

Henderson Private Equity Investment Trust plc

Half year report to 30 June 2009



Henderson Private Equity Investment Trust plc

Objective

The Company's objective is to produce capital gains through a diversified portfolio of private equity investments.

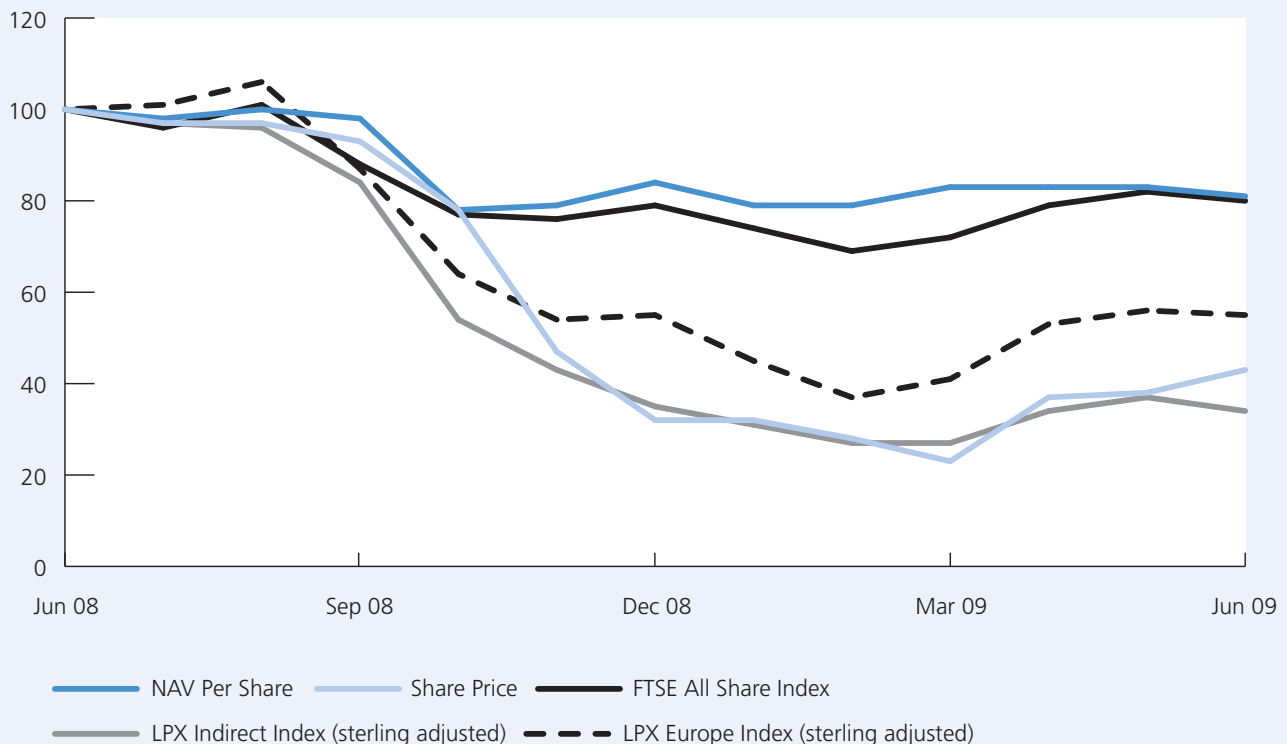
Policy

The main focus of the portfolio is mid-market buy-out funds in the UK and Europe. The Company invests in both limited partnerships and listed vehicles.

Financial Highlights

	30 June 2009	31 December 2008	Change since 31 December 2008	30 June 2008	Change since 30 June 2008
Net assets	£57.8m	£61.0m	-5.3%	£73.0m	-20.8%
Net asset value per share	306.5p	323.7p	-5.3%	385.0p	-20.4%
Share price	112.0p	84.0p	+33.3%	262.5p	-57.3%
Discount	63.5%	74.1%	N/A	31.8%	N/A
FTSE All-Share Index	2,172.1	2,209.3	-1.7%	2,855.7	-23.9%
LPX Europe Index (sterling adjusted)	187.2	189.2	-1.1%	342.5	-45.3%
LPX Indirect Index (sterling adjusted)	20.2	21.0	-4.3%	60.1	-66.4%

Performance Graph



Rebased to 100 at 30 June 2008.

Source: New Star Asset Management Ltd.

Contents

Inside front cover	Objective and Policy
1	Financial Highlights
2	Contents
3-4	Interim Management Statement
5	Portfolio Manager's Review
6	Investment Portfolio
7-8	30 Largest Underlying Investments
9-11	Portfolio Analysis
11	Commitment Analysis
12-13	Income Statement
14	Reconciliation of Movement in Shareholders' Funds
15	Balance Sheet
16	Cash Flow Statement
17-20	Notes to the Accounts
Inside back cover	Investor Information

Interim Management Report

(incorporating the Chairman's Statement)

Market Back-drop and Performance

General sentiment towards private equity remained depressed throughout the period under review. This reflected concern over the impact of the recession on underlying portfolio companies; the high levels of leverage that have been employed in a number of deals – particularly at the larger end of the private equity spectrum – and the consequent risk that underlying companies might breach their banking covenants; and the severe slowdown in realisations. In addition, there were fears that some listed private equity vehicles were overcommitted and might have difficulty in meeting their commitments. The year end reporting season brought greater transparency to valuations and this, combined with the ability of some companies to address their funding issues, resulted in a partial rebound in share prices from their March low point. Nonetheless discounts within the sector remain very high in both historic and absolute terms.

