Gartmore European Investment Trust p.l.c.

Report for the six months to 31 March 2009

Gartmore

www.gartmoreeuropeaninvtrust.co.uk

The Company

Directors

Rodney Dennis (Chairman of the Board)
Alexander Comba (Chairman of the Audit Committee)
Jean Claude Banon
Michael Firth

Investment Objective

Gartmore European Investment Trust p.l.c. (the Company) seeks capital growth over the longer term from investment in Continental Europe.

Investment Policy

Asset Allocation:

The Manager will focus on stock selection, primarily investing in larger companies with strong balance sheets and above average growth prospects.

Less emphasis will be given to adding value through country allocation, although the portfolio will maintain a broad geographical diversification. Up to 5% of gross assets may be invested in companies, which, although not listed in Continental Europe, derive the greater part of their earnings from its markets.

Risk Diversification:

Portfolio risk is mitigated by investing in a diversified spread of investments, with holdings in any one company representing, on investment, no more than 10% by market value of the total assets of the Company. However, this limitation does not apply to gilts or investment company holdings. The Company will not invest more than 15% of its gross assets in other listed investment companies (including investment trusts). All of the Company's investments are listed on recognised exchanges and are realisable within a short period.

Gearing:

The Company has the power to borrow money ("gearing") and does so when the Manager is confident that market conditions and opportunities exist to enhance investment returns. The Manager has discretion to borrow within limits set by the Board from time to time.

Benchmark Index

Performance is measured, in capital terms, against the FTSE World Index – Europe (ex UK) in sterling terms. The Company sources index and price data from Thomson Reuters Datastream (Datastream).

Capital Structure and Voting Rights

The Company is an investment trust whose share capital at 31 March 2009 comprised 30,204,149 Ordinary shares of 50p, of which 27,514,962 were in issue, with full voting rights, and 2,689,187 were held in treasury.

Holders of the Ordinary shares are entitled on a poll at a general meeting to one vote in respect of each share held. Shares held in treasury do not carry voting rights.

Manager and Secretary

Gartmore Investment Limited, a subsidiary of Gartmore Investment Management Limited, acts as the Investment Manager and Company Secretary to the Company. Gartmore Investment Limited is authorised and regulated by the Financial Services Authority.

The day-to-day management of the Company's investment portfolio is carried out by a team led by Roger Guy.

Overview

of the six months to 31 March 2009

- Over the six months to 31 March 2009, the Net Asset Value per Ordinary share declined by 12.2%, to 483.9 pence, compared with a fall of 18.9% in the FTSE World Index – Europe (ex UK) in sterling terms.
- The middle-market price per Ordinary share fell by 9.3% to 458.5 pence.
- Over the six months to 31 March 2009, the Ordinary shares traded at an average discount of 4.2% to the Net Asset Value.
- Over the six months to 31 March 2009, 1,824,200 Ordinary shares were bought back at a cost of £8.5 million, to be held in treasury. During this period, 2,000,000 Ordinary shares were cancelled from treasury.
- At 31 March 2009, 27,514,962 Ordinary shares were in issue, with full voting rights, and 2,689,187 Ordinary shares, representing 8.9% of the Company's share capital, were held in treasury, with no voting rights.

Chairman's Statement

Performance

The six months to 31 March 2009 was a difficult period for global equity markets, with the impact of the financial crisis and its likely effect on the real economy weighing heavily on investor sentiment. Our Manager's cautious stance and defensive positioning of the portfolio mitigated some of the effects of further declines in equity values. Nevertheless, over the period under review, the Net Asset Value per Ordinary share declined by 12.2%, to 483.9 pence, compared with a fall of 18.9% in the Company's benchmark, the FTSE World Index – Europe (ex UK) in sterling terms. Over the same period, the middle-market price of the Company's Ordinary shares fell by 9.3%, to 458.5 pence per share.

Despite the recent weak performance of equity markets, the Company's longer-term performance record remains strong. The Net Asset Value and middle-market price per Ordinary share increased by 42.8% and 59.1% respectively over the five years to 31 March 2009, compared with an increase of 10.6% in the Company's benchmark over the same period.

Discount Control

During the six months to 31 March 2009, the Company bought back 1,824,200 Ordinary shares (representing 6.2% of shares in issue at the beginning of the period, with full voting rights), to be held in treasury, at a cost of £8.5 million. The prices paid represented an average discount to Net Asset Value of 4.6%. Since the end of the reporting period, a further 75,800 Ordinary shares have been bought back, to be held in treasury. As I have stated previously, the Board's policy of buying in shares on an ongoing basis aims to establish a long-term level of share price discount of no wider than 3.5%. Over the reporting period, the Ordinary shares traded at an average discount of 4.2% to the Net Asset Value, which, in light of market volatility and difficult market conditions, is considered satisfactory.

VAT Repayment

In the Company's annual report to 30 September 2008, I reported that the process of recovering VAT previously charged on management fees was well advanced. As a consequence, the Board felt that it was appropriate to accrue £2.30 million as recoverable in the accounts. I am now pleased to inform you that during the period under review, the Company received a total of £2.94 million from the Manager in respect of its claim against HM Revenue & Customs, comprising a VAT repayment of £2.52 million and related interest of £0.42 million. Since the end of the reporting period, negotiations with the Manager have yielded a further recovery of VAT and interest amounting to £0.38 million, which has been accrued in the accounts as at 31 March 2009.

