Majedie

2011

Majedie Investments PLC

Half-Yearly Financial Report

31 March 2011

Majedie Investments PLC is an investment trust with total portfolio assets under management of over £170 million as at 31 March 2011.

Our Objective is to maximise total shareholder return over the long term whilst increasing dividends by more than the rate of inflation.

Contents

Financial Highlights

for the half year ended 31 March 2011

Net assets per share increased by 1.4% to 228.4p

Share price decreased by 6.0% to 180.0p

Discount to net assets widened from 15.0% to 21.2%

Revenue Return per share decreased by 80.0% to 2.6p

Interim dividend unchanged at 4.2p

Performance

Net asset value total return of 4.1%

Total shareholder return of –3.1%

Investment Objective and Policy Statement

Investment Objective

The Company's objective is to maximise total shareholder return over the long term whilst increasing dividends by more than the rate of inflation.

Investment Policy

The Company invests principally in securities of publicly quoted companies worldwide, though it may invest in unquoted securities up to levels set periodically by the Board. This can include products managed by Javelin Capital, its investment manager.

The overall approach is based on analysis of global economies and sector trends with a focus on companies and sectors judged likely to deliver strong growth over the long term. The number of investments held, together with the geographic and sector diversity of the portfolio, enable the Company to spread its risks with regard to liquidity, market volatility, currency movements and revenue streams.

The assets of the Company are split into four major groups. These are the Core Portfolio, funds managed by Javelin Capital LLP, and the Company's investments in Majedie Asset Management (MAM) and Javelin Capital LLP. An analysis and description of these groups is contained in the Investments Manager's Report.

The Company does not have one overall benchmark, rather each distinct group of assets is viewed independently. For the actively managed Core Portfolio the benchmark comprises 70% FTSE All-Share Index and 30% FTSE World ex UK Index (Sterling) on a total return basis. Any investments made into Javelin Capital products are measured against the relevant fund benchmark as contained in the fund's prospectus. It is important to note that in all cases investment decisions and portfolio construction are made on an independent basis. The Board however sets various specific portfolio limits for stocks and sectors in order to restrict risk levels.

Although, exceptionally, derivative instruments may be employed, usually for hedging purposes and with specific prior approval of the Board, generally the Company is a long-only investor and would be unlikely to use such instruments.

The Company will not invest in any holding that would, at the time of investment, represent more than 15% of the value of its gross assets.

The Company uses gearing, currently via longer term debentures. The Articles of Association give the Board the ability to borrow up to 100% of adjusted capital and reserves. The Board also reviews the level of net gearing (borrowings less cash) on an ongoing basis and sets a range at its discretion as appropriate. The Company's current debenture borrowings are limited by covenant to $66\frac{2}{3}$%, and any additional indebtedness is not to exceed 20%, of adjusted capital and reserves.

Chairman's Statement

The global economy in the six months to 31 March 2011 continued the recovery from the period of the financial crisis but remained volatile. However, considering that global markets had to contend with the natural disaster and the tragic events in Japan, the political upheaval occurring across the Middle East and other significant events, such as the credit downgrade of the US, it is perhaps surprising that there wasn't a more negative reaction.

During the six month period to 31 March 2011 the NAV and share price, both on a total return basis, returned 4.1% and –3.1% respectively. Further detailed analysis of the performance for the period is included in the Investment Manager's report on pages 7 to 10.

Results

The Group results for the six months to 31 March 2011 include Javelin Capital for the entire period and for the first time the consolidation of the investment made into the Javelin Capital Global Equity Strategies Fund (QIF) in accordance with IFRS. This requirement, due to the Company's controlling interest in the QIF, results in some large presentational and classification impacts but has no material effect on the results for the six month period.