Against this back-drop, the Company's net asset value per share declined by 5.3% in the six months to 30 June 2009, whilst the share price rose by 33.3%. This compares to a decline of 1.7% in the FTSE All Share Index and 1.1% in the LPX Europe Index (sterling adjusted). A review of the investment activity during the period may be found in the Portfolio Manager's Review.

Manager

On 9 April 2009 New Star Asset Management Group plc, the parent company of the Manager, was acquired by Henderson Group PLC ("Henderson") and on 1 May 2009 Ian Barrass, head of private equity Fund of Funds at Henderson, assumed the role of Portfolio Manager. The Board is pleased that the uncertainty surrounding the future of the Manager (New Star Asset Management Limited) has been resolved and looks forward to working with Ian Barrass and his colleagues at Henderson.

The Board

John Duffield resigned as a Director with effect from 30 April 2009. The Board would like to thank him for his support for, and contribution to, the Company.

Change of Name

On 19 June 2009 the Company changed its name to Henderson Private Equity Investment Trust plc, which better reflects the Company's association with Henderson and its stable of investment trusts.

Investment Strategy

The Board has reviewed the Company's investment strategy with the new Portfolio Manager. The key conclusion was that the Company should adopt a more focused approach within

its existing high-level investment mandate. As a result, going-forward, the Company will:

- focus exclusively on the UK and Europe;
- focus predominantly on opportunities in the mid-market buy-out sector;
- focus exclusively on private equity investment, both listed and unlisted; and
- make no further new direct private equity investments.

The Company is one of the few listed private equity fund of funds with a clear investment focus on the pan-European mid-market buy-out sector. Any new limited partnership investment activity will seek to obtain access to the best funds in a market niche already well-known to the new Portfolio Manager and his colleagues.

Related Party Transactions

During the first six months of the current financial year, no transactions with related parties have taken place which have materially affected the financial position or performance of the Company during the period. Details of related party transactions are contained in the Annual Report and Financial Statements. For the avoidance of doubt, the acquisition of New Star Asset Management Group plc by Henderson Group plc has not resulted in a change to the Company's contractual relationships and was not a related party transaction.

Share Price

Despite rising by 33.3% during the half year, the Company's share price remains disappointing. At 30 June 2009 the Company's shares were trading at a 63.5% discount to net asset value.

By making a pound-for-pound adjustment to the Company's market capitalisation at 30 June 2009 for cash, cash equivalents and listed investments, the discount to net asset value for the Company's limited partnership and direct investments at 30 June 2009 was effectively 71.9%. In the view of the Board and the Portfolio Manager, the share price does not reflect the strengths of the portfolio.

Liquidity and Gearing

Aggregate cash and cash equivalent resources of £1.2 million combined with £6.6 million of listed investments meant that the Company held £7.8 million of liquid assets at 30 June 2009. In addition, the Company had committed loan facilities of £30.0 million, of which £1.0 million was drawn down at the half year. £10.0 million of the committed bank facilities mature in July 2010, with the balance maturing in July 2011. The Company's liquid assets and undrawn committed bank facilities therefore totalled £36.8 million at 30 June 2009.

Interim Management Report

continued

Commitments

At 30 June 2009 the Company had outstanding commitments to limited partnerships of £58.3 million. It is important to note, however, that £11.4 million of these commitments relate to limited partnerships which are past their investment period. In addition, it is often the case that limited partnerships do not draw down their full commitments. Taking these considerations into account, it is reasonable to assume that approximately £40 million of the Company's undrawn limited partnership commitments will require funding over the next three years. During this period it is also likely that distributions from the Company's limited partnerships investments will recommence following the recent hiatus in private equity exit activity. This will obviously provide the Company with additional cash inflows.

The Board and Portfolio Manager continue to pay close attention to the Company's liquidity position and it is considered that the Company has adequate resources to meet its commitments.

Current Market and Outlook

The global economic crisis has had a significant impact on the private equity sector and conditions remain difficult. Exit activity has all but ceased and investment levels have been constrained by the well-reported mis-match between seller and purchaser price expectations. To compound matters, the scarcity and re-pricing of bank debt have made the funding of available deals more challenging.

The greatest impact of the recession has been felt within the larger end of the private equity spectrum, and by focusing on the mid-market the Company has avoided the worst of the problems. Nonetheless, given a continued weak macro-economic backdrop, it is possible that further value erosion may occur within the Company's portfolio of investments. The Company's investments are, however, made with experienced managers who are working hard to protect value during this difficult period.

Although conditions remain challenging the Company is well placed to benefit from a recovery: the ownership of the Manager has been resolved; the commitment position is manageable; and the investment focus – the pan-European mid-market – provides good growth prospects. History has shown that the private equity industry has generally produced its best returns through investments made during the two or three years following severe macro-economic downturns. The next few years therefore should present the Company with an opportunity to improve significantly its net asset value and share price performance.

John Mackie CBE

Chairman

28 August 2009

Directors' Responsibility Statement

The Directors confirm that, to the best of their knowledge:

- (a) the condensed set of financial statements has been prepared in accordance with IAS 34;
- (b) the interim management report includes a fair review of the information required by Disclosure and Transparency Rule 4.2.7R (indication of important events during the first six months of the year); and
- (c) the interim management report includes a fair review of the information required by Disclosure and Transparency Rule 4.2.8R (disclosure of related party transactions and changes therein).

For and on behalf of the Board of Directors

John Mackie CBE

Chairman

28 August 2009

Portfolio Manager's Review

Investment Activity

Limited Partnership Portfolio

Scarcity of debt finance, poor visibility of projected earnings and the reluctance of sellers of businesses to reduce prices all contributed to low levels of new investment and exit activity during the half year.

