

JUPITER EUROPEAN OPPORTUNITIES TRUST PLC

Report and Accounts
For The Year Ended

31 May 2007



Registered in England No 4056870

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OBJECTIVE OF THE COMPANY

The objective of the Company is to invest in securities of European companies and in sectors or geographical areas which are considered by the investment manager to offer good prospects for capital growth, taking into account economic trends and business development

BENCHMARK INDEX

FTSE World Europe ex UK Total Return Index

(Bloomberg Indication Code FTRSERXU)

THE COMPANY IS A MEMBER OF THE



COMPANY INFORMATION

DIRECTORS

H M Priestley *Chairman*
A F C Darwall
Sir M Goulding KCMG
J W Robinson
J D A Wallinger

INVESTMENT MANAGER, SECRETARY AND REGISTERED OFFICE

Jupiter Asset Management Limited
1 Grosvenor Place, London SW1X 7JJ
Telephone 020 7412 0703 Facsimile 020 7314 4873
Website www.jupiteronline.co.uk
Email enquiries@jupiter-group.co.uk
Authorised and regulated by the Financial Services Authority

CUSTODIAN

The Northern Trust Company
50 Bank Street, Canary Wharf, London E14 5NT
Authorised and regulated by the Financial Services Authority

REGISTRARS

Capita Registrars
The Registry, 34 Beckenham Road
Beckenham, Kent BR3 4TU
Telephone 0870 162 3100
Website www.capitaregistrars.com

AUDITORS

Ernst & Young LLP
1 More London Place, London SE1 2AF

SUBSIDIARY COMPANY

JEOT Securities Limited
1 Grosvenor Place, London SW1X 7JJ

SHARE IDENTIFIERS

ISIN GB0000197722
Sedol Number 0019772
Ticker JEO / LON

The Company's Ordinary shares are listed on the London Stock Exchange and their price is shown in the Financial Times and The Times under 'Investment Companies'

Registered in England and Wales
Company Registration Number 4056870

DIRECTORS

***Hugh Michael Priestley** (Chairman), (aged 64) is a director of Perpetual Japanese Investment Trust PLC and of F&C Capital & Income Investment Trust PLC and a former deputy chairman of the Association of Investment Companies. He was a director of Henderson Administration from 1972-1993 and the managing director of the Witan Investment Company from 1980-1992. He is an Honourable Fellow of University College London, having been its Treasurer from 1981-1998, and is a member of the investment panel of SAUL (Superannuation Arrangements of the University of London) and a Trustee of Independent Age.

Alexander Frederick Clifford Darwall, (aged 44) is a director of Jupiter Investment Management Group Limited and Jupiter Asset Management Limited. He joined Jupiter in 1995 from Goldman Sachs where he worked as a French equity analyst. He took over the management of Jupiter European Investment Trust PLC (the Company's predecessor) in early 1999 and has been the Portfolio Manager of the Company since its launch in November 2000.

***Sir Marrack Goulding, KCMG**, (aged 70) was knighted in June 1997 following a career in the British Diplomatic Service and the United Nations. He was a member of the British Diplomatic Service from 1959-1985, during which time he served in the Middle East, North Africa, Portugal, New York (as an official of the UK mission to the United Nations) and Angola (as Ambassador). He was also seconded for two years in 1975-1997 to the Cabinet Office 'Think Tank'. In 1986 he joined the United Nations as Under-Secretary-General for Peacekeeping (1986-1993) and Political Affairs (1993-1997). In 1997 he was appointed to the wardenship of St Antony's College, Oxford, from which he retired in September 2006.

***Jackson Worthington Robinson**, (aged 65) is the President and Chief Investment Officer of Winslow Management Company LLC, an independent investment management firm based in Boston that has specialised in green investing since 1983. Mr Robinson is the non-executive chairman of Spartech Corporation (NYSE), a trustee of Suffield Academy and sits on the advisory board of the American Council on Renewable Energy.

***John David Arnold Wallinger**, (aged 67) is currently a consultant to UBS AG and Chairman of Zebedee European Fund Limited, listed on the Irish Stock Exchange, and Hardt Group Capital Partners Limited, and Kingsbridge Capital Advisers Limited, both unlisted. He is also a director of MM Institutional Funds plc, and MM 360 plc, both listed on the Irish Stock Exchange, and Piccadilly Asset Management (Cayman) SPC, Attica Holdings (UK) Ltd and HTM Energy Limited, all unquoted companies. He has forty years' experience in investment management and financial services, most recently having been a director of Euroland Plus (Smaller Companies) PLC, and an executive director of SBC Warburg Dillon Read (now UBS). Mr Wallinger was a member of the Association of Institutional Investment Management & Research.

* Members of the Audit Committee

FINANCIAL HIGHLIGHTS

For the year ended 31 May 2007

Capital performance

| | 31 May 2007 | 31 May 2006 | % Change |
|---|----------------|----------------|----------|
| Total Assets less Current Liabilities (£'000) | 182,278 | 154,927 | +34.1* |
| FTSE World Europe ex UK Total Return Index | 741.91 | 570.78 | +30.0 |

* Investment performance adjusted for the issue of new Ordinary shares and repayment of long term bank debt during the period

Ordinary Share Performance

| | 31 May 2007 | 31 May 2006 | % Change |
|---------------------------------|----------------|----------------|----------|
| Net Asset Value (pence) | 224.58 | 167.47 | +34.1 |
| Middle Market Price (pence) | 221.25 | 161.5 | +37.0 |
| Discount to Net Asset Value (%) | 1.5 | 3.6 | |

Performance Since Launch

| Year ended 31 May | Total Assets less Current Liabilities £'000 | Net Asset Value per Ordinary Share p | Year- on-year change in Net Asset Value per Ordinary Share % | Year- on-year change in Benchmark Index % |
|---------------------------|--|--|--|--|
| 20 November 2000 (launch) | 93,969 | 94.66 | - | - |
| 2001 | 83,600 | 89.29 | -5.7 | -8.0 |
| 2002 | 91,028 | 91.12 | +2.0 | -10.7 |
| 2003 | 84,592 | 83.82 | -8.0 | -19.0 |
| 2004 | 97,915 | 109.25 | +30.3 | +15.7 |
| 2005 (restated)** | 117,679 | 133.54 | +22.2 | +19.3 |
| 2006 | 154,927 | 167.47 | +25.4 | +26.2 |
| 2007 | 182,278 | 224.58 | +34.1 | +30.0 |

**Prior to 2005, financial information was prepared under UK GAAP. From 2006 all information is prepared under IFRS.

PLANNED LIFE OF THE COMPANY

The Articles of Association provide that at the annual general meeting of the Company to be held in 2008 an ordinary resolution shall be proposed that the Company shall continue in existence as an investment trust. If the resolution is passed, a similar ordinary resolution will be proposed at every third annual general meeting thereafter. If that resolution is not passed at any of those meetings, the Directors shall, within 90 days of the date of the resolution, put forward to shareholders proposals (which may include proposals to wind up or reconstruct the Company) whereby shareholders are entitled to receive cash in respect of their shares equal as near as practicable to that to which they would be entitled on a liquidation of the Company at that time (and whether or not shareholders are offered other options under the proposals).

DIVIDEND POLICY

The Directors intend to manage the Company's affairs to achieve shareholder returns through capital growth rather than income. It is therefore not expected that the Company will pay an annual dividend.

CHAIRMAN'S STATEMENT

Following a 25.4 per cent gain in the financial year to 31 May 2006, the net asset value of your Company's Ordinary shares rose by a further 34.1 per cent to 224.6p in the financial year to 31 May 2007. This net asset value represents an increase of 137.2 per cent since the Company's launch in November 2000. By comparison, the Company's benchmark index, the FTSE World Europe ex UK Total Return Index, rose by 30.0 per cent during the year to 31 May 2007 and has risen by 50.6 per cent since launch.

Since the end of the financial year, the Company's position has further improved against the Company's benchmark index. As at 14 August 2007, the last practicable date prior to publication of this Report, your Company's total assets had decreased to £178.824 million and net asset value per Ordinary share to 218.71p. This represents a decrease in the net asset value per Ordinary share since 31 May of 2.6 per cent, which compares with a fall in the Company's benchmark index of 7.5 per cent over the same period.

In the spring of 2003, the dark days of the bear market, your Board was able to buy in the Company's shares for cancellation at prices between 53.75p and 58.5p, which is roughly equivalent to one quarter of today's value. It is pleasing to report that, in May 2007, 500,000 new Ordinary shares were issued to investment buyers at 219.5p, which amounted to a small premium to net asset value per share at the time of issue. Since the end of the financial year a further 600,000 Ordinary shares have been issued at a similar premium to net asset value. As a result, existing Ordinary shareholders did not see any dilution in the net asset value of their holdings. This issue of Ordinary shares was within the limit set out in the resolution which was approved by Shareholders at last year's Annual General Meeting ('AGM') and which we are seeking to renew at the forthcoming AGM.

Over the year as a whole the discount to net asset value at which the Company's shares trade on the London Stock Exchange narrowed from 3.6 per cent (on 31 May 2006) to 1.5 per cent (on 31 May 2007), thanks in part to an active and continuing programme of presentations to institutional shareholders which your Investment Manager undertakes. As at 14 August 2007 the Shares were trading at a discount of 0.8 per cent to their net asset value.

Active use was made of the Company's borrowing facilities during the year under review, with a positive impact on capital performance. During the year the Company's flexible loan facility with the Bank of Ireland was increased to £45 million so as to enable the Company to maintain its gearing as a percentage of its enlarged total assets.

Life of the Company

More than 99 per cent of the shareholders represented at the Company's Extraordinary General Meeting last November voted to extend the life of the Company beyond the initial seven year period envisaged at the time of the Company's launch in November 2000. At the AGM of the Company to be held in 2008 a Resolution will be proposed for the continuation of the Company, and the same procedure will be followed at every third AGM thereafter.

Corporate Governance

Under the Listing Rules of the London Stock Exchange, all listed companies are now required to publish quarterly 'Interim Management Statements' for shareholders. Your Company's statements will include a report from the Investment Manager, an updated net asset value for the Company's shares, together with historical performance statistics relative to the Company's benchmark index, a list of the Company's ten largest portfolio holdings, the level of gearing and details of any major investment changes which have taken place during the quarter under review.

CHAIRMAN'S STATEMENT

The Company's Interim Management Statements will be communicated to the London Stock Exchange through the Regulatory News Service and will also be published on the Investment Manager's website, www.jupiteronline.co.uk. Much of this information is also included in the Company's monthly fact sheets, which can be requested from the Company Secretary and sent by email or post (see "Performance Updates" on page 60 for details). It is to be hoped that shareholders will find such information useful in monitoring their investment in the Company.

VAT Recovery

Shareholders may be aware of the legal case of *JP Morgan Fleming Claverhouse Investment Trust PLC -v- The Commissioners of HM Revenue & Customs ("HMRC")*. The case challenged the imposition of VAT on the investment management fees payable by investment trust companies in the UK. Judgment was given by the European Court of Justice (the "ECJ") on 28 June 2007. In summary, the ECJ held that closed ended investment funds, such as investment trust companies, are capable of benefiting from the exemption which is available under EU law from Value Added Tax on investment management fees and that Member States must observe the principles of fiscal neutrality in applying such exemption (which has been in place for open-ended funds such as authorised unit trusts and open ended investment companies ("OEICs") since 1990).

The case has now been referred back to the UK VAT Tribunal for a decision. It is possible that the HMRC will appeal against the verdict to a higher court and/or that our Government will introduce new legislation in respect of VAT paid prior to the ruling. The strong implication of the ECJ's ruling is that investment trusts should be treated in the same way as unit trusts and OEICs as regards VAT and, if an exemption is implemented into UK law, the Company would no longer be liable for VAT on investment management fees in years to come. Your Company may also be able to reclaim some of the VAT paid on management fees since launch. However, it is too early to be able to assess with any confidence the amount recoverable (if any).

The Director-General and the Council of the Association of Investment Companies are to be congratulated on achieving this landmark decision which we hope will be of long term benefit to the Company's shareholders.

Outlook

Markets traditionally have to climb a wall of worry. Conversely, when blue sky is visible everywhere, it is a sure sign that the peak has been passed. Current investor concerns include the fear of rising inflation and interest rates, the possible worsening of the sub-prime mortgage market (lending to homebuyers with doubtful credit histories) in the U S A , political attacks on the private equity industry and the imminent closure of certain bond-related hedge funds. Yet, over the four-year bull market, there has been no "multiple expansion" - in other words, share prices have risen in line with company profits - and company managements are confident that their markets will grow, and price rises be made to stick, over the next year or two. Markets may be volatile through the summer but this, in my view, is hardly the backdrop for a full-blown bear market.

