy for the treatment of hepatitis C, for which the company owns the rights for both the Japanese and Chinese markets (notable, because China has the largest prevalence of hepatitis C in the world). Mitsubishi Tanabe Pharma also discovered a novel, oral treatment for diabetes, called canagliflozin. This drug has been licensed to Johnson and Johnson for global development. Depending on the outcome of ongoing clinical trials, this drug may have a best-in-class profile and be the next blockbuster to emerge from the company's pipeline. As these new compounds gain additional visibility with investors and begin to generate revenues, we expect strong share price performance to continue. This stock remains a core holding.

Another new product launch story comes from the company Pharmasset Inc. This company has developed a breakthrough therapy for the treatment of hepatitis C. Recently, this company,

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based in New Jersey, unveiled additional clinical data for their lead drug, known as PSI-7977, which is now considered to be the best-in-class compared to all similar therapies. The successful 2011 launch of a different drug in this disease area, Incivek from Vertex Pharmaceuticals, has validated the hepatitis C market as multi-billion dollar opportunity with low barriers to both treatment and reimbursement for innovative new therapies. As enthusiasm and visibility rises for PSI-7977, Pharmasset's share price performance should remain strong. We also view Pharmasset Inc. as a high probability acquisition target. The stock remains a core holding.

In the large capitalisation pharmaceutical sector, two top contributors to performance this period exemplify the importance of stock selectivity in this area. The first is Bristol-Myers Squibb, a company that we believe to possess the best pipeline in the industry, as exemplified by their drug Yervoy (ipilimumab), a novel "immuno-therapy" for melanoma that has seen a successful commercial launch over the past six months. Development of this drug in other tumor types continues. Nulojix (belatacept), a first-in-class therapy for transplant rejection, was approved by the U.S. Food and Drug Administration (FDA). Eliquis (apixaban), a drug for stroke prevention, was shown to have superior efficacy and safety compared to the current gold standard of care, and will be filed for approval later this year. Dapagliflozin, another drug from Bristol-Myers Squibb, is a best-in-class treatment for diabetes already under regulatory review at the FDA. This rich pipeline of new drug candidates is a sign of unparalleled research and development productivity at Bristol-Myers Squibb. While many investors are concerned over the company's "patent cliff" in 2012 and 2013 (i.e., a large number of drugs with patent expirations during those years), we believe the new product growth potential will overwhelm losses from the patent expirations. Despite some opportunistic trimming, the stock remains a core holding.

The second large capitalisation pharmaceutical company that generated strong performance is Roche, a company that experienced a plethora of disappointments in 2010 and early 2011, leading to a significant decline in stock price. At those levels we took a contrarian perspective and viewed the stock as compelling due to its attractive valuation, despite the setbacks. Subsequently, the stock rebounded off its lows and became a top performance contributor in the period. Beyond its attractive valuation, we view the pipeline as undervalued by investors, and we are also less concerned than others about potential competition for Roche's impressive portfolio of oncology drugs from "bio-similar" generic competitors. Thus, the stock remains in the portfolio.

Rounding out the top five positive contributors is Sawai Pharmaceutical, a Japanese generic drug maker. Our long-term investment thesis for Sawai remains intact: government-backed legislation for increased generic drug usage in Japan, the most underpenetrated generic drug market in the world, will lead to accelerating revenues and earnings for Sawai and other generic drug companies in Japan. Sawai has benefitted handsomely from this changing market dynamic in recent years. While some of the "low hanging fruit" of generic drug growth has now been picked, the remainder of 2011 should be full of news flow about the next round of pro-generic drug government initiatives to be launched in the coming years.

Performance detractors during the period were as diverse as the contributors. The largest detractor to performance in the period was Human Genome Sciences Inc., an emerging biotechnology company in the midst of a new product launch. In March of 2011, the company, with partner GlaxoSmithKline, launched Benlysta (belimumab), a new biologic for the treatment of Lupus, a long-term autoimmune disorder that affects the skin, joints, kidneys, brain, and other organs. Expectations for the product were high at approval at the company given that it had been decades since a new therapy had approved for this indication. When early uptake was sluggish, the stock fell in sympathy when another biotechnology company with a new product launch (albeit in a totally different therapeutic category) reported disappointing sales in August. The market was suddenly wary of new biological launches. We view the stock as attractively priced.

