

**PERSONAL  
ASSETS  
TRUST PLC**

**INTERIM REPORT  
FOR THE SIX MONTHS ENDED  
31 OCTOBER 2006**

## FINANCIAL SUMMARY

- Personal Assets Trust plc (“PAT”) is an independent investment trust managed for private investors.
- Over the six months to 31 October 2006 PAT’s net asset value per share (“NAV”) rose by 0.9% to £258.51 compared to a rise of 2.2% in our benchmark, the FTSE All-Share Index. PAT’s share price rose by £1.25 to £260.50 over the same period, being a premium of 0.8% to the Company’s NAV at that date.
- The Board measures PAT’s performance over rolling three-year periods. Over the three years to 31 October 2006 the NAV rose by 27.8% compared to the FTSE All-Share Index’s rise of 47.8%. This underperformance of 13.5% reflects our cautious attitude to equity valuations, represented by the level of liquidity we have held over the period.
- We continue to believe that in present circumstances it is appropriate to maintain a substantial level of liquidity. At 31 October 2006 PAT had effective liquidity of 39.7% of shareholders’ funds (30 April 2006: 40.8%).
- Over the six months PAT’s shares continued to trade close to NAV. We issued 4,650 new ordinary shares at a small premium (adding just under £1.2 million of new capital) to satisfy continuing demand for the Company’s shares, principally through its zero-charge Investment Plans. At 31 October 2006, 43.6% of the Company’s share capital was held in these plans. The Company also bought 5,982 ordinary shares to be held in Treasury during the period.
- Earnings for the period were £2.18 per share (2005: £1.85). Earnings for the first six months should not be taken as a guide for the full year.
- The first interim dividend of £2.00 per ordinary share (2005: £1.80) was paid to shareholders on 27 October 2006. The Board’s stated policy is never to cut the dividend rate. Therefore, the second interim dividend for the year ended 30 April 2007, expected to be paid in April 2007, will be at least £2.00 per share. The total dividend for the year will be not less than £4.00, representing an increase of at least 8.1% compared to the previous year.

## PORTFOLIO VALUATION

	Percentage of funds	31 October 2006 £’000	Purchases/ (Sales) £’000	30 April 2006 £’000
Royal Dutch Shell	7.7	14,641	1,075	14,119
BP	7.3	13,992	708	15,424
RBS Group	7.0	13,442	2,291	10,579
HBOS	6.3	11,957	1,222	9,481
Barclays	4.5	8,490	537	7,672
BT Group	3.8	7,228	-	5,701
GlaxoSmithKline	3.7	7,000	-	7,780
Scottish & Newcastle	2.4	4,621	-	4,153
Scottish Investment Trust	1.3	2,571	-	2,622
British Assets Trust	1.1	2,074	-	2,077
Other Holdings (12)	6.2	11,774	(1,468)	13,764
Exposure to FTSE 100 Futures	9.0	17,193	-	18,675
<b>Total equity exposure</b>	<b>60.3</b>	<b>114,983</b>	<b>4,365</b>	<b>112,047</b>
US Treasury Strip 0% 15/11/06	24.7	47,115		
Standard Life Sterling Fund	13.1	24,946		
Liability to FTSE 100 Futures	(9.1)	(17,276)		
Net current assets	11.0	20,986		
<b>Net liquidity</b>	<b>39.7</b>	<b>75,771</b>		
<b>Equity shareholders’ funds</b>	<b>100.0</b>	<b>190,754</b>		

## CONDENSED GROUP INCOME STATEMENT FOR THE SIX MONTHS ENDED 31 OCTOBER 2006

	(Unaudited) Six months ended 31 October 2006			(Unaudited) Six months ended 31 October 2005			(Audited) Year ended 30 April 2006		
	Revenue return £'000	Capital return £'000	Total £'000	Revenue return £'000	Capital return £'000	Total £'000	Revenue return £'000	Capital return £'000	Total £'000
Investment income	2,060	-	2,060	2,028	-	2,028	4,075	-	4,075
Other income	616	-	616	238	-	238	593	-	593
(Losses)/gains on investments held at fair value	-	(1,277)	(1,277)	-	15,595	15,595	-	28,551	28,551
Foreign exchange differences	-	2,886	2,886	-	(5,088)	(5,088)	-	(3,625)	(3,625)
<b>Total income</b>	<b>2,676</b>	<b>1,609</b>	<b>4,285</b>	<b>2,266</b>	<b>10,507</b>	<b>12,773</b>	<b>4,668</b>	<b>24,926</b>	<b>29,594</b>
Expenses	(987)	-	(987)	(931)	-	(931)	(1,958)	-	(1,958)
<b>Profit before tax</b>	<b>1,689</b>	<b>1,609</b>	<b>3,298</b>	<b>1,335</b>	<b>10,507</b>	<b>11,842</b>	<b>2,710</b>	<b>24,926</b>	<b>27,636</b>
Taxation	(75)	-	(75)	(21)	-	(21)	11	-	11
<b>Profit for the period</b>	<b>1,614</b>	<b>1,609</b>	<b>3,223</b>	<b>1,314</b>	<b>10,507</b>	<b>11,821</b>	<b>2,721</b>	<b>24,926</b>	<b>27,647</b>
<b>Earnings per ordinary share <sup>(1)</sup></b>	<b>£2.18</b>	<b>£2.17</b>	<b>£4.35</b>	<b>£1.85</b>	<b>£14.79</b>	<b>£16.64</b>	<b>£3.78</b>	<b>£34.61</b>	<b>£38.39</b>

<sup>(1)</sup> The earnings per ordinary share figure is based on the net gain for the six months of £3,223,000 (six months ended 31 October 2005: £11,821,000; year ended 30 April 2006: £27,647,000) and on 740,561 (six months ended 31 October 2005: 710,511; year ended 30 April 2006: 720,152) ordinary shares, being the weighted average number of ordinary shares in issue during the period.