Only three significant new investments were made through the Company's limited partnerships. Two of these, totalling €1.2 million, were made during February by Pragma II, one of the Company's French mid-market buy-out funds. These were investments in Thésée Group, a cost optimisation consultancy and FPPE, one of France's leading producers of plastic and aluminium locking systems. The Company's share of the investment in each of these transactions was €0.6 million. The third significant new investment was made by Lyceum Capital Fund II, a UK mid-market buy-out fund, into Carewatch, the UK's second largest personal care at home providers. The Company's share of this investment was £0.3 million.

Although the general level of investment activity has remained subdued since the half year, the Portfolio Manager expects that at least three further investments will be completed by limited partnerships before the end of September. These are likely to total approximately £2.0 million in investment value for the Company.

Given the subdued M&A markets in the first six months of 2009 there was minimal private equity exit activity. As a result, the Company received only two significant cash distributions, both from Rutland Fund I. First, in February the Company received £0.6 million following the release of a tax indemnity in connection with the exit of H&T Group Limited in 2006. Second, in May, £0.4 million was received in interest income from Wolstenholme Group.

The Company made no new commitments to limited partnerships during the half year. This reflected caution regarding the Company's level of outstanding commitments particularly as cash inflows from realisations became increasingly scarce.

Listed Investments

There was one very small addition to the listed portfolio during the period, being February's £12,500 investment in T2 Income Fund Limited, an investor in leveraged bank loans. This investment has performed extremely well, and at 30 June 2009 was valued at £125,000, an uplift of 10x cost.

The low point of sentiment towards listed private equity vehicles appears to have occurred in March 2009. Although share prices have rebounded in recent months, the average discount of listed private equity fund of funds is still over 40%. It is anticipated that the listed private equity market will continue to provide opportunities for the Company to invest

in good quality private equity businesses at attractive prices for some time.

Valuation

At 30 June 2009 the total value of the Company's investments was £58.9 million of which £49.8 million represented investments in limited partnerships. This compares with £61.1 million and £50.4 million respectively at the 31 December 2008 year end, and reflects the fact that there have been very few significant changes in the valuations of investments held by the Company's limited partnerships during the period under review. One exception to this is the 54.2% downward adjustment to the valuation of Boat International Media Limited, one of the investments made by August Equity Partners I. Overall, however, the combination of improving publicly quoted comparators and increased focus on portfolio management by the Company's limited partnership managers has led to the stabilisation of valuations during the half year.

Due to FSA Disclosure and Transparency Rule 4.2 requiring the Company to release its interim accounts by 31 August, it has not been possible to update all limited partnership valuations using reports for the quarter ended 30 June 2009. As a result, 49% by value of the limited partnership portfolio has been valued using 30 June 2009 reports and 51% using 31 March 2009 reports, updated for any subsequent cash flows. All limited partnership valuations for 30 June 2009 are expected to be reflected fully in the net asset value for 30 September 2009 which will be released in mid-October 2009. It should be noted, however, that informed discussions with the limited partnerships that have not yet provided their 30 June 2009 reports indicate that any valuation changes will not be material.

Additional information on the Company's portfolio, including details of underlying investments held through limited partnerships, can be found on pages 7 to 11. To improve transparency for shareholders, we have provided an enhanced analysis for this report.

Outlook

There continues to be uncertainty regarding the macro-economic environment in both the UK and Europe. Nonetheless, history would suggest that investments made in the next few years will provide strong returns. Private equity investment conditions are likely to become favourable from 2010 onwards as sellers' price expectations adjust to the new environment and more businesses become available at attractive prices. The Company's limited partnership investments have approximately £40 million to invest on our behalf over this period to take advantage of these potentially attractive conditions.

Ian Barrass

Portfolio Manager
28 August 2009

Investment Portfolio

at 30 June 2009

Company	Category	Country/ region	Cost £'000	Valuation £'000	% of Portfolio
August Equity Partners II	LP	UK	10,384	10,255	17.1
Rutland Fund I	LP	UK	18,413	10,137	16.9
August Equity Partners I	LP	UK	10,270	10,112	16.8
Parallel Ventures 2006	LP	UK/Europe	3,686	9,788	16.3
Astorg IV	LP	France	2,234	2,567	4.3
Logic Group	Direct	UK	2,500	2,500	4.2
Fondinvest Capital VIII	LP	France	1,536	1,633	2.7
Pragma II	LP	France	2,319	1,605	2.7
Graphite Enterprise	Listed	UK	2,218	1,395	2.3
Century Capital Partners Fund IV	LP	US	1,182	1,384	2.3
Ten largest investments			54,742	51,377	85.6
Hg Capital Trust	Listed	UK/Europe	1,249	1,158	1.9
Rutland Fund II	LP	UK	1,893	1,149	1.9
Quorum Oil & Gas Technology	Listed	Global	754	749	1.2
ARC Capital	Listed	China	691	518	0.9
Evolve India	Listed	India	1,076	510	0.8
SVG Capital 8.25% convertible bonds 2016	Listed	UK	750	484	0.8
Lyceum Capital Fund II	LP	UK	784	481	0.8
Renewable Energy Generation	Listed	UK	1,155	400	0.7
Zeus Private Equity Fund	LP	UK	448	394	0.7
Reconstruction Capital II	Listed	Eastern Europe	968	356	0.6
Twenty largest investments			64,510	57,575	95.9
Dinamia	Listed	Spain	483	296	0.5
Elderstreet Capital Partners	LP	UK	353	275	0.5
Private Equity Investor	Listed	US	320	253	0.4
Wendel Investments	Listed	Europe	740	167	0.3
China Growth Opportunities	Listed	China	493	145	0.2
T2 Income Fund	Listed	Global	13	125	0.2
KB Fund III B	LP	UK	–	19	0.0
KB Fund III	LP	UK	–	8	0.0
Total investments			66,912	58,863	98.0
Cash				1,196	2.0
Total portfolio				60,059	100.0

LP = Limited Partnership

30 Largest Underlying Investments

The table below summarises the 30 largest underlying investments by value in the Company's portfolio of unlisted private equity funds. The valuations are gross, before any carry provision.