Rodney Dennis
Chairman

29 May 2009

Manager's Review

Economic & Market Background

The period under review proved to be an exceptionally volatile and difficult one for equity markets. In October, the VIX index (a measure of market volatility) climbed to a record high of 89.5. Reflecting this high degree of volatility, the Company's benchmark index, the FTSE World Index – Europe (ex UK) in sterling terms, traded within a range of 230 to 340 over the six-month period. In early October, the UK government unveiled a £50 billion package to recapitalise the UK banking system as part of a financial rescue plan and this set the tone for similar measures in Europe and the US. This was followed by a synchronised cut of 0.5% in interest rates by the world's central banks, as fears of deflation in the major developed economies replaced previous inflationary concerns. Uncertainty over European financial stocks increased in the midst of a government-backed rescue deal for Germany's Hypo Real Estate and the purchase by BNP Paribas of assets of the ailing banking group Fortis.

By November, market focus had turned from the financial crisis to its effects on the real economy, following a collapse in economic output and employment indicators. Central banks continued to cut interest rates aggressively and governments around the world announced a range of fiscal policy measures in an effort to revive their flagging domestic economies. Equity markets enjoyed a short-lived rally in December before continuing their downward path, with the banking and insurance sectors coming under further heavy selling pressure in January. This forced the US and UK authorities into a second round of bank bail-outs and the announcement of unconventional monetary policy measures (quantitative easing) aimed at improving liquidity in the financial markets.

In the eurozone, evidence of a decline in industrial production, lower corporate profits and reduced investment spending leaves the region facing its worst recession in decades. Germany's competitiveness as a major exporter has been hit hard by euro strength, while its fastest growing export markets – Spain, Ireland, Central Europe and Russia – have all contracted markedly. The European Central Bank is expected to employ similar non-standard monetary policy tools to those of other major central banks, although it is likely to face political pressures that are unique to the eurozone.

Towards the end of the reporting period, reports of Citigroup's return to profitability triggered a sharp bounce in equity markets globally, although some financial commentators have suggested that equities had simply become oversold. The rally was given further impetus by a positive response to the Federal Reserve's programme of quantitative easing, a new rescue plan from US Treasury Secretary Timothy Geithner and a smattering of better-than-expected US macroeconomic data releases.

Investment Strategy

Over the six months we continued to view markets with a significant degree of caution and, accordingly, maintained the portfolio's relatively defensive positioning. On average, over the period, approximately 12% of the portfolio was held in cash and this had a positive effect on performance in declining markets. In the first half of the reporting period, a shift in sentiment led us to reduce the portfolio's holdings in companies with exposure to emerging markets. Among stocks sold were banking group **BBVA** and telecommunications equipment provider **Ericsson**. To protect portfolio performance from further market volatility, we reduced the Company's exposure to cyclical stocks through the sale of investments in industrial gases producer **Air Liquide** and steel producer **ThyssenKrupp**. Attracted by its defensive qualities, we increased the portfolio's exposure to the pharmaceuticals sector by adding to our favoured positions in **Novartis** and **Sanofi-Aventis**. We believe that the sector is attractively valued and provides less risk of earnings downgrades, compared with the broader market. The sector also enjoys a strong capital position and is highly cash generative, factors which are expected to provide further share price support.

In the second half of the period we continued to cut our exposure to cyclical stocks. The deteriorating economic climate prompted us to take profits in building materials group **Holcim** and car manufacturer **Volvo**. We also reduced our holdings in commercial vehicles manufacturer **MAN** and car and truck manufacturer **Daimler**, as we believe the valuation fundamentals of these companies will deteriorate rapidly, particularly given their high levels of debt. The holding in steel manufacturer **ArcelorMittal** was reduced in anticipation of a further fall in steel prices.

We continued to favour selected stocks in the telecommunications sector and increased the portfolio's overweight position relative to the benchmark. The sector's attractions include a high dividend yield, strong cash flow and improved earnings momentum. We are also confident that our stock selections can capitalise efficiently on previously implemented cost cutting initiatives. Over the period, we added to the portfolio's holdings in **Deutsche Telekom**, **Telefónica** and **France Télécom**.

Outlook

Over the period under review, we maintained a defensive stance in light of the deteriorating global backdrop and volatile market conditions. We have recently begun to shift the portfolio towards a more neutral stance in anticipation of a change in the direction the markets are taking and in recognition of an increase in investors' appetite for risk. A number of data releases and positive news items support the view that the worst may well be behind us. Even the most bearish strategists anticipate that most economies will begin to rebound later this year. The lack of incremental bad news, any semblance of stabilisation, or even appearance of 'green shoots', has been enough to push individual stocks, or even entire sectors or markets, into positive territory. We have long argued that restoration to health of the housing market, the biggest asset class in the world, remains an important element for economic recovery due to its influence on domestic consumption and investor confidence. In May, anecdotal evidence of some form of stabilisation has led to US homebuilder confidence reaching its highest level in eight months. Reports of healthier banks and improved liquidity conditions – the VIX index is back to pre-Lehman levels – all point to a recovery. However, while there are tentative signs of a recovery and much talk of budding greenery, key indicators remind us that we are not out of the woods just yet. There is still no genuine good news on the macro or corporate level – something that a lasting bull market relies on. We believe there is scope for a recovery in the global economy, but at a measured and gradual pace, rather than a strong snap back to 2007 levels. We are paying very close attention therefore to both micro and macroeconomic data releases following what has been the worst recession in living memory.

