Rotterdam, 7 March 2014

Press Release
European Assets Trust NV

Statement of Results for the year ended 31 December 2013

- **Total return* performance for 2013**

	Euro	Sterling
Net asset value per share	34.4%	37.8%
Euromoney Smaller European Companies (ex UK) Index†	34.0%	37.5%

- **Total return* performance for the 3 years to December 2013**

	Euro	Sterling
Net asset value per share	64.1%	59.1%
Euromoney Smaller European Companies (ex UK) Index†	26.2%	22.5%

- **The annual dividend for 2014 is €0.699 per share (2013 €0.5502, net), equivalent to 6% of the opening net asset value per share**

	Euro	Sterling
January 2014 dividend paid per share (further dividends payable in May and August)	€0.233	£0.19157

* Capital performance with dividends reinvested
† Formerly known as HSBC Smaller Europe (ex UK) Index

Chairman's Statement
2013 review

I am delighted to report that the Company achieved a sterling net asset value total return* for the year of +37.8% (2012: +28.2%), a sterling share price return of +47.5% (2012: +36.0%), and has announced a Euro dividend increase of +27.0% (2012: +24.8%). This was a favourable performance compared to a benchmark which returned +37.5%. Despite considerable scepticism from the wider investment community at the outset of the year under review, our asset class' performance was ahead of almost all major markets, only being beaten by a few minor country indices.

The Company's strong performance and the resulting demand for its shares have reduced its share price discount to close to net asset value. The Company's share price discount to net asset value was 0.5 per cent as at 31 December 2013 compared with 6.4 per cent at the previous year-end. On average over the year, the Company's discount to net asset value stood at 1.9 per cent, a level which was lower than European smaller company peer funds.

It is also pleasing to note that the investment strategy has delivered excellent results over the last ten years with £1,000 invested ten years ago now worth approximately £3,897∞. Again this compares favourably with the benchmark return of £3,222, with the majority of this strong performance achieved since the investment strategy was re-aligned in 2010. Indeed £1,000 invested five years ago would now be worth approximately £2,818∞ against a benchmark return of £2,050.

Distribution

The level of dividend paid by the Company each year is determined by the Board in accordance with the Company's distribution policy. The Board has stated that, barring unforeseen circumstances, it will pay an annual dividend equivalent to 6 per cent of the net asset value of the Company at the end of the preceding year. The dividend is funded from a combination of accumulated capital gains and income.

The Board has already announced that applying the distribution policy results in a total dividend for 2014 of Euro 0.699 per share (2013: Euro 0.5502 per share, net). This represents a 27.0% increase in the 2014 dividend compared with the previous year. The 2014 dividend will be paid in three equal instalments of Euro 0.233 per share on 31 January, 30 May and 29 August. The January dividend of Euro 0.233 per share was paid to shareholders on 31 January 2014 and amounted to 19.157p per share in Sterling terms.

Shareholders may elect to receive dividends by way of further shares in the Company rather than cash. Where shareholders so elect, they will receive shares based on the net asset value of the Company; the shares may trade in the market at a discount or premium to net asset value. Subject to personal circumstances and shareholders taking their own tax advice, UK resident individual shareholders who receive a scrip dividend should not be liable to UK income tax on such dividend. Instead, UK capital gains tax rules should apply.

Gearing

The Company has a banking facility to allow the Manager to gear the portfolio within the 20 per cent of assets level permitted under the Articles. The total facility available was increased during the year from Euro 18.5 million to Euro 25.0 million. The facility is Euro-denominated and flexible, allowing the Manager to draw down amounts for such periods as required. The Manager made use of the facility during the year where investment opportunities arose and at the year-end the Company was 7 per cent geared.

Liquidity enhancement policy

During 2013 the Company sold 3,180,000 of its own shares held in treasury through its liquidity enhancement policy raising £27.7 million and improving shareholder value. The sale of these treasury shares occurred at a lower average discount to their purchase discount, improved stock liquidity and the Company's expense ratio (Ongoing Charges figure). Since the year end until 27 February 2014 the Company has sold a further 1,210,000 shares from treasury at an average premium to net asset value of 0.1% raising £11.8 million. In 2012 the Company purchased 140,000 of its own shares at an average discount of 14.7 per cent. As at 27 February 2014 the Company has 5,760,346 shares remaining in treasury.