H M Priestley
Chairman
23 August 2007

MANAGER'S REVIEW

The net asset value of the Company's Ordinary shares rose by 34.1 per cent during the twelve months to 31 May 2007

We increased the Company's borrowings during the period under review from €28.9m to €65.7m at the period end. The level of borrowings is a reflection of our enthusiasm for individual stocks and has had the effect of adding to returns. The Company's trading subsidiary, JEOT Securities Limited, made a pre-tax profit of £1,697,000

Equity markets around the world performed well. There are a number of reasons for the continuing strength. Seldom has there been such a potent mix of positive factors. The liberalisation of financial and physical markets in recent years combined with the benefits of the 'digital revolution' (powerful new information technology) lie behind the globalisation phenomenon. This is part and parcel of the productivity 'story'. Billions of people have been enfranchised into the world economy for the benefit of all. As the IMF says, the effective global workforce "has risen fourfold over the past two decades". If these developments are the principal reasons for continuing, historically low interest rates, there have been other, more transient pressures keeping interest rates low. The impact of these low interest rates has been hugely positive for equity markets. This is best exemplified by the record levels of mergers and acquisitions (M&A) activity. The total value of M&A in 2006 was \$3,861bn, the highest figure on record, it compares with a figure of \$850bn in 1995. On top of all this, capital has taken an increasing share of profits. Thus profits growth has exceeded earlier expectations.

The European index rose by 25.7 per cent in sterling, comfortably outperforming 'the world' which rose by 17.2 per cent. The main Japanese index was slightly down, the FTSE All Share index was up 17.9 per cent. It might seem surprising that European stocks performed so well. In fact, Europe has outperformed the world index for the last 4 years, despite lower GDP growth. True, GDP forecasts for Europe have edged up on the back of flickerings of life in the German economy, but at 2.6 per cent in 2007, expectations for European growth remain below those for the world rate of 3.6 per cent. But European companies have certain attractive features. There is a vast array of businesses where European companies lead the world. Such companies often 'travel' well not least because of historical cultural reasons. European companies, certainly the ones in which we invest, tend to have a greater proportion of sales outside their home markets than do American or Japanese companies. The accession of East European states has, also played a part in boosting efficiency. There is a new wave of restructuring in Europe.

As ever, the performance of the portfolio is explained by stock picking. To generalise, the companies in the portfolio have two characteristics which distinguish them from the average: lower levels of debt and greater extra-European sales. Lower levels of debt reflect the high quality 'growth' companies that are typical of the portfolio. These have, generally speaking, been out of fashion as M&A and private equity have been more focussed on more indebted companies. This was mitigated partly by the decision to gear your Company's balance sheet. The more important factor and the one that explains the relatively good portfolio performance was the positive impact of having truly international businesses. The main contributors to performance were NovoNordisk, Nokian Tyres and Vopak, all companies for whom the home market is relatively unimportant. The principal detractors to performance were DNB, Carphone Warehouse and Numico, the first two being predominantly domestic businesses. This was mirrored to a certain

MANAGER'S REVIEW

extent in the markets where the worst performing sectors included the pharmaceutical (regulatory pressures), software (low growth), oil and gas (political problems) and telecoms (regulatory pressures) Amongst the best performing were the automotive (restructuring), airlines (consolidation benefits), iron and steel (strong demand) and engineering (strong demand)

Besides the sale of AB Ports at the beginning of the review period (taken over) there were a number of sales Our holding in Air Liquide was sold because earnings progress failed to meet expectations Quick, the fast food company, was sold having received a bid from private equity Following the announcement of a merging of the biotech activities of two of 'our' companies-Sartorius and Stedim-we reduced the exposure by selling the holding in Stedim In the UK, shares bought in Carter & Carter were sold just after the period end following the death of the CEO After the period end Numico received a takeover approach

The most important new holding was that of Luxottica, the Italian global leader in eyewear It benefits from strong wholesale and retail trends in this field Amongst the biggest additions to an existing position was that of Geophysique, the French seismic data and equipment company Technology improvements not only improve the quality of the business but should also allow for an acceleration in the growth rate Another purchase in France was that of Vallourec which is the world leader in seamless tubes, a business that should enjoy further good growth We also took a position in Nokian Tyres The company specialises in winter tyres and as a leader in this niche, highly profitable area, is singularly well placed to benefit from the rapid growth of the Russian market We increased substantially the investment in NovoNordisk, the world leader in the manufacture of insulin for controlling diabetes The company's franchise has proved to be strong and demand for its products is increasing The holding in Euler Hermes was increased as the profits progress remains under appreciated We added to the holding in two listed UK companies, Carphone Warehouse and Johnson Matthey The former, despite poor share price performance, remains a strong company, the latter is particularly well placed to benefit from increasing environmental regulations We established, too, a position in another environmental 'play', Tomra This Norwegian company is the world leader in deposit and reverse vending machinery The holding in Fimalac, owner of Fitch the world's third largest credit rating agency, was increased as the demand for ratings grows

Investment Outlook

It is always dangerous to believe that 'it's different this time', so it is with some trepidation that we continue to believe that the outlook for investment remains broadly positive After such a long, strong performance in equities some setback seems inevitable Indeed, some commentators argue that those factors that have engendered a loose monetary policy (low interest rates) will soon reverse The commentators may be right, some of the short factors may disappear But the medium outlook is underpinned by a number of powerful secular trends the ongoing, substantial productivity improvements that come from the mix of globalisation, liberalisation and IT revolution

Alex Darwall
Jupiter Asset Management Limited
23 August 2007

TWENTY LARGEST INVESTMENTS

as at 31 May 2007

| Company | Country of Listing | 31 May 2007 | | 31 May 2006 | |
|--|--------------------|-----------------------|-------------------------|-----------------------|-------------------------|
| | | Market Value £'000 | Percentage of Portfolio | Market Value £'000 | Percentage of Portfolio |
| Novo-Nordisk | Denmark | 15,065 | 6.7 | 6,130 | 4.0 |
| Neopost | France | 13,441 | 5.9 | 9,933 | 6.4 |
| Reed Elsevier | Netherlands | 13,115 | 5.8 | 9,963 | 6.5 |
| Novozymes | Denmark | 12,908 | 5.7 | 12,254 | 7.9 |
| Numico | Netherlands | 10,820 | 4.8 | 10,686 | 6.9 |
| Euler Hermes | France | 10,247 | 4.5 | 5,277 | 3.4 |
| Geophysique | France | 9,733 | 4.3 | 2,728 | 1.8 |
| Intertek Group | UK | 9,135 | 4.0 | 7,606 | 4.9 |
| Carphone Warehouse | UK | 8,467 | 3.7 | 3,424 | 2.2 |
| Ingenico | France | 8,439 | 3.7 | 3,525 | 2.3 |
| Halfords Group | UK | 8,154 | 3.6 | 2,207 | 1.4 |
| Syngenta | Switzerland | 7,444 | 3.3 | 5,545 | 3.6 |
| Luxottica Group | Italy | 7,099 | 3.1 | – | – |
| DnB NOR | Norway | 6,831 | 3.0 | 5,868 | 3.8 |
| Vopak | Netherlands | 6,754 | 3.0 | 2,814 | 1.8 |
| Johnson Matthey | UK | 6,199 | 2.7 | 4,131 | 2.7 |
| Eurofins Scientific | France | 6,143 | 2.7 | 4,329 | 2.8 |
| Vallourec | France | 5,258 | 2.3 | – | – |
| Essilor International | France | 5,164 | 2.3 | 5,962 | 3.9 |
| Nokian Renkaat | Finland | 5,021 | 2.2 | – | – |
| Total of twenty largest investments | | 175,437 | 77.3 | | |

CROSS HOLDINGS IN OTHER INVESTMENT COMPANIES

As at 31 May 2007, none of the Company's total assets were invested in the securities of other UK listed investment companies. It is the Company's stated policy that this exposure should not be permitted to exceed 15 per cent of total assets.

CLASSIFICATION OF INVESTMENTS

as at 31 May 2007

| 2006 Total | 2007 Total | EQUITIES | Denmark % | France % | Germany % | Netherlands % | Norway % | Switzerland % | UK % | Other % |
|---------------|---------------|-----------------------------------|--------------|-------------|--------------|------------------|-------------|------------------|-------------|------------|
| - | 0.1 | Oil & Gas | | | | | | | | |
| - | 0.1 | Oil Equipment | | | | | | | | |
| | | Services & Distribution | | | | 0.1 | | | | |
| 11.6 | 9.5 | Basic Materials | | | | | | | | |
| 11.2 | 7.2 | Chemicals | | | | | | 3.3 | 2.7 | 1.2 |
| 0.4 | - | Forestry & Paper | | | | | | | | |
| - | 2.3 | Industrial Metals | | 2.3 | | | | | | |
| 29.0 | 24.7 | Industrials | | | | | | | | |
| 0.8 | 0.8 | Construction & Materials | | 0.8 | | | | | | |
| 1.0 | - | General Industrials | | | | | | | | |
| 7.7 | 6.9 | Electronic & Electrical Equipment | | 5.9 | 1.0 | | | | | |
| 1.9 | 2.4 | Industrial Engineering | | | 0.9 | | | | | 1.5 |
| 11.5 | 3.3 | Industrial Transportation | | | | 3.0 | 0.3 | | | |
| 6.1 | 11.3 | Support Services | | 2.2 | 0.7 | | 1.7 | 0.8 | 5.9 | |
| 8.3 | 12.5 | Consumer Goods | | | | | | | | |
| - | 2.2 | Automobiles & Parts | | | | | | | | 2.2 |
| 0.7 | 0.9 | Beverages | | 0.4 | 0.5 | | | | | |
| 7.6 | 6.3 | Food Producers | | | | 4.8 | | 1.3 | | 0.2 |
| - | 3.1 | Personal Goods | | | | | | | | 3.1 |
| 20.0 | 19.3 | Health Care | | | | | | | | |
| 4.8 | 3.6 | Health Care Equipment & Services | | 2.3 | 1.3 | | | | | |
| 15.2 | 15.7 | Pharmaceuticals & Biotechnology | 12.3 | 2.7 | | | | 0.7 | | |
| 13.6 | 15.9 | Consumer Services | | | | | | | | |
| 3.7 | 7.3 | General Retailers | | | | | | | 7.3 | |
| 6.5 | 5.8 | Media | | | | 5.8 | | | | |
| 3.4 | 2.8 | Travel & Leisure | | | | | 2.2 | | | 0.6 |
| 9.2 | 8.3 | Financials | | | | | | | | |
| 4.7 | 3.0 | Banks | | | | | 3.0 | | | |
| - | 0.8 | Life Insurance | | | | | | | 0.8 | |
| 3.4 | 4.5 | General Financial | | 4.5 | | | | | | |
| 1.1 | - | Equity Investment Instruments | | | | | | | | |
| 8.3 | 9.7 | Information Technology | | | | | | | | |
| 6.0 | 6.0 | Software & Computer Services | | 6.0 | | | | | | |
| 2.3 | 3.7 | Information Technology Hardware | | 3.7 | | | | | | |
| 100.0 | 100.0 | Totals | 12.3 | 30.8 | 4.4 | 13.7 | 7.2 | 6.1 | 16.7 | 8.8 |

All investments are in Ordinary shares

REPORT OF THE DIRECTORS

The Directors present their Annual Report and Accounts for the year ended 31 May 2007

Business Review

Investment Objective and Benchmark

The Company carries on business as an Investment Trust. The Company's investment objective is to maximise capital growth through investment in European securities in sectors or geographical areas which are considered by the portfolio manager to offer good prospects for capital growth, taking into account economic trends and business developments.

It is the Company's policy to invest no more than 15 per cent of its gross assets in other investment companies (including investment trusts listed on the London Stock Exchange). At 31 May 2007 the Company had no such investment.

The Company's performance is benchmarked against the FTSE World Europe ex UK Total Return Index.

Management

The Company has no employees and most of its day-to-day responsibilities are delegated to Jupiter Asset Management Limited who act as the Company's Investment Manager and Company Secretary. Further details of the Company's arrangement with Jupiter Asset Management Limited can be found in note 19 to the accounts on pages 49 to 50.

Investment Approach and Activities

The portfolio manager adopts a stock picking approach in the belief that a thorough analysis and understanding of a company is the best way to identify long-term superior growth prospects. This understanding begins with identifying those companies where the ownership structure and incumbent management are conducive to the realisation of the aim of achieving superior long-term earnings growth. In particular, the Portfolio Manager seeks to identify companies which enjoy certain key business characteristics including some or all of the following:

- A strong management record and team, and the confidence that the Portfolio Manager has in that management's ability to explain and account for its actions,
- Proprietary technology and other factors which indicate a sustainable competitive advantage,
- A reasonable expectation that demand for their products or services will enjoy long-term growth, and
- An understanding that structural changes are likely to benefit rather than negatively impact that company's prospects.