Pfizer, like most of its pharmaceutical peers, was an underperformer during the period. The

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stock had enjoyed tremendous momentum beginning with the appointment of a new CEO, Ian Read, at the end of 2010. His vision for a “new Pfizer” involved breaking up the company, which resonated well with investors through the first half of 2011. However, when he began to backtrack on this reorganisation, investor sentiment turned decidedly negative and the stock began to decline, ultimately selling off further during the market turmoil of August/September. While a negative contributor to absolute performance during the period, the Company was actually underweight relative to its benchmark. Thus this position contributed to positive relative returns versus the benchmark.

Sector Developments

In 2010, the Obama Administration oversaw the passage of the Patient Protection and Affordable Care Act (PPACA) into law, changing multiple aspects of the private and public health insurance systems in the U.S. The principal goal of the legislation is to provide additional healthcare coverage to individuals who currently do not have access to or the ability to afford health insurance. We hailed the passage of the law as a positive for the healthcare industry for two reasons. First, it removed an uncertainty from the sector. Second, it will provide coverage for an additional 30 million people, primarily through the private sector, which we expect to increase consumption of drugs and services in the future.

However, the new coverage will not be available until 2014 but monies to partially offset the cost were required immediately. Thus, industry players have been negatively impacted, primarily large drug and biotechnology companies, as a result of required increased rebates to Medicaid, expanded drug coverage for Medicare, and through an annual industry fee. Medical device companies have been similarly affected by an excise tax. Without any incremental revenues to offset these new costs, the net immediate impact of healthcare reform has created a roughly 1-3% headwind to earnings for 2011.

The PPACA has also created, unexpectedly and unintentionally, a new overhang on parts of the healthcare industry, primarily the private health insurers. Specifically, the PPACA has been besieged with constitutional challenges. It is uncertain if the law or parts of the law will remain in effect. The crux of the argument against the reform is the belief by some that fining individuals for failing to buy insurance is not within the scope of Congress's taxing powers and is thus unconstitutional. We expect the Supreme Court of the United States to rule on the matter in 2012. Ultimately, we believe the law will be upheld in its entirety and repeal is unlikely, but the froth of uncertainty could be troublesome for the sector.

Additional pricing pressures across Europe relating to the sovereign debt crisis have created another headwind. The companies most exposed are multi-national players and regional drug makers. In the U.S., the debt crisis and general economic malaise has generated uncertainty for the healthcare sector due to the formation of the “Joint Select Committee on Deficit Reduction” or the so-called “Super committee”. The group of 12 consists equally of House and Senate members and Democrats and Republicans and is charged with finding additional cost reductions aimed at reducing the U.S. federal deficit. Most concerning is the potential of the committee to not fully agree on reductions and hit gridlock, which will trigger a sequestration of \$1.2 trillion, starting on January 2, 2013, unless Congress changes the law. Thus, if the committee fails to agree on a package or the full Congress fails to pass it, this “trigger mechanism” of automatic spending cuts, would result in a risk of new discounts and/or rebates for drugs and devices sold to Medicare and Medicaid. This would be a blow to the industry.

With respect to the FDA, there has been a welcome acceleration in the pace of new product approvals. So far this year, 21 so-called “New Chemical Entities” have been approved, compared to just 15 for all of calendar year 2010. New Chemical Entities are innovative pharmaceutical drugs (i.e., not generic drugs, biologics, or re-formulations). We expect another half-dozen or so such approvals, for a full year total of 26, an increase of over 70% compared to the prior year. Similarly, with respect to new biological therapies, the FDA has already approved

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six, equaling the total from all of last year. The FDA has even turned more constructive on cardiovascular, diabetes and obesity drugs, which have been difficult areas in recent years to garner approvals.

