TEMPLE BAR INVESTMENT TRUST PLC
HALF-YEAR REPORT FOR THE SIX MONTHS ENDED 30 JUNE 2012

Group Summary

Temple Bar Investment Trust PLC's ('the Group') investment objective is to provide growth in income and capital to achieve a long-term total return greater than the benchmark FTSE All-Share Index, through investment primarily in UK securities. The Group's policy is to invest in a broad spread of securities with typically the majority of the portfolio selected from the constituents of the FTSE 100 Index.

Benchmark
Performance is measured against the FTSE All-Share Index.

Total assets less current liabilities
£612,091,000

Total equity
£548,660,000

Market capitalisation
£542,864,817

Capital structure

Ordinary shares	60,251,367 shares
5.5% Debenture Stock 2021	£38,000,000
9.875% Debenture Stock 2017	£25,000,000

Voting structure
Ordinary shares 100%

Winding-up date
None

Manager's fee
0.35% per annum based on the value of the investments (including cash) of the Group, payable quarterly in arrears. There is no performance fee.

Ongoing charges
0.49%

ISA status
The Group's shares qualify to be held in an ISA.

Principal risks and uncertainties
The Board believes that the principal risks and uncertainties faced by the Company continue to be as set out in the Report of the Directors section of the Annual Report for the year ended 31 December 2011.

Association of Investment Companies (AIC):
Member

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial advisor authorised under the Financial Services and Markets Act 2000 immediately.

If you have sold or otherwise transferred all of your ordinary shares in Temple Bar Investment Trust PLC, please forward this document as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was or is being affected for delivery to the purchaser or transferee.

Summary of results

ASSETS as at	30 June 2012 £'000	31 December 2011 £'000	% change
Consolidated net assets	**548,660**	522,040	5.1

Ordinary shares			
Net asset value per share	**910.62p**	874.42p	4.1
Net asset value per share adjusted for market value of debt	**885.28p**	849.54p	4.2
Market price	**901.00p**	858.00p	5.0
Discount with debt at book value	**(1.1%)**	(1.9%)	
Premium with debt at market value	**1.8%**	1.0%	

REVENUE for the half year ended 30 June	2012	2011
Revenue return per ordinary share	**21.04p**	19.55p
Interim dividend per ordinary share	**14.65p**	14.00p

CAPITAL for the half year ended 30 June	2012 £'000	2011 £'000
Capital return attributable to ordinary shareholders	**21,774**	10,868
Capital return attributable per ordinary share	**36.36p**	18.43p

TOTAL RETURNS for the half year ended 30 June 2012	%
Return on net assets	9.5
Return on gross assets	7.9
Return on share price	7.4
FTSE All-Share Index	3.3
FTSE 350 Higher Yield Index	3.1

Half-Year report

The total return on the net assets of Temple Bar during the first half of 2012 was 9.5%, which compares with a total return for the FTSE All-Share Index of 3.3%. Post-tax revenue earnings for the half year were £12.6m compared with £11.5m in the equivalent period last year. The Board has declared an interim dividend of 14.65p, an increase of 4.6% over last year, to shareholders on the register at 14 September 2012.

Market conditions in the first half were perfect for investors who enjoy reacting to the meaningless flow of economic statistics and media sound bites. These investors talked enthusiastically about 'risk on, risk off' markets, implying they were sufficiently skilful to fine-tune their equity strategies and benefit from the volatility. However, even this group appeared to lose heart during the six month period, whipsawed by market movements as the market swayed between concerns over the Eurozone banking crisis and slowdowns in the US and Chinese economies on one hand and the hope for further financial easing (and damn the consequences) if conditions deteriorated too much.

As we have often stated, we claim no competitive advantage in economic forecasting and therefore consider it futile to participate in such pastimes. Our preference is to analyse companies from a 'bottom-up' perspective. Of course, all companies are affected by the economic backdrop, but our long-term focus accepts that economic conditions will not always be ideal throughout our holding period. We must, however, be confident that the companies in which we invest have balance sheets strong enough to weather hazardous economic conditions.

