TR European Growth Trust PLC

Report for the half year ended 31 December 2008

Policy, Objective and Benchmark

Policy

To invest predominantly in smaller and medium sized companies in Europe (excluding the UK).

Objective

To achieve capital growth, aiming for a net asset value total return greater than our benchmark index.

Benchmark

A blend of 50% of the total return of the HSBC Smaller Europe (ex UK) Index and 50% of the total return of the S&P/Citigroup EMI Europe (ex UK) Index (both expressed in sterling).

Highlights

31 December 2007 (Unaudited) £'000		**31 December 2008 (Unaudited) £'000**	30 June 2008 (Audited) £'000	% change
406,114	Total net assets	**202,531**	331,852	-39.0
%	Divided between:	**%**	%	
97.5	Quoted equities	**76.6**	100.3	
2.8	Unquoted equities	**8.8**	4.1	
(0.3)	Net current assets/(liabilities)	**14.6**	(4.4)	
100.0		**100.0**	100.0	
525.41p	**Net asset value per ordinary share**	**292.86p**	458.61p	-36.1
467.75p	**Ordinary share price**	**265.50p**	420.00p	-36.8
10.97%	Discount to NAV	**9.34%**	8.42%	
–	**Benchmark**	**–**	–	-23.6
526.93	* HSBC Smaller Europe (ex UK) Index	**350.83**	464.33	-24.4
608.02	* S&P/Citigroup EMI Europe (ex UK) Index	**426.85**	552.75	-22.8
755.84	* FTSE World Europe (ex UK) Index	**574.51**	663.23	-13.4

* Indices expressed on a total return basis, source Datastream

Interim Management Report

Chairman's Statement

The first half of our fiscal year was a very difficult period for both stock markets and our Company. The net asset value fell by 36.1% which compares very unfavourably with our benchmark which fell by 23.6%. The reasons for this disappointing return are discussed in the Manager's Report which follows. In summary, our stock selection was below par, exacerbated by poor liquidity.

The share price fell in tandem, although the discount was little changed, aided by our share repurchase programme. We have continued to buy back shares at discounts to net asset value, thus enhancing the net asset value for remaining shareholders. During the six months to 31 December 2008, 3,203,600 shares were repurchased, representing a little under 4.5% of our share capital.

Reclaim of VAT on past management and performance fees

In our annual report to 30 June 2008, we reported that we had recognised an estimated VAT reclaim of £4,538,000. Further progress has been made on the recovery process. As a result of agreement reached with HM Revenue & Customs, an additional £611,000 has been recognised in the Income Statement. Full details can be found in note 6 to the financial statements.

The VAT reclaim contributed to our being able to report a positive revenue result of £1,277,000, despite the fact that the majority of our dividend income usually falls due in the second half of our financial year.

Prospects, principal risks and uncertainties

After a period where markets have been terrible, we are now in a phase where company reporting is catching up with market expectations by coming in almost universally negative and managements being extremely cautious as to the short term outlook. This had led to a slew of profit warnings and analysts have been forced to inject more reality into their forecasts. However, markets have already moved towards discounting much of the bad news; to such an extent that some companies, reporting poor results, have actually seen their share prices rise as things, whilst bad, were not as bad as expected. The upshot is that markets are likely to remain volatile for some time to come, and the economic news will continue to be poor, but in certain cases we believe that the share prices of particular companies are discounting an even more negative scenario. We have been building our cash levels in recent months. This gives us the fire power to invest in select opportunities that this nervous market will undoubtedly present.

A W Twiston-Davies
Chairman

9 February 2009

Manager's Report

At times of such difficult market conditions, it is important to remember that in the real economy, life still goes on, even if a little more subdued, and it was noteworthy that a number of our best stock performances were as a result of corporate activity. That is, companies using their own money to back their judgement that a particular share price represents an attractive discount to the genuine industrial value of the business concerned.

Our most notable success in this area was **Tanganyika Oil**, the Swedish listed oil producer with Syrian assets. The company was acquired by Sinopec, the Chinese oil company, at a significant premium.

We had a bid for **Revus Energy**, the Norwegian energy explorer with assets in the North Sea.