Gartmore Investment Limited
Manager

29 May 2009

Interim Management Report

The Chairman's Statement on page 2 and the Manager's Review on pages 3 and 4 give details of the important events which have occurred during the first six months of the Company's financial year and their impact on the financial statements.

Principal Risks and Uncertainties

The Board reported on the principal risks and uncertainties associated with the Company's business in the Annual Report and Accounts for the year ended 30 September 2008. The main areas of financial risk are summarised on pages 18 and 19 of the Annual Report and Accounts which is available on the website maintained by the Manager, Gartmore Investment Limited, at www.gartmore.co.uk.

In the opinion of the Board, there have been no changes to the fundamental nature of these risks since the previous report and these principal risks and uncertainties are equally applicable to the remaining six months of the financial year as they were to the six months under review.

Related Party Transactions

Details of related party transactions are contained in the Annual Report and Accounts. During the first six months of the current financial year there were no transactions with related parties which materially affected the financial position or the performance of the Company.

Directors' Responsibility Statement

The Directors are responsible for preparing the Half-Yearly Financial Report in accordance with applicable law and regulations. The Directors of the Company, whose names are shown on the inside front cover of this Report, each confirm to the best of their knowledge that:

- the condensed set of financial statements for the six months to 31 March 2009 has been prepared in accordance with the Statement on Half-Yearly Financial Reports issued by the UK Accounting Standards Board; and
- the Chairman's Statement, Manager's Review and Interim Management Report include a fair review of the information required by the UKLA Disclosure and Transparency Rules DTR 4.2.7R and 4.2.8R.

Shareholder Information

Price and Performance Information

The Company's Ordinary shares are listed on the London Stock Exchange and the closing middle-market price is published in the Financial Times under 'Investment Companies'.

Real-time share price information is available on 09058 171 690. Calls are charged at 75p per minute from a BT landline. The cost of calls from other telephone networks may be higher and from mobiles will be considerably more.

The Company's Net Asset Value is calculated daily and can be viewed on the London Stock Exchange website: www.londonstockexchange.com. Further information can be obtained from Gartmore as follows:

Investor helpline:	0800-289 336 (calls are free from a BT landline)
Internet address:	www.gartmore.co.uk
e-mail address:	helpline@gartmore.com

Internet

Information on the Company is available on the Gartmore website, www.gartmore.co.uk. The Company's discrete area on the site can be accessed via the "Fund range" menu or directly using www.gartmoreeuropeaninvtrust.co.uk or www.gartmoreeuropeaninvtrust.com. This information includes the latest annual and interim reports, factsheets and corporate governance documents such as committee terms of reference that can be downloaded, together with access to the latest regulatory news announcements and net asset values.

Share Register Enquiries

The Company's Registrars, Equiniti Limited, maintain the share register. In the event of queries regarding your holding, please contact the Registrars on 0871-384 2457. Calls are charged at 8p per minute from a BT landline. The cost of calls from other telephone networks may be higher and from mobiles will be considerably more. Alternatively, there is now a range of shareholder information available online. You can check your holding and find practical help on transferring shares or updating your details at www.shareview.co.uk. Changes of name or address must be notified in writing to Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA.

Payment of Dividends

Cash dividends will be sent by cheque to the first-named shareholder on the Register at their registered address, together with a tax voucher. At shareholders' request, dividends may instead be paid direct into the shareholder's bank account through the Bankers' Automated Clearing System (BACS). This may be arranged by contacting the Company's Registrars.

The Association of Investment Companies

The Company is a member of The Association of Investment Companies (the AIC), which produces monthly publications of detailed information on the majority of investment trusts. This information is also available on the AIC's website, www.theaic.co.uk. The AIC can be contacted by telephone on 020-7282 5555, or by post to 9th floor, 24 Chiswell Street, London EC1Y 4YY.

Financial Statistics

	At 31 March 2009	At 30 September 2008	Change %
Shareholders' Funds			
Net Assets (£'000)	**133,137**	161,739	-17.7*
Net Asset Value per Ordinary share	**483.9p**	551.3p	-12.2*
Share Price			
Market Capitalisation (£'000)	**126,156**	148,309	-14.9
Mid-market Price per Ordinary share	**458.5p**	505.5p	-9.3
Average Discount to NAV for the period	**4.2%**	3.9%	
Benchmark			
FTSE World Index – Europe (ex UK) in sterling terms	**270.4**	333.6	-18.9
Gearing**			
Actual Gearing	**100**	100	
Maximum Gearing (as authorised by the Board)	**115**	115	

*The Company's assets were reduced during the six-month period by £8,476,000 utilised in the repurchase of 1,824,200 Ordinary shares, representing 6.2% of the Ordinary shares in issue, with full voting rights, at 30 September 2008. In broad terms, this reduction represents the difference between the fall of 17.7% in the value of Net Assets and the decline of 12.2% in Net Asset Value per Ordinary share.