The period experienced a lower than anticipated amount of mergers and acquisition (“M&A”) activity in the healthcare sector. We do not think this a break in trend; rather, it is likely a product of a turbulent market. But one positive outcome from the market declines is that M&A activity is likely to reaccelerate. Acquisition targets have become dramatically more affordable for large companies, and our conversations with business development teams and intermediaries suggest a significant increase in active M&A projects.

Strategy Review

The Company’s investment mandate remains to invest broadly in the most compelling opportunities across all areas of healthcare, from pharmaceuticals to biotechnology, medical device and healthcare services companies. We believe this broad mandate allows the Company to seek attractive returns while potentially lowering volatility relative to more concentrated investment approaches.

Overall, we have continued our strategy of being highly selective in large capitalisation pharmaceutical stocks as the headwinds for this sub-sector remain challenging for most, however a few exceptional companies with new product flow and contrarian deep value opportunities do exist. While our enthusiasm for biotechnology stocks in general remains high, we have become less sanguine about several of the large capitalisation biotechnology stocks, preferring smaller biotechnology stocks in many cases. Growth for large capitalisation biotechnology stocks has become increasingly challenging, as the headwinds impacting large pharmaceutical companies have started to impact the large biotechnology companies also. Conversely, we see emerging biotechnology companies as critical sources of innovation, high growth, and significant M&A interest. Our relative positioning in these sub-sectors reflects this view.

Additionally, we see resurgent growth in generic drug companies as a result of patent expirations on a number of drugs and also opportunities in emerging markets. Specialty pharmaceutical companies are an important segment for the Company where low valuations, quality companies, fewer headwinds and niche therapeutic opportunities form the basis of our excess allocation.

We also perceive managed care companies as attractive, in particular health maintenance organisations (HMOs), which are trading at historically low valuations. These stocks are not riskless given political uncertainty, but we believe the medium-term landscape for them will remain positive.

The medical device sector also offers low valuations, but negative utilisation trends and poor pricing power constrains our enthusiasm for this sector, which is also suffering from a dearth of innovation. We remain underweight the medical device sector in general.

Overall, uncertainty appears to be the outlook for the markets for the remainder of 2011. Macro concerns over global economies persist and the domestic employment situation in the US continues to be debated. We are optimistic that healthcare will remain defensive in such an environment. And while uncertainty is an overhang for healthcare, it is so but to a much lesser extent. Moreover, as the Republican Party continues to make gains in the House and Senate, a potential tailwind looms for healthcare as we enter a new election cycle in the U.S. in the coming year.

Samuel D Isaly

OrbiMed Capital LLC

Investment Manager

Contribution by Investment – Excluding Options

Top and bottom five contributors to net asset value performance over the six months to 30 September 2011

	<u>Contribution</u> <u>for the six months</u> <u>£'000</u>	<u>Contribution</u> <u>per Share (p) *</u>
Top Five contributors		
Mitsubishi Tanabe Pharma	2,894	6.7
Pharmasset	2,534	5.9
Bristol-Myers Squibb	2,509	5.8
Roche	2,501	5.8
Sawai Pharmaceutical	2,111	4.9
	12,549	29.1
Bottom Five contributors		
Human Genome Sciences	(2,655)	(6.1)
Pfizer	(2,446)	(5.7)
Warner Chilcott	(2,340)	(5.4)
Sinopharm	(2,276)	(5.3)
Express Scripts	(2,016)	(4.7)
	(11,733)	(27.2)

*based on the weighted average number of shares in issue during the six months ended 30 September 2011 (43,265,414)