The Group's net revenue return before tax for the six months to 31 March 2011 was £1.4m compared to £6.8m for the prior year period. Group income for the period was £2.8m which is £4.8m lower than the prior year period primarily reflecting the fall in total income from Majedie Asset Management Limited (MAM). Total income from MAM was £1.2m compared to £5.9m in the prior year period which included a special dividend of £5.4m. Underlying dividend income for the period from MAM, in accordance with the new shareholders agreement, increased from £0.5m to £1.2m. Group income for the period was enhanced by improved dividend receipts from investee companies which offset the anticipated lower level of income from our £20m investment into the absolute return Javelin Capital Global Equity Strategies Fund (QIF). Finally in the Group accounts essentially all income from Javelin Capital for the six month period is derived from within the Group and is eliminated on consolidation.

Total group costs were £2.2m for the period compared to £1.9m in the prior year period. This increase reflects the inclusion of Javelin Capital and QIF operating costs over the six months as compared to pre-launch costs in the prior period. The core Company costs continued to reduce to just under £1m for the six months to 31 March 2011 as compared to £1.1m for the prior period. Cost control remains a key focus of the Board.

The Board has decided that the interim dividend is to be maintained at 4.2 pence per share which is consistent with previous years. The interim dividend will be paid on 29 June 2011 to shareholders on the register on 10 June 2011.

Chairman's Statement

The investment in MAM is held at fair value in both the Company and Group accounts and its valuation is reviewed by the Board regularly. MAM continues to perform well and the Board have determined that our holding will be maintained at its carrying value of £30m as at 31 March 2011.

In contrast the investment in Javelin Capital is consolidated in the Group accounts at net asset value as required under IFRS but is held in the Company accounts as an investment at cost in accordance with our policy for unquoted investments. The Board has reviewed the valuation of Javelin Capital and notwithstanding the slower than anticipated AUM growth so far and related losses to date the Board has determined that as at 31 March 2011 the valuation of Javelin Capital will be kept at £4.5m in the Company accounts.

Investment Portfolio

As I indicated in my statement on 24 November 2010 that accompanied the full year report and accounts to 30 September 2010, the Company's assets are managed in four distinct groups. I also pointed out that following the appointment of Javelin Capital LLP as the Company's investment manager we would provide a separate Investment Manager's Report and we have continued with this format for the Interim Report and this can be found on pages 7 to 10.

Javelin Capital and Board Composition

Since the launch of Javelin Capital in September 2010 its first flagship fund, the Javelin Capital Global Equities Strategies Fund (QIF), has performed in line with industry peers on a risk adjusted basis and has outperformed the return on cash and ten year treasury notes. Its inclusion within the broader Company portfolio has already brought diversification and risk reduction benefits. Although the QIF has attracted interest from potential investors its current assets of US$31.3m are nearly wholly comprised of the seed investment by the Company, and it is clear that in the current environment it will be necessary to establish a longer term track record to attract external assets under management. Javelin Capital will therefore take longer than originally anticipated to reach profitability. In view of investor feedback, Javelin Capital intends to launch a second, UCITS-compliant, fund, the Javelin Capital Emerging Markets Alpha Fund in July 2011, which the Company intends to seed with a £15m investment.

As announced on 21 April 2011 the Board proposes to make further equity investments of up to, in aggregate, £3.5m in Javelin Capital to provide additional regulatory and working capital and to secure its long term funding until it reaches profitability. At the same time, the limited liability partnership agreement relating to Javelin Capital will be revised as a consequence of the capital contribution. This augments the initial equity of £4.5m invested in September 2010. At the time of the AGM the Board expressed the view that further investment may be required in Javelin Capital as the process of attracting external assets under management was taking longer than anticipated in the business plan. In providing the additional equity capital the Company and Javelin Capital have decided to reduce the existing level of overheads in the business.

Gerry Aherne, who led the formation and launch of Javelin Capital and has served on the Board since May 2006, has decided to resign as a partner (including his role as managing member) of Javelin Capital and as a Director of the Company, each with effect from 21 April 2011. Victor Pina has been appointed as managing member of Javelin Capital and will continue as CIO of Javelin Alternative Strategies along with his team.

The assets of the Company will continue to be managed by Nick Rundle, who as a partner of Javelin Capital reports to the Board, to ensure that the overall regulatory conditions are met for an investment trust and that the investments are in accordance with the stated objectives of the Company.