**A gearing factor of 100 means that there is no gearing.

	Six Months to 31 March 2009	Six Months to 31 March 2008
Revenue		
Net Revenue after taxation (£'000)	**1,723**	568
Revenue return per Ordinary share†	**6.06p**	1.78p
Total Return to Equity Shareholders (£'000)		
Revenue return after taxation	**1,723**	568
Capital loss after taxation	**(17,903)**	(10,669)
Total return	**(16,180)**	(10,101)
Total Return per Ordinary share†		
Revenue	**6.06p**	1.78p
Capital	**(62.94p)**	(33.37p)
Total	**(56.88p)**	(31.59p)

†Based on the weighted average number of shares in issue during the period.

Analysis of Net Assets and Equity Shareholders' Funds

	Valuation at 30 September 2008 £'000	%	Net Transactions £'000	Appreciation/ (Depreciation) £'000	**Valuation at 31 March 2009 £'000**	**%**
Investment in Equities						
Austria	1,251	0.8	(641)	(347)	**263**	**0.2**
Belgium	1,558	1.0	(1,891)	1,103	**770**	**0.6**
France	29,582	18.3	3,052	(3,093)	**29,541**	**22.2**
Germany	29,202	18.1	5,701	(6,102)	**28,801**	**21.6**
Greece	359	0.2	(220)	(139)	**–**	**–**
Ireland	–	–	844	101	**945**	**0.7**
Italy	5,847	3.6	(2,590)	(744)	**2,513**	**1.9**
Luxembourg	3,468	2.1	(657)	(1,821)	**990**	**0.7**
Netherlands	12,721	7.9	(3,460)	367	**9,628**	**7.2**
Portugal	1,810	1.1	(1,155)	(343)	**312**	**0.2**
Scandinavia	7,343	4.5	394	(1,106)	**6,631**	**5.0**
Spain	17,873	11.1	(2,581)	(2,661)	**12,631**	**9.5**
Switzerland	29,279	18.1	(679)	(3,579)	**25,021**	**18.9**
Total Equities	140,293	86.8	(3,883)	(18,364)	**118,046**	**88.7**
Investment in Subsidiaries	30	–	–	–	**30**	**–**
Total Investments	140,323	86.8	(3,883)	(18,364)	**118,076**	**88.7**
Net Current Assets	21,416	13.2	(4,145)	(2,210)	**15,061**	**11.3**
Net Assets	161,739	100.0	(8,028)	(20,574)	**133,137**	**100.0**
Attributable to Equity Shareholders' Funds						
Ordinary shares	161,739	100.0	(8,476)[1]	(20,126)[2]	**133,137**	**100.0**

[1] Represents the cost of repurchasing 1,824,200 Ordinary shares, to be held in treasury.

[2] Comprises the total return for the six-month period, together with the cost of the final dividend paid in the period.

Principal Listed Investments

at 31 March 2009

Company	Sector	Geographical Area	Valuation £'000	Percentage of Listed Investments
Total	Oil & Gas Producers	France	6,405	5.4
Nestlé	Food Producers	Switzerland	6,358	5.4
Roche	Pharmaceuticals & Biotechnology	Switzerland	6,086	5.2
Telefónica	Fixed Line Telecommunications	Spain	5,611	4.8
Deutsche Telekom	Mobile Telecommunications	Germany	4,759	4.0
E.ON	Gas Water & Multiutilities	Germany	4,703	4.0
Novartis	Pharmaceuticals & Biotechnology	Switzerland	4,599	3.9
France Télécom	Fixed Line Telecommunications	France	3,512	3.0
KPN KON	Fixed Line Telecommunications	Netherlands	3,450	2.9
Sanofi-Aventis	Pharmaceuticals & Biotechnology	France	3,216	2.7
Top Ten Investments			**48,699**	**41.3**
Credit Suisse	Banks	Switzerland	2,490	2.0
Daimler	Automobiles & Parts	Germany	2,362	2.0
Siemens	Electronic & Electrical Equipment	Germany	2,289	1.9
Heineken	Beverages	Netherlands	2,238	1.9
BNP Paribas	Banks	France	2,186	1.9
GDF Suez	Gas Water & Multiutilities	France	1,970	1.7
Deutsche Bank	Banks	Germany	1,869	1.6
Swedish Match	Tobacco	Sweden	1,868	1.6
Allianz	Non-Life Insurance	Germany	1,845	1.6
ABB	Industrial Engineering	Switzerland	1,826	1.5
Top Twenty Investments			**69,642**	**59.0**
Iberdrola	Electricity	Spain	1,819	1.5
Bayer	Chemicals	Germany	1,726	1.5
ENI	Oil & Gas Producers	Italy	1,662	1.4
L'Oréal	Personal Goods	France	1,624	1.4
Carlsberg	Beverages	Denmark	1,600	1.4
Christian Dior	Personal Goods	France	1,569	1.3
Muenchener Ruecker	Non-Life Insurance	Germany	1,484	1.2
Société Générale	Banks	France	1,435	1.2
Zurich Financial	Non-Life Insurance	Switzerland	1,413	1.2
BSCH	Banks	Spain	1,412	1.2
Top Thirty Investments			**85,386**	**72.3**
Other listed investments (43 stocks)			32,660	27.7
Total Equity Investments at Fair Value			**118,046**	**100.0**

Note: At 31 March 2009, the Company held a financial future giving it exposure to the DJ Euro Stoxx 50 Index June 2009. The market exposure and value of the future was equivalent to 6.0% and 0.1% of the Company's Net Assets, respectively.