Source: Frostrow Capital LLP

Income Statement

for the six months ended 30 September 2011

	(Unaudited) Six months ended 30 September 2011			(Unaudited) Six months ended 30 September 2010			(Audited) Year ended 31 March 2011		
	Revenue Return £'000	Capital Return £'000	Total £'000	Revenue Return £'000	Capital Return £'000	Total £'000	Revenue Return £'000	Capital Return £'000	Total £'000
(Losses)/gains on investments held at fair value through profit or loss	-	(6,980)	(6,980)	-	(3,790)	(3,790)	-	5,477	5,477
Exchange (losses)/gains on currency balances	-	(2,164)	(2,164)	-	(40)	(40)	-	710	710
Income from investments held at fair value through profit or loss (note 2)	4,274	-	4,274	3,059	-	3,059	9,125	-	9,125
Investment management, management and performance fees (note 3)	(78)	(2,398)	(2,476)	(72)	(3,264)	(3,336)	(147)	(2,658)	(2,805)
Other expenses	(262)	-	(262)	(304)	-	(304)	(586)	-	(586)
Net return/(loss) before finance charges and taxation	3,934	(11,542)	(7,608)	2,683	(7,094)	(4,411)	8,392	3,529	11,921
Finance charges	(9)	(166)	(175)	(4)	(78)	(82)	(13)	(247)	(260)
Net return/(loss) before taxation	3,925	(11,708)	(7,783)	2,679	(7,172)	(4,493)	8,379	3,282	11,661
Taxation on ordinary activities	(611)	235	(376)	(483)	166	(317)	(1,224)	239	(985)
Net return/(loss) after taxation	3,314	(11,473)	(8,159)	2,196	(7,006)	(4,810)	7,155	3,521	10,676
Return/(loss) per share – basic (note 4)	7.7p	(26.6)p	(18.9)p	5.0p	(16.1)p	(11.1)p	16.5p	8.1p	24.6p
Return/(loss) per share – diluted (note 4)	7.5p	(25.9)p	(18.4)p	5.0p	(16.1)p	(11.1)p	16.3p	8.1p	24.4p

The “Total” column of this statement is the Income Statement of the Company. The “Revenue” and “Capital” columns are supplementary to this and are prepared under guidance published by the Association of Investment Companies.

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

The Company has no recognised gains and losses other than those shown above and therefore no separate statement of total recognised gains and losses have been presented.

No operations were acquired or discontinued during the period.

Reconciliation of Movements in Shareholders' Funds

(Unaudited) Six months ended 30 September 2011	Ordinary share capital £'000	Subscription share capital £'000	Share premium account £'000	Capital reserve £'000	Capital redemption reserve £'000	Revenue reserve £'000	Total £'000
At 31 March 2011	10,875	82	181,395	135,319	6,978	10,132	344,781
Net (loss)/return from ordinary activities after taxation	-	-	-	(11,473)	-	3,314	(8,159)
Dividend paid in respect of year ended 31 March 2011	-	-	-	-	-	(6,473)	(6,473)
Subscription shares exercised for ordinary shares	93	(4)	2,267	4	-	-	2,360
Shares purchased to be held in treasury and treasury shares cancelled	(90)	-	-	(174)	90	-	(174)
At 30 September 2011	10,878	78	183,662	123,676	7,068	6,973	332,335

(Unaudited) Six months ended 30 September 2010	Ordinary share capital £'000	Subscription share capital £'000	Share premium account £'000	Capital reserve £'000	Capital redemption reserve £'000	Revenue reserve £'000	Total £'000
At 31 March 2010	12,644	90	176,648	145,160	5,009	6,630	346,181
Net (loss)/return from ordinary activities after taxation	-	-	-	(7,006)	-	2,196	(4,810)
Dividend paid in respect of year ended 31 March 2010	-	-	-	-	-	(3,653)	(3,653)
Subscription shares issued	172	(7)	4,045	7	-	-	4,217
Purchase of Company's own shares including expenses	(1,969)	-	-	(10,906)	1,969	-	(10,906)
At 30 September 2010	10,847	83	180,693	127,255	6,978	5,173	331,029

(Audited) Year ended 31 March 2011	Ordinary share capital £'000	Subscription share capital £'000	Share premium account £'000	Capital reserve £'000	Capital redemption reserve £'000	Revenue reserve £'000	Total £'000
At 31 March 2010	12,644	90	176,648	145,160	5,009	6,630	346,181
Net return from ordinary activities after taxation	-	-	-	3,521	-	7,155	10,676
Dividends paid in respect of year ended 31 March 2010	-	-	-	-	-	(3,653)	(3,653)
Subscription shares exercised for ordinary shares	200	(8)	4,747	8	-	-	4,947
Shares purchased to be held in treasury and treasury shares cancelled	(1,969)	-	-	(13,370)	1,969	-	(13,370)
At 31 March 2011	10,875	82	181,395	135,319	6,978	10,132	344,781