Another of our holdings which was bid for was **NDS**, the conditional access software company for Pay-TV, which was acquired by a consortium including its parent company and largest customer, News Corp. This company has been an extremely good performer for us over the last few years and is also a clear example of the potential power of buying good businesses at times of maximum market stress. After having reached a high of over $100 per share in

Geographical distribution (% of portfolio)

	31 December 2008	30 June 2008
Austria	**3.5**	4.5
Belgium	**1.2**	1.6
Bulgaria	**0.6**	1.2
Czech Republic	**0.5**	1.7
Denmark	**0.6**	1.2
Finland	**4.9**	3.6
France	**16.2**	13.1
Germany	**16.4**	10.3
Greece	**1.8**	2.6
Italy	**4.7**	6.5
Kazakhstan	**2.9**	3.5
Netherlands	**5.8**	9.3
Norway	**2.8**	6.0
Romania	**0.6**	0.4
Russia	**1.0**	5.6
Spain	**6.8**	4.9
Sweden	**9.3**	7.3
Switzerland	**4.1**	4.7
Turkey	**5.4**	3.3
Other	**10.9**	8.7
	100.0	100.0

2000, we had the opportunity to buy some stock at prices below $10 during the aftermath of the tech meltdown in 2002. The eventual bid price was $63. It is investments such as this that give us the encouragement during periods of trying markets to keep looking for good ideas and backing our judgement.

We also had a bid for another long standing holding which was **Rocla**, the Finnish warehouse trucks business which was acquired by Mitsubishi Heavy Industries, its industrial partner.

It was not only equity markets which fell heavily last year. Many commodities had a torrid time and a number of our worst performers were companies which had exposure to commodities of one sort or another. This type of company tended to be hit doubly hard because not only was the price of its product falling, but the difficult credit conditions meant that financing future development became harder, thus also reducing capex spending.

Our worst performers included **Regal Petroleum**, the oil producer with mainly Ukrainian assets, **Batla Minerals**, **Urals Energy**, which particularly suffered from financing difficulties, and **Lundin Mining**, the Swedish base metals miner with assets throughout Europe.

Other negative performers included **RGI**, which develops property in Moscow, and also **Seadrill**, the Norwegian oil drilling services company.

We selectively added some new holdings, mainly where we felt that the share prices had fallen much further than was justified, even acknowledging the difficult economic environment.

The first new holding was **TF1**. This is the largest privately owned broadcasting group in France and runs the most popular commercial television channel, with which it shares its name. It also has a number of other digital media ventures which it is expanding. It is a turbulent time in French TV with a number of changes to the operating environment but we believe that the company's market position has significant fundamental value and that the management is determined to structurally improve its operating efficiency and reduce its costs.

We also added a new holding in **EVS Broadcast Equipment**. This Belgian based company is the leader in live outside broadcast digital video production systems. Its product offering includes specialised hard disk recorders and editing platforms which allow rapid production of highlights packages from outside broadcasts. From its dominant position in the outside broadcast market, it is now starting to address the substantially larger studio market. Given its updated product features, it is able to benefit from the broadcasters' desire to upgrade their capabilities to offer more and more high definition material.

We bought a new position in **Hochtief**. This German company is a leading international construction group which is active across a range of different segments globally and should benefit from an environment of increased infrastructure spending.

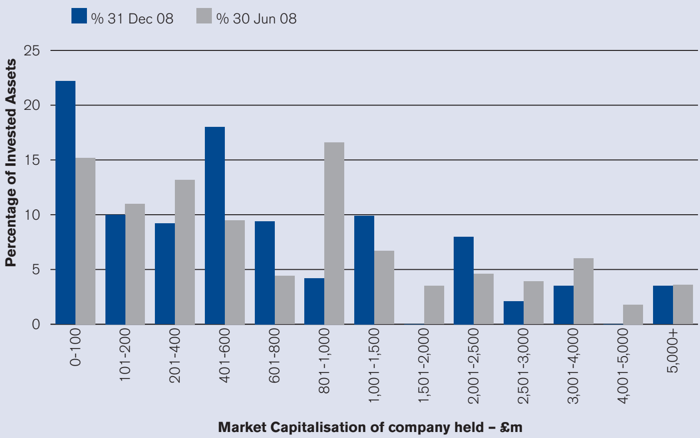
Another new holding was **Sampo**. This Finnish insurance group's management has a strong track record of building a high quality business.

We also increased our holding in **Selçuk Ecza Deposu**. This Turkish pharmaceutical distributor has been in the portfolio for some time, but we still believe that it continues to make progress and is attractively valued given its significant position in what is still a structurally growing market.