Income Statement (Unaudited)

	Note	Six months to 31 March 2009 Revenue £'000	Capital £'000	Total £'000
Income and Capital Losses				
Losses on investments held at fair value through profit or loss		–	(20,574)	(20,574)
Dividends and other income	2	2,449	–	2,449
Return/(Loss) before Expenses, Finance Costs and Taxation		2,449	(20,574)	(18,125)
Expenses				
Management fee	3	(132)	(395)	(527)
VAT recoverable	4	150	412	562
Other fees and expenses		(223)	(105)	(328)
Return/(Loss) before Finance Costs and Taxation		2,244	(20,662)	(18,418)
Finance Costs				
Interest payable	3	(4)	(12)	(16)
Exchange gain/(loss) on currency transactions		–	2,713	2,713
Return/(Loss) on Ordinary Activities before Taxation		2,240	(17,961)	(15,721)
Taxation		(517)	58	(459)
Return/(Loss) to Equity Shareholders after Taxation		1,723	(17,903)	(16,180)
Return/(Loss) per Ordinary share	5	6.06p	(62.94p)	(56.88p)

The total column represents the Profit and Loss Account of the Company.

The revenue and capital items derive from continuing activities.

A Statement of Total Recognised Gains and Losses has not been presented as all gains and losses are recognised in the Income Statement.

No operations were acquired or discontinued during the period.

The Notes on pages 15 to 18 form part of these accounts.

Income Statement (Unaudited)

Six months to 31 March 2008 Revenue £'000	Capital £'000	Total £'000	Year to 30 September 2008 Revenue £'000	Capital £'000	Total £'000
–	(9,728)	(9,728)	–	(39,644)	(39,644)
1,443	453	1,896	7,048	453	7,501
1,443	(9,275)	(7,832)	7,048	(39,191)	(32,143)
(203)	(607)	(810)	(375)	(1,126)	(1,501)
–	–	–	454	1,846	2,300
(260)	(201)	(461)	(419)	(261)	(680)
980	(10,083)	(9,103)	6,708	(38,732)	(32,024)
(43)	(119)	(162)	(68)	(138)	(206)
–	(590)	(590)	–	(879)	(879)
937	(10,792)	(9,855)	6,640	(39,749)	(33,109)
(369)	123	(246)	(1,897)	891	(1,006)
568	(10,669)	(10,101)	4,743	(38,858)	(34,115)
1.78p	(33.37p)	(31.59p)	15.12p	(123.85p)	(108.73p)

Reconciliation of Movements in Shareholders' Funds (Unaudited)

	Six months to 31 March 2009					
	Called-up share capital £'000	**Special distributable reserve £'000**	**Merger reserve £'000**	**Capital redemption reserve £'000**	**Retained earnings (Note 8) £'000**	**Total £'000**
At 30 September 2008	**16,102**	**53,001**	**61,344**	**2,421**	**28,871**	**161,739**
Net loss from ordinary activities	**–**	**–**	**–**	**–**	**(16,180)**	**(16,180)**
Equity dividend paid	**–**	**–**	**–**	**–**	**(3,946)**	**(3,946)**
Cost of Ordinary shares repurchased to be held in treasury	**–**	**–**	**–**	**–**	**(8,476)**	**(8,476)**
Cancellation of Ordinary shares from treasury	**(1,000)**	**–**	**–**	**1,000**	**–**	**–**
At 31 March 2009	**15,102**	**53,001**	**61,344**	**3,421**	**269**	**133,137**

	Six months to 31 March 2008					
	Called-up share capital £'000	Special distributable reserve £'000	Merger reserve £'000	Capital redemption reserve £'000	Retained earnings £'000	Total £'000
At 30 September 2007	18,159	53,001	61,344	364	86,647	219,515
Net loss from ordinary activities	–	–	–	–	(10,101)	(10,101)
Equity dividend paid	–	–	–	–	(2,569)	(2,569)
Cost of Ordinary shares repurchased for cancellation	(565)	–	–	565	(7,058)	(7,058)
At 31 March 2008	17,594	53,001	61,344	929	66,919	199,787

	Year to 30 September 2008					
	Called-up share capital £'000	Special distributable reserve £'000	Merger reserve £'000	Capital redemption reserve £'000	Retained earnings £'000	Total £'000
At 30 September 2007	18,159	53,001	61,344	364	86,647	219,515
Net loss from ordinary activities	–	–	–	–	(34,115)	(34,115)
Equity dividend paid	–	–	–	–	(2,569)	(2,569)
Cost of Ordinary shares repurchased to be held in treasury	–	–	–	–	(12,281)	(12,281)
Cost of Ordinary shares repurchased for cancellation	(2,057)	–	–	2,057	(8,811)	(8,811)
At 30 September 2008	16,102	53,001	61,344	2,421	28,871	161,739

The Notes on pages 15 to 18 form part of these accounts.