	Vintage	Cost £'000	Valuation £'000	% of portfolio
Enara Home care provider	2008	4,396	4,804	8.0
Notemachine Distributor of cash machines	2006	11,673	4,118	6.9
Lifeways Community Care Provider of specialist healthcare	2007	3,991	3,931	6.5
Advantage Healthcare staffing	2005	4,310	3,338	5.6
Accura Provider of oil & gas components	2008	2,920	3,222	5.4
Rollfold Group (Rixonway) Kitchen manufacturing business	2006	2,017	2,869	4.8
Wolstenholme Chemicals & Materials	2000	286	1,837	3.1
4 Projects Provider of project collaborations solutions	2007	1,742	1,834	3.1
Premo Manufacturer of radio frequency identification devices	2007	1,436	1,469	2.4
Rasmussen Provider of connecting technology to the automotive industry	2006	644	1,238	2.1
Jerrold Holdings Secured lending	2006	1,089	1,139	1.9
Hat Trick Productions Independent television production company	2003	1,309	1,077	1.8
Chorion Owner of intellectual property rights over children's and crime fiction characters	2006	1,419	1,073	1.8
Planit Holdings Develops and supports software/services	2006	351	1,072	1.8
Boat International Media Website & magazine publisher	2006	2,533	1,007	1.7
Attends Healthcare Healthcare products manufacturer	2007	665	914	1.5
GD Metal Metal Recycling	2006	908	908	1.5
OGF Funeral Services	2007	740	821	1.4
Carewatch Provider of home care services	2009	775	775	1.3

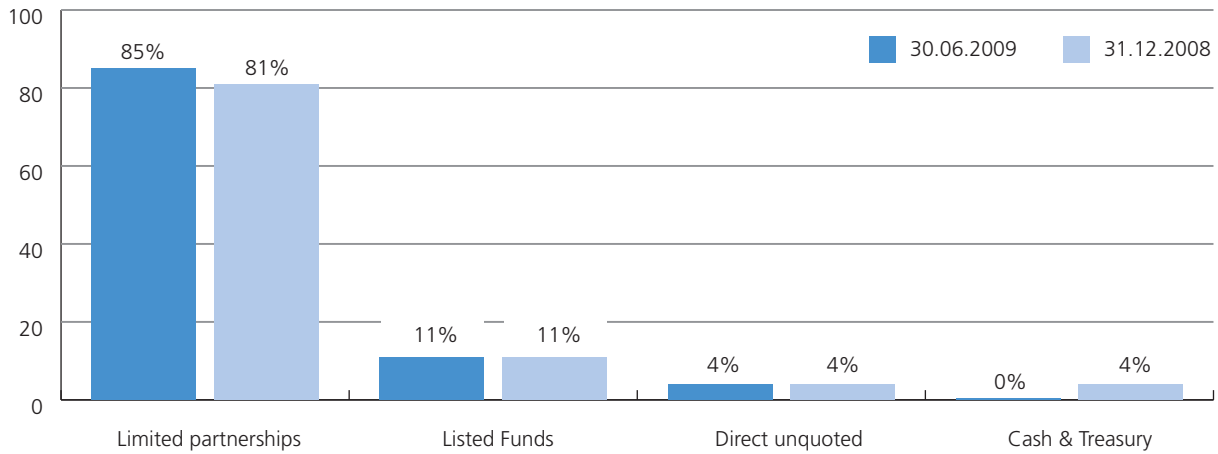
30 Largest Underlying Investments

continued

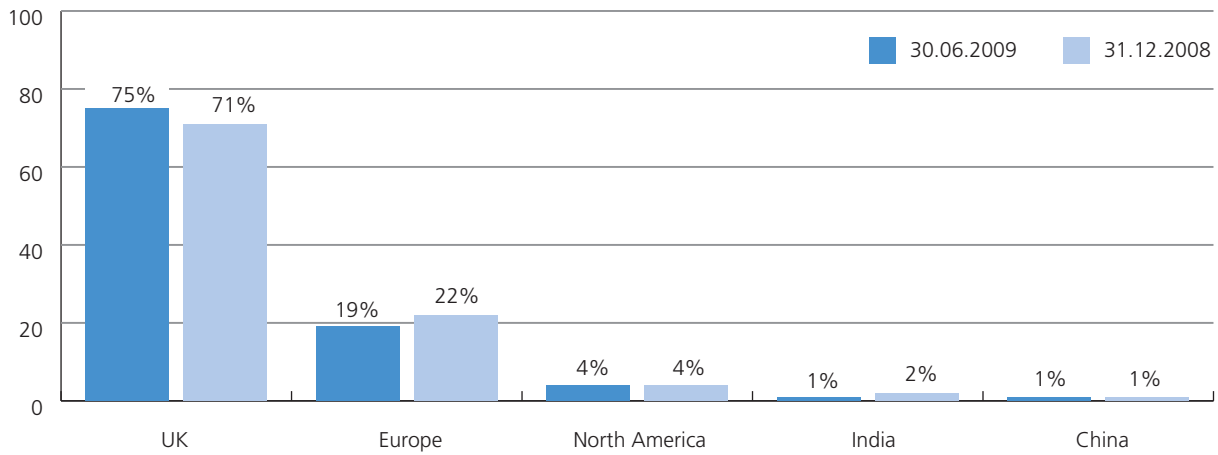
	Vintage	Cost £'000	Valuation £'000	% of portfolio
Ethypharm				
Oral drug delivery products for the pharmaceutical industry	2007	513	730	1.2
Photonis				
Opto electronics components for military and civilian applications	2008	706	725	1.2
Elemaster				
Design and manufacturer of printed electronic systems	2006	446	660	1.1
ONO Development				
Food tray manufacturer	2006	413	545	0.9
FPEE				
Producer of plastic & aluminium locking systems	2009	458	537	0.9
MKM				
Builders merchant	2006	330	462	0.8
Thésée Group				
Cost optimisation consultancy	2009	384	450	0.7
APEM (Project Gate)				
Manufacturer of industrial switches and switch panels	2006	215	429	0.7
Fives Lille				
Supplier of processing equipment	2006	165	380	0.6
Texa Group				
Claims and loss management services provider	2008	313	367	0.6
Eloy				
Manufacturer of hydraulic and pneumatic systems for automotive industry	2007	264	363	0.6
30 largest underlying investments		47,411	43,094	71.9
33 other underlying investments		6,137	4,572	7.6
Total underlying investments		53,548	47,666	79.5