In analysing potential investments, the Portfolio Manager will employ differing valuation techniques depending on their relevance to the business characteristics of a particular company. However, the underlying feature will be the sustainability and growth of free cashflow in the long-term.

There has been no significant change in the activities of the Company during the year to 31 May 2007 and the Directors anticipate that the Company will continue to operate in the same manner during the current financial year.

REPORT OF THE DIRECTORS

The Company currently manages its affairs so as to be a fully qualifying investment trust under the Individual Savings Account (ISA) rules. As a result, under current UK legislation, the Ordinary shares qualify for investment via the stocks and shares component of an ISA up to the full annual subscription limit (currently £7,000 in each tax year and £4,000 for mini-account ISAs). The Company's Ordinary shares are fully qualifying for inclusion in an existing general Personal Equity Plan ('PEP'). It is the present intention that the Company will conduct its affairs so as to continue to qualify for ISA and PEP products.

Gearing

Gearing is defined as the ratio of a company's total assets to its net assets, expressed as a percentage. The effect of gearing is that in rising markets a geared share class tends to benefit from any outperformance of the relevant company's investment portfolio above the cost of payment of the prior ranking entitlements of any lenders and other creditors. Conversely, in falling markets the value of the geared shares class suffers more if the company's investment portfolio underperforms the cost of those prior entitlements.

In order to improve the potential for capital returns to shareholders the Company had access to a flexible loan facility with The Bank of Ireland for amounts up to £35 million until 15 May 2007 when the facility was increased to £45 million. Further details of the Bank of Ireland's loan facility can be found in note 11 to the accounts on pages 44 and 45.

The Company also has access to an uncommitted overdraft facility with the Royal Bank of Scotland PLC for short term liquidity purposes.

The Directors consider it a priority that the Company's level of gearing should be maintained at appropriate levels with sufficient flexibility to enable the Company to adapt at short notice to changes in market conditions.

Derivative transactions

Details of the Group's derivative transactions are set out in note 13 to the accounts on pages 45 to 47.

Discount to Net Asset Value

The Directors review the level of the discount between the middle market price of the Company's Ordinary shares and their net asset value on a regular basis.

The average discount to net asset value during the year under review was 3.42 per cent, and the average discount to net asset value since the Company was launched in November 2000 to 31 May 2007 was 5.6 per cent. The average investment trust discount in the Company's 'European' Peer group for the year under review was 4.92 per cent according to the Association of Investment Companies ('AIC').

The Directors have powers granted to them at the last annual general meeting to purchase Ordinary shares and hold them in treasury as a method of controlling the discount to net asset value and enhancing shareholder value. In view of the relatively low discount to net asset value in comparison to the discount since the Company launched and to the average investment trust

REPORT OF THE DIRECTORS

discount, the Directors did not feel it necessary to make use of this facility during the year under review

Review of the Year

As mentioned in the Manager's Review and Chairman's Statement, your Company has outperformed its benchmark, the FTSE World Europe ex UK Total Return Index. The net asset value increased by 34.1 per cent against the benchmark's 30.0 per cent. The Board considers it appropriate to consider this return in the context of the return achieved since the Company launch in November 2000 of 137.2 per cent against the benchmark's return during the same period of 50.6 per cent.

A more detailed review of your Company's performance over the past financial year can be found on pages 7 to 10 under the headings "Chairman's Statement" and "Manager's Review".

Risks and Uncertainties

The risks and uncertainties are detailed in note 13 to the accounts on pages 45 to 47 as is an explanation of how they are managed. Principally, the risks to the Company are foreign currency movements, market price movements, interest rates, use of derivatives, liquidity risk, credit risk, the discount to net asset value and loss of investment trust status.

Performance

At the quarterly board meetings the Directors consider a number of performance indicators to help assess the Company's success in achieving its objectives. The key performance indicators used to measure the performance of the Company over time are as follows:

- Net asset value changes over time
- Ordinary Share Price movement
- A comparison of the Ordinary share price and net asset value to the Benchmark
- Discount over varying periods
- Peer Group comparative performance
- Funds in/outflows of the retail investment wrapper products managed by the Investment Manager

A history of the net asset value, Ordinary share price and benchmark is shown on the monthly fact sheets which can be viewed on the Investment Manager's website www.jupiteronline.co.uk and which are available on request from the Company Secretary.

Business and Status

During the year the Company carried on business as an investment trust. The Company is an investment company within the meaning of Section 266 of the Companies Act 1985.

H M Revenue & Customs ("HMRC") has approved the Company as an investment trust for the purposes of Section 842 of the Income and Corporation Taxes Act 1988 ("ICTA") for the year ended 31 May 2006. In the opinion of the Directors, the Company has subsequently conducted

REPORT OF THE DIRECTORS

its affairs so as to enable it to maintain such approval. It is the Company's intention to seek authorisation under Section 842 of ICTA for the year to 31 May 2007. Where a company has specifically applied for it HMRC will grant investment trust status. Such approval will not preclude HMRC from opening a subsequent enquiry into the Company's tax return. The Company will be exempt from tax on capital gains on disposal of its investments for each accounting period for which approval is granted.

Reviews of the Company's activities are included in the Chairman's Statement and Manager's Review on pages 7 to 10.

The directors are of the opinion that the Company is not a close company as defined by the Income and Corporation Taxes Act 1988.

The Company has a wholly owned subsidiary, JEOT Securities Limited, which is an investment dealing company.

Results and Dividends

Results and reserve movements for the year are set out in the Consolidated Income Statement, the Consolidated Statement of Changes in Equity and the Notes to the Accounts.

In accordance with the Company's stated dividend policy no dividends have been paid in respect of the year under review.

Share Issue

During the year 500,000 Ordinary shares of 1p each were issued. Since the year end a further 600,000 Ordinary shares of 1p each were issued. See notes 14 and 21 for further details.

Capital Gains Tax Information

The closing middle market price of Ordinary shares on the first date of dealing (20 November 2000) for Capital Gains Tax purposes was 101.5p.

Directors and their Interests

The Directors who held office at the end of the year and their beneficial interests in the Ordinary shares as at 31 May 2007 are shown below.

| | 31 May 2007 | Percentage of issued Ordinary shares | 1 June 2006 | Percentage of issued Ordinary shares |
|----------------------|----------------|---|----------------|---|
| A F C Darwall | 3,567,013 | 4.39 | 2,827,013 | 3.50 |
| Sir M Goulding, KCMG | 33,000 | 0.04 | 33,000 | 0.04 |
| H M Priestley | 26,154 | 0.03 | 26,154 | 0.03 |
| J W Robinson | 13,959 | 0.02 | 13,959 | 0.02 |
| J D A Wallinger | 45,000 | 0.06 | 45,000 | 0.06 |

Since 31 May 2007 Mr A Darwall has advised the Company that he purchased 13,218 Ordinary shares at 216p per share on 28 June 2007 and 9,782 Ordinary shares at 218p per share on 29 June 2007 on behalf of his wife and children.

REPORT OF THE DIRECTORS

The Company has not been advised of any other changes in the Directors' interests between 31 May 2007 and the date of this report

No Director has a contract of service with the Company. Directors' terms and conditions for appointment are set out in the letters of appointment which are available for inspection at the Registered Office of the Company.

The Directors' interest in contractual arrangements with the Company are as detailed in Note 19 to the Accounts on pages 49 to 50. Subject to these exceptions, no Director was a party to or had any interest in any contract or arrangement with the Company at any time during the year or subsequently.

Sir M Goulding, having retired by rotation in accordance with the Company's Articles of Association is seeking re-election as a Director. Mr A Darwall, being a director of Jupiter Asset Management Limited, the Company's Investment Manager, is subject to annual re-election.

Substantial Shareholders

The Company has been notified of the following substantial interests in the Ordinary shares as at 31st July 2007

| | Ordinary shares | |
|---|-----------------|-------|
| | Number | % |
| Clients of Jupiter Asset Management Limited | 12,351,325 | 15.11 |
| Jupiter Asset Management PEP, ISA and Savings Schemes | 5,411,806 | 6.62 |
| Smith & Williamson | 5,873,045 | 7.18 |
| East Riding of Yorkshire | 4,000,000 | 4.89 |
| Rensburg Sheppard's Investment Management | 3,888,567 | 4.76 |
| Mr Darwall and family | 3,590,013 | 4.39 |
| F&C Asset Management | 3,400,729 | 4.16 |
| Reliance Mutual Society Limited | 3,108,247 | 3.80 |
| NW Brown Investment Management | 2,962,029 | 3.62 |
| Legal & General Investment Management | 2,956,433 | 3.62 |
| UBS Wealth Management | 2,502,429 | 3.06 |

The directors are not aware of any person who, directly or indirectly, jointly or severally, exercises or could exercise control over the Company.

Corporate Governance

The FRC Combined Code on Corporate Governance

Application of the AIC Code's Principles

This statement describes how the principles of the revised AIC Code of Corporate Governance ("the AIC Code") issued by the Association of Investment Companies in February 2006, have been applied to the affairs of the Company. Prior to February 2006 the Company reported on how it had complied with the Combined Code on Corporate Governance issued by the Financial Reporting Council ("the FRC") in July 2003. In February 2006, the FRC confirmed that investment trust companies who report against the revised AIC Code (instead of the Combined Code on

REPORT OF THE DIRECTORS

Corporate Governance) will be deemed to have met their obligations under paragraph 9.8.6 of the Listing Rules

The principles laid down by the two Codes are similar but there are some areas where the AIC is more specifically applicable to investment trust companies. In complying with the AIC Code, the Company is not required to report on the role of chief executive, executive directors' remuneration and the need for an internal audit function which are all irrelevant to investment trust companies.

The AIC Code comprises 21 principles. The Directors attach importance to the matters set out in the AIC Code and believe that, during the period under review, they have complied with all of the principles of the AIC Code.

The Board

As at 31 May 2007 the Board of Directors comprised five Non-Executive Directors of whom four are independent of the Investment Manager.

Mr H Priestley is the Chairman.

The Company has no executive directors, nor any employees.

The structure of the Board is such that it is considered unnecessary to identify a senior Non-Executive Director other than the Chairman. As the Board is small there is no formal Nomination Committee and appointments of new directors are considered by the Board as a whole. New directors will be subject to election by shareholders at the Annual General Meeting following their appointment and thereafter at least at every third subsequent Annual General Meeting with the exception of Mr A Darwall who, as a Director of Jupiter Asset Management Limited, the Company's Investment Manager, is subject to annual re-election.

As at 31 May 2007, Mr A Darwall, being a director of both Jupiter Asset Management Limited and Jupiter Investment Management Group Limited, was considered a non-independent director.

The Board does not consider it appropriate that Directors should be appointed for a specific term.

Although no formal training in Corporate Governance is given to Directors, the directors are kept up-to-date on Corporate Governance issues through bulletins and training material provided from time to time by the Company Secretary and the AIC.

The Board receives monthly reports and meets at least quarterly to review the overall business of the Company and to consider matters specifically reserved for its review. At these meetings the Board monitors the investment performance of the Company. The Directors also review the Company's activities every quarter to ensure that it adheres to its investment policy or, if appropriate, to make any changes to that policy. Additional, ad hoc reports are received as required and Directors have access at all times to the advice and services of the Company Secretary, who is responsible for ensuring that Board procedures are followed and that applicable rules and regulations are complied with. The Board has adopted a schedule of items specifically reserved for its decision.

REPORT OF THE DIRECTORS

A procedure has been adopted for the Directors, in the furtherance of their duties, to take independent professional advice at the expense of the Company

Directors' Performance Evaluation

The Independent Directors undertake on an annual basis an informal verbal review of the effectiveness of the Board particularly in relation to its oversight and monitoring of the performance of the Investment Manager and other key service providers. The Board will also evaluate and confirm the effectiveness of any of the Directors who may be proposed for re-election at an Annual General Meeting of the Company. Sir M Goulding and Mr A Darwall, whose biographical details are set out on page 4, are seeking and being proposed for re-election at the forthcoming Annual General Meeting and the Board is pleased to confirm that each of the Directors being put forward for re-election continue to perform effectively and demonstrate commitment to their roles.

The Board has established an informal system for the evaluation of its own performance and that of individual Directors. It considers this to be appropriate having regard to the non-executive role of the Directors and the significant outsourcing of services to external providers.