Balance Sheet (Unaudited)

	Note	At 31 March 2009 £'000	At 31 March 2008 £'000	At 30 September 2008 £'000
Fixed Asset Investments				
Listed investments held at fair value through profit or loss		**118,046**	200,629	140,293
Investments in subsidiaries	6	**30**	327	30
		118,076	200,956	140,323
Current Assets				
Debtors – amounts receivable within one year		**2,847**	3,398	9,685
Cash at bank and short-term deposits		**13,304**	1,842	18,857
		16,151	5,240	28,542
Current Liabilities				
Creditors – amounts payable within one year		**(1,090)**	(6,409)	(7,126)
Net Current Assets/(Liabilities)		**15,061**	(1,169)	21,416
Net Assets		**133,137**	199,787	161,739
Capital and Reserves				
Called-up share capital	7	**15,102**	17,594	16,102
Special distributable reserve		**53,001**	53,001	53,001
Merger reserve		**61,344**	61,344	61,344
Capital redemption reserve		**3,421**	929	2,421
Retained earnings:	8			
Capital reserve		**(7,388)**	61,214	18,991
Revenue reserve		**7,657**	5,705	9,880
Equity Shareholders' Funds		**133,137**	199,787	161,739
Net Asset Value per Ordinary share	9	**483.9p**	629.4p	551.3p

The Notes on pages 15 to 18 form part of these accounts.

Cash Flow Statement (Unaudited)

	Note	**Six months to 31 March 2009 £'000**	Six months to 31 March 2008 £'000	Year to 30 September 2008 £'000
Operating Activities				
Dividends and interest received from investments		**1,441**	975	5,701
Interest received on deposits		**249**	50	172
Other income		**418**	–	–
Expenses paid, allocated to revenue		**(412)**	(487)	(867)
Expenses paid, allocated to capital		**(434)**	(1,766)	(2,317)
VAT recovered		**2,517**	–	–
Special dividends received, allocated to capital		**–**	385	385
Overseas tax (paid)/recovered		**(185)**	32	(62)
Net Cash Inflow/(Outflow) from Operating Activities		**3,594**	(811)	3,012
Servicing of Finance				
Interest paid, allocated to revenue		**(13)**	(43)	(68)
Interest paid, allocated to capital		**(3)**	(119)	(138)
Net Cash Outflow from Servicing of Finance		**(16)**	(162)	(206)
Investment Activities				
Acquisitions of investments		**(162,392)**	(176,393)	(318,901)
Disposals of investments		**165,388**	186,843	360,330
Margin calls on index futures		**(2,224)**	–	–
Liquidation proceeds		**–**	–	297
Net Cash Inflow from Investment Activities		**772**	10,450	41,726
Equity Dividends Paid				
Ordinary shares		**(3,946)**	(2,569)	(2,569)
Management of Liquid Resources				
Decrease/(increase) in deposits		**438**	–	(7,945)
Financing Activities				
Shares repurchased for cancellation		**–**	(7,058)	(9,314)
Shares repurchased to be held in treasury		**(8,670)**	–	(12,281)
Loans drawn/(repaid)		**–**	1,793	(1,396)
Net Cash Outflow from Financing Activities		**(8,670)**	(5,265)	(22,991)
Net Cash (Outflow)/Inflow	10	**(7,828)**	1,643	11,027

The Notes on pages 15 to 18 form part of these accounts.

Notes to the Accounts

1. Accounting Policies

The accounts have been prepared on a going concern basis in accordance with UK Generally Accepted Accounting Practice and the Statement of Recommended Practice for "Financial Statements of Investment Trust Companies" issued by The Association of Investment Companies in January 2009.

The financial information for each of the six-month periods ended 31 March 2009 and 31 March 2008 comprises non-statutory accounts within the meaning of Section 435 of the Companies Act 2006. The financial information for the year ended 30 September 2008 has been extracted from published accounts that have been delivered to the Registrar of Companies and on which the report of the auditors was unqualified. The interim accounts have been prepared on the same basis as the annual accounts

The Company's accounting policies have not varied from those described in the Report and Accounts for the year to 30 September 2008.

2. Dividends and Other Income

	Six months to 31 March 2009 £'000	Six months to 31 March 2008 £'000	Year to 30 September 2008 £'000
Revenue:			
Income from investments:			
Unfranked dividends	**1,748**	1,394	6,876
Other income:			
Interest on short-term bank deposits	**248**	49	172
Interest related to VAT recovery	**453**	–	–
	2,449	1,443	7,048
Capital:			
Special dividends allocated to capital	**–**	453	453

3. Management Fees and Interest Payable

Management fees and interest charged on borrowings are allocated 75% to capital and 25% to revenue in the Income Statement. Tax relief in respect of such allocations is credited to capital to the extent that such relief can be utilised in reducing the Company's overall liability to taxation.

4. VAT Recoverable

In November 2007, HM Revenue & Customs (HMRC) confirmed that the provision of fund management services to investment trusts is exempt from VAT. From that time, the Company ceased to be charged VAT on management fees.