Alternative Investment Fund Managers Directive

The Alternative Investment Fund Managers Directive ("the AIFMD") which was adopted by the European Parliament on 11 November 2010 introduces fundamental changes to the supervision of investment managers to allow the creation of a harmonised EU regulatory regime. As the Supervisory Board of the Company believes that the current management structure is balanced and works well a principle of minimal change has been adopted. The Company will appoint F&C as AIFM manager and be covered by its UK license. As a consequence financial regulatory supervision will switch from the Dutch Autoriteit Financiele Markten ("the AFM") to the British Financial Conduct Authority ("the FCA"). (F&C submitted its application to the FCA on 28 February 2014). The Company will remain Dutch with the corporate duties of the Supervisory and Management Boards unchanged. The appointment of F&C as AIF manager requires to occur no later than 22 July 2014 and a depositary, expected to be KAS Trust & Depositary Services BV will be appointed too in accordance with the requirements of the Directive. With Dutch legislation requiring further amendment, our lawyers De Brauw have formally informed the AFM of our plans.

Giles Warman

It was with great sadness that the Board announced the sudden death of Giles Warman on 24 May 2013. Giles had served the Company as a Supervisory Director for twelve years. His knowledge and understanding of the investment business was greatly valued and appreciated by all his colleagues, and as Senior Independent Director he brought focus to shareholder value. We will miss his wise counsel.

Change in Directorate

Following the sudden death of Giles and as part of a process of succession planning for longer serving directors of the Supervisory Board, a search company was commissioned to find two new directors, who could be appointed in 2014. It is therefore proposed that shareholders appoint Julia Bond and Jack Perry, who will make significant contributions to the Supervisory Board at the forthcoming General Meeting.

Julia Bond has 27 years' experience of capital markets in the financial sector and held senior positions within Credit Suisse including Head of One Bank Delivery. She is currently a non executive director and trustee of several governmental bodies and charities including the Supervisory and Management Board of the British Foreign and Commonwealth Office and a non executive advisor to the CEO of the Association of Certified Chartered Accountants.

Jack Perry CBE was Managing Partner, Glasgow and Regional Industry Leader (Technology, Communications and Entertainment and Consumer Products) for Scotland and Northern Ireland for Ernst and Young. He was also Chief Executive of Scottish Enterprise. He is currently Chairman of ICG Longbow Senior Secured UK Property Debt Investments Limited and Chairman of Silent Herdsman Holdings Limited. He is also a member of the Institute of Chartered Accountants of Scotland.

Outlook

There are signs that Europe is entering a recovery phase, albeit a volatile and uncertain one. This has in part been reflected in the strong performance of our asset class over the last two years. However valuations are still at reasonable levels and small companies are in strong positions to take advantage of any economic improvements. We trust our Investment Manager's strategy to search out attractively valued high quality smaller companies which should deliver strong returns to our shareholders over the long term.

Shareholder meetings

The Company's Annual General Meeting will be held on 24 April 2014 at the Company's Office, Weena 210-212, Rotterdam, the Netherlands. In addition, the Company holds a Shareholders' and Investors' Briefing in London each year. The London Briefing this year will take place on 8 May 2014 at 11.30am at Pewterers' Hall, Oat Lane, London EC2V 7DE and will include a presentation from the Investment Manager on the Company and its investment portfolio. A light buffet will be served at the end of the briefing. The Board looks forward to welcoming as many shareholders as are able to attend this year.

Sir John Ward CBE
Chairman

∞ Share price total return.

Manager's review

European Assets Trust delivered another strong year with the NAV total return up 37.8% in Sterling terms, and an increase in announced dividend of 27.0%[1].

Market review:

We can look back on 2013 as the year when Europe finally emerged from a record long recession allowing investors to look forward with more confidence and assess the recovery potential of a region widely believed to be in perpetual decline. The reality however is that once the authorities acted with sufficient determination, then the powerful forces of capitalism and enterprise could work in the region's favour rather than against it. When you combine this with attractive valuations and corporate prosperity, in terms of strong balance sheets and cashflows, the returns to shareholders have been very good.

2013 was also the year that investment leadership transitioned from secure assets to value and cyclical growth, particularly in the second half of the year when leading indicators, such as the European wide Purchasing Managers Index, starting moving into expansionist territory. This benefitted equities as a whole but disproportionally small and mid cap stocks. The main reason why smaller companies outperform their larger cap counterparties over the long term is because, as an asset class, they offer better growth in aggregate. This was the case in the year under review as the Euromoney Smaller European Companies Index outperformed its larger counterpart but also the vast majority of global indices, with the exception of a few minor country indices.