Directors' Remuneration

No Director has a service contract with the Company and details of the Directors' fees are shown on page 26. Under the Financial Services Authority Listing Rule 15.4.15, where an investment trust company has no executive directors, the Code's principles relating to Directors' remuneration do not apply.

Directors' Attendance

There were 5 scheduled Board meetings and one formal Audit Committee meeting held during the year all of which were attended by the relevant Directors. All of the Directors attended the Annual General Meeting held on 3 October 2006. An Extraordinary General Meeting was held on 29 November 2006 which Mr J Wallinger and Mr J Robinson were unable to attend.

Shareholder Relations

All shareholders have the opportunity to attend and vote at the Annual General Meeting during which the Directors and Investment Manager will be available to answer questions regarding the Company. The Company will seek to provide twenty working days' notice of that meeting. The Notice of Meeting sets out the business of the Annual General Meeting and any item deemed by the Board not to be of an entirely routine nature is explained in the Directors' Report or notes accompanying the Notice. Separate resolutions are proposed for each substantive issue. Information about proxy votes held is available to shareholders attending the Annual General Meeting. The Company reports to shareholders twice a year by way of the Interim Report and Annual Report and Accounts. In addition, net asset values are published on a weekly basis and fact sheets are published monthly on the Investment Manager's website, www.jupiteronline.co.uk.

The Board has not established a formal process for ensuring that each Director develops an understanding of the views of major shareholders. However, regular contact with major shareholders is undertaken by the Company's corporate brokers and the corporate finance executive of the Investment Manager. Any issues raised by major shareholders are reported to the Board on a regular basis. The Board also receives details of all correspondence with major

REPORT OF THE DIRECTORS

shareholders and the Chairman and individual Directors are willing to meet major shareholders to discuss any particular items of concern regarding the performance of the Company. The Chairman, Directors and Investment Manager are also available to answer any questions which may be raised by any shareholder at the Company's Annual General Meeting.

Exercise of voting powers

The Board and the Investment Manager believe that shareholders have a vital role in encouraging a higher level of corporate performance and therefore adopt a positive approach to corporate governance. The Investment Manager follows the Combined Code as its standard approach to corporate governance voting for UK listed companies. As a long term participant in the socially responsible investment ('SRI') industry, the Investment Manager believes that corporate governance should be extended to include environmental, social and ethical issues and is able to seek specialist advice from Jupiter's SRI and Governance Team who offer a programme of constructive dialogue and engagement with companies in which your Company has invested.

In line with the Institutional Shareholders' Committee's Statement of Principles – The responsibilities of Institutional Shareholders and Agents – the Board and the Investment Manager believe that institutional investors should exercise their corporate governance rights including voting at general meetings. In deciding how to vote the Investment Manager subscribes to a number of leading providers of corporate governance research (NAPF and ABI) in addition to applying its own policy. All contentious issues are identified and, where necessary (and where timescales permit) have been discussed with companies and corporate governance providers. The Investment Manager ensures that its policy is voted in practice and timely voting decisions made.

From time to time resolutions will be brought to Annual General Meetings by third parties encouraging companies to address specific environmental and/or social concerns. In such instances, the Jupiter SRI and Governance Team will discuss their views with the Portfolio Manager and the company if appropriate. The Investment Manager will then vote for what it considers to be in the best financial interests of shareholders, whilst having regard for any specific environmental and/or social concerns unless otherwise directed.

Internal Control

The Board is responsible for establishing and maintaining the Company's system of internal control and reviewing its effectiveness. Internal control systems are designed to meet the particular requirements of the Company and to manage rather than eliminate the risks of failure to achieve its objectives. The systems by their very nature can provide reasonable but not absolute assurance against material misstatement or loss. There is an ongoing process which accords with the Turnbull guidance on internal controls for identifying, evaluating and managing risks significant to the Company. The Board has reviewed the effectiveness of the Company's internal control systems including the financial, operational and compliance controls and risk management. These systems have been in place for the year under review and to the date of signing the accounts.

The Company receives services from Jupiter Asset Management Limited and Jupiter Administration Services Limited (the 'Administrator') relating to its investment management and administration activities. Documented contractual arrangements are in place with Jupiter Asset Management Limited and Jupiter Administration Services Limited which define the areas where the Company has delegated authority to them. The Directors have considered the report on the

REPORT OF THE DIRECTORS

internal control objectives and procedures of Jupiter Asset Management Limited and Jupiter Administration Services Limited together with the opinion of their reporting accountants. This report details the measures and the testing of the measures which are in place to ensure the proper recording, valuation, physical security and protection from theft of the Company's investments and assets and the controls which have been established to ensure compliance with all regulatory, statutory and fiscal obligations of the Company. The Directors have also had regard to the procedures for safeguarding the integrity of the computer systems operated by the Investment Manager and Administrator and the key business disaster recovery plans. By way of the procedures described above the Board intends to review the procedures in place to manage the risks to the Company on an annual basis.

Audit Committee

The Board has established and approved written terms of reference of an Audit Committee of the four Independent Non-Executive Directors, chaired by Mr Priestley, which meets to consider the financial reporting by the Company, the internal controls and relations with the Company's external auditors. In addition, it reviews the independence and objectivity of the auditors with particular regard to the non audit fees relating to the provision of taxation services. Notwithstanding the provision of such non audit services, the Board considers Ernst & Young LLP to be independent of the Company.

The Board having reviewed the effectiveness of the internal control systems of the Investment Manager and Administrator, and having regard to the role of its external auditors, does not consider that there is a need for the Company to establish its own internal audit function.

The Audit Committee met formally once during the year to receive and consider the report of the Company's auditors and to approve the Company's Annual Report and Accounts for the year ended 31 May 2006. The Audit Committee also gave consideration to the performance of those Board members seeking re-election and to the performance of the Board as a whole. Consideration was also given to the performance and administration of the Company by the Portfolio Manager. All the independent Directors attended this meeting. On an informal basis the Board as a whole give consideration to the audit plan of the year and the Interim Report of the Company at the appropriate time.

Audit Information

The Directors are not aware of any relevant audit information of which the Group's auditors are unaware. The Directors also confirm that they have taken all the steps required of a company director to make themselves aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

Going Concern

The Articles of Association provide that at the annual general meeting of the Company to be held in 2008, and at every third annual general meeting thereafter, an ordinary resolution shall be proposed that the Company shall continue in existence as an investment trust.

REPORT OF THE DIRECTORS

After making enquiries the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the accounts.

Appointment of the Investment Manager

The Independent Directors have reviewed the performance and terms of appointment of Jupiter Asset Management Limited as the Company's Investment Manager. A summary of the terms of the appointment including the notice of termination period, annual fee and any performance fee payment is set out in Note 19 of the accounts on pages 49 to 50.

The Directors believe that it is in the best interests of all shareholders for the Company to continue the appointment of the Investment Manager on its existing terms of appointment. The individual at the Investment Manager who is responsible for the day to day management of the Company's portfolio, Alex Darwall, has extensive experience and an exemplary record of good performance for the various European funds under his management.

Having regard to the Company's excellent long term performance against its benchmark index since the Company's launch in November 2000, the Directors are of the view that the portfolio should remain under Jupiter Asset Management Limited's stewardship for the foreseeable future.

Directors' and Officers' Liability Insurance

During the year the Company purchased and maintained liability insurance for its Directors and officers as permitted by Section 310(3) of the Companies Act 1985.

Directors and Company Secretary Indemnification

The Company has indemnified its Directors and Company Secretary against certain civil claims brought by third parties and associated legal costs to the extent that they are permitted by the Companies (Audit, Investigations and Community Enterprise) Act 2004.

Donations

No charitable or political donations were made by the Company during the year.

Payment of Suppliers

It is the Company's payment policy to obtain the best possible terms for all business and therefore there is no consistent policy as to the terms used. The Company agrees with its suppliers the terms on which business will take place, and it is the Company's policy to abide by those terms. Investment purchases for future settlement are settled in accordance with the rules and regulations of the Stock Exchange on which they are purchased. As the Company is an investment trust, it does not have any trade creditors.

Auditors

The auditors, Ernst & Young LLP, have indicated their willingness to continue in office and resolutions proposing their reappointment and authorising the Directors to determine their remuneration for the ensuing year will be submitted to the Annual General Meeting.

REPORT OF THE DIRECTORS

Special Business at the Annual General Meeting

Resolutions relating to the following items of special business will be proposed at the forthcoming Annual General Meeting

Resolution 6 Authority to Allot Shares for Cash

The Directors may only allot shares for cash or sell shares held in treasury (other than by way of offer to all existing shareholders pro rata to their shareholdings) if they are authorised to do so by shareholders in general meeting. This resolution seeks authority for the Directors to allot Ordinary shares for cash or sell Ordinary shares held in treasury up to a nominal amount of £81,764.72 without first offering them to existing shareholders. This sum represents 8,176,472 Ordinary shares of 1p each being equivalent to 10 per cent of the current issued share capital. The Directors will only use this authority where it believes that it is in the best interest of the Company to issue Ordinary shares for cash or sell Ordinary shares held in treasury.

Resolution 7 Authority to buy back shares

Resolution 7 seeks shareholder approval for the Company to renew the power to purchase its own Ordinary shares. The Board believes that the ability of the Company to purchase its own shares in the market will potentially benefit all shareholders of the Company. The purchase of Ordinary shares at a discount to the underlying net asset value would enhance the net asset value on the remaining Ordinary shares if they were cancelled on repurchase or reissued (as treasury shares) at a lesser discount than that on which they were first repurchased.

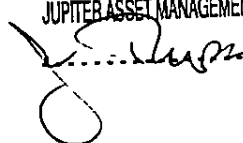
The Company is seeking shareholder approval to repurchase up to 12,256,531 Ordinary shares, representing 14.99 per cent of the Company's issued share capital (the maximum permitted under the Listing Rules) at a price that is not less than 1p per Ordinary share (the nominal value of each Ordinary share) and not more than 5 per cent above the average of the middle market quotations for the five business days preceding the day of purchase. The authority being sought will last until the date of the next Annual General Meeting or, if less, for a period of 15 months. The decision as to whether to repurchase any Ordinary shares will be at the absolute discretion of the Board. Ordinary shares repurchased under this authority may either be held by the Company in treasury for resale (up to a maximum of 10 per cent of the issued Ordinary shares) or cancelled. The Company will fund any purchases by utilising existing cash resources or loan facilities.

The Board has determined the following policies in respect of the Investment Manager's discretion in the use of treasury shares. In the event that treasury shares are not reissued to the market within six months of their date of purchase they will automatically be cancelled. During any period in which treasury shares are held by the Company the Investment Manager will publish both a diluted and an undiluted estimate of net asset value for its Ordinary shares (to reflect their attributable value if the shares were either to be reissued or cancelled on the date of valuation). The Investment Manager shall not repurchase Ordinary shares for treasury at a discount to net asset value of less than 10 per cent on the date of purchase. The number of treasury shares that may be held for reissue at any one time will be limited to 10 per cent of the shares in issue. Treasury shares will only be reissued at a premium to net asset value. Any treasury shares will only be reissued at a price not less than the market bid price at the time of purchase.

REPORT OF THE DIRECTORS

Accordingly shareholders will also be asked at the Annual General Meeting to approve resolution 6 which will dis-apply the statutory pre-emption rights over the new issue of Ordinary shares on the reissue of Ordinary shares from treasury. This will enable the Company to sell Ordinary shares held in treasury (or issue new Ordinary shares for cash) without having to make a pro rata offer to all shareholders.

By Order of the Board
Jupiter Asset Management Limited
Secretaries
23 August 2007

For and on behalf of
JUPITER ASSET MANAGEMENT LIMITED
 Secretaries

DIRECTORS' REMUNERATION REPORT

The Board has prepared this report, in accordance with the requirements of Schedule 7A to the Companies Act 1985. An ordinary resolution for the approval of this report will be put to members at the forthcoming Annual General Meeting.

The law requires the Company's auditors to audit certain of the disclosures provided. Where disclosures have been audited, they are indicated as such. The auditors' opinion is included in their report on pages 28 to 29.

Directors' Fees

The Directors of Jupiter European Opportunities Trust PLC are non-executive and by way of remuneration receive only an annual fee, which in the case of the Chairman is £18,000 and for each of the other Directors is £15,000. The fee is payable quarterly. The Company does not award any other remuneration or benefits to the Chairman or Directors. The Company has no bonus schemes, pension schemes, share option or long term incentive schemes in place for the Directors.

Directors' Service Contracts

Directors do not have any service contracts which specify any period of notice of termination. Accordingly, the Directors are not entitled to any compensation in the event of termination of their appointment or loss of office, other than the payment of any outstanding fees.