As a result of claims lodged by the Manager with HMRC, the Company received £2,517,000 during the six-month period to 31 March 2009 in respect of VAT charged on management fees in the periods from 1990 to 1996 and from 2001 to 2007. Since 31 March 2009, the Company has agreed terms with the Manager which will result in the Company receiving a further repayment of VAT amounting to £345,000 and this amount has been accrued in the accounts. There is currently no prospect of recovering VAT paid in the 1997 to 2000 period.

Notes to the Accounts

5. Total Return per Ordinary Share

	Six months to 31 March 2009 £'000	Six months to 31 March 2008 £'000	Year to 30 September 2008 £'000
Revenue return after taxation	**1,723**	568	4,743
Capital loss after taxation	**(17,903)**	(10,669)	(38,858)
Total return	**(16,180)**	(10,101)	(34,115)
Weighted average number of shares in issue	**28,444,583**	31,972,128	31,374,975
Revenue return per Ordinary share	**6.06p**	1.78p	15.12p
Capital loss per Ordinary share	**(62.94p)**	(33.37p)	(123.85p)
Total return per Ordinary share	**(56.88p)**	(31.59p)	(108.73p)

6. Subsidiaries

At 31 March 2009, the undernoted companies were wholly-owned subsidiaries of the Company:

Aberdeen European Investment Trust PLC (in liquidation)
The German Investment Trust plc (in liquidation)

These subsidiaries are shown in the balance sheet at their fair value, as estimated by the liquidators.

7. Called-up Share Capital

During the six-month period to 31 March 2009, the Company repurchased 1,824,200 Ordinary shares, to be held in treasury, at a cost of £8,476,000. This reduced the number of Ordinary shares in issue, with full voting rights, to 27,514,962. Since 31 March 2009, the Company has repurchased a further 75,800 Ordinary shares to be held in treasury, which has reduced the number of Ordinary shares in issue to 27,439,162.

8. Retained Earnings

	Capital reserve* £'000	Revenue reserve £'000	Retained earnings £'000
At 30 September 2008	**18,991**	**9,880**	**28,871**
Net (loss)/return from ordinary activities	**(17,903)**	**1,723**	**(16,180)**
Equity dividend paid	**–**	**(3,946)**	**(3,946)**
Cost of Ordinary shares repurchased to be held in treasury	**(8,476)**	**–**	**(8,476)**
At 31 March 2009	**(7,388)**	**7,657**	**269**
At 30 September 2007	78,941	7,706	86,647
Net (loss)/return from ordinary activities	(10,669)	568	(10,101)
Equity dividend paid	–	(2,569)	(2,569)
Cost of Ordinary shares repurchased for cancellation	(7,058)	–	(7,058)
At 31 March 2008	61,214	5,705	66,919
At 30 September 2007	78,941	7,706	86,647
Net (loss)/return from ordinary activities	(38,858)	4,743	(34,115)
Equity dividend paid	–	(2,569)	(2,569)
Cost of Ordinary shares repurchased to be held in treasury	(12,281)	–	(12,281)
Cost of Ordinary shares repurchased for cancellation	(8,811)	–	(8,811)
At 30 September 2008	18,991	9,880	28,871

*The capital reserve comprises both realised and unrealised gains and losses on investments. According to guidance issue by the Institute of Chartered Accountants in England and Wales (TECH 01/08) both gains and losses on realisation of investments and changes in the fair value of investments held that are considered to be readily convertible into cash should be treated as realised.

At 31 March 2009, the whole of the Company's portfolio was considered to be sufficiently liquid to be regarded as readily convertible into cash. Consequently, the whole of the capital reserve may be treated as realised and is therefore distributable.

Under the terms of the Company's Articles of Association, sums standing to the credit of the capital reserve are available for distribution only by way of redemption or purchase of the Company's own shares.

9. Net Asset Value

The Net Asset Value per Ordinary share and Net Assets attributable to the Ordinary shares at the period end were as follows:

	At 31 March 2009	At 31 March 2008	At 30 September 2008
Net Assets attributable to Ordinary shareholders	**£133,137,000**	£199,787,000	£161,739,000
Ordinary shares in issue	**27,514,962**	31,741,162	29,339,162
Net Asset Value per Ordinary share	**483.9p**	629.4p	551.3p

10. Net Cash (Outflow)/Inflow

	Six months to 31 March 2009 £'000	Six months to 31 March 2008 £'000	Year to 30 September 2008 £'000
Reconciliation of net cash flow to movement in net cash/(debt):			
Net cash (outflow)/inflow	**(7,828)**	1,643	11,027
Exchange gain/(loss)	**2,713**	(590)	(879)
(Decrease)/increase in deposits	**(438)**	–	7,945
(Increase)/decrease in borrowing	**–**	(1,793)	1,396
	(5,553)	(740)	19,489
Net cash/(debt) brought forward	**18,857**	(632)	(632)
Net cash/(debt) carried forward	**13,304**	(1,372)	18,857

	At 31 March 2009 £'000	At 31 March 2008 £'000	At 30 September 2008 £'000
Analysis of net cash/(debt) balance:			
Bank balances	**5,797**	1,842	10,912
Short-term deposits	**7,507**	–	7,945
Bank loan	**–**	(3,189)	–
Bank overdraft	**–**	(25)	–
	13,304	(1,372)	18,857

Investing in Gartmore Investment Trusts

Gartmore SAVE*it* and Gartmore Investment ISA*it* are respectively the Savings Plan and tax-free Individual Savings Account (ISA) for the investment trusts managed by Gartmore Investment Limited. These schemes offer a simple and cost effective means of investing in Gartmore investment trust shares. You can use these schemes to invest on a regular savings basis, for lump sum investments or a combination of each.