As Javelin Capital is a related party of the Company, the further equity injection requires the approval of shareholders. The Board believes that the further investment in Javelin Capital and the investment in the Emerging Markets Alpha fund will require a modification to the Company's investment policy and objective.

The modification to the investment objective is to reflect the difficulty of trying to increase dividends by more than the rate of inflation in the short term given the current high levels of inflation. The Board expects that a significant proportion of the current year's dividends will be funded from the Company's revenue reserves rather than current year income. It is highly unlikely that the Company will be able to increase dividends in the short term by more than current rates of inflation and the Company's ability to do this will be increasingly challenged if the current inflationary and investment return environments exist. The Board wishes to keep the objective to increase dividends by more than the rate of inflation as a long term investment objective.

Although the Company does not propose to make any further investments in Majedie Asset Management Limited or Javelin Capital (other than as above), the Company may invest in future funds launched by Javelin Capital including the intended £15m investment in the Emerging Markets Alpha fund. Accordingly the Board is also proposing that the investment policy will be changed to permit these investments.

Under the listing rules, the Company is required to seek shareholder approval for any material change to its investment objective and policy.

A circular will be posted to shareholders as soon as practicable giving further details and convening the necessary EGM.

The Board remains committed to the long term future and success of Javelin Capital.

Review of Investment Trust Tax Rules

In my statement of 24 November 2010 I stated that I would report on developments in respect of the review of the Investment Trust Tax rules. The proposals included two aspects that, if implemented would have had a detrimental effect on your Company, which were in respect of close company and income retention rules.

Following consultation, the Government announced on 16 December 2010 that these specific proposals would no longer be adopted although changes would be made in respect of close company rules which would not impact existing investment trusts.

It is important to note, as well, that the proposals also included various amendments which seek to incorporate modern investment practices and allow a wider range of investment strategies for investment trust companies. These changes include:

- a new spread of risk test (replacing mechanistic portfolio holding limits);
- certainty on transactions treated as investment (through a new "white list" which will allow increased use of derivatives);
- an advance approval process for investment trust status (rather than the annual retrospective method currently used); and
- reform of the income requirements to allow income receipts from a wider range of sources.

The Government has announced that draft legislation will be completed in April and the changes will be included in the Finance Bill 2011. It is anticipated that this Bill will be passed by the autumn and the changes expected to come into force in either late 2011 or early in the new year.

This represents a good outcome for your Company and I will continue to keep you informed of developments in the future.

Outlook

The global equity market and economy has continued to recover and valuations do not appear too stretched at this juncture. This is impressive given the numerous geo-political shocks that have occurred. There are tentative signs that a greater level of stability is emerging although we still regard the immediate future with some caution.

In this regard the investment in the QIF and proposed investment in the UCITS fund should provide additional security given their absolute return characteristics which will be valuable should there be a period of further volatility. This has an additional attraction given the long term gearing within the Company.

Andrew Adcock

Andrew J Adcock
Chairman
27 May 2011

Investment Manager's Report

Market Background & Outlook

The global economy has continued to tread a cautious path towards stability. The worst of the recession is almost certainly behind us, but hurdles continue to emerge on a regular basis. Most major countries are expected to deliver GDP growth in the near term, although the outlook for emerging markets, particularly China and India is considerably better than developed markets.

Equity markets began the period quietly, before rising by 8-12% between December and February. March was a particularly interesting month. The majority of markets ultimately ended the month virtually unchanged, despite the natural disaster in Japan, geo-political issues in the Middle East, an escalation of European debt problems and the tangible emergence of global inflationary pressures.

Many companies have emerged from the recession in healthy financial positions, having reduced their indebtedness and reassessed their cost bases. The strength of corporate balance sheets is starting to show through in higher levels of capital spending, M&A activity, share buy backs and increased dividend payouts. The finances of Western governments and consumers are, however, less robust. Governments are addressing deep rooted budget imbalances by increasing tax rates and reducing spending in real or absolute terms. This is negatively affecting consumers, who are already feeling the pressure of inflation on disposable incomes. Central banks face the unenviable task of attempting to head off inflation whilst being aware that increased interest rates may have a detrimental impact on growth prospects.