The Board does not consider it appropriate that Directors should be appointed for a specific term. However, each Director is subject to election by shareholders at least at every third Annual General Meeting and any new Directors appointed would be subject to election by shareholders at the next Annual General Meeting following their appointment.

| <i>Director</i> | <i>Date of Appointment</i> | <i>Due date for Election</i> |
|----------------------|----------------------------|------------------------------|
| HM Priestley | 31 October 2000 | AGM 2008 |
| AFC Darwall | 19 August 2004 | AGM 2007 |
| Sir M Goulding, KCMG | 31 October 2000 | AGM 2007 |
| JW Robinson | 31 October 2000 | AGM 2009 |
| JDA Wallinger | 31 October 2000 | AGM 2008 |

Policy on Directors' Fees

The Board has not established a Remuneration Committee and any review of the Directors' fees would be undertaken by the Board as a whole as listed on page 4 and would have regard to the level of fees paid to Non-Executive Directors of other investment companies of equivalent size. The Directors' fees have not been reviewed since the launch of the Company in October 2000 and there is no intention at present to increase such fees.

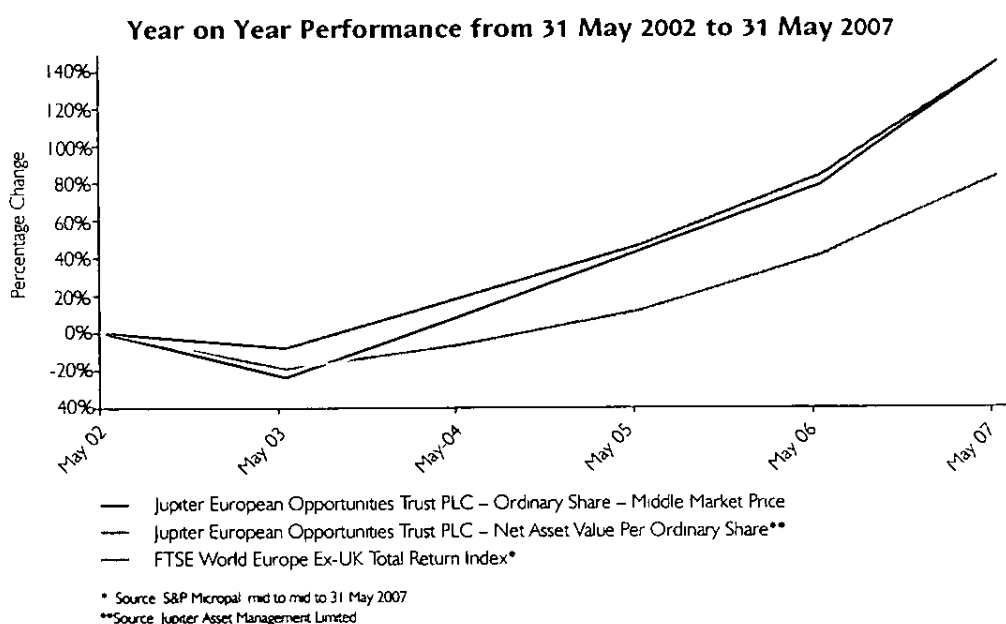
DIRECTORS' REMUNERATION REPORT

| Directors' emoluments for the year (audited) | Total fees for year ended | Total fees for year ended |
|--|---------------------------|---------------------------|
| | 31 May 2007 | 31 May 2006 |
| | £ | £ |
| H M Priestley | 18,000 | 18,000 |
| A F C Darwall * | 15,000 | 15,000 |
| Sir M Goulding, KCMG | 15,000 | 15,000 |
| J W Robinson | 15,000 | 15,000 |
| J D A Wallinger | 15,000 | 15,000 |
| | <u>78,000</u> | <u>78,000</u> |

*Fees paid to Jupiter Asset Management Limited

Company Performance

The graph below provides details of the Company's performance by reference to both the Company's total assets and Ordinary share price compared against the FTSE World Europe ex UK Total Return Index. The FTSE World Europe ex UK Total Return Index has been chosen as the most suitable benchmark against which to measure the performance of the Company.



The graph is provided in accordance to Schedule 7A of the Companies Act 1985

By Order of the Board
 Jupiter Asset Management Limited
 Secretaries
 23 August 2007

For and on behalf of
JUPITER ASSET MANAGEMENT LIMITED
 Secretaries

DIRECTORS' RESPONSIBILITIES FOR THE ACCOUNTS

The Directors are responsible for preparing the Annual Report and financial statements in accordance with applicable United Kingdom law and those International Financial Reporting Standards ('IFRS') as adopted by the European Union

The Directors are required to prepare financial statements for each financial year which present fairly the financial position of the Company and of the Group and the financial performance and cash flows of the Company and of the Group for that period. In preparing those financial statements, the Directors are required to

- (i) select suitable accounting policies and then apply them consistently,
- (ii) present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information,
- (iii) provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance, and
- (iv) state that the Group has complied with IFRS, subject to any material departures disclosed and explained in the financial statements

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and of the Group and enable them to ensure that the financial statements comply with the Companies Act 1985 and Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF JUPITER EUROPEAN OPPORTUNITIES TRUST PLC

We have audited the Group and Company financial statements (the "financial statements") of Jupiter European Opportunities Trust PLC for the year ended 31 May 2007 which comprise the Consolidated Income Statement, the Consolidated and Company Balance Sheets, the Consolidated and Company Cash Flow Statements, the Consolidated and Company Statements of Change in Shareholders' Equity and the related notes 1 to 21. These financial statements have been prepared under the accounting policies set out therein. We have also audited the information in the Directors' Remuneration Report that is described as having been audited.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditors

The Directors' responsibilities for preparing the Annual Report, the Directors' Remuneration Report and the financial statements in accordance with applicable United Kingdom law and International Financial Reporting Standards ("IFRSs") as adopted by the European Union are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements and the part of the Directors' Remuneration Report to be audited in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, the financial statements and the part of the Directors' Remuneration Report to be audited have been properly prepared in accordance with the Companies Act 1985 and Article 4 of the IAS Regulation and whether the information given in the directors' report is consistent with the financial statements.

We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and other transactions are not disclosed.

We review whether the Corporate Governance Statement reflects the company's compliance with the nine provisions of the 2006 Combined Code specified for our review by the Listing Rules of the Financial Services Authority, and we report if it does not. We are not required to consider whether the Board's statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the group's corporate governance procedures or its risk and control procedures.

We read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. The other information comprises only the Objective of the Company, Company Information, Directors, Financial Highlights, Planned Life of the Company,

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF JUPITER EUROPEAN OPPORTUNITIES TRUST PLC

Dividend Policy, Chairman's Statement, Manager's Review, Twenty Largest Investments, Classification of Investments, the Report of the Directors, the unaudited part of the Directors' Remuneration Report and Notice of Annual General Meeting. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements and the part of the Directors' Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements and the part of the Directors' Remuneration Report to be audited are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Directors' Remuneration Report to be audited.

Opinion

In our opinion

- * the Group financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the group's affairs as at 31 May 2007 and of its net return for the year then ended,
- * the Company financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union as applied in accordance with the provisions of the Companies Act 1985, of the state of the Company's affairs as at 31 May 2007,
- * the financial statements and the part of the Directors' Remuneration Report to be audited have been properly prepared in accordance with the Companies Act 1985 and Article 4 of the IAS Regulation, and
- * the information given in the Directors' Report is consistent with the financial statements

Ernst & Young LLP
Ernst & Young LLP
Registered Auditor
London
23 August 2007

CONSOLIDATED INCOME STATEMENT

for the year ended 31 May 2007

| | Note | 2007 | | | 2006 | | |
|--|------|----------------------------|----------------------------|----------------|----------------------------|----------------------------|----------------|
| | | Revenue return £'000 | Capital return £'000 | Total £'000 | Revenue return £'000 | Capital return £'000 | Total £'000 |
| Gains on investments at fair value through profit or loss | 8 | – | 46,239 | 46,239 | – | 27,113 | 27,113 |
| Foreign exchange losses on loans | | – | (45) | (45) | – | (195) | (195) |
| Other exchange losses | | – | (94) | (94) | – | – | – |
| | | – | 46,100 | 46,100 | – | 26,918 | 26,918 |
| Investment income | 2 | 3,760 | – | 3,760 | 2,765 | – | 2,765 |
| Dealing profits of subsidiary | 13 | 1,592 | – | 1,592 | 59 | – | 59 |
| Foreign exchange (losses)/gains by subsidiary | | (8) | – | (8) | 14 | – | 14 |
| Total income | | 5,344 | 46,100 | 51,444 | 2,838 | 26,918 | 29,756 |
| Investment management fee | 3 | (1,442) | – | (1,442) | (1,243) | – | (1,243) |
| Investment performance fee | 3 | – | (1,611) | (1,611) | – | – | – |
| Other expenses | 4 | (457) | – | (457) | (290) | – | (290) |
| Total expenses | | (1,899) | (1,611) | (3,510) | (1,533) | – | (1,533) |
| Profit before finance costs and tax | | 3,445 | 44,489 | 47,934 | 1,305 | 26,918 | 28,223 |
| Finance costs | 5 | (1,347) | – | (1,347) | (514) | – | (514) |
| Profit before taxation | | 2,098 | 44,489 | 46,587 | 791 | 26,918 | 27,709 |
| Taxation | 6 | (475) | – | (475) | (337) | – | (337) |
| Profit after taxation | | 1,623 | 44,489 | 46,112 | 454 | 26,918 | 27,372 |
| Return per Ordinary share | 7 | 2.01p | 55.14p | 57.15p | 0.56p | 33.37p | 33.93p |

The total column of this statement is the income statement of the Group 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 ('AIC').

All revenue and capital items in the above statement derive from continuing operations. No operations were acquired or discontinued during the year.

The notes on pages 36 to 50 form part of these accounts

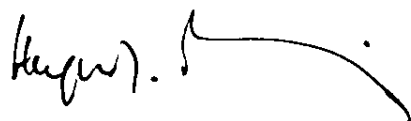
CONSOLIDATED BALANCE SHEET

as at 31 May 2007

| | Note | 2007 £'000 | 2006 £'000 |
|---|------|-----------------------|-----------------------|
| Non current assets | | | |
| Investments held at fair value through profit or loss | 8 | <u>226,817</u> | <u>154,390</u> |
| Current assets | | | |
| Investments held at fair value through profit or loss | 9 | 5,398 | 3,194 |
| Receivables | 10 | <u>2,827</u> | <u>2,221</u> |
| | | <u>8,225</u> | <u>5,415</u> |
| Total assets | | <u>235,042</u> | <u>159,805</u> |
| Current liabilities | | | |
| | 11 | <u>(52,764)</u> | <u>(4,878)</u> |
| Total assets less current liabilities | | <u>182,278</u> | <u>154,927</u> |
| Non current liabilities | | | |
| Bank loan | 12 | <u>–</u> | <u>(19,835)</u> |
| Net Assets | | <u><u>182,278</u></u> | <u><u>135,092</u></u> |
| Capital and reserves | | | |
| Called up share capital | 14 | 812 | 807 |
| Share premium | | 39,912 | 38,843 |
| Special reserve | | 37,597 | 37,597 |
| Capital redemption reserve | | 22 | 22 |
| Retained earnings | 15 | <u>103,935</u> | <u>57,823</u> |
| Total equity | | <u><u>182,278</u></u> | <u><u>135,092</u></u> |
| Net asset value per Ordinary Share | 16 | 224 58p | 167 47p |

Approved by the Board of Directors and authorised for issue on 23 August 2007

H M Priestley Chairman



The notes on pages 36 to 50 form part of these accounts

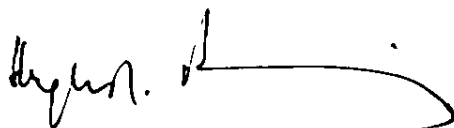
COMPANY BALANCE SHEET

as at 31 May 2007

| | Note | 2007 £'000 | 2006 £'000 |
|---|------|----------------|----------------|
| Non current assets | | | |
| Investments held at fair value through profit or loss | 8 | 226,817 | 154,390 |
| Current assets | | | |
| Receivables | 10 | 4,202 | 3,122 |
| Total assets | | <u>231,019</u> | <u>157,512</u> |
| Current liabilities | | | |
| | 11 | (52,208) | (4,853) |
| Total assets less current liabilities | | <u>178,811</u> | <u>152,659</u> |
| Non current liabilities | | | |
| Bank loan | 12 | – | (19,835) |
| Net Assets | | <u>178,811</u> | <u>132,824</u> |
| Capital and reserves | | | |
| Called up share capital | 14 | 812 | 807 |
| Share premium | | 39,912 | 38,843 |
| Special reserve | | 37,597 | 37,597 |
| Capital redemption reserve | | 22 | 22 |
| Retained earnings | 15 | 100,468 | 55,555 |
| Total equity | | <u>178,811</u> | <u>132,824</u> |