Before investing please read the Key Features Document, which is available on request and on the Gartmore website.

Copies of the Accounts of the Company and details of Gartmore SAVE*it* and Gartmore Investment ISA*it* can be obtained from:

Gartmore Investor Services

Gartmore Investment Limited
Gartmore House
8 Fenchurch Place
London EC3M 4PB

Call free on 0800-289 336

Telephone calls may be recorded for monitoring and training purposes.

helpline@gartmore.com
www.gartmore.co.uk

Important Information

If you have any doubts as to whether these products are suitable for you and wish to obtain personal advice, please contact an Independent Financial Adviser. The value of investment trust shares and the income from them may go down as well as up and you may not get back your original investment. The past performance of investment trusts is not a guide to future performance. Funds investing in overseas securities are exposed to and can hold currencies other than sterling. As a result, exchange rate movements may cause the value of investments to decrease or increase. Emerging markets tend to be more volatile than more established stock markets and therefore your money is at greater risk. Other risk factors such as political and economic conditions should also be considered. Smaller companies are riskier and less liquid than larger companies which means their share price may be more volatile. Investment trusts can borrow money to make additional investments on top of shareholders' funds (gearing). If these investments fall in value, gearing will magnify the impact on performance. Particular share classes may also be structurally geared by other share classes that have earlier entitlement to the investment trust's assets up to a predetermined limit. If an investment trust incorporates a large amount of gearing, its value may be subject to sudden and large falls in value and you could get back nothing at all. Where investment trust companies are involved in corporate activity, this may change the risk profile of individual shares, as well as impacting on the portfolio strategy, capital structure and duration of the overall company. Gartmore's investment trusts are permitted to use derivative instruments with the intention of improving returns or reducing the fund's volatility, although this outcome is not guaranteed. Derivatives are financial instruments which derive their value from an underlying security, such as equities or bonds. A rigorous risk management process runs alongside our use of derivatives to ensure that funds do not take undue levels of risk. The value of current tax relief depends on individual circumstances. If you have doubts about your tax position you should seek professional advice. The level of yield may be subject to fluctuation and is not guaranteed. Some, or all, of the annual management fee may be currently charged to the capital of the company. Whilst this increases the yield, it will restrict the potential for capital growth. Investment trust shares may trade at a discount or a premium to the value of the investment trust's assets. Net Asset Value performance is not the same as share price performance and investors' returns may not equate to Net Asset Value performance. Where an investment trust holds a limited number of investments and one or more of those investments declines or is otherwise adversely affected, it may have a more profound effect on the investment trust's value than if a larger number of investments were held. If you choose to reinvest dividends to buy more shares in the same investment trust that paid the dividend, you should be aware that this will increase your investment risk exposure to the investment performance of that company. Investment trusts which specialise by investing in a particular region or market sector are more risky than those which hold a very broad spread of investments. ISA regulations have recently been reviewed by HM Treasury. However, they are still subject to Government legislation and as such their tax benefits and investment levels may be changed in the future.

Issued by Gartmore Investment Limited, which is authorised and regulated by the Financial Services Authority.

Glossary of Terms

Discount/Premium
The amount by which the middle market price per share of an investment trust is either lower (discount) or higher (premium) than the net asset value per share. The discount is normally expressed as a percentage of the net asset value per share.

Dividend Yield
The annual dividend expressed as a percentage of the share price.

Gearing (Leverage)
The term applied to the effect produced by borrowings and prior charge securities, which tends to exaggerate the return attributable to shareholders. This is often expressed as a percentage indicating the extra amount by which shareholders' funds would rise or fall if the total assets, before deducting borrowings and prior charges, were to rise or fall. This is calculated by dividing total assets, before deducting borrowings and prior charges, by Net Asset Value, expressed as a percentage. A figure of 100 indicates that a company has no gearing.

Liquidity
In the context of the liquidity of shares in the stock market, this refers to the availability of buyers in the market for the share in question. Where the market in a particular share is described as liquid, that share will be in demand and holders wishing to sell their shares should find ready buyers. Conversely, where the market in a share is illiquid the difficulty of finding a buyer will tend to depress the price that might be negotiated for a sale.

Market Capitalisation (Market Cap)
The market value of a company is calculated by multiplying the mid-market price per share by the number of shares in issue.

Net Assets
Also described as Shareholders' Funds, Net Assets is the value of Total Assets less liabilities. Liabilities for this purpose include borrowings and prior charge securities as well as current liabilities.

Net Asset Value per share (NAV)
Net Asset Value per share is calculated by dividing Net Assets by the number of shares in issue.

Prior charge
The term given to either borrowings or any class of security which, in a winding-up of a company, ranks ahead of the final beneficiary of surplus assets, usually the ordinary shares.

Total Expense Ratio (TER)
This represents management fees and other administrative expenses expressed as a percentage of the average net assets.

Gartmore European Investment Trust p.l.c.

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