Although the universe of underperforming shares from which we select our stocks is reasonably large, our dealing activity remains subdued. Of great concern to us over our investment horizon is the impact that technological progress may have on the companies we analyse. The likes of Amazon, Apple and Facebook have disrupted companies across a number of industries in recent years and it is impossible for an investor confidently to assert where future disruptive behaviour may take hold. It is amazing that Facebook is only eight years old and that the next decade's great companies may currently be embryonic or as yet non-existent organizations.

Our preference in a fast moving world is therefore to select from those companies where we can be reasonably sure their business model will be fairly similar in five years' time. Within this group our purchases, which in most cases were top-ups of existing holdings, were focused on those companies currently generating weaker profitability than peers but which we believe can close the gap (eg Avon and Grafton), companies that have had 'good' recessions, mainly by virtue of their weak competitors becoming weaker (eg Grafton, Carnival and HSBC) and those companies where other investors were reluctant to recognise prospects for a significant sales bounce back (eg SIG, Grafton).

We had sold BP in the first half of 2011, concerned that the longer-term consequences of the Gulf of Mexico spill would be higher costs and lower growth. The shares fell significantly following the sale and while a number of doubts remained about BP's future, the shares' valuation was sufficiently attractive for us to rebuild a position.

Sales made on the portfolio were a mix of the good, the bad and the ugly. The Colfax shares received as part of the bid for Charter were sold, as were Wolseley and Compass after very strong share price recoveries. Home Retail was sold having performed strongly early in the year; we had under-estimated the competitive intensity in non-food retailing in the UK and could envision only many years of struggle for many of the largest participants. We also sold Independent News and Media as the balance sheet had deteriorated further since the original purchase. A crumb of comfort was that the buyer of our shares paid a

Half-Year report continued

significantly higher than market price for our stock.

In April, Cable & Wireless Worldwide received a bid, which we accepted, from Vodafone. We were frustrated that Cable & Wireless's operational performance had deteriorated so rapidly and it is likely that Vodafone has purchased a company ripe for a turnaround. Our acceptance of the bid reflected our doubts that the company's balance sheet could withstand further operational deterioration.

Cable & Wireless Worldwide was the most significant contributor to relative performance over the period. Travis Perkins also performed well as investors appreciated the company's strong operational performance in an unhelpful environment. Games Workshop and Qinetiq also performed well; investors reacted to improving profitability and balance sheet strength. Performance was also assisted by having no exposure to the UK mining sector, the weakest sector in the UK equity market in the first half of the year. In general, we were also fortunate to avoid the worst performing stocks in other sectors.

While other investors moan about high volatility, we are more positive. Fund management is a very competitive activity and success demands that our competitors sometimes act irrationally thus providing us with opportunities if we can remain objective. Such actions are far more likely in periods of great uncertainty.

Alastair Mundy
Investec Asset Management Limited
24 July 2012

Responsibility statement

The directors confirm to the best of their knowledge that:

- the condensed set of financial statements contained within the half-year report has been prepared in accordance with the Accounting Standards Board's Statement 'Half-Yearly Financial Reports';
- the half-yearly financial report, which incorporates the interim management report, includes a fair review of the information required by Disclosure and Transparency Rule 4.2.7R of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- in accordance with Disclosure and Transparency Rule 4.2.8R there have been no related parties transactions during the six months to 30 June 2012 and therefore nothing to report on any material effect by such a transaction on the financial position or performance of the Company during that period.