Approved by the Board of Directors and authorised for issue on 23 August 2007

H M Priestley Chairman



The notes on pages 36 to 50 form part of these accounts

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| | Share | Share | Special | Capital | Retained | Total |
|---------------------------------------|---------|---------|---------|--------------------|----------|---------|
| | Capital | Premium | Reserve | Redemption Reserve | Earnings | |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| For the year ended 31 May 2007 | | | | | | |
| 31 May 2006 | 807 | 38,843 | 37,597 | 22 | 57,823 | 135,092 |
| Ordinary share issue | 5 | 1,093 | - | - | - | 1,098 |
| Share issue costs | - | (24) | - | - | - | (24) |
| Net profit for the year | - | - | - | - | 46,112 | 46,112 |
| Balance at 31 May 2007 | 812 | 39,912 | 37,597 | 22 | 103,935 | 182,278 |
| | | | | | | |
| For the year ended 31 May 2006 | | | | | | |
| 31 May 2005 | 807 | 38,843 | 37,597 | 22 | 30,451 | 107,720 |
| Net profit for the year | - | - | - | - | 27,372 | 27,372 |
| Balance at 31 May 2006 | 807 | 38,843 | 37,597 | 22 | 57,823 | 135,092 |

COMPANY STATEMENT OF CHANGES IN EQUITY

| | Share | Share | Special | Capital | Retained | Total |
|---------------------------------------|---------|---------|---------|--------------------|----------|---------|
| | Capital | Premium | Reserve | Redemption Reserve | Earnings | |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| For the year ended 31 May 2007 | | | | | | |
| 31 May 2006 | 807 | 38,843 | 37,597 | 22 | 55,555 | 132,824 |
| Ordinary share issue | 5 | 1,093 | - | - | - | 1,098 |
| Share issue costs | - | (24) | - | - | - | (24) |
| Net profit for the year | - | - | - | - | 44,913 | 44,913 |
| Balance at 31 May 2007 | 812 | 39,912 | 37,597 | 22 | 100,468 | 178,811 |
| | | | | | | |
| For the year ended 31 May 2006 | | | | | | |
| 31 May 2005 | 807 | 38,843 | 37,597 | 22 | 28,254 | 105,523 |
| Net profit for the year | - | - | - | - | 27,301 | 27,301 |
| Balance at 31 May 2006 | 807 | 38,843 | 37,597 | 22 | 55,555 | 132,824 |

The notes on pages 36 to 50 form part of these accounts

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 May 2007

| | Note | 2007 £'000 | 2006 £'000 |
|---|------|----------------|----------------|
| Cash flows from operating activities | | | |
| Purchases of investments | | (102,678) | (65,276) |
| Sales of investments | | 76,167 | 55,201 |
| Realised (losses)/gains on foreign currency | | (102) | 14 |
| Investment income received | | 3,638 | 2,737 |
| Deposit interest received | | 21 | 17 |
| Investment management fee paid | | (1,681) | (1,116) |
| Sales less purchases of dealing subsidiary | | (175) | (2,061) |
| Other cash expenses | | (521) | (1,794) |
| Cash outflow from operating activities before finance costs and taxation | 17 | (25,331) | (12,278) |
| Finance costs | | (1,087) | (446) |
| Taxation | | (521) | (452) |
| Cash outflow from operating activities | | (26,939) | (13,176) |
| Financing activities | | | |
| Ordinary shares issued | | 1,098 | – |
| Share issue costs | | (24) | – |
| Short term loans received | | 108,430 | – |
| Short term loans repaid | | (64,170) | – |
| Long term loan received | | – | 9,681 |
| Long term loan repaid | | (19,448) | – |
| Decrease in cash | | <u>(1,053)</u> | <u>(3,495)</u> |
| Decrease in cash and cash equivalents | | <u>(1,053)</u> | <u>(3,495)</u> |
| Cash and cash equivalents at start of year | | (4,015) | (520) |
| Cash and cash equivalents at end of year | | <u>(5,068)</u> | <u>(4,015)</u> |

The notes on pages 36 to 50 form part of these accounts

COMPANY CASH FLOW STATEMENT

for the year ended 31 May 2007

| | 2007 £'000 | 2006 £'000 |
|---|---------------|---------------|
| Cash flows from operating activities | | |
| Purchases of investments | (102,678) | (65,276) |
| Sales of investments | 76,167 | 55,201 |
| Realised losses on foreign currency | (94) | – |
| Investment income received | 3,525 | 2,709 |
| Deposit interest received | 20 | 15 |
| Investment management fee paid | (1,681) | (1,116) |
| Other cash expenses | (487) | (1,794) |
| Cash outflow from operating activities before finance costs and taxation | (25,228) | (10,261) |
| Finance costs | (1,087) | (446) |
| Taxation | (19) | (447) |
| Cash outflow from operating activities | (26,334) | (11,154) |
| Financing activities | | |
| Ordinary shares issued | 1,098 | – |
| Share issue costs | (24) | – |
| Short term loans received | 108,430 | – |
| Short term loans repaid | (64,170) | – |
| Long term loan received | – | 9,681 |
| Long term loan repaid | (19,448) | – |
| Cash paid to subsidiary | (605) | (2,022) |
| Decrease in cash | (1,053) | (3,495) |
| Change in cash and cash equivalents | (1,053) | (3,495) |
| Cash and cash equivalents at start of year | (4,015) | (520) |
| Cash and cash equivalents at end of year | (5,068) | (4,015) |

The notes on pages 36 to 50 form part of these accounts

NOTES TO THE ACCOUNTS

for the year ended 31 May 2007

1 Accounting policies

The consolidated accounts comprise the financial results of the Company and its subsidiary JEOT Securities Limited for the year to 31 May 2007. The accounts are presented in pounds sterling, as this is the functional currency of the Group. The consolidated accounts were authorised for issue in accordance with a resolution of the Directors on 23 August 2007. All values are rounded to the nearest thousand pounds (£'000) except where indicated.

The consolidated accounts have been prepared in accordance with International Financial Reporting Standards (IFRS), which comprise standards and interpretations approved by the International Accounting Standards Board (IASB) and International Accounting Standards Committee (IASC), as adopted by the European Union.

A summary of the principal accounting policies, all of which have been applied consistently throughout the year, is set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entity controlled by the Company (its subsidiary). The Income Statement is only presented in consolidated form, as provided by Section 230 of the Companies Act 1985.

The financial statements of the subsidiary are prepared for the same reporting year as the parent company, using consistent accounting policies.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business.

Revenue includes dividends from investments quoted ex-dividend on or before the balance sheet date.

Deposit and other interest receivable, expenses and interest payable are accounted for on an accruals basis.

Presentation of income statement

In order to better reflect the activities of an investment trust company and in accordance with guidance issued by the AIC, supplementary information which analyses the income statement between items of a revenue and capital nature has been presented alongside the income statement. In accordance with the Company's status as a UK investment company under section 266 of the Companies Act 1985, net capital returns may not be distributed by way of dividend.

NOTES TO THE ACCOUNTS

1. Accounting policies (*continued*)

An analysis of retained earnings broken down into revenue items, which may be distributed as dividends and capital items is given in note 15. The Company's Articles prevent the distribution of capital profits. In arriving at this breakdown, expenses have been presented as revenue items except any performance fees payable are allocated wholly to capital, reflecting the fact that, although they are calculated on a total return basis, they are expected to be attributable largely, if not wholly, to capital performance.

Investments

All investments are classified as held at fair value through profit or loss. Changes in the fair value of investments held at fair value through profit or loss and gains and losses on disposal are recognised in the consolidated income statement as 'Gains on investments at fair value through profit or loss'. The fair value of listed investments is based on their quoted bid market price at the balance sheet date without any deduction for estimated future selling costs. All purchases and sales are accounted for on a trade date basis.

Foreign exchange gains and losses on fair value through profit and loss investments are included within the changes in the fair value of the investment.

The Company's subsidiary undertaking, JEOT Securities Limited, is stated at cost of £100 in the Company's Balance Sheet.

All contracts for differences traded by JEOT Securities Limited are revalued monthly based on their quoted bid prices and any profit or loss recognised in the income statement.

Bank borrowings

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accrual basis to the income statement using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Cash and cash equivalents

Cash comprises cash in hand and demand deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to insignificant risks of changes in value.

Borrowing costs

Borrowing costs are recognised in the income statement in the period in which they are incurred. All borrowing costs are directly charged to revenue and shown in the revenue column of the income statement.

NOTES TO THE ACCOUNTS

1 Accounting policies (*continued*)

Foreign currencies

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Gains and losses arising on retranslation are included in the income statement for the period, except for exchange differences arising on non-monetary assets and liabilities where the changes in fair value are recognised directly in equity.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all temporary differences at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or right to pay less tax in the future have occurred at the balance sheet date. This is subject to deferred tax assets only being recognised if it is considered more likely than not that there will be suitable profits from which the future reversal of the temporary differences can be deducted. Deferred tax assets and liabilities are measured at the rates applicable to the legal jurisdictions in which they arise.

Investment Trusts which have approval under section 842 of the Income and Corporation Taxes Act 1988 are not liable for taxation of capital gains.

NOTES TO THE ACCOUNTS

2 Income

| | 2007 Group £'000 | 2006 Group £'000 |
|---|------------------------|------------------------|
| Income from investments | | |
| Dividends from United Kingdom companies | 496 | 604 |
| Dividends from overseas companies | 3,240 | 2,148 |
| | <u>3,736</u> | <u>2,752</u> |
| Other income | | |
| Deposit interest | 24 | 13 |
| Profit on dealings by subsidiary | 1,584 | 73 |
| | <u>1,608</u> | <u>86</u> |
| Total income | <u>5,344</u> | <u>2,838</u> |
| Total income comprises | | |
| Dividends | 3,736 | 2,752 |
| Interest | 24 | 13 |
| Other income | 1,584 | 73 |
| | <u>5,344</u> | <u>2,838</u> |
| Income from investments | | |
| Listed in the UK | 496 | 604 |
| Listed overseas | 3,240 | 2,148 |
| | <u>3,736</u> | <u>2,752</u> |

3. Investment management and performance fees

| | 2007 Group £'000 | 2006 Group £'000 |
|---|------------------------|------------------------|
| Investment management fee | 1,227 | 1,058 |
| Irrecoverable VAT on investment management fee | 215 | 185 |
| Investment performance fee | 1,371 | – |
| Irrecoverable VAT on investment performance fee | 240 | – |
| | <u>3,053</u> | <u>1,243</u> |

Details of the investment management contract are given in Note 19

NOTES TO THE ACCOUNTS

4. Other expenses

| | 2007 Group £'000 | 2006 Group £'000 |
|--------------------------------|------------------------|------------------------|
| Directors' remuneration | 78 | 78 |
| Auditors' remuneration – audit | 24 | 22 |
| – taxation | 14 | 14 |
| Administration fee | 58 | 56 |
| Other administrative expenses | 283 | 120 |
| | <u>457</u> | <u>290</u> |

5 Finance costs

| | 2007 Group £'000 | 2006 Group £'000 |
|----------------|------------------------|------------------------|
| Term loan | 1,148 | 466 |
| Bank overdraft | 199 | 48 |
| | <u>1,347</u> | <u>514</u> |

6. Taxation

a) Analysis of charge in year

| | 2007 Group £'000 | 2006 Group £'000 |
|---------------------------------|------------------------|------------------------|
| UK Corporation tax | 16 | – |
| Overseas tax | 475 | 337 |
| Double taxation relief | (16) | – |
| Total current tax (see note 6b) | <u>475</u> | <u>337</u> |

NOTES TO THE ACCOUNTS

6. Taxation (continued)

b) Factors affecting current tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax for a company (30 per cent) (2006 30 per cent) The differences are explained below

| | 2007 | 2006 |
|--|--------------|--------------|
| | <i>Group</i> | <i>Group</i> |
| | £'000 | £'000 |
| Net gain before taxation | 46,587 | 27,709 |
| Less Capital gain | (44,489) | (26,918) |
| | <u>2,098</u> | <u>791</u> |
| Corporation tax at 30% | 629 | 237 |
| Effects of | | |
| UK dividend income not taxable | (151) | (181) |
| Small companies tax relief | (9) | - |
| Allowable expenses in capital | (483) | - |
| Overseas dividends taxable on receipt | (31) | 30 |
| Overseas tax | 475 | 306 |
| Excess expenses for the year | 32 | (61) |
| Expenses not deductible for tax purposes | 29 | 6 |
| Double taxation relief | (16) | - |
| Current tax charge for the year | <u>475</u> | <u>337</u> |