Even after the strong recovery over the past two years, equity markets remain, on a number of valuation criteria, relatively inexpensive when considered against historic trends and the returns available from other asset classes. Over long periods, share prices are driven by the fundamentals of financial strength and earnings opportunity. However, the short term is determined by investor risk appetite, as demonstrated by the significant and sudden shifts in share prices that continue to be experienced. This volatility is likely to remain evident for some time as the global economic recovery continues to be unpredictable.

Investment Report

The Company's assets are managed in four distinct groups; the Core Portfolio (which includes a small Non-Core Realisation Portfolio), Javelin Global Equity Strategies Fund and the Company's investments in Majedie Asset Management and Javelin Capital LLP. The Board believes this provides the correct asset allocation to achieve the Investment Objective of maximising shareholder return in the long term whilst increasing dividends by more than the rate of inflation.

The Development of Net Asset Value section on pages 9 and 10 shows the impact that each investment group has made on the Net Assets Performance during the period.

Core Portfolio

The Core Portfolio comprises holdings in large-cap UK and international stocks and a small number of carefully selected mid-cap companies. The Portfolio is managed under an equity income investment mandate, with a long term composite benchmark of 70% FTSE All-Share, 30% FTSE World (ex-UK) on a total-return basis. As at 31 March 2011, the value of the Core Portfolio, including cash available for investment, was £95.6m, representing 63% of the Company's Total Investments.

During the period the Core Portfolio Total Return was +8.0% which is comparable to the performance of dedicated UK and global equity income funds. Investment performance was 1.7% behind that of the benchmark, which is understandable as the equity income asset class has trailed general indices, with investors continuing to prefer higher risk growth stocks over mature dividend paying companies.

Investments are typically in well financed, high quality companies with a proven track record of delivering profit and dividend growth. There is a particular bias towards stocks that we believe are better placed to benefit from their involvement in the faster growing areas of the global economy, especially those exposed directly or indirectly to emerging economies. As such, the portfolio retains considerable exposure to engineering companies such as Alstom, Illinois Tool Works, IMI and Charter and, unusually for income funds, mining companies including Antofagasta, BHP Billiton and Rio Tinto. Significant investments have also been made in telecommunication companies and major oil producers due to the attraction of their stable cash generation and high dividend payments. The portfolio remains under-exposed to developed market consumers and governments as these areas are likely to remain tough for the foreseeable future as fiscal entrenchment takes effect. Exposure to financials is consistent with market weightings but represents a preference for life insurers over banks, where the effect of the financial crisis may not yet be fully transparent.

We also manage a small non-core realisation portfolio, consisting of early stage investments that were initiated between 2005 and 2008. The objective of this portfolio is to maximise the value and speed of capital return by seeking to exit these positions, although by nature the positions are illiquid. Further progress has been made through realisations during the period and since the period end.

As at 31 March 2011 the value of the non-core realisation portfolio was £5.8m, including £0.4m of cash. This represents less than 4% of the Company's Total Investments and will reduce over time as further liquidations are achieved.

Javelin Global Equity Strategies Fund

In late September 2010 a $31.1m seed capital investment was made into the first flagship product to be launched by the Javelin Capital LLP. The fund takes long and short positions in global equities, including emerging markets, and has been designed to target lower volatility and reduced risk than a typical absolute return fund. Since inception the fund has delivered a positive investment performance of 1%, although this has been more than offset by sterling strength.

As at 31 March 2011, the value of the JGESF holding was $31.4m (£19.6m) representing 13% of the Company's Total Investments.

Majedie Asset Management

Majedie Asset Management was launched in 2002 using finance provided by the Company, which retains a 30% equity interest. It now manages approximately £6 billion, for over 90 institutional clients. The business continues to perform strongly, remaining extremely well financed and profitable. In December 2010 an institutional global equity business was launched, to complement existing UK long-only and UK long-short offerings. During the period we received almost £1.2m in final dividend for its year ended 30 September 2010.

The Board has decided to retain the valuation of our holding at £30m, representing almost 20% of the Company's Total Assets.