Our sales were a mixture of companies where we were concerned over the outlook, such as the financial companies **Fortis**, the Benelux banking group, and **Marfin**, the Greek financial group, and also of companies where we simply felt that we could find more attractive opportunities elsewhere, such as **Lundin Petroleum**, the Swedish oil concern and **Givaudan**, the Swiss fragrances company.

The chart below shows the market capitalisation dispersal. The weighted average market capitalisation of the portfolio at 31 December 2008 was £965m which compares to £1,288m at 30 June 2008.

Fund Distribution by Market Capitalisation



Source: Henderson Global Investors

Sector distribution (% of portfolio)

	31 December 2008	30 June 2008
Basic Materials	**14.3**	12.1
Business Providers	**7.4**	10.3
Consumer Goods	**3.9**	6.0
Financials	**19.9**	16.2
Industrial Goods	**8.9**	10.7
Natural Resources	**26.4**	32.8
Retail Providers	**–**	0.9
Technology	**19.2**	11.0
	100.0	100.0

Outlook

The dramatic falls across equity markets globally are a stark illustration of the magnitude of the economic problems facing the global economy. The roots of the crisis have been primarily financial and indeed much of the last year has been spent by both companies and increasingly also by governments in trying to put the financial system back into reasonable working order. This has meant recapitalisations of banks on a massive scale, mostly as a result of government bailouts. We seem to be at least a fair way through this process now but the result of a sick banking system has been a marked lack of availability of credit for the rest of the economy. This has all contributed to make the ending of a number of demand bubbles even more painful and dramatic than might have been expected. The result is a world in which companies are extremely nervous about the outlook for customer demand and this has understandably led to them adopting cautious spending patterns of their own.

The result of all of this is that this year is likely to be one of consolidation at best for some companies, and most likely retrenchment for many. It is difficult for stockmarkets to make significant progress against what is likely to be a torrent of downbeat trading statements. However, markets do tend to work to discount future expectations, and so in the same way that markets began falling well before the companies reported poor earnings, we should expect markets to start to recover before companies see much in the way of green shoots. We still have some way to go and markets are likely to remain volatile, subject to sudden swings in sentiment, but it is important to remain focused on our task of finding specific companies which have strong businesses and which have the ability to survive this difficult period and use it as a base from which to grow in the future. We also strongly believe that the level of negative sentiment which abounds means that we are currently able to buy particular, good companies at levels not seen for a number of years and that these should form a good platform for performance in the years ahead.

Stephen V Peak
Simon Savill
9 February 2009

List of Investments

as at 31 December 2008

	Valuation £'000	% of total portfolio
Austria		
A-Tec Industries	2,315	
Andritz	2,282	
Schoeller-Bleckmann	1,482	
	6,079	3.5
Belgium		
Accentis	474	
EVS Broadcast Equipment	1,111	
Punch International	532	
	2,117	1.2
Bulgaria		
Equest Investments Balkans	1,112	
	1,112	0.6
Czech Republic		
New World Resources	895	
	895	0.5
Denmark		
Sjaelsø Gruppen	949	
	949	0.6
Finland		
Inion	17	
Ponsse	1,513	
Sampo	5,770	
Talvivaara Mining	1,190	
	8,490	4.9
France		
*21 Centrale Partners III	8,477	
*21 Développement	793	
Batla Minerals	1,629	
Cafom	857	
Dietswell Engineering	1,032	
Haulotte	905	
Hi-Media	1,650	
Poncin Yachts	257	
Rhodia	1,732	
STS Group	2,916	
Televista	1,639	
TF1	2,579	
Uniross	544	
Velcan Energy	2,954	
	27,964	16.2

	Valuation £'000	% of total portfolio
Germany		
Bauer	4,951	
*BrainLAB	7,551	
Gerresheimer	3,331	
Hochtief	5,163	
Puma	3,138	
Uzin Utz	3,071	
Washtec	1,180	
	28,385	16.4
Greece		
Goldenport	366	
Sidenor	1,701	
Technical Olympic	957	
	3,024	1.8
Italy		
Aeffe	1,461	
Azimut	3,529	
Elica	779	
Landi Renzo	788	
Safwood	1,508	
	8,065	4.7
Kazakhstan		
KazMunaiGas	3,506	
ShalkiyaZinc	17	
Tau Capital	1,478	
	5,001	2.9
Netherlands		
Aalberts Industries	2,246	
Binckbank	3,678	
Smartrac	2,355	
Wavin	1,810	
	10,089	5.8
Norway		
Prosafe Production	584	
Prosafe	2,111	
Seadrill	2,189	
	4,884	2.8

