Rotterdam, 30 July 2012

Press Release
European Assets Trust NV

UNAUDITED INTERIM RESULTS – SIX MONTHS TO 30 JUNE 2012

- **Total return* performance for the six months to 30 June 2012**

	Euro	Sterling
Net asset value per share	11.9%	8.3%
HSBC Smaller Europe (ex UK) Index	5.2%	1.9%

- **Total return* performance for the three years to 30 June 2012**

	Euro	Sterling
Net asset value per share	50.7%	43.0%
HSBC Smaller Europe (ex UK) Index	27.9%	21.5%

- **Annual dividend of 6% of opening net asset value per share (2012: Euro 0.4698)**

	Euro	Sterling
January and May dividends paid per share (further dividend of €0.1614 payable in August)	€0.3084	£0.2516

*Capital performance with dividends reinvested

<u>Investment Manager's Review</u>

Our net asset value per share grew +8.3% in Sterling terms and +11.9% in Euro terms, significantly outperforming our index by +6.4% in the first six months of the year and the majority of global indices.

Over the first six months our index rose +1.9% in Sterling terms and +5.2% in Euro terms. This however masked a volatile period dominated again by the Euro crisis. We started the year on a positive note following the European Central Bank's liquidity injection, but the now familiar cycle of panic to policy intervention, to relief and then to disappointment and renewed panic again, resumed as investors refocused on the Eurozone problems. The region faced a democratic backlash against the German led austerity measures and from March our index fell sharply as investors had to digest the collapse of the Dutch government in April, French elections in May, Greek elections and the Irish referendum in June, and a Spanish banking crisis. As if this wasn't enough we saw a weakening of the Chinese growth story and more mixed economic data from the US. Ultimately a positive return in this context looks reasonable. The outcome of the European summit at the end of the first half was responsible for much of this though as the market rallied late in June.

We can draw some important conclusions from the political upheavals of the first half. Importantly while there is almost universal agreement that the austerity measures are too aggressive too quickly there is also agreement from the peripheral countries and their electorate that they still want to be members of the single currency. Germany has been increasingly isolated on their stance following the French election in particular, and while the rhetoric from Chancellor Merkel has remained steadfast in the German approach to austerity, the outcome of the recent summit shows that a compromise can be reached. Of course the summit didn't provide the silver bullet, but by now hope of an ultimate resolution to the crisis is on no-ones short term agenda.

While there were a number of important steps announced the main advance has been some real progress towards a banking union. In the words of the official release it has been recognised that it is necessary to 'break the vicious circle between the banks and the sovereigns'. To this end the policy makers have agreed, with Chancellor Merkel reluctantly, to allow the bailout funds to buy sovereign debt directly to limit the pernicious rise in periphery bond yields. Ultimately, the summit went further than might have been expected thanks to some skilful and risky brinkmanship by Mario Monti of Italy. It is however important to say that this will not herald the end of the Euro crisis and it is inevitable that we will still see volatility and further cycles of optimism and pessimism.

Performance - Stock Selection again drove significant outperformance and portfolio turnover levels remain low

The return of our index was similar to our larger cap counterpart, the FTSE All-World Developed Euro ex UK Index which rose +1.9% and marginally behind the global index which rose +2.3%. Our net asset value per share ('NAV') however fared somewhat better rising in total return terms by +8.3% in Sterling and +11.9% in Euros, significantly outperforming our index by +6.4% and the majority of global country indices. Stock selection, rather than any country or sector positioning, was again overwhelmingly responsible for this performance.

Our Irish companies had another strong half, with Glanbia and Aer Lingus contributing particularly well. Glanbia is one of our largest positions and increased by +23.3%. The reasons for this are twofold. Firstly the company is starting to appeal to a wider group of investors with a number of brokers now covering the stock, but perhaps more importantly, there is some imminent news flow surrounding some significant reallocation of capital within the group. This transition looks as though it will be accelerated further with the decision to put its Irish milk processing business into a joint venture with the Glanbia Co-operative (majority owners of the company). If this is confirmed it would allow even greater focus on the nutritionals business and should afford a greater rating to the company. We are expecting a resolution to this in the coming weeks.

Aer Lingus is one of our companies that sits in the value segment of our portfolio. Airlines are not natural bedfellows to European Assets Trust, however we view the company as an asset which is materially undervalued on a break-up scenario and is managed by amongst the best operators in the sector. There are however meaningful barriers to full crystallisation of this value in its large corporate shareholdings and unresolved pension issues. The Irish government and Ryanair both have significant shareholdings, however, we have seen in recent months that these shareholdings are more liquid than consensus thinks and that there are constructive discussions regarding the pension issues. In the first quarter, Etihad, the national airline of the United Arab Emirates, announced that they had taken a 3% stake. More recently however, Ryanair announced a bid for the company at a 38% premium. There is a lot of scepticism in the market of any deal, but clearly it helps explain the rise of +54.0% year to date.