Our philosophy and process is concentrated in investing in quality business at attractive prices. We think that this offers our shareholders the best way to achieve good capital growth over the long term but also preserve capital during more difficult times. We would not expect this strategy to necessarily deliver outperformance at all times in the market cycle, and we would expect this to happen when more value and cyclical areas dominate. This is why I think we can be particularly satisfied in 2013, that our stock picking was able to deliver outperformance, albeit marginally.

My market review ends however on a note of caution. When the wider investment community is complacent about the investment outlook and consensus is all looking in the direction of recovery, we need to be a little cautious. Particularly when the improvement in growth of company profits and profitability in Europe is likely to be slow. We will of course trust that our philosophy and process will deliver good returns for our shareholders in the long term, and we continue to find attractively priced quality companies to invest in.

Performance Review:

One of the reasons why we have been able to deliver such good performance during the recovery of the European equity markets is that we have not been dogmatic about where we find quality companies. During the crisis we saw that the biggest component of value in the markets was the financial sector; investors had abandoned these companies wholesale. This presented opportunities to invest in quality businesses at significant discounts to their intrinsic values. These were the companies that drove performance in 2013. Of note was Azimut, the leading Italian asset manager, which rose +94.2%. The company benefitted from a record year of inflows as they took advantage of the problems that the Italian banking industry, who dominate the asset management industry, were going through. This is something we expect to continue.

Aareal Bank was another strong performer, increasing +88.0% through the year. Aareal is a European property lender, conservatively financed, with an improved market position as their competitors struggle with the poor lending decisions that they made during the previous debt fuelled boom. This is one of the themes of our investments in financials. This is an area which has seen massive capital retrenchment and destruction, but those that navigated through the crisis are in strong positions now and able to make improving returns. This is certainly not reflected in their valuations.

The other strong performers came from the consumer cyclical area, with a new holding, Plastic Omnium, performing particularly well, increasing +105.9%. The company is a French supplier of niche equipment to the auto industry. Their products help car manufacturers reduce the weight of their vehicles, which in turn helps them reach their legislated emission targets. The other strong performer was SAF Holland, the German supplier of truck trailer parts, which rose +111.7%. The company holds high market shares, and

[1] For Sterling investors this will depend on the exchange rate.

has seen improving margins and profits as they exploit their strong market position. Additionally, they are benefitting as a tentative recovery in their end markets takes hold as the economy recovers.

In terms of poor performers we are pleased that in the main, there was no significant capital loss, rather disappointment from some companies that could not keep pace with the market. The exception to this was Lanxess, the German chemical business, that fell -27.4%. The company warned on profits relatively early in the year as growth disappointed. It became apparent to us that the market positions of this company were not as strong as we initially thought, and that in particular, they did not have pricing power with their customers. Because we concluded that the investment case was broken we sold the stock.

We also sold Andritz, the German engineering business, following some disappointing operating performance. The stock has performed well since we initially made the purchase, however it fell -4.0% in 2013. We sold the position after some detailed analysis of their competitive position indicated that competition from emerging markets was increasing in one of their core divisions.

The other major negative contributor to performance was C&C Group, the Irish cider producer, which fell -2.4%. The principal cause of this was the disappointing development from their US business, Vermont Hard Cider, acquired at the end 2012. The stagnation of this business in a growing market can be attributed to a combination of transition issues as the acquisition is integrated, and more aggressive competition. We will watch closely this year to see the development of this part of the business, however, we feel further downside is limited due to the low valuation and the potential for increasing cash return to shareholders.

Investment outlook: Europe continues to offer the most potential for investors.

Despite the strong returns we have seen over the last two years, and so far this year, we are still positive about the long-term prospects for European small companies. This is because the two principal determinants that decide future returns for shareholders, namely valuations and cash flows, look attractive to us. Valuations on most measures have moved on from the excessively depressed levels shown at the outset of the Eurozone crisis and are not out of kilter with historic levels. However, we argue that there is a significant potential for reversion of profits from cyclically low levels. Indeed as of writing, European earnings levels are still somewhere below the peak levels by roughly a third. This is in contrast to the US, which is clearly further along the route to recovery. The listed corporate sector there is trading on high valuation metrics on profits that are above previous peaks. For Europe though any profit reversion or recovery, will mean that current valuations should prove to be very attractive.