Portfolio Analysis

Type of investment



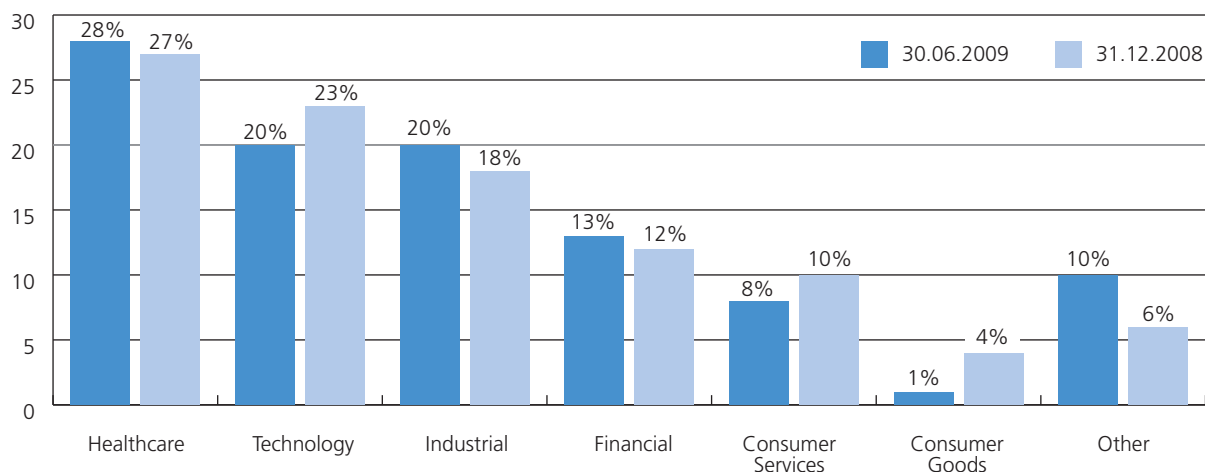
Geographic exposure ("look-through")