Due to the Company's status as an investment trust and the intention to continue meeting the conditions required to obtain approval in the foreseeable future, the Company has not provided deferred tax on any capital gains and losses arising on the revaluation or disposal of investments

c) The Company has excess management expenses of £247,000, non trade relationship deficits of £1,964,000 and eligible unrelieved foreign tax of £1,102,000. It is very uncertain whether there will be taxable profits in the future against which these expenses can be offset and therefore, in accordance with IAS 12, the deferred tax asset relating to these amounts have not been recognised

NOTES TO THE ACCOUNTS

7. Return per Ordinary share

The return per Ordinary share figure is based on the net profit for the year of £46,112,000 (2006 £27,372,000) and on 80,686,641 (2006 80,664,723) Ordinary shares, being the weighted average number of Ordinary shares in issue during the year

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

| | 2007 £'000 | 2006 £'000 |
|--------------------|---------------|---------------|
| Net revenue profit | 1,623 | 454 |
| Net capital profit | 44,489 | 26,918 |
| Net total profit | <u>46,112</u> | <u>27,372</u> |

Weighted average number of Ordinary shares in issue during the year

80,686,641 80,664,723

| | pence | pence |
|-----------------------------------|--------------|--------------|
| Revenue return per Ordinary share | 2 01 | 0 56 |
| Capital return per Ordinary share | 55 14 | 33 37 |
| Total return per Ordinary share | <u>57 15</u> | <u>33 93</u> |

8. Investments held as at fair value through profit or loss

| | 2007 <i>Group and Company</i> £'000 | 2006 <i>Group and Company</i> £'000 |
|--|---|---|
| Portfolio Investments | | |
| Valuation at beginning of year | 154,390 | 118,508 |
| Unrealised appreciation at beginning of year | (47,978) | (38,845) |
| Cost at beginning of year | <u>106,412</u> | <u>79,663</u> |
| Purchases at cost | 102,678 | 65,193 |
| Sales at cost | (53,802) | (38,444) |
| Cost at end of year | <u>155,288</u> | <u>106,412</u> |
| Unrealised appreciation at end of year | 71,529 | 47,978 |
| Valuation at end of year | <u>226,817</u> | <u>154,390</u> |

NOTES TO THE ACCOUNTS

8. Investments held as at fair value through profit or loss (continued)

| | £'000 | £'000 |
|------------------------------|----------------|----------------|
| Investments listed in the UK | 37,910 | 34,222 |
| Investments listed overseas | 188,907 | 120,168 |
| | <u>226,817</u> | <u>154,390</u> |

Gains on investments

| | 2007 £'000 | 2006 £'000 |
|---|---------------|---------------|
| Net gains realised on sale of investments | 22,688 | 17,980 |
| Movement in unrealised gains | 23,551 | 9,133 |
| Gains on investments | <u>46,239</u> | <u>27,113</u> |

Transaction costs

The following transaction costs were incurred during the year

| | 2007 £'000 | 2006 £'000 |
|-----------|---------------|---------------|
| Purchases | 275 | 189 |
| Sales | 113 | 111 |
| | <u>388</u> | <u>300</u> |

The Company's subsidiary undertaking is JEOT Securities Limited, a wholly owned investment dealing company that is registered in England and Wales. JEOT Securities Limited is stated at cost of £100 in the Company's Balance Sheet.

9. Current asset investments

| | 2007 | | 2006 | |
|--|----------------|------------------|----------------|------------------|
| | Group £'000 | Company £'000 | Group £'000 | Company £'000 |
| Fair value of investments held by JEOT Securities Limited and listed on a recognised investment exchange | <u>5,398</u> | <u>—</u> | <u>3,194</u> | <u>—</u> |

NOTES TO THE ACCOUNTS

10. Receivables

| | 2007 | | 2006 | |
|----------------------------------|----------------|------------------|----------------|------------------|
| | Group £'000 | Company £'000 | Group £'000 | Company £'000 |
| Dividends receivable | 188 | 188 | 89 | 89 |
| Prepayments and accrued interest | 272 | 36 | 500 | 24 |
| Taxation | 455 | 451 | 409 | 409 |
| Sales awaiting settlement | 1,912 | 1,546 | 1,223 | 1,223 |
| Due from subsidiary | – | 1,981 | – | 1,377 |
| | <u>2,827</u> | <u>4,202</u> | <u>2,221</u> | <u>3,122</u> |

11. Current liabilities

| | 2007 | | 2006 | |
|-------------------------------|----------------|------------------|----------------|------------------|
| | Group £'000 | Company £'000 | Group £'000 | Company £'000 |
| Overdraft | 5,068 | 5,068 | 4,015 | 4,015 |
| Interest payable | 343 | 343 | 83 | 83 |
| Other creditors and accruals | 2,105 | 2,105 | 780 | 755 |
| Short term bank loans | 44,692 | 44,692 | – | – |
| Purchases awaiting settlement | 556 | – | – | – |
| | <u>52,764</u> | <u>52,208</u> | <u>4,878</u> | <u>4,853</u> |

Bank Loan

The Company's revolving bank loan is with Bank of Ireland PLC, with a loan facility available up to a maximum of £45 million. The facility is available provided the net assets of the Company are greater than £70 million and exceed 175 per cent of the aggregate amount of all loans and the aggregate amount outstanding under the overdraft facility.

During the year the Company used the loan facility as follows

| Date | Amount Borrowed | Date Repaid |
|------------------|-----------------|------------------|
| 8 September 2006 | €28.9 million | 8 December 2006 |
| 8 September 2006 | £10,000 | 8 December 2006 |
| 4 October 2006 | €7.1 million | 4 January 2007 |
| 20 November 2006 | £5 million | 20 February 2007 |
| 8 December 2006 | €28.9 million | 8 March 2007 |
| 4 January 2007 | €7.1 million | 4 April 2007 |
| 12 January 2007 | €7.4 million | 12 March 2007 |
| 20 February 2007 | €7.8 million | 20 March 2007 |

NOTES TO THE ACCOUNTS

11. Current liabilities (continued)

The amounts outstanding at 31 May 2007 are

€28.9 million which was borrowed on 8 March 2007 and is repayable on 8 June 2007 with an all-in interest rate of 4.291%

€7.4 million which was borrowed on 12 March 2007 and is repayable on 12 June 2007 with an all-in interest rate of 4.303%

€7.8 million which was borrowed on 20 March 2007 and is repayable on 20 June 2007 with an all-in interest rate of 4.321%

€7.1 million which was borrowed on 4 April 2007 and is repayable on 4 July 2007 with an all-in interest rate of 4.352%

€7.5 million which was borrowed on 16 May 2007 and is repayable on 16 August 2007 with an all-in interest rate of 4.488%

€7.0 million which was borrowed on 25 May 2007 and is repayable on 24 August 2007 with an all-in interest rate of 4.511%

12. Non current liabilities

| | 2007 | 2006 |
|-----------|----------------------|----------------------|
| | Group and Company | Group and Company |
| | £'000 | £'000 |
| Bank loan | — | 19,835 |
| | <u> </u> | <u> </u> |

The Company repaid its long term bank loan with Commerzbank AG, London on 8 September 2006

13. Derivatives and other financial instruments

Background

The Group's financial instruments comprise securities and other investments, cash balances and term loan, debtors and creditors that arise directly from its operations, for example, in respect of sales and purchases awaiting settlement and debtors for accrued income. The numerical disclosures below exclude short term debtors and creditors.

The Group has little exposure to credit and cashflow risks.

The principal risks the Group faces in its portfolio management activities are

- foreign currency risk
- market price risk i.e. movements in the value of investment holdings caused by factors other than interest rate or currency movement
- interest rate risk
- liquidity risk

NOTES TO THE ACCOUNTS

13. Derivatives and other financial instruments (continued)

The Investment Manager's policies for managing these risks are summarised below and have been applied throughout the year

Policy

(i) Foreign Currency Risk

The Group may hedge against foreign currency movements affecting the value of the investment portfolio where adverse movements are anticipated but otherwise takes account of this risk when making investment decisions

(ii) Market Price Risk

By the very nature of its activities, the Group's investments are exposed to market price fluctuations. Further information on the investment portfolio and investment policy is set out in the Manager's Review

(iii) Interest Rate Risk

The Group takes account of this risk when making investment decisions

(iv) Use of Derivatives

In order to enhance returns the Company's trading subsidiary, JEOT Securities Limited, may take short positions (using contracts for differences) in respect of a small number of larger capital securities

(v) Liquidity Risk

The Group's assets comprise mainly readily realisable securities which can be sold to meet funding requirements if necessary. Short term flexibility is achieved through the use of short term borrowings and overdraft facilities

Financial Assets

| | <i>2007 Group</i> | <i>2006 Group</i> |
|--------------|---------------------|---------------------|
| | <i>Non-Interest</i> | <i>Non-Interest</i> |
| | <i>Bearing</i> | <i>Bearing</i> |
| | <i>£'000</i> | <i>£'000</i> |
| Sterling | 38,805 | 34,222 |
| Euros | 131,327 | 81,923 |
| Danish Krone | 28,772 | 18,384 |
| Other | 33,311 | 23,055 |
| | <u>232,215</u> | <u>157,584</u> |

The non-interest bearing assets represent the equity element of the investment portfolio

NOTES TO THE ACCOUNTS

13. Derivatives and other financial instruments (continued)

Financial Liabilities

| | 2007 Group | | 2006 Group | |
|--------------------|----------------------------|------------------------|----------------------------|------------------------|
| | Carrying value £'000 | Fair value £'000 | Carrying value £'000 | Fair value £'000 |
| Euro bank loans | 44,692 | 44,692 | 19,835 | 19,835 |
| Sterling overdraft | 5,068 | 5,068 | 4,015 | 4,015 |
| | <u>49,760</u> | <u>49,760</u> | <u>23,850</u> | <u>23,850</u> |

Details of the short term bank loans are disclosed in Note 11

Currency Exposure

The currency denomination of the Group's financial assets and liabilities is shown above. The analysis assumes the currency of exposure to be the currency in which each financial asset is priced. Short term debtors and creditors, which are excluded, are predominantly denominated in Sterling which is the functional currency of the Group.

Primary Financial Instruments

Both fixed asset investments and current asset investments are included in the balance sheet at market values, which represent fair values.

Financial Assets Held for Trading

The Group trades in current asset investments and other instruments through its dealing subsidiary, JEOT Securities Limited. During the year, the Group made a net gain on trading of £1,592,000 (2006: £59,000). Details of the value of investments held by the subsidiary as at 31 May 2007 are disclosed in Note 9.

14. Called-up share capital

| | 2007 | | 2006 | |
|--|--------------------|------------------|--------------------|------------------|
| | Number | £ | Number | £ |
| <i>Authorised</i> | | | | |
| Ordinary shares of 1p each | <u>305,000,000</u> | <u>3,050,000</u> | <u>305,000,000</u> | <u>3,050,000</u> |
| <i>Issued called up and fully paid</i> | | | | |
| Ordinary shares of 1p each | <u>81,164,723</u> | <u>811,647</u> | <u>80,664,723</u> | <u>806,647</u> |

To meet market demand and under the authority granted at the last annual general meeting, the board approved the issue of a further 500,000 Ordinary shares of 1p each on 16 May 2007 for 219.5p each when the Ordinary shares were trading at a small premium to net asset value. The total proceeds of the issue was £1,097,500.