Other strong performers were Ingenico, the leader in payment terminals and services, which rose +34.8%, Azimut, the Italian asset manager, which rose +30.9% and Tomra Systems, the producer of recycling machines and software, which rose +28.2%.

In terms of poor performers our financial holdings EFG and Storebrand had a tough time falling -26.4% and -25.8% respectively. Storebrand has had a couple of unexpected headwinds that have knocked it in recent months. Storebrand is a leading pension provider with a high market share in the growing Norwegian pension market. We bought the holding at the end of last year because it was very cheap and had a strong position in a market with significant long term growth. However, at the start of the year, the company had to contend with a decision by the Norwegian government to scrap the tax exemption on equity returns. The company then announced that they were withholding their dividend ahead of regulatory clarity over Norwegian paid-up pensions and Solvency II. This caused concern about Storebrand's capital adequacy which we felt was misplaced. Recent news regarding the Norwegian regulatory review and a slower implementation of Solvency II vindicates our thesis and the share recovered towards the end of the half year. We still believe there is significant value in the investment.

EFG's performance is a little more difficult to rationalise. While private banking is under pressure at the moment, because of customer apathy and low interest rates, EFG's fall may have been more to do with a spurious rumour in the market regarding the company's Greek exposure. This seems to be based on the Greek heritage of the major shareholder, despite the fact that it is a Swiss business. The company put out a press statement clarifying that the direct exposure is in fact 0.0%. Such is the fickleness of the markets that the shares sold off significantly; however, we would regard this as a buying opportunity.

Other poor performers were Neopost, the franking machine manufacturer, which fell -21.7% and Wincor Nixdorf, the ATM manufacturer, which fell -17.6%.

Portfolio activity was limited in the first half and annualised portfolio turnover remained below 30%
We are long term holders of quality assets so it is inevitable that our portfolio activity was anaemic. Gearing at the end of June was 5% which is a small decline from the year end figure. There is nothing significant to be read into this. The portfolio structure remains similar to what it was at the year end also; we are at our upper weighting in the 'Deep Value' and 'Transformation/Recovery' segments of our portfolio, as we believe that the market is currently excessively pessimistic and will recover from these levels at some point.

In terms of new holdings, we initiated a position in Betsson. Betsson has become the largest Nordic private online gambling company. Private online gambling in the region is still a relatively small part of the market and Betsson is set to take advantage of its growth. The company trades at a substantial discount to its listed peers, yet offers greater growth prospects.

We sold three positions during the first half; Folli Follie group, Beter Bed and Joyou. Our positions in all three businesses were relatively small. While Beter Bed and Joyou no longer reached our quality hurdle, Follie Follie is a slightly different story. Despite the attractions that the company has, in terms of strong international brands and an appealing valuation, we were concerned that the potential of a Greek exit from the Euro would cause a permanent loss in capital. We were not prepared to take this risk and sold the position, despite incurring a loss.

Outlook – Quality Assets at Good Prices
Our outlook has changed little since our annual update. We believe that European Small and Mid-Cap Equities remain good value on both a relative and absolute level. Bond yields remain suppressed to unsustainable levels and equity holdings are at extreme low levels. We are confident that our portfolio of quality assets remains very attractive and will deliver good returns for investors over the long term. The recent European Summit was a step in the right direction, but it is clear that we will continue to face further waves of optimism and pessimism. We must not be distracted from the fact that our corporate holdings are in fine shape and should continue to improve their market positions and produce good returns for us.

Sam Cosh
Lead Investment Manager
F&C Investment Business Limited

Dividend Information
2012
Dividends of €0.147 and €0.1614 per share have been paid in January and May 2012 respectively and a further dividend will be paid in August 2012 of €0.1614 per share. This will result in total dividends paid for the year of €0.4698 per share (gross). The increase in the May and August dividends is to offset the element of Dutch withholding tax applicable and provide a full 6 per cent annual payment to shareholders. The Board works with its advisers to seek to minimise Dutch tax.

Shareholders may elect to receive dividends by way of further shares in the Company rather than cash; the shares will be issued at the net asset value of the Company; the shares may trade in the market at a discount or premium to net asset value. Elections for scrip dividends can be made by shareholders using the form available from the Registrar on request. Subject to personal circumstances, UK resident individual shareholders who receive a scrip dividend should not be liable to UK income tax but UK capital gains tax rules should apply.