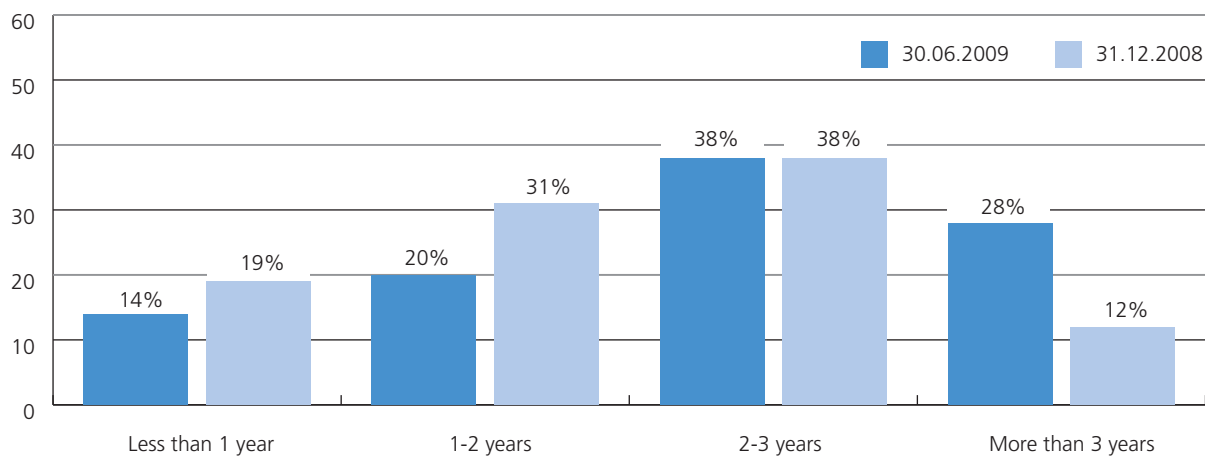
Portfolio Analysis

continued

Sector exposure of limited partnerships



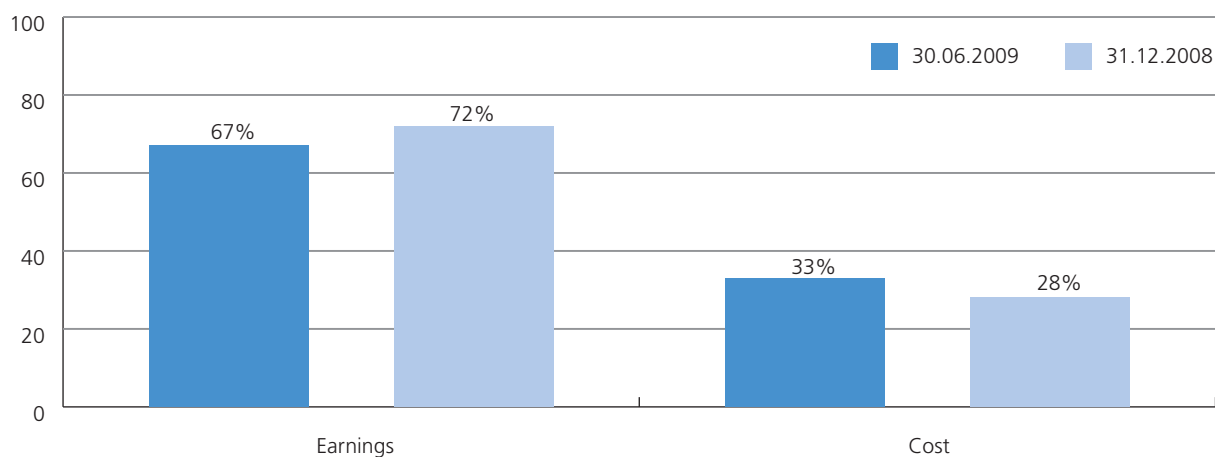
Limited partnerships by vintage



Portfolio Analysis

continued

Valuation basis of limited partnerships



Commitment Analysis

Commitments

	Original commitment £'000	Outstanding commitment £'000	% of outstanding commitments
Funds in investment period	82,283	46,855	80.4%
Funds in post-investment period	140,000	11,432	19.6%
Total	<u>222,283</u>	<u>58,287</u>	<u>100.0%</u>

Commitments – remaining investment period

	% of Commitments
3 – 4 years	6.7%
2 – 3 years	4.6%
1 – 2 years	23.3%
Less than 1 year	2.4%
Investment period completed	63.0%
	<u>100.0%</u>

Income Statement

for the six months ended 30 June 2009

		(Unaudited) Six months ended 30 June 2009		
Notes		Revenue £'000	Capital £'000	Total £'000
2	(Losses)/gains from investments held at fair value through profit or loss	–	(3,303)	(3,303)
	Gains/(losses) on foreign exchange	–	90	90
3	Income	614	–	614
4	Investment management fee	(343)	–	(343)
	Administrative expenses	(280)	–	(280)
	Return on ordinary activities before finance costs and taxation	(9)	(3,213)	(3,222)
	Interest payable and similar charges	(11)	–	(11)
	Return on ordinary activities before taxation	(20)	(3,213)	(3,233)
	Taxation	(1)	–	(1)
	Return on ordinary activities after finance costs and taxation	(21)	(3,213)	(3,234)
6	Return per Ordinary share (based on average number of shares in issue during the period)	(0.1)p	(17.0)p	(17.1)p
	Number of Ordinary shares in issue at period end	18,850,212		
	Weighted average number of shares during the period	18,850,212		

The columns of this statement headed "total" represent the Company's income statement, prepared in accordance with UK GAAP. The revenue and capital columns are supplementary to this and are published under guidance from The Association of Investment Companies.

All revenue and capital items in the above statement derive from continuing operations. No operations were acquired or discontinued in the current or prior periods.

(Unaudited) Six months ended 30 June 2008			(Audited) Year ended 31 December 2008		
Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
–	467	467	–	(11,105)	(11,105)
–	(39)	(39)	–	99	99
1,235	–	1,235	2,378	–	2,378
(433)	–	(433)	(377)	–	(377)
(454)	–	(454)	(934)	–	(934)
<u>348</u>	<u>428</u>	<u>776</u>	<u>1,067</u>	<u>(11,006)</u>	<u>(9,939)</u>
(37)	–	(37)	(70)	–	(70)
<u>311</u>	<u>428</u>	<u>739</u>	<u>997</u>	<u>(11,006)</u>	<u>(10,009)</u>
(96)	–	(96)	(1,066)	–	(1,066)
<u>215</u>	<u>428</u>	<u>643</u>	<u>(69)</u>	<u>(11,006)</u>	<u>(11,075)</u>
<u>1.1p</u>	<u>2.2p</u>	<u>3.3p</u>	<u>(0.4)p</u>	<u>(57.0)p</u>	<u>(57.4)p</u>
18,970,212			18,850,212		
19,668,679			19,280,488		

Reconciliation of Movement in Shareholders' Funds

for the six months ended 30 June 2009

	For the six months ended 30 June 2009 (Unaudited)					
	Called-up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserves £'000	Revenue reserve* £'000	Shareholders' funds £'000
Balance at 1 January 2009	984	17,321	705	40,573	1,431	61,014
Capital attributable to Ordinary Shareholders	–	–	–	(3,213)	–	(3,213)
Revenue attributable to Ordinary Shareholders	–	–	–	–	(21)	(21)
Rebate of commission on share buybacks	–	–	–	4	–	4
Balance at 30 June 2009	984	17,321	705	37,364	1,410	57,784

	For the six months ended 30 June 2008 (Unaudited)					
	Called-up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserves £'000	Revenue reserve* £'000	Shareholders' funds £'000
Balance at 1 January 2008	987	17,321	702	53,876	1,630	74,516
Capital attributable to Ordinary Shareholders	–	–	–	428	–	428
Revenue attributable to Ordinary Shareholders	–	–	–	–	215	215
Dividends paid	–	–	–	–	(130)	(130)
Shares bought back and cancelled	(3)	–	3	(128)	–	(128)
Shares bought back and held in Treasury	–	–	–	(1,862)	–	(1,862)
Balance at 30 June 2008	984	17,321	705	52,314	1,715	73,039

	For the year ended 31 December 2008 (Audited)					
	Called-up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserves £'000	Revenue reserve* £'000	Shareholders' funds £'000
Balance at 1 January 2008	987	17,321	702	53,876	1,630	74,516
Capital attributable to Ordinary Shareholders	–	–	–	(11,006)	–	(11,006)
Revenue attributable to Ordinary Shareholders	–	–	–	–	(69)	(69)
Dividends paid	–	–	–	–	(130)	(130)
Shares bought back and cancelled	(3)	–	3	(128)	–	(128)
Shares bought back and held in Treasury	–	–	–	(2,169)	–	(2,169)
Balance at 31 December 2008	984	17,321	705	40,573	1,431	61,014

*The revenue reserve represents the amount of the Company's reserves distributable by way of a dividend.