The other potential positive we see is the return of corporate activity, or mergers and acquisitions. Activity levels are at record lows, but the ingredients are there for a significant pick up if confidence levels were to improve with a better economic outlook. Company balance sheets are strong. Thus far we have seen these used to increase returns to shareholders through increasing dividend payouts or share buybacks. Indeed that is one of the most encouraging aspects of our portfolio; our companies are demonstrating improving cash flows and these are translating into improving cash returns for us as shareholders. However it makes sense that we will increasingly see these balance sheets used for acquisitions. This can be a powerful driver particularly for smaller companies.

Sam Cosh

Lead Investment Manager
F&C Investment Business Limited

AUDITED STATEMENT OF RESULTS FOR THE YEAR ENDED 31 DECEMBER 2013

BALANCE SHEET (after appropriation of the Result)	Note	As at 31 December 2013 €	As at 31 December 2012 €
Investments			
Securities	1	222,966,178	143,798,006
Receivables			
Other receivables		71,398	176,265
Total current assets		71,398	176,265
Current liabilities (due within one year)			
Bank overdraft		(13,825,114)	(8,485,185)
Accrued liabilities		(135,888)	(202,730)
Total current liabilities		(13,961,002)	(8,687,915)
Total of receivables and other assets less current liabilities		(13,889,604)	(8,511,650)
Total assets less current liabilities		**209,076,574**	**135,286,356**
Capital and reserves			
Issued share capital		8,261,141	6,790,002
Share premium account		47,756,492	16,646,031
Other reserves		153,058,941	111,850,323
		209,076,574	**135,286,356**
Net asset value per ordinary share	2	€11.64	€9.17
Expressed in sterling - basic		£9.69	£7.43
- treasury	3	£9.68	£7.40

REVENUE ACCOUNT

For the year ended	Note	31 December 2013 €	31 December 2012 €
Income from investments			
Dividends from securities		3,804,665	3,306,636
Withholding taxes		(50,927)	-
		3,753,738	3,306,636
Movements on investments - realised		9,935,353	7,316,661
Movements on investments - unrealised		38,931,205	25,090,966
		48,866,558	32,407,627
Total investment gain		**52,620,296**	**35,714,263**
Investment management fee		(1,364,563)	(1,017,335)
Administrative expenses		(1,039,221)	(1,065,257)
Interest charges		(198,366)	(163,132)
Total operating expenses		**(2,602,150)**	**(2,245,724)**
Net profit		**50,018,146**	**33,468,539**
Earnings per share		€3.07	€2.27
Dividends per share	4	€0.5757	€0.4698

STATEMENT OF CASH FLOWS

For the year ended	31 December 2013 €	31 December 2012 €
Cash flow from investment activities		
Dividends	3,858,605	3,400,638
Purchases of securities	(65,487,947)	(21,924,032)
Sales of securities	35,177,781	30,743,448
Administrative expenses	(1,124,281)	(1,111,140)
Investment management fee	(1,364,563)	(1,017,335)
Interest charges	(171,596)	(211,814)
	(29,112,001)	**9,879,765**
Cash flows from financing activities		
Credit facility	5,339,929	(2,173,658)
Dividends	(8,809,528)	(6,791,998)
Sale of own shares	32,581,600	-
Repurchase of own shares	-	(914,109)
	29,112,001	**(9,879,765)**
Cash and cash equivalents		
Net decrease for the year	-	-
Balance as at 1 January	-	-
Balance as at 31 December	**-**	**-**

The balance of cash and cash equivalents at the beginning and end of the year ended 31 December 2013 was nil. The net movement during the year ended 31 December 2013 was nil. This is due to the Company's use of a banking facility.

PRINCIPAL RISKS

The Company's assets consist mainly of listed equity shares and its principal risks are therefore market-related. The Company holds a portfolio of shares which have a diversified geographic spread. The Company is subject to a number of risks including: market, credit, currency and liquidity risks (see Note 5). The Boards seek to mitigate these risks in a number of ways including: through review of the investment environment and the Company's investment portfolio, policy setting and reliance on contractual obligations.

ACCOUNTING POLICIES

The Company is a closed-end investment company with variable capital incorporated in the Netherlands. The financial statements have been prepared in accordance with the Dutch Financial Supervision Act and have also been prepared in accordance with accounting principles generally accepted in the Netherlands.