List of Investments continued

as at 31 December 2008

	Valuation £'000	% of total portfolio
Romania		
A&D Pharma	1,010	
	1,010	0.6
Russia		
AFI Development	505	
Amtel-Vredestein	–	
*Premier Telesports	–	
*Primamedic	–	
RGI International	573	
Urals Energy	631	
	1,709	1.0
Spain		
Enagas	5,833	
OHL	4,569	
Realia	1,290	
	11,692	6.8
Sweden		
Lundin Petroleum	2,123	
Tanganyika Oil	14,002	
	16,125	9.3
Switzerland		
Compagnie Financière Tradition	1,698	
Temenos	5,450	
	7,148	4.1
Turkey		
Selçuk Ecza Deposu	5,978	
Turkiye Halk Bankasi	3,405	
	9,383	5.4

	Valuation £'000	% of total portfolio
Other		
Amerisur	118	
*Doughty Hanson & Co.Fund II	133	
*Doughty Hanson & Co.Fund III	931	
IFR Capital	271	
KSK Emerging India Energy	4,733	
NDS	10,922	
Regal Petroleum	1,339	
Trigon Agri	378	
	18,825	10.9
Total Portfolio	172,946	100.0

*Unquoted investments

Consolidated Income Statement

for the half year ended 31 December 2008

	Note	Half year ended 31 December 2008 (Unaudited) Revenue return £'000	Capital return £'000	Total £'000
Investment income		1,164	–	1,164
Other income	6	869	–	869
Losses on investments held at fair value through profit or loss		–	(117,952)	(117,952)
Total income/(loss)		2,033	(117,952)	(115,919)
Expenses				
Management fees	2	(111)	(444)	(555)
Write back of prior years' VAT	2, 6	122	489	611
Other expenses		(253)	–	(253)
Profit/(loss) before finance costs and taxation		1,791	(117,907)	(116,116)
Finance costs		(29)	(116)	(145)
Profit/(loss) before taxation		1,762	(118,023)	(116,261)
Taxation		(485)	424	(61)
Profit/(loss) for the period		1,277	(117,599)	(116,322)
Earnings/(loss) per ordinary share	3	1.80p	(165.85p)	(164.05p)

The total column of this statement represents the Consolidated Income Statement, prepared in accordance with IFRS. The revenue return and capital return columns are supplementary to this and are prepared under guidance published by the Association of Investment Companies.

All items in the above statement derive from continuing operations.

All income is attributable to the equity holders of TR European Growth Trust PLC, the parent company. There are no minority interests.

Half year ended 31 December 2007 (Unaudited)			Year ended 30 June 2008 (Audited)		
Revenue return £'000	Capital return £'000	Total £'000	Revenue return £'000	Capital return £'000	Total £'000
797	–	797	6,371	–	6,371
58	–	58	201	–	201
–	(33,191)	(33,191)	–	(90,078)	(90,078)
855	(33,191)	(32,336)	6,572	(90,078)	(83,506)
(212)	(2,941)	(3,153)	(382)	(3,052)	(3,434)
673	3,931	4,604	453	4,085	4,538
(323)	–	(323)	(590)	–	(590)
993	(32,201)	(31,208)	6,053	(89,045)	(82,992)
(95)	(380)	(475)	(148)	(590)	(738)
898	(32,581)	(31,683)	5,905	(89,635)	(83,730)
(276)	195	(81)	(1,752)	967	(785)
622	(32,386)	(31,764)	4,153	(88,668)	(84,515)
0.78p	(40.79p)	(40.01p)	5.39p	(115.02p)	(109.63p)

Consolidated Statement of Changes in Equity

for the half year ended 31 December 2008

	Half year ended 31 December 2008 (Unaudited)					
	Called up share capital £'000	**Share premium account £'000**	**Capital redemption reserve £'000**	**Other capital reserves £'000**	**Revenue reserve £'000**	**Total £'000**
Balance at 30 June 2008	**9,045**	**115,451**	**11,133**	**179,167**	**17,056**	**331,852**
Buy-backs of ordinary shares	**(400)**	**–**	**400**	**(9,450)**	**–**	**(9,450)**
(Loss)/profit for the period	**–**	**–**	**–**	**(117,599)**	**1,277**	**(116,322)**
Ordinary dividend paid	**–**	**–**	**–**	**–**	**(3,549)**	**(3,549)**
Balance at 31 December 2008	**8,645**	**115,451**	**11,533**	**52,118**	**14,784**	**202,531**