Balance Sheet

as at 30 September 2011

	(Unaudited) 30 September 2011 £'000	(Unaudited) 30 September 2010 £'000	(Audited) 31 March 2011 £'000
Fixed assets			
Investments held at fair value through profit or loss	380,978	398,645	385,869
Derivative – OTC swaps	7,141	-	-
	388,119	398,645	385,869
Current assets			
Debtors	6,041	1,251	6,138
Derivative – financial instruments	-	994	2,223
	6,041	2,245	8,361
Current liabilities			
Creditors: amounts falling due within one year	(10,231)	(31,320)	(1,341)
Derivative – financial instruments	(424)	-	(2,223)
Bank overdraft	(51,170)	(38,541)	(45,885)
	(61,825)	(69,861)	(49,449)
Net current liabilities	(55,784)	(67,616)	(41,088)
Total net assets	332,335	331,029	344,781
Capital and reserves			
Ordinary share capital	10,878	10,847	10,875
Subscription share capital	78	83	82
Share premium account	183,662	180,693	181,395
Capital reserve	123,676	127,255	135,319
Capital redemption reserve	7,068	6,978	6,978
Revenue reserve	6,973	5,173	10,132
Total shareholders' funds	332,335	331,029	344,781
Net asset value per share – basic (note 5)	764.2p	763.0p	799.2p
Net asset value per share – diluted (note 5)	745.0p	742.9p	773.5p
Net asset value per share – fully diluted (note 5)	745.0p	742.9p	772.8p

Cash Flow Statement

for the six months ended 30 September 2011

	(Unaudited) Six months ended 30 September 2011 £'000	(Unaudited) Six months ended 30 September 2010 £'000	(Audited) Year ended 31 March 2011 £'000
Net cash (outflow)/inflow from operating activities	(654)	533	3,268
Servicing of finance			
Interest paid	(175)	(82)	(260)
Taxation			
Taxation (suffered)/recovered	(69)	182	(202)
Financial investment			
Purchases of investments and derivatives	(171,355)	(116,763)	(274,348)
Sales of investments and derivatives	173,419	124,037	273,089
Net cash inflow/(outflow) from financial investment	2,064	7,274	(1,259)
Equity dividends paid	(6,473)	(3,653)	(3,653)
Net cash (outflow)/inflow before financing	(5,307)	4,254	(2,106)
Financing			
Repurchase of own shares	(174)	(10,910)	(13,374)
Subscription shares exercised for ordinary shares	2,360	4,217	4,947
Net cash inflow/(outflow) from financing	2,186	(6,693)	(8,427)
Decrease in cash	(3,121)	(2,439)	(10,533)
Reconciliation of net cash flow movements to net debt			
Increase in net debt resulting from cash flows	(3,121)	(2,439)	(10,533)
Exchange movements	(2,164)	(40)	710
Movement in net debt in the period	(5,285)	(2,479)	(9,823)
Net debt at beginning of period	(45,885)	(36,062)	(36,062)
Net debt at period end	(51,170)	(38,541)	(45,885)

Notes to the Financial Statements

1. Accounting Policies

The condensed financial statements have been prepared under the historical cost convention, modified to include the valuation of investments at fair value and in accordance with United Kingdom Generally Accepted Accounting Practice and with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' dated January 2009. All of the Company's operations are of a continuing nature.

The same accounting policies used for the year ended 31 March 2011 have been applied.

2. Income

	(Unaudited) Six months ended 30 September 2011 £'000	(Unaudited) Six months ended 30 September 2010 £'000	(Audited) Year ended 31 March 2011 £'000
Investment income	4,273	3,059	9,118
Interest receivable	1	-	7
Total	4,274	3,059	9,125

3. Investment Management, Management and Performance Fees

	(Unaudited) Six months ended 30 September 2011 £'000	(Unaudited) Six months ended 30 September 2010 £'000	(Audited) Year ended 31 March 2011 £'000
Investment management fee	1,138	1,044	2,137
Management fee	429	397	803
Performance fee charged/(written back) in the period/year*	909	1,895	(135)
Total	2,476	3,336	2,805

*In accordance with the performance fee arrangements described on page 18 of the 2011 annual report, a performance fee of £nil was accrued at 30 September 2011 (2010:£4,654,000).