In respect of the year ending 30 April 2007 the Board has declared a first interim dividend of £2.00 per ordinary share, which was paid on 27 October 2006. In respect of the year ended 30 April 2006 the Board declared a first interim dividend of £1.80 per ordinary share and a second interim dividend of £1.90 per ordinary share. This gave a total dividend for the year ended 30 April 2006 of £3.70 per ordinary share.

The column of this statement headed Total represents the Group's Income Statement, prepared in accordance with International Financial Reporting Standards. 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.

## CONDENSED GROUP BALANCE SHEET AS AT 31 OCTOBER 2006

	(Unaudited) 31 October 2006 £'000	(Unaudited) 31 October 2005 £'000	(Audited) 30 April 2006 £'000
<b>Non current assets:</b> Investments held at fair value	<b>169,851</b>	161,853	170,360
<b>Current assets</b>	<b>20,903</b>	10,922	18,991
<b>Net assets</b>	<b>190,754</b>	172,775	189,351
<b>Equity shareholders' funds</b>	<b>190,754</b>	172,775	189,351
<b>Net asset value per ordinary share <sup>(2)</sup></b>	<b>£258.51</b>	£236.41	£256.14

<sup>(2)</sup> The net asset value per ordinary share is based on the net assets attributable to the equity shareholders of £190,754,000 (31 October 2005: £172,775,000; 30 April 2006: £189,351,000) and on 737,902 (31 October 2005: 730,832; 30 April 2006: 739,234) ordinary shares, being the number of ordinary shares in issue at the period end.

## CONDENSED GROUP CASH FLOW STATEMENT FOR THE SIX MONTHS ENDED 31 OCTOBER 2006

	(Unaudited) Six months ended 31 October 2006 £'000	(Unaudited) Six months ended 31 October 2005 £'000	(Audited) Year ended 30 April 2006 £'000
Net cash inflow from operating activities	2,489	1,460	2,571
Net cash (outflow)/inflow from investing activities	<u>(510)</u>	<u>3,483</u>	<u>8,184</u>
<b>Net cash inflow before financing</b>	<b>1,979</b>	<b>4,943</b>	<b>10,755</b>
Net cash (outflow)/inflow from financing activities	<u>(1,819)</u>	<u>4,398</u>	<u>5,147</u>
<b>Net increase in cash and cash equivalents</b>	<b>160</b>	<b>9,341</b>	<b>15,902</b>
Cash and cash equivalents at the start of the period	15,391	5,875	5,875
Realised gains/(losses) on foreign currency	<u>5,045</u>	<u>(3,999)</u>	<u>(6,386)</u>
<b>Cash and cash equivalents at the period end</b>	<u><b>20,596</b></u>	<u><b>11,217</b></u>	<u><b>15,391</b></u>

## CONDENSED GROUP STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 31 OCTOBER 2006

	(Unaudited) Six months ended 31 October 2006						
	Ordinary share capital £'000	Share premium £'000	Capital redemption reserve £'000	Special reserve £'000	Other capital reserves £'000	Revenue reserve £'000	Total £'000
Balance at 30 April 2006	9,240	89,336	483	17,589	69,769	2,934	189,351
Profit for the period	-	-	-	-	1,614	1,609	3,223
Ordinary dividends paid	-	-	-	-	-	(1,482)	(1,482)
Issue of ordinary shares	58	1,122	-	-	-	-	1,180
Buy-backs of ordinary shares	(75)	-	75	(1,518)	-	-	(1,518)
<b>Balance at 31 October 2006</b>	<u><b>9,223</b></u>	<u><b>90,458</b></u>	<u><b>558</b></u>	<u><b>16,071</b></u>	<u><b>71,383</b></u>	<u><b>3,061</b></u>	<u><b>190,754</b></u>

At 31 October 2006 there were 737,902 ordinary shares in issue (31 October 2005: 730,832; 30 April 2006: 739,234). During the six months ended 31 October 2006 the Company issued 4,650 ordinary shares and bought 5,982 ordinary shares to be held in Treasury. Of the 4,650 ordinary shares issued during the period, 3,005 were issued from Treasury. There were 12,537 ordinary shares held in Treasury at the period end. The cost of the share buy-backs, including stamp duty, amounted to £1,518,000.

These are not statutory accounts in terms of section 240 of the Companies Act 1985 and are unaudited. The information for the year ended 30 April 2006 has been extracted from the latest published financial statements, which received an unqualified audit report and have been filed with the Registrar of Companies. No statutory accounts in respect of any period after 30 April 2006 have been reported on by the Company's auditors or delivered to the Registrar of Companies.