	Half year ended 31 December 2007 (Unaudited)					
	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Other capital reserves £'000	Revenue reserve £'000	Total £'000
Balance at 30 June 2007	10,179	115,451	9,999	309,316	15,133	460,078
Buy-backs of ordinary shares	(518)	–	518	(19,970)	–	(19,970)
(Loss)/profit for the period	–	–	–	(32,386)	622	(31,764)
Ordinary dividend paid	–	–	–	–	(2,230)	(2,230)
Balance at 31 December 2007	9,661	115,451	10,517	256,960	13,525	406,114

	Year ended 30 June 2008 (Audited)					
	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Other capital reserves £'000	Revenue reserve £'000	Total £'000
Balance at 30 June 2007	10,179	115,451	9,999	309,316	15,133	460,078
Buy-backs of ordinary shares	(1,134)	–	1,134	(41,481)	–	(41,481)
(Loss)/profit for the year	–	–	–	(88,668)	4,153	(84,515)
Ordinary dividend paid	–	–	–	–	(2,230)	(2,230)
Balance at 30 June 2008	9,045	115,451	11,133	179,167	17,056	331,852

Consolidated Balance Sheets

at 31 December 2008

	31 December 2008 (Unaudited) £'000	31 December 2007 (Unaudited) £'000	30 June 2008 (Audited) £'000
Non current assets			
Investments held at fair value through profit or loss	**172,946**	407,171	346,342
Current assets			
Sales for future settlement	**64**	824	42
Taxation recoverable	**194**	178	190
Other receivables	**6,010**	4,688	4,931
Cash and cash equivalents	**24,020**	266	1,300
	30,288	5,956	6,463
Total assets	**203,234**	413,127	352,805
Current liabilities			
Purchases for future settlement	**–**	(353)	(2,542)
Accruals	**(402)**	(2,886)	(2,299)
Amounts due on repurchase of shares	**(8)**	(20)	(674)
Bank loans and overdrafts	**(293)**	(3,754)	(15,438)
	(703)	(7,013)	(20,953)
Net assets	**202,531**	406,114	331,852
Equity attributable to equity shareholders			
Called up share capital	**8,645**	9,661	9,045
Share premium account	**115,451**	115,451	115,451
Capital redemption reserve	**11,533**	10,517	11,133
Retained earnings:			
Other capital reserves	**52,118**	256,960	179,167
Revenue reserve	**14,784**	13,525	17,056
Total equity	**202,531**	406,114	331,852
Net asset value per ordinary share (note 5)	**292.86p**	525.41p	458.61p

Consolidated Cash Flow Statement

for the half year ended 31 December 2008

	Half year ended 31 December 2008 (Unaudited) £'000	Half year ended 31 December 2007 (Unaudited) £'000	Year ended 30 June 2008 (Audited) £'000
Net cash inflow from operating activities (note 7)	**50,061**	41,712	52,654
Net cash inflow before use of financing	**50,061**	41,712	52,654
Net cash outflow from financing activities	**(29,050)**	(42,901)	(54,386)
Net increase/(decrease) in cash and cash equivalents	**21,011**	(1,189)	(1,732)
Cash and cash equivalents at the start of the period	**1,300**	2,821	2,821
Realised profit/(loss) on foreign currency	**1,416**	(1,447)	211
Cash and cash equivalents at the period end	**23,727**	185	1,300

Notes to the Financial Statements

1. Accounting policies

(a) Basis of preparation

The condensed set of financial statements has been prepared using the same accounting policies as are set out in the Company's annual report for the year ended 30 June 2008 and in accordance with IAS 34.

The condensed set of financial statements has not been either audited or reviewed by the Company's auditors.

(b) Basis of consolidation

The Group accounts consolidate the accounts of the Company and of its wholly owned subsidiary undertaking, TREG Finance Limited.