During the period, £3,533,000 was paid which related to a performance fee which crystallised and became payable at 31 March and 30 June 2011.

Notes to the Financial Statements (continued)

4. Return/(Loss) Per Share

	(Unaudited) Six months ended 30 September 2011 £'000	(Unaudited) Six months ended 30 September 2010 £'000	(Audited) Year ended 31 March 2011 £'000
The return/(loss) per share is based on the following figures:			
Revenue return	3,314	2,196	7,155
Capital (loss)/return	(11,473)	(7,006)	3,521
Total (loss)/return	(8,159)	(4,810)	10,676
Weighted average number of shares in issue for the period – basic			
	43,265,414	43,497,098	43,342,727
Revenue return per share	7.7p	5.0p	16.5p
Capital (loss)/return per share	(26.6)p	(16.1)p	8.1p
Total (loss)/return per share	(18.9)p	(11.1)p	24.6p
Weighted average number of shares in issue for the period – diluted			
	44,253,028	43,497,098	43,776,264
Revenue return per share	7.5p	*5.0p	16.3p
Capital (loss)/return per share	(25.9)p	*(16.1)p	8.1p
Total (loss)/return per share – diluted	(18.4)p	*(11.1)p	24.4p

* dilution not applicable

5. Net Asset Value Per Share

The net asset value per share is based on the assets attributable to equity shareholders of £332,335,000 (30 September 2010: £331,029,000 and 31 March 2011: £344,781,000) and on the number of shares in issue at the period end of 43,486,450 (excluding 25,000 shares held in treasury) (30 September 2010: 43,385,916 and 31 March 2011: 43,141,611).

The diluted net asset value per share assumes that the 7,821,273 subscription shares were exercised at 638p resulting in assets attributable to ordinary shareholders of £382,235,000 and on 51,307,723 shares (30 September 2010: 384,018,000 and 51,691,330 shares and 31 March 2011: £397,040,000 and 51,332,723 shares).

The fully diluted net asset value per share for subscription shares and treasury shares assumes that the 7,821,273 subscription shares were exercised at 638p and 25,000 treasury shares were sold back to the market at 693p (the prevailing share price as at 30 September 2011) resulting in assets attributable to ordinary shareholders of £382,408,000 (30 September 2010: 384,018,000: 31 March 2011: £399,482,000) and on 51,332,723 shares (30 September 2010: 51,691,330 shares: 31 March 2011: 51,691,330 shares).

Notes to the Financial Statements (continued)

6. Transaction Costs

Purchase transaction costs for the six months ended 30 September 2011 were £282,000 (six months ended 30 September 2010: £319,000; year ended 31 March 2011: £507,000).

Sales transaction costs for the six months ended 30 September 2011 were £291,000 (six months ended 30 September 2010: £229,000; year ended 31 March 2011: £467,000).

These costs comprise mainly commission.

7. Subscription Shares

During the period ended 30 September 2011 a total of 369,839 subscription shares were exercised for a total consideration of £2,359,573. At the period end the Company's share capital included 7,821,273 subscription shares, which are currently exercisable at 638p per share.

8. Publication of Non Statutory Accounts

The financial information contained in this preliminary announcement does not constitute statutory accounts as defined in sections 434-436 of the Companies Act 2006. The financial information for the half years ended 30 September 2011 and 30 September 2010 has not been audited or reviewed by the auditors.

The information for the year ended 31 March 2011 has been extracted from the latest published audited financial statements. The audited financial statements for the year ended 31 March 2011 have been filed with the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying the report, and did not contain statements under section 498 of the Companies Act 2006.

Earnings for the first six months should not be taken as a guide to the results for the full year.

Frostrow Capital LLP

Company Secretary

18 November 2011