

## Interim Management Statement European Assets Trust NV

**For the three month period from 30 June 2009 to 30 September 2009**

### Investment Objective

The investment objective of the Company is to achieve growth of capital through investment in quoted medium-sized companies in Europe, excluding the United Kingdom.

A high distribution policy has been adopted and dividends have been paid mainly out of other reserves.

### Performance summary

	As at 30 Sept 2009 Euro	As at 30 June 2009 Euro	As at 30 Sept 2009 Sterling	As at 30 June 2009 Sterling	Sterling % Change
<b>Capital return</b>					
Total assets (less current liabilities)	€111.3m	€97.5m	£101.7m	£83.0m	22.5
Net asset value per share - basic	€7.22	€6.32	659.9p	538.4p	22.6
Net asset value per share – treasury*	€7.18	€6.29	656.6p	535.7p	22.6
Market price per share	€6.58†	€5.69†	601.0p	484.5p	24.0
HSBC Smaller Europe (ex UK) Index	313.52	250.52	286.54	213.37	34.3
Discount to treasury net asset value			8.5%	9.6%	
<b>Gearing‡</b>					
Actual ratio			97	85	
Maximum potential ratio			100	100	

### Total return# for the three month period to 30 September 2009

	Euro	Sterling
Net asset value per share	16.2%	24.6%
Market price per share	17.8%	26.4%
HSBC Smaller Europe (ex UK) Index	25.4%	34.6%

### Total return# for the nine month period to 30 September 2009

	Euro	Sterling
Net asset value per share	42.2%	34.6%
Market price per share	41.7%	34.0%
HSBC Smaller Europe (ex UK) Index	52.5%	44.0%

Sources: F&C Investment Business Limited, Datastream.

\* - In accordance with the AIC calculation method where shares are held in treasury; subject to the Company's resale policy, including limiting dilution to 0.5 per cent of net asset value per annum. Based on shares held in treasury since the liquidity enhancement policy was put in place in 2005.

† - London Stock Exchange prices converted into Euros at relevant exchange rate.

‡ - Gearing: The gearing ratio indicates the extra amount by which shareholders' funds would rise or fall if total assets were to rise or fall. A figure of 100 means that the Company has a nil geared position.

Actual ratio = the ratio of total assets (less fixed interest and cash assets) to shareholders' funds.

Maximum potential ratio = the ratio of total assets (including fixed interest and cash assets) to shareholders' funds.

# - Total return means capital performance with dividends added back

## Review of the period to 30 September 2009

After a weak start to the year, characterised by worsening economic data and a raft of poor earnings releases, share prices of continental European small and medium-sized companies staged a strong recovery during the remainder of the reporting period. Stock prices initially recouped losses incurred up to the beginning of March on tentative signs of an easing in the economic downturn and in companies' business prospects. With these signs growing in intensity - fuelled by unprecedented liquidity provided by governments and central banks - so the rally gained impetus, sweeping up heavily indebted cyclical stocks on hopes of a rapid return to former rates of economic growth.

Having outperformed over the first six months of the year, the Company's portfolio did not match the pace of the benchmark index in the third quarter. The underperformance can be attributed largely to the Managers' decision to focus stock selection on companies with strong finances and the ability to grow earnings over the economic cycle thanks to a robust business franchise and disciplined use of shareholders' funds.

Over the three months ended 30 September 2009 the Company purchased 10,000 Ordinary Shares to be held in treasury for a total consideration of Euro 0.05 million, representing 0.06% of the Ordinary Shares in issue at the beginning of the period. During the period the Company also issued 5,786 Ordinary Shares from treasury via the Company's scrip dividend.

### Dividends

The Board announced and paid dividends totalling Euro 0.3551 per share for the year to 31 December 2009 payable in three instalments in January, May and August.

### Top Ten Holdings

Company	Country	30 Sept 2009 percentage of total assets
Indra Sistemas	Spain	4.6
Norkom Group	Ireland	4.1
Goldbach Media	Switzerland	3.9
Ringkjoebing Landbobank	Denmark	3.5
TiGenix	Belgium	3.4
Partners Group	Switzerland	3.4
Grafton Group	Ireland	3.3
Tod's	Italy	3.2
Acino	Switzerland	3.1
Faively	France	3.0
Total		<hr/> 35.5 <hr/>

## Geographical Analysis

Country	30 Sept 2009 percentage of total assets	30 June 2009 percentage of total assets
Switzerland	13.1	12.7
France	12.3	9.7
Ireland	11.7	9.1
Spain	11.3	7.2
Italy	11.1	11.8
Germany	8.7	5.4
Denmark	6.2	4.5
Sweden	4.9	4.4
Greece	4.3	3.1
Austria	4.0	4.8
Finland	3.4	3.5
Belgium	3.4	4.4
Netherlands	2.9	2.1
Net current assets	2.7	15.0
Norway	-	2.3
Total	<u>100.0</u>	<u>100.0</u>

The Board is not aware of any significant events or transactions which have occurred since 30 September 2009 and the date of publication of this statement which would have a material impact on the financial position of the Company.

## Daily and Key Information

Further information regarding the Company, including daily net asset values published since the end of the period and monthly factsheets, can be found at the Company's website [www.europeanassets.co.uk](http://www.europeanassets.co.uk), or at [www.fandc.com](http://www.fandc.com).

This interim management statement has been prepared solely to provide information to meet regulatory requirements.