2. Management and performance fees

	Half year ended 31 December 2008 (Unaudited)			Half year ended 31 December 2007 (Unaudited)			Year ended 30 June 2008 (Audited)		
	Revenue £'000	**Capital £'000**	**Total £'000**	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Performance fee	**–**	**–**	**–**	–	2,025	2,025	–	1,512	1,512
Management fee	**111**	**444**	**555**	210	840	1,050	382	1,527	1,909
Write back of prior years' VAT	**(122)**	**(489)**	**(611)**	(673)	(3,931)	(4,604)	(453)	(4,085)	(4,538)
Irrecoverable VAT thereon	**–**	**–**	**–**	2	76	78	–	13	13
	(11)	**(45)**	**(56)**	(461)	(990)	(1,451)	(71)	(1,033)	(1,104)

There was no performance fee provision at 31 December 2008.

3. Loss per ordinary share

The loss per ordinary share figure is based on the loss for the half year of £116,322,000 (half year ended 31 December 2007: £31,764,000; year ended 30 June 2008: £84,515,000) and on 70,904,353 (half year ended 31 December 2007: 79,401,809; year ended 30 June 2008: 77,092,660) ordinary shares, being the weighted average number of ordinary shares in issue during the period.

The return per ordinary share detailed above can be further analysed between revenue and capital, as below.

	31 December 2008 (Unaudited) £'000	31 December 2007 (Unaudited) £'000	30 June 2008 (Audited) £'000
Net revenue profit	**1,277**	622	4,153
Net capital loss	**(117,599)**	(32,386)	(88,668)
Net total loss	**(116,322)**	(31,764)	(84,515)
Weighted average number of ordinary shares in issue during the period	**70,904,353**	79,401,809	77,092,660

3. Loss per ordinary share continued

	31 December 2008 (Unaudited) Pence	31 December 2007 (Unaudited) Pence	30 June 2008 (Audited) Pence
Revenue return per ordinary share	**1.80**	0.78	5.39
Capital loss per ordinary share	**(165.85)**	(40.79)	(115.02)
Total loss per ordinary share	**(164.05)**	(40.01)	(109.63)

4. Ordinary share capital

At 31 December 2008 there were 69,157,355 ordinary shares in issue (31 December 2007: 77,294,355; 30 June 2008: 72,360,955). During the half year ended 31 December 2008 the Company bought 3,203,600 of its own issued ordinary shares in the market for cancellation (31 December 2007: 4,141,000; 30 June 2008: 9,074,400). The cost of the share buy-backs, including stamp duty, amounted to £9,450,000 (31 December 2007: £19,970,000; 30 June 2008: £41,481,000).

5. Net asset value per ordinary share

The net asset value per ordinary share is based on the net assets attributable to equity shareholders of £202,531,000 (31 December 2007: £406,114,000; 30 June 2008: £331,852,000) and on 69,157,355 (31 December 2007: 77,294,355; 30 June 2008: 72,360,955) ordinary shares, being the number of ordinary shares in issue at the period end.

6. VAT on management and performance fees

In 2004 the Association of Investment Companies (the “AIC”), together with JPMorgan Claverhouse Investment Trust plc, launched a case against HM Revenue & Customs (“HMRC”) to challenge whether Value Added Tax (“VAT”) should have been charged on fees paid for management services provided to investment trust companies. On 28 June 2007 the European Court of Justice delivered its judgement on the case in favour of the AIC. Since then HMRC has accepted that the provision of investment management services to investment trust companies is VAT exempt and has acknowledged its liability to pay claims in respect of VAT borne by investment companies. VAT has not been applied to investment management fees invoiced in respect of periods since June 2007.

In accordance with a standstill agreement reached between the Manager and the Company, the Manager (Henderson Global Investors Limited) has reclaimed from HMRC the amount of VAT charged to the Company in respect of investment management services from 1 October 2000 to 30 June 2007. An amount of £4,538,000 was written back in the year ended 30 June 2008. Since the year end the Manager has reached agreement with HMRC that the Company will receive an amount of £5,149,000 in respect of the above period. Accordingly, an additional £611,000 has been recognised in the Income Statement. The amount of £5,149,000 was received by the Company on 3 February 2009.

The Company will receive from the Manager any interest paid by HMRC on the amounts recovered. The Board has therefore included an estimate of £792,000 in “Other Income” in the Income Statement.

The Company expects to be able to reclaim VAT paid in respect of the period from the company’s launch in September 1990 to December 1996, following the judgement of the House of Lords in a case concerning the time limits applicable to VAT claims. However, the Board considers that the calculation of the figures is too uncertain to permit a realistic estimate to be made. There may also be some possibility, albeit remote, of recovering VAT paid in the period from then to 30 September 2000.