Balance Sheet

at 30 June 2009

Notes	(Unaudited) 30 June 2009 £'000	(Unaudited) 30 June 2008 £'000	(Audited) 31 December 2008 £'000
Fixed assets			
Investments	58,863	70,901	61,079
Current assets			
Debtors	168	305	197
Cash at bank	1,523	4,188	2,277
	1,691	4,493	2,474
Current liabilities			
Bank loan	(1,000)	–	–
Bank overdraft	(327)	(1,006)	(1,309)
Other creditors	(1,443)	(1,349)	(1,230)
	(2,770)	(2,355)	(2,539)
Net current (liabilities)/assets	(1,079)	2,138	(65)
Net assets	57,784	73,039	61,014
Capital and reserves			
Called-up share capital	984	984	984
Share premium	17,321	17,321	17,321
Capital redemption reserve	705	705	705
7 Capital reserves	37,364	52,314	40,573
Revenue reserve	1,410	1,715	1,431
Shareholders' funds	57,784	73,039	61,014
8 Net Asset Value per Ordinary share	306.5p	385.0p	323.7p

Cash Flow Statement

for the six months ended 30 June 2009

	(Unaudited) Six months ended 30 June 2009 £'000	(Unaudited) Six months ended 30 June 2008 £'000	(Audited) Year ended 31 December 2008 £'000
Net cash inflow/(outflow) from operating activities	233	(81)	550
Taxation			
Tax received	–	127	119
Financial investment			
Purchase of listed fixed asset investments	(12)	(12,528)	(13,228)
Purchase of unlisted fixed asset investments	(3,212)	(8,624)	(16,395)
Sale of listed fixed asset investments	1,330	10,355	15,288
Sale of unlisted fixed asset investments	808	12,146	13,056
Net cash (outflow)/inflow from financial investment	(1,086)	1,349	(1,279)
Equity dividends paid	–	(127)	(130)
Net cash (outflow)/inflow before financing	(853)	1,268	(740)
Financing			
Purchase of Ordinary shares	4	(1,984)	(2,297)
Bank loan drawn	1,000	–	–
Bank interest paid	(13)	(43)	(74)
Increase/(decrease) in cash	138	(759)	(3,111)
Net funds at start of the period	968	3,980	3,980
Gains/(losses) on foreign exchange	90	(39)	99
Net funds at the end of the period	1,196	3,182	968
Represented by:			
Cash at bank	1,523	4,188	2,277
Bank overdraft	(327)	(1,006)	(1,309)
	1,196	3,182	968

Notes to the Accounts

for the six months ended 30 June 2009

1. Accounting Policies

The accounts have been prepared on a going concern basis, under the historical cost convention, as modified to include the revaluation of investments and in accordance with applicable United Kingdom Accounting Standards.

The Company is not an investment company within the meaning of Section 833 of the Companies Act 2006. However, it conducts its affairs as an investment trust for taxation purposes under Section 842 of the Income and Corporation Taxes Act 1988. As such, the Directors consider it appropriate to present the accounts in accordance with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' (the 'SORP'), as issued by The Association of Investment Companies in January 2009.

The financial statements for each of the six month periods ended 30 June 2009 and 30 June 2008 comprise non-statutory accounts within the meaning of Sections 434-436 of the Companies Act 2006. The financial information for the year ended 31 December 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 31 December 2008, with the exception of the early adoption of the January 2009 SORP, which has no effect on the financial statements of the Company, other than the requirement to disclose separately capital reserves that relate to the revaluation of investments held at the reporting date. These are disclosed in note 7. This new requirement replaces the previous requirement to disclose the value of the capital reserve that was unrealised.

	(Unaudited) Six months ended 30 June 2009 £'000	(Unaudited) Six months ended 30 June 2008 £'000	(Audited) Year ended 31 December 2008 £'000
2. (Losses)/gains on investments held at fair value			
Realised gains/(losses):			
Listed investments	155	(117)	(237)
Unlisted investments	88	3,319	3,592
	243	3,202	3,355
Amounts recognised as unrealised in the previous period:	(172)	(2,593)	86
Net realised gains based on carrying value at the start of the period	71	609	3,441
Investment holding gains/(losses):			
Listed investments	(127)	(1,159)	(4,024)
Unlisted investments	(3,247)	1,017	(10,522)
	(3,374)	(142)	(14,546)
Net (losses)/gains on investments held at fair value	(3,303)	467	(11,105)

Notes to the Accounts continued

for the six months ended 30 June 2009

	(Unaudited) Six months ended 30 June 2009 £'000	(Unaudited) Six months ended 30 June 2008 £'000	(Audited) Year ended 31 December 2008 £'000
3. Dividends and other income			
Income from fixed asset investments:			
Franked income:			
Dividends from listed UK investments	64	84	86
Unfranked income:			
Dividends from listed overseas investments	32	44	119
Distributions from UK unlisted investments	478	889	1,730
Listed UK treasury gilts	–	85	90
Listed UK loan stock investments	31	4	35
Listed overseas treasury gilts	5	7	90
	546	1,029	2,064
Total income from fixed asset investments	610	1,113	2,150
Other income:			
Deposit interest	4	120	168
Other income	–	2	60
	4	122	228
	614	1,235	2,378
4. Investment management fee			
Investment management fee – charged to revenue	343	433	803
VAT on management fee recovered from HMRC	–	–	(426)
Performance fee – charged to capital	–	–	–
	343	433	377