NOTES TO THE ACCOUNTS

15. Retained earnings

The table below shows the movement in the retained earnings analysed between revenue and capital items

| | <i>Revenue</i> | <i>Capital</i> | <i>Group Total</i> | <i>Revenue</i> | <i>Capital</i> | <i>Company Total</i> |
|-------------------------|----------------|----------------|------------------------|----------------|----------------|--------------------------|
| | <i>£'000</i> | <i>£'000</i> | <i>£'000</i> | <i>£'000</i> | <i>£'000</i> | <i>£'000</i> |
| At 31 May 2006 | 1,490 | 56,333 | 57,823 | (778) | 56,333 | 55,555 |
| Net income for the year | 1,623 | 44,489 | 46,112 | 424 | 44,489 | 44,913 |
| At 31 May 2007 | <u>3,113</u> | <u>100,822</u> | <u>103,935</u> | <u>(354)</u> | <u>100,822</u> | <u>100,468</u> |

The Group's capital reserve includes £71,529,000 of unrealised gains (2006 £47,978,000)

The Company's capital reserve includes £71,529,000 of unrealised gains (2006 £47,978,000)

16. Net asset value per Ordinary share

The net asset value per Ordinary share is based on the net assets attributable to the equity shareholders of £182,278,000 (2006 £135,092,000) and on 81,164,723 (2006 80,664,723) Ordinary shares, being the number of Ordinary shares in issue at the year end

17. Reconciliation of profit before finance costs and taxation to net cash outflow from operating activities

| | 2007 | 2006 |
|---|-----------------|-----------------|
| | <i>Group</i> | <i>Group</i> |
| | <i>£'000</i> | <i>£'000</i> |
| Profit before finance costs and taxation | 47,934 | 28,223 |
| Gains on non current asset investments | (46,239) | (27,113) |
| Foreign exchange losses on loans | 45 | 195 |
| Purchases of non current asset investments | (102,678) | (65,276) |
| Sales of non current asset investments | 76,167 | 55,201 |
| Decrease/(increase) in prepayments and accrued income | 129 | (482) |
| Increase in current asset investments | (2,204) | (1,669) |
| Increase in subsidiary purchases awaiting settlement | 556 | - |
| Increase in subsidiary sales awaiting settlement | (366) | - |
| Increase / (decrease) in other creditors and accruals | 1,325 | (1,357) |
| Net cash outflow from operating activities | <u>(25,331)</u> | <u>(12,278)</u> |
| before interest and taxation | | |

NOTES TO THE ACCOUNTS

18 Analysis of changes in net debt

| | <i>Group and Company</i> | | <i>Foreign Exchange</i> | <i>Group and Company</i> |
|----------------|------------------------------|-----------------|-----------------------------|------------------------------|
| | <i>1 June 2006</i> | <i>Cashflow</i> | <i>£'000</i> | <i>31 May 2007</i> |
| | <i>£'000</i> | <i>£'000</i> | <i>£'000</i> | <i>£'000</i> |
| Cash | | | | |
| Bank overdraft | (4,015) | (1,053) | – | (5,068) |
| Debt | | | | |
| Bank loans | (19,835) | (24,812) | (45) | (44,692) |
| Total | <u>(23,850)</u> | <u>(25,865)</u> | <u>(45)</u> | <u>(49,760)</u> |

Reconciliation of net cash flow to movement in net debt

| | <i>Group and Company</i> | <i>Group and Company</i> |
|-------------------------------|------------------------------|------------------------------|
| | <i>2007</i> | <i>2006</i> |
| | <i>£'000</i> | <i>£'000</i> |
| Decrease in cash for the year | (1,053) | (3,495) |
| Increase in debt | (24,812) | (9,681) |
| Foreign exchange | (45) | (195) |
| Net debt at beginning of year | (23,850) | (10,479) |
| Net debt at the end of year | <u>(49,760)</u> | <u>(23,850)</u> |

19. Related parties

Mr Darwall is a Director of Jupiter Asset Management Limited and Jupiter Investment Management Group Limited whose subsidiaries Jupiter Asset Management Limited and Jupiter Administration Services Limited receive investment management and administration fees as set out below

Jupiter Asset Management Limited is contracted to provide investment management services to the Company (subject to termination by not less than one years notice by either party) for a quarterly fee (exclusive of VAT) of 0.1875 per cent of the net assets of the Group excluding the value of any Jupiter managed investments payable in arrears on 31 May, 31 August, 30 November and the last calendar day of February. Management fees of £341,606 plus VAT were outstanding as at 31 May 2007 (2006 £545,083 plus VAT)

NOTES TO THE ACCOUNTS

19. Related parties (*continued*)

Jupiter Asset Management Limited is also entitled to an investment performance fee which is based on the out-performance of the lower of the price of an Ordinary share or the Net Asset Value per Ordinary share over the total return on the Benchmark Index, the FTSE World Europe ex UK total return index in an accounting period. Any performance fee payable will equal 15 per cent of the amount by which the increase in the lower of the price of an Ordinary share (plus any dividends per Ordinary share paid during the period) or the Net Asset Value per Ordinary share (plus any dividends per Ordinary share paid or payable and any accrual for unpaid performance fees for the period) exceeds the higher of (a) the closing price of an Ordinary share or the Net Asset Value per Ordinary share on the last business day of the previous accounting period (whichever is the lower), (b) the lower of the price of an Ordinary share or the Net Asset Value per Ordinary share (as the case may be) on the last day of a period in respect of which a performance fee was last paid and (c) 100p. In each case the values of (a), (b) and (c) are increased by the percentage by which the total return of the Benchmark Index increases or decreases during the calculation period. The total amount of any performance fee payable in respect of one accounting period is limited to 7.5 per cent of the Total Assets of the Company. A performance fee of £1,371,200 plus VAT was payable for the year ended 31 May 2007 (2006: £ Nil) and was outstanding at the year end.

Jupiter Administration Services Limited is contracted to provide secretarial, accounting and administrative services to the Company for an annual fee of £57,892 plus VAT adjusted each year in line with the Retail Price Index payable quarterly (2006: £56,207 plus VAT). None of the fee payable for the year ended 31 May 2007 was outstanding at the year end (2006: Nil).

The Company has invested from time to time in funds managed by Jupiter Investment Management Group Limited or its subsidiaries. The only such holding as at 31 May 2007 was East European Food Fund representing 0.2 per cent of total investments.

20. Contingent liabilities and capital commitments

There were no contingent liabilities in respect of investments not fully called up (2006: nil) and none in respect of underwriting as at 31 May 2007 (2006: nil).

21. Subsequent event

Since the year end, under the authority granted at the last annual general meeting, the board approved the issue of 200,000 Ordinary shares of 1p each on 20 July 2007 at a price of 233.0p each at a small premium to net asset value and 400,000 Ordinary shares of 1p each on 24 July 2007 at a price of 231.3p at a small premium to net asset value. The total proceeds of these issues were £1,391,200.

NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the seventh Annual General Meeting of Jupiter European Opportunities Trust PLC will be held at 1 Grosvenor Place, London SW1X 7JJ on 10 October 2007 at 12 00 noon for the following purposes

ORDINARY BUSINESS

- 1 That the Report of the Directors and the audited Accounts for the year ended 31 May 2007 be received and adopted
- 2 That the Directors' Remuneration Report for the year ended 31 May 2007 be approved
- 3 That Sir M Goulding be re-elected a Director of the Company
- 4 That Mr A F C Darwall be re-elected a Director of the Company
- 5 That Ernst & Young LLP be re-appointed as auditors of the Company and to authorise the Directors to determine their remuneration

SPECIAL BUSINESS

To consider and, if thought fit, pass the following as special resolutions

- 6 That
 - (i) The Directors of the Company are hereby granted power, pursuant to Section 95 of the Act to allot equity securities (within the meaning of Section 94 of the Act) for cash, pursuant to the authority previously conferred on them, and to sell equity securities which are held by the Company in treasury, as if Section 89(1) of the Act did not apply to any such allotment and sales. Provided that this power shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution, except that the Company may, before such expiry, make any offer or agreement which would or might require equity securities to be allotted or sold after such expiry, and the Directors may allot or sell equity securities pursuant to such offer or agreement as if the power hereby conferred had not expired
 - (ii) All authorities previously conferred under Section 95 of the Act be and they are hereby revoked provided that such revocation shall not have retrospective effect
- 7 That the Company be generally and unconditionally authorised in accordance with section 166 of the Companies Act 1985 to make one or more market purchases (within the meaning of section 163(3) of the Companies Act 1985) of Ordinary shares of 1p each in the capital of the Company ("Ordinary shares") provided that
 - (i) The maximum aggregate number of Ordinary shares authorised to be purchased is 12,256,531 or, if less, the number representing 14.99 per cent of the issued Ordinary share capital of the Company at the date of the meeting at which this resolution is proposed,

NOTICE OF THE ANNUAL GENERAL MEETING

- (ii) The minimum price which may be paid for an Ordinary share is 1p.
- (iii) The maximum price (excluding expenses of such purchase) which may be paid for an Ordinary share is an amount equal to 105 per cent of the average of the middle market quotations for an Ordinary share as derived from the Daily Official List of the London Stock Exchange for the five business days immediately preceding the day on which that Ordinary share is purchased.
- (iv) This authority expires at the conclusion of the Annual General Meeting of the Company to be held in 2008 or within 15 months from the date of the passing of this resolution whichever is earlier, and
- (v) The Company may make a contract to purchase Ordinary shares under this authority before the expiry of the authority which will or may be executed wholly or partly after the expiry of the authority, and may make a purchase of Ordinary shares in pursuance of any such contract

By Order of the Board
Jupiter Asset Management Limited
Secretaries

1 Grosvenor Place
London SW1X 7JJ
5 September 2007

NOTES TO THE NOTICE OF THE ANNUAL GENERAL MEETING

- 1 A Member entitled to attend and vote may appoint a proxy or proxies to attend and on a poll to vote instead of him or her. A proxy need not be a member of the company. A form of proxy is enclosed which, if used, must be lodged at the Company's Registrars, Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU not less than forty-eight hours before the meeting.
- 2 Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that to be entitled to attend and vote at the Meeting (and for the purpose of the determination by the Company of the number of votes they may cast), members must be entered on the Company's Register of Members at 12 noon on 8 October 2007. If the Meeting is adjourned then, to be so entitled, Members must be entered on the Company's Register of Members at the time which is 48 hours before the time fixed for the adjourned Meeting or, if the Company gives notice of the adjourned Meeting, at the time specified in that notice.
- 3 No director has a service contract with the Company.
- 4 CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the annual general meeting to be held on the above date and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with CRESTCo's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Company's agent ID (RA10) by the latest time(s) for receipt of proxy appointments specified in the notice of meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that CRESTCo does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his or her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

FORM OF PROXY
FOR USE BY ORDINARY SHAREHOLDERS
AT THE ANNUAL GENERAL MEETING

I/We

of (address)

being a member of Jupiter European Opportunities Trust PLC hereby appoints the Chairman of the Meeting or failing him

as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on 10 October 2007 and at any adjournment thereof I/we direct my/our proxy to vote on the resolutions as set out in the Notice convening the Annual General Meeting as follows

| | FOR | AGAINST | ABSTAIN |
|--|--------------------------|--------------------------|--------------------------|
| (1) That the Report of the Directors and the audited Accounts for the year ended 31 May 2007 be received and adopted | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (2) That the Directors' Remuneration Report for the year ended 31 May 2007 be approved | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (3) To re-elect Sir M Goulding as a Director of the Company | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (4) To re-elect A F C Darwall as a Director of the Company | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (5) To appoint Ernst & Young LLP as auditors of the Company and to authorise the Directors to determine their remuneration | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (6) Authority to allot shares | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (7) Authority to buy back shares | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Dated 2007 Signature

Notes

- 1 Please indicate how you wish your proxy to use your votes on a poll in respect of the resolutions to be proposed at the said meeting. If you do not indicate how you wish your proxy to use your votes, the proxy will exercise his discretion both as to how he votes and as to whether or not he abstains from voting. Your proxy will have the authority to vote at his discretion on any amendment or other motion proposed at the meeting, including any motion to adjourn the meeting.
- 2 If you prefer to appoint some other person or persons as your proxy, strike out the words "the Chairman of the Meeting" or, and insert in the blank space the name or names preferred and initial the alteration. A proxy need not be a member of the Company. Completion of a form of proxy will not preclude a member from attending and voting in person.
- 3 In the case of joint holders, the signature of the holder whose name stands first in the relevant register of members will suffice as the vote of such holder and shall be accepted to the exclusion of the votes of the other joint holders. The names of all joint holders should however be shown.
- 4 If a member is a corporation, this form must be executed either under its common seal or under the hand of an officer or agent duly authorised in writing. In the case of an individual, the proxy must be signed by the appointor or his agent, duly authorised in writing.
- 5 This form of proxy has been sent to you by post. It may be returned by post or courier or by hand to the Company's Registrars, Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU. CREST members should use the CREST electronic proxy appointment service and refer to note 4 on page 53 in relation to the submission of a proxy appointment via CREST.
- 6 In each case the proxy appointment must be received not less than 48 hours before the time for the holding of the meeting or adjourned meeting together (except in the case of appointments made electronically) with any authority (or a notationally certified copy of such authority) under which it is signed.



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BUSINESS REPLY SERVICE
Licence No MB 122



CAPITA REGISTRARS PROXIES
PO BOX 25
BECKENHAM
KENT
BR3 4BR

1st Fold

3rd Fold and tuck in