Revenue Account – for the six months ended	Notes	**30 June 2012 €000**	30 June 2011 €000
Income from investments			
Securities		**2,398**	2,387
Movements on investments - realised		**3,126**	6,162
Movements on investments - unrealised		**8,261**	1,021
		11,387	7,183
Total income		**13,785**	9,570
Expenses and interest	3		
Administration expenses		**(551)**	(523)
Investment management fee		**(508)**	(540)
Interest		**(107)**	(41)
Net income	1	**12,619**	8,466
Distributed by dividends	2	**4,469**	4,959
Earnings per share		**€0.85**	€0.57
Dividends per share	2	**€0.31**	€0.34

Balance Sheet	Notes	**30 June 2012 €000**	31 December 2011 €000
Investments			
Securities	4	**122,479**	120,201
Net current liabilities	5	**(5,719)**	(10,677)
Total assets less current liabilities		**116,760**	109,524
Equity shareholders' funds		**116,760**	109,524
Net asset value per share - basic		**€7.91**	€7.36
Expressed in sterling		**£6.40**	£6.15

The number of €0.46 shares in issue at 30 June 2012 was 14,753,886 (31 December 2011 – 14,881,368).

Summary of changes in shareholders' funds for the six months to

	Notes	**30 June 2012 €000**	30 June 2011 €000
Total as at 1 January		**109,524**	126,640
Repurchase of own shares	6	**(914)**	(371)
Profit for the period		**12,619**	8,466
Dividends distributed		**(4,469)**	(4,959)
Total as at 30 June		**116,760**	129,776

Statement of Cash Flows – for the six months ended

	30 June 2012 €000	30 June 2011 €000
Cash flows from investment activities		
Interest, dividends and other income	**2,383**	2,196
Purchases of securities	**(11,241)**	(24,518)
Sales of securities	**20,350**	23,971
Administrative expenses, investment management fees and interest charges	**(1,186)**	(1,095)
	10,306	554
Cash flows from financial activities		
Dividends paid	**(4,469)**	(4,959)
Repurchase of own shares	**(914)**	(371)
Loan facility	**(4,923)**	4,776
	(10,306)	(554)
Cash at bank		
Net movement for the period	**-**	-
Balance as at 31 December	**-**	-
Balance as at 30 June	**-**	-

Representation concerning financial statements and Investment Manager's Review

The Management Board confirms that, to the best of its knowledge, the condensed financial statements, together with comparative figures, have been prepared in accordance with applicable Dutch generally accepted accounting principles for interim reporting. These condensed financial statements give a true and fair view of the state of affairs of the Company at 30 June 2012 and of the net result for the period then ended.

The Investment Manager's Review in the Interim Report gives a true and fair view of the situation on the balance sheet date and of developments during the six month period, together with a description of the principal opportunities and risks associated with the expected development of the Company for the remaining months of the financial year.

In the normal course of its business, the Company holds a portfolio of equities and other securities and manages investment activities with on-balance sheet risk. Risk management is described in the Notes to the Accounts for the year ended 31 December 2011 and the principal risks have not changed materially since the date of that report.

Notes

1. Income for the six month period should not be taken as an indication of the income for the full year.

2. Two dividends totalling €0.3084 per share have been paid in January and May 2012. A further dividend of €0.1614 per share will be paid on 31 August 2012.

3. The total expense ratio, based on average shareholders' funds for the first half of the year, amounted to 1.79 per cent annualised (first half year 2011, 1.65 per cent annualised).

4. Securities comprise only listed investments. Listed investments are valued at the bid price on the valuation date on the relevant stock markets.

5. During the six month period ended 30 June 2012, the Company had a banking facility available of €18,500,000. The Company had €5,735,842 drawn down at 30 June 2012 (31 December 2011: €10,658,843).

6. During the six months to 30 June 2012 the Company purchased 140,000 shares to be held in treasury. In addition, 12,518 shares were issued during the period via the scrip dividend option.

7. The accounting policies applied in preparing the half-year figures at 30 June 2012 are consistent with those underlying the 2011 annual accounts.

8. Copies of the interim report will be mailed to shareholders and will be available from the registered office of the Company and the website www.europeanassets.eu.

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European Assets Trust N.V. is a closed-end investment company with variable capital incorporated in the Netherlands. European Assets Trust N.V. is listed on Euronext Amsterdam and on the London Stock Exchange.