The half-yearly financial report was approved by the Board on 24 July 2012 and the above responsibility statement was signed on its behalf by:

John Reeve
Chairman

Twenty largest holdings
as at 30 June 2012

Company	Sector	Place of Listing	Valuation £'000	% of Portfolio
GlaxoSmithKline	Health Care	UK	50,351	8.35
Royal Dutch Shell	Oil & Gas	UK	49,713	8.25
HSBC	Banks	UK	44,453	7.38
Signet Jewelers	Retail	UK/USA	41,386	6.87
Unilever	Food & Beverage	UK	37,614	6.24
Vodafone	Telecommunications	UK	30,982	5.14
Travis Perkins	Industrial Goods & Services	UK	24,213	4.02
BT	Telecommunications	UK	23,567	3.91
AstraZeneca	Health Care	UK	23,155	3.84
British American Tobacco	Personal & Household Goods	UK	21,638	3.59
QinetiQ Group	Industrial Goods & Services	UK	17,027	2.83
Grafton Group	Industrial Goods & Services	UK/Ireland	16,391	2.72
BP	Oil & Gas	UK	15,288	2.54
Avon Products	Personal & Household Goods	USA	14,791	2.45
Centrica	Utilities	UK	13,939	2.31
SIG	Industrial Goods & Services	UK	12,955	2.15
Pfizer	Health Care	USA	11,964	1.99
UK Treasury 4.5% Stock 2013	Fixed Interest	UK	10,594	1.76
CRH	Industrial Goods & Services	UK/Ireland	9,631	1.60
Market Vectors ETF Gold Miners	Basic Resources	USA	9,510	1.58
			479,162	**79.52**

Consolidated statement of comprehensive income

for the six months ended 30 June 2012

		30 June 2012 (unaudited)			30 June 2011 (unaudited)			31 December 2011 (audited)		
	Notes	**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	4	**14,159**	**–**	**14,159**	13,132	–	13,132	25,640	–	25,640
Other operating income	4	**1**	**–**	**1**	72	–	72	79	–	79
Total income		**14,160**	**–**	**14,160**	13,204	–	13,204	25,719	–	25,719
Gains/(losses) on investments										
Gains/(losses) on fair value through profit or loss assets	3	**–**	**23,871**	**23,871**	–	13,317	13,317	–	(19,776)	(19,776)
		14,160	**23,871**	**38,031**	13,204	13,317	26,521	25,719	(19,776)	5,943
Expenses										
Management fees		**(427)**	**(640)**	**(1,067)**	(421)	(632)	(1,053)	(816)	(1,224)	(2,040)
Other expenses including dealing costs		**(223)**	**(95)**	**(318)**	(346)	(455)	(801)	(527)	(569)	(1,096)
Profit/(loss) before finance costs and tax		**13,510**	**23,136**	**36,646**	12,437	12,230	24,667	24,376	(21,569)	2,807
Finance costs		**(911)**	**(1,362)**	**(2,273)**	(908)	(1,362)	(2,270)	(1,824)	(2,753)	(4,577)
Profit/(loss) before tax		**12,599**	**21,774**	**34,373**	11,529	10,868	22,397	22,552	(24,322)	(1,770)
Tax		**–**	**–**	**–**	–	–	–	–	–	–
Profit/(loss) for the period		**12,599**	**21,774**	**34,373**	11,529	10,868	22,397	22,552	(24,322)	(1,770)
Earnings per share (basic and diluted)		**21.04p**	**36.36p**	**57.40p**	19.55p	18.43p	37.98p	38.08p	(41.07)p	(2.99)p

An interim dividend of 14.65 pence per share (£8,827,000) in respect of the six months ended 30 June 2012 was declared on 24 July 2012 and is payable on 28 September 2012. An interim dividend of 14.0 pence per share (£8,255,000) in respect of the six months ended 30 June 2011 was declared on 26 July 2011 and was paid on 30 September 2011. A final dividend of 21.23 pence per share (£12,675,000) in respect of the year ended 31 December 2011 was declared on 23 February 2012 and was paid on 30 March 2012. The total column of this statement represents the Group's Income Statement, prepared in accordance with IFRS. The supplementary revenue return and capital return columns are both 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 the parent company. There are no minority interests.