Notes

1. Listed investments are valued at the closing bid price on the valuation date on the relevant stock markets.

2. Based on 17,959,002 shares in issue (2012: 14,760,874). During the year the Company issued 18,128 shares through its scrip dividend option and sold 3,180,000 of its own shares held in treasury.

3. The Company's treasury net asset value is 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.

4. Dividends per share are stated gross of applicable Dutch withholding tax. A dividend of €0.233 was announced on 8 January 2014 and paid on 31 January 2014. This dividend was paid from other reserves. During 2014, a total distribution of €0.699 per share is payable in equal instalments in January, May and August.

5. Financial instruments and risk management

   General
   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. Equities and other securities are valued at fair value. The Company is subject to the risks described below.

   - Market risk
     Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, caused by factors that exclusively apply to the individual instrument or its issuer or by factors that affect all instruments traded in the market. Interest rate risk is the risk that the value of a financial instrument will fluctuate as a result of changes in interest rates.

     The Company minimises the risks by making a balanced selection of companies with regard to distribution across European countries, sectors and individual stocks.

     Any changes in market conditions will directly affect the profit or loss reported through the Revenue Account. A 25 per cent increase, for example, in the value of the securities portfolio as at 31 December 2013 would have increased net assets and net profit for the year by €55.7 million (2012: €35.9 million). A decrease of 25 per cent would have had an equal but opposite effect. The calculations above are based on investment valuations at the respective balance sheet dates and are not representative of the year as a whole, nor reflective of future market conditions.

   - Credit risk
     Credit risk is the risk that the counterparty of a financial instrument will no longer meet its obligations, as a result of which the Company will suffer a financial loss. To reduce exposure to credit risk relating to financial instruments, the creditworthiness of the counterparties and the transactions' size and maturity are assessed by service providers to the Company. Wherever it is customary in the market, collateral will be demanded and obtained. The Company and its service providers monitor and control its risks to exposures frequently and, accordingly, Management believes that it has in place effective procedures for evaluating and limiting the credit risks to which it is subject.

- Foreign currency risk management
  Currency risk is the risk that the value of a financial instrument will fluctuate as a result of changes in exchange rates. The Company reports its results and financial position in Euros. The Company's main activity is to invest in small and medium-sized companies in Europe, excluding the United Kingdom, whereby a majority of the Company's investments concern companies with listings and activities in the European Monetary Union. The Company will have exposure to European currencies other than the Euro. The Company does not employ any derivatives to hedge its exposure to other currencies.

- Liquidity risk
  Liquidity risk is the risk that the Company is not able to obtain the financial means required to meet its obligations. The Company minimises this risk by mainly investing in equities that are traded on a regular basis. The Company may use borrowings to seek to enhance returns for shareholders. This may include the use of financial instruments; such financial instruments are valued at fair value. Cash balances may be held from time to time and these will be held with reputable banks. Liquidity risk of the Company is mitigated by the fact that the Company is a closed-end investment company.

- Insight into actual risks
  The Report of the Management Board Director, the overview of the Investment Portfolio, which includes the geographic distribution of the investments, and the Notes to the Annual Accounts give an insight into the actual risks at the balance sheet date.

- Risk management
  Managing risk is a part of the investment process as a whole and, with the help of systems, the risks outlined above are limited, measured and monitored on the basis of fixed risk measures.

- Policy regarding the use of financial instruments
  Investing implies that positions are taken. As it is possible to use various instruments, including derivative instruments, to construct an identical position, the selection of derivatives is subordinate to the positioning of a portfolio. The Company does not employ any derivatives to take positions.

  The Company presently has banking facilities to gear the portfolio within the 20 per cent of assets level as permitted under the Articles and under the Company's tax status as a Fiscal Investment Institution.

7. These are not the full accounts. The full accounts for the year to 31 December 2013 will be sent to shareholders and will be available for inspection at the Company's registered office Weena 210-212, NL-3012 NJ Rotterdam and from the investment managers at F&C Investment Business, 80 George Street, Edinburgh, EH2 3BU. The Company's website address is www.europeanassets.eu where the accounts can also be found once available (by 12 March 2014 at the latest).

8. A General Meeting to adopt the 2013 Report & Accounts and other resolutions will be held on 24 April 2014 at the Company's offices in Rotterdam and a Shareholders' and Investors' Briefing will be held on 8 May 2014 at Pewterers' Hall, Oat Lane, London.

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