7. Reconciliation of profit before taxation to net cash inflow from operating activities

	Half year ended 31 December 2008 (Unaudited) £'000	Half year ended 31 December 2007 (Unaudited) £'000	Year ended 30 June 2008 (Audited) £'000
Loss before taxation	**(116,261)**	(31,683)	(83,730)
Losses on investments held at fair value	**117,952**	33,191	90,078
(Increase)/decrease in accrued income	**(467)**	216	(93)
Decrease in accruals	**(1,897)**	(3,692)	(4,284)
Taxation on overseas investment income	**(27)**	47	(677)
(Increase)/decrease in sales settlement debtor	**(22)**	7,340	8,122
Increase in VAT recoverable	**(611)**	(4,604)	(4,538)
(Decrease)/increase in purchases settlement creditor	**(2,542)**	328	2,517
Net sales of investments	**53,936**	40,569	45,259
	50,061	41,712	52,654

8. Interim dividend

The Company has not declared an interim dividend (2007: nil).

9. Transaction costs

Purchase transaction costs for the half year ended 31 December 2008 were £49,000 (half year ended 31 December 2007: £84,000; year ended 30 June 2008: £105,000). These comprise mainly stamp duty and commission. Sales transaction costs for the half year ended 31 December 2008 were £85,000 (half year ended 31 December 2007: £237,000; year ended 30 June 2008: £380,000).

10. Related party transactions

Details of related parties are contained in the annual report. There have been no material transactions with our related parties affecting the financial position or performance of the Company during the six months to 31 December 2008.

11. Comparative information

The financial information contained in this half year report does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. The information for the year ended 30 June 2008 has been extracted from the latest published audited financial statements. The audited financial statements for the year ended 30 June 2008 have been filed with the Registrar of Companies. The report of the auditors on those accounts contained no qualification or statement under section 237(2) or (3) of the Companies Act 1985.

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) this 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 and description of principal risks and uncertainties for the remaining six months of the year); and

(c) this 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).

A W Twiston-Davies
Chairman

9 February 2009

Directors and other Information

Directors

A W Twiston-Davies (Chairman)
B C Clark
R C H Jeens
J Lancaster
A E Martin Smith
J Neynaber

Registered office

201 Bishopsgate
London EC2M 3AE
Telephone 020 7818 1818
www.treuropeangrowth.com

Registered number

Registered as an investment company in England and Wales number 2520734

Investment manager

Henderson Global Investors Limited, authorised and regulated by the Financial Services Authority

Fund Management Team:
S V Peak
S J Savill

Secretary

Henderson Secretarial Services Limited represented by D J Trickett ACIS

Registrar

Equiniti Limited
Aspect House
Spencer Road
Lancing
West Sussex BN99 6DA
Telephone 0871 384 2472

Calls to this number are charged at 8p per minute from a BT landline. Other telephony provider costs may vary.

Registered auditors

PricewaterhouseCoopers LLP
Hays Galleria
1 Hay's Lane
London SE1 2RD

Stockbrokers

Winterflood Investment Trusts
The Atrium Building
Cannon Bridge
25 Dowgate Hill
London EC4R 2GA

Share price listings

The market price of the Company's ordinary shares is published daily in the Financial Times, The Times and the Daily Telegraph. The Financial Times also shows figures for the estimated net asset values and the discounts/premiums applicable.

Share price information

The ISIN/SEDOL (Stock Exchange Daily Official List) code numbers of the Company's ordinary shares are GB0009066928/0906692. Other sources include Bloomberg (TRG LN) and Reuters (TRG.L).

Performance details

Details of the Company's performance are updated daily on the Company's website.

Disability Act

Copies of this report or other documents issued by the Company are available from the Company Secretary. If needed, copies can be made available in a variety of formats, either Braille or on audio tape or larger type as appropriate.

You can contact the Registrar, Equiniti Limited, which has installed textphones to allow speech and hearing impaired people who have their own textphone to contact them directly by ringing 0870 600 3950 without the need for an intermediate operator. Specially trained operators are available during normal business hours to answer queries via this service.

Alternatively, if you prefer to go through a 'typetalk' operator (provided by the Royal National Institute for Deaf People) you should dial 18001 followed by the number you wish to dial.

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