Consolidated statement of changes in equity

for the six months ended 30 June 2012

	Ordinary share capital £'000	Share premium account £'000	Capital reserves £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2012	14,925	14,442	462,510	30,163	522,040
Profit for the period	–	–	21,774	12,599	34,373
	14,925	14,442	484,284	42,762	556,413
Issue of share capital*	138	4,784	–	–	4,922
Dividends paid to equity shareholders	–	–	–	(12,675)	(12,675)
Balance at 30 June 2012	**15,063**	**19,226**	**484,284**	**30,087**	**548,660**

Consolidated statement of changes in equity

for the six months ended 30 June 2011

	Ordinary share capital £'000	Share premium account £'000	Capital reserves £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2011	14,740	8,507	486,832	29,943	540,022
Profit for the period	–	–	10,868	11,529	22,397
	14,740	8,507	497,700	41,472	562,419
Dividends paid to equity shareholders	–	–	–	(13,974)	(13,974)
Balance at 30 June 2011	**14,740**	**8,507**	**497,700**	**27,498**	**548,445**

*550,000 shares were issued during the period for a total consideration of £4,921,500 at a premium to the prevailing net asset value due to investor demand.

Consolidated statement of financial position

as at 30 June 2012

	30 June 2012 (unaudited) £'000	30 June 2011 (unaudited) £'000	31 December 2011 (audited) £'000
Non-current assets			
Investments held at fair value through profit or loss	**602,679**	607,639	578,048
Current assets			
Cash and cash equivalents	**6,441**	1,978	3,883
Other receivables	**4,487**	5,989	4,634
	10,928	7,967	8,517
Total assets	**613,607**	615,606	586,565
Current liabilities			
Other payables	**(1,516)**	(3,749)	(1,085)
Total assets less current liabilities	**612,091**	611,857	585,480
Non-current liabilities			
Interest bearing borrowings	**(63,431)**	(63,412)	(63,440)
Net assets	**548,660**	548,445	522,040
Equity attributable to equity holders			
Ordinary share capital	**15,063**	14,740	14,925
Share premium	**19,226**	8,507	14,442
Capital reserves	**484,284**	497,700	462,510
Retained earnings	**30,087**	27,498	30,163
Total equity	**548,660**	548,445	522,040
Net asset value per share	**910.62p**	930.18p	874.42p

Consolidated statement of cash flows

for the six months ended 30 June 2012

	30 June 2012 (unaudited) £'000	30 June 2011 (unaudited) £'000	31 December 2011 (audited) £'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) before tax	**34,373**	22,397	(1,770)
Adjustments for:			
Purchases of investments[1]	**(85,862)**	(97,511)	(162,877)
Sales of investments[1]	**85,110**	103,066	163,921
	(752)	5,555	1,044
(Gains)/losses on investments	**(23,871)**	(13,317)	19,776
Financing costs	**2,273**	2,270	4,577
Operating cash flows before movements in working capital	**12,023**	16,905	23,627
Decrease/(increase) in accrued income and prepayments	**6**	(824)	(4)
Decrease/(increase) in receivables	**141**	(1,963)	(1,428)
Increase in payables	**422**	2,139	485
NET CASH FLOW FROM OPERATING ACTIVITIES BEFORE AND AFTER INCOME TAX	**12,592**	16,257	22,680
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of new shares	**4,921**	–	6,120
Interest paid on borrowings	**(2,280)**	(2,279)	(4,559)
Equity dividends paid	**(12,675)**	(13,974)	(22,332)
NET CASH USED IN FINANCING ACTIVITIES	**(10,034)**	(16,253)	(20,771)
NET INCREASE IN CASH AND CASH EQUIVALENTS	**2,558**	4	1,909
Cash and cash equivalents at the start of the period	**3,883**	1,974	1,974
Cash and cash equivalents at the end of the period	**6,441**	1,978	3,883

[1]Purchases and sales of investments are considered to be operating activities of the Company, given its purpose, rather than investing activities.