The investment management agreement provides for a management fee of 1.25% per annum of the Company's assets (at valuation) invested in limited partnerships and direct private equity interests and 0.75% per annum on the remainder of the Company's assets. In addition, the Company's Manager will be entitled to an annual performance fee of 10% of any return in excess of 8% per annum. As the performance fee is expected to be driven by capital appreciation, the Directors have determined that it should be charged to the capital account.

Notes to the Accounts continued

for the six months ended 30 June 2009

5. Commitments	(Unaudited) 30 June 2009 £'000	(Unaudited) 30 June 2008 £'000	(Audited) 31 December 2008 £'000
The level of outstanding commitments at the period end was:			
August Equity Partners II	19,616	23,688	20,014
Rutland Fund II	8,107	8,314	8,210
Rutland Fund I*	7,833	9,001	8,537
Lyceum Fund II	4,216	4,914	4,615
Fondinvest	3,670	–	4,005
Pragma II	3,652	4,787	5,072
Astorg IV	3,398	4,051	3,576
Parallel Ventures 2006	2,001	2,269	2,218
KB Fund III and KB Fund IIIB*	1,791	1,790	1,791
August Equity Partners I*	1,777	1,315	1,174
Century Capital Partners Fund IV	1,643	1,631	1,946
Zeus Private Equity Fund	552	764	694
Elderstreet Capital Partners*	31	31	31
	<u>58,287</u>	<u>62,555</u>	<u>61,883</u>

*Denotes Fund is in post investment period as at 30 June 2009.

6. Return per Ordinary share	(Unaudited) Six months ended 30 June 2009 £'000	(Unaudited) Six months ended 30 June 2008 £'000	(Audited) Year ended 31 December 2008 £'000
Revenue return	(21)	215	(69)
Capital return	(3,213)	428	(11,006)
Total return	<u>(3,234)</u>	<u>643</u>	<u>(11,075)</u>
Weighted average number of ordinary shares in issue	18,850,212	19,668,679	19,280,488
Revenue return	(0.1)p	1.1p	(0.4)p
Capital return	(17.0)p	2.2p	(57.0)p
Total return	<u>(17.1)p</u>	<u>3.3p</u>	<u>(57.4)p</u>

Notes to the Accounts continued

for the six months ended 30 June 2009

	(Unaudited) 30 June 2009 £'000	(Unaudited) 30 June 2008 £'000	(Audited) 31 December 2008 £'000
7. Capital reserves			
Opening balance	40,573	53,876	53,876
Gains on realisation of investments	71	609	3,441
Movements in investment holdings losses	(3,374)	(142)	(14,546)
Gains/(losses) on foreign exchange	90	(39)	99
Costs of share buybacks	4	(1,990)	(2,297)
	37,364	52,314	40,573
	30	15,301	3,576
8. Net asset value per ordinary share			
Net assets attributable to ordinary shareholders (£'000)	57,784	73,039	61,014
Ordinary shares in issue at end of period	18,850,212	18,970,212	18,850,212
Net asset value per ordinary share	306.5p	385.0p	323.7p
9. Related parties			

During the first six months of the current financial year, no transactions with related parties have taken place which have materially affected the financial position or performance of the Company during the period. Details of the related party transactions are contained in the Annual Report and Financial Statements. For the avoidance of doubt, the acquisition of New Star Asset Management Group plc by Henderson Group plc has not resulted in a change in the Company's contractual relationships and was not a related party transaction.

Investor Information

Directors

John Mackie CBE (Chairman)
Barry Dean
Terry Connor
Ian Orrock

Investment Manager

New Star Asset Management Limited
authorised and regulated by the Financial Services Authority
Represented by Ian Barrass

Secretary

New Star Asset Management Limited
Represented by David Fallon

Registered office

201 Bishopsgate
London EC2M 3AW
Telephone: 020 7818 1818

Registered number

Registered in England and Wales: 159836

Stock Exchange share codes

SEDOL: 03095531
ISIN: GB0030955313
Ticker: HPEQ

Registrars

Capita Registrars Ltd
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU
Telephone (UK): 0871 664 0300
Calls to this number are charged at 10p per minute plus
network extras.
Email: ss@capitaregistrars.com

Share price information

The market price of the Company's shares is published in The Daily Telegraph, the Financial Times and the Times. The share prices and details about the Company may be found on the following websites:

www.hendersonprivateequity.com
www.itshenderson.com

Investing in the Company

Shares in the Company may be bought or sold directly through a stockbroker, or other independent financial adviser or through a number of banks and building societies which provide this service.

Halifax Share Dealing Service

Lovell Park Road
Leeds LS1 1NS
Telephone: 0845 6090408
[www.halifax.co.uk/sharedealing/
product_landing_pages/henderson.asp](http://www.halifax.co.uk/sharedealing/product_landing_pages/henderson.asp)



The Association of
Investment Companies



Henderson Private Equity Investment Trust plc is managed by



This report is printed on 9lives, a paper containing 55% recycled fibre & 45% FSC accredited virgin fibre. Pulps used are elemental chlorine free manufactured at a mill accredited with the ISO 14001 environmental management system.

The FSC logo identifies products which contain wood from well managed forests certified in accordance with the rules of the Forest Stewardship Council.