Notes to the financial statements

1 GENERAL INFORMATION

Temple Bar Investment Trust PLC is a company incorporated in the United Kingdom under the Companies Acts 1908 to 1917.

Principal activity

The principal activity of Temple Bar Investment Trust PLC is that of an investment company within the meaning of Section 833 of the Companies Act 2006. The principal activity of its subsidiary is investment dealing.

2 SIGNIFICANT ACCOUNTING POLICIES

The half yearly financial statements have been prepared on the basis of the accounting policies set out in the Company's annual report and financial statements for the year ended 31 December 2011 and have not been audited or reviewed by the Auditors pursuant to the Auditing Practices Board Guidance on 'Review of Interim Financial Information'. They have been prepared on the going concern basis as it is the Directors' opinion that the Company will continue in operational existence for the foreseeable future.

3 GAINS ON INVESTMENTS

	30 June 2012 (unaudited) £'000	30 June 2011 (unaudited) £'000	31 December 2011 (audited) £'000
Net gains realised on sale of investments	**7,637**	14,721	16,215
Movement in unrealised gains/(losses)	**16,234**	(1,404)	(35,991)
Gains/(losses) on investments	**23,871**	13,317	(19,776)

4 INCOME

	30 June 2012 (unaudited) £'000	30 June 2011 (unaudited) £'000	31 December 2011 (audited) £'000
Income from investments			
UK dividends	**10,898**	9,860	18,677
Overseas dividends	**981**	935	2,382
Income on fixed income securities	**2,280**	2,337	4,581
	14,159	13,132	25,640
Other operating income			
Deposit interest	**1**	72	79
Total income	**14,160**	13,204	25,719

Notes to the financial statements continued

5 DIVIDENDS

The final dividend relating to the year ended 31 December 2011 of 23.7 pence per ordinary share was paid during the six months ended 30 June 2012, and amounted to £12,675,000.

An interim dividend of 14.65 pence per ordinary share (amounting to £8,827,000) will be paid on 28 September 2012 to shareholders registered on 14 September 2012. In accordance with IFRS, this dividend has not been recognised in these financial statements. The ex-dividend date for this payment is 12 September 2012.

6 COMPARATIVE FIGURES

The financial information contained in this half-year report does not constitute statutory accounts as defined in sections 434-436 of the Companies Act 2006. The financial information for the six months ended 30 June 2012 and 30 June 2011 has not been audited.

The information for the year ended 31 December 2011 does not constitute statutory accounts, but has been extracted from the latest published audited accounts, which have been filed with the Registrar of Companies. The report of the auditors on those accounts contained no qualification or statement under section 498 (2) or (3) of the Companies Act 2006.

7 PUBLICATION

This half-year report is being sent to shareholders and copies will be made available to the public at the Company's registered office and on its website.

Directors and administration

Directors
J Reeve (Chairman)
A T Copple
R W Jewson
J F de Moller
M R Riley
D G C Webster

Investment Manager, Secretary and Registered Office
Investec Asset Management Limited
(authorised and regulated by the Financial Services Authority)
2 Gresham Street
London
EC2V 7QP

Tel No. 020 7597 2000

Contacts: Alastair Mundy or Martin Slade

Registrar
Equiniti Limited
Aspect House
Spencer Road
Lancing
West Sussex
BN99 6DA

Tel No. 0871 384 2432 (shareholder helpline)
0906 559 6025 (broker helpline)

Savings Scheme Administrator
Capita IRG Trustees Limited
The Registry
34 Beckenham Road
Beckenham
Kent
BR3 4TU

Tel No. 0871 664 0335

Registered Auditors
Ernst & Young LLP
1 More London Place
London
SE1 2AF

temple bar
active investment working for you

Temple Bar Investment Trust PLC

Registered Office
2 Gresham Street
London EC2V 7QP
www.templebarinvestments.co.uk

Investment Manager
Investec Asset Management Limited
2 Gresham Street
London EC2V 7QP
Telephone No. 020 7597 2000