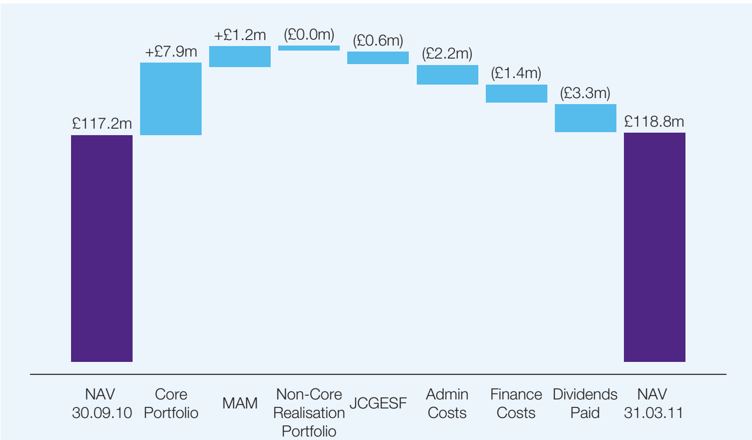
Development of Net Asset Value

The chart below demonstrates the Net Asset Value development of the Company during the period. In aggregate, the NAV has increased by £1.6m having generated an investment return of £8.5m, incurred total expenses of £3.6m and distributed £3.3m in dividends.

Investment Manager's Report

The Core Portfolio contributed £7.9m through a combination of dividend income and capital appreciation, a £1.2m dividend was received from Majedie Asset Management, Non-Core Realisation Portfolio made limited impact whilst the Javelin Capital Global Equity Strategies Fund (JCGESF) lost £0.6m due to the translation effect of adverse currency movements.

Total expenses during the period were £3.6m of which Administration Costs were £2.2m, which includes Javelin Capital operating expenses, and Finance Costs were £1.4m. A final dividend of £3.3m (6.3p per share) was paid in January 2011.



Nick Rundle Investment Director

Javelin Capital LLP

27 May 2011

Portfolio Information

at 31 March 2011

Fund Analysis

	Market Value £000	% of Fund
Oil & Gas	15,695	10.3
Basic Materials	9,831	6.4
Industrials	12,630	8.3
Consumer Goods	7,738	5.1
Health Care	7,033	4.6
Consumer Services	10,024	6.6
Telecommunications	8,175	5.4
Utilities	3,691	2.4
Financials	19,023	12.5
Technology	4,671	3.1
Unlisted (note 8)	34,661	22.8
Total Investments at Fair Value	133,172	87.5
Cash	18,949	12.5
	152,121	100.0

United Kingdom	99,663	65.5
United States	15,284	10.0
Continental Europe	8,277	5.4
Rest of the World	9,948	6.6
Total Investments at Fair Value	133,172	87.5
Cash	18,949	12.5
	152,121	100.0

The portfolio information on pages 11 and 12 is shown on a ‘net’ basis and comprises the investments at fair value of £133,172,000 (including MAM at £30,000,000) and cash (as adjusted for amounts due to/from brokers for settlement) of £18,949,000.

Twenty Largest UK Investments

at 31 March 2011

Company	Market Value £000	% of Fund
Majedie Asset Management	30,000	19.7
Royal Dutch Shell 'B'	6,102	4.0
HSBC	5,609	3.7
Vodafone	4,104	2.7
BP	4,086	2.7
GlaxoSmithKline	3,806	2.5
Rio Tinto	3,284	2.2
BHP Billiton	3,198	2.1
Vostok Energy	2,857	1.9
Aviva	1,839	1.2

Company	Market Value £000	% of Fund
Barclays	1,804	1.2
Unilever	1,710	1.1
Antofagasta	1,701	1.1
Legal & General	1,670	1.1
BG Group	1,629	1.1
Charter International	1,454	1.0
Imperial Tobacco	1,253	0.8
British Land	1,243	0.8
Babcock International	1,242	0.8
Inchcape	1,212	0.8

Ten Largest Overseas Investments

at 31 March 2011

Company	Market Value £000	% of Fund
Schlumberger (USA)	1,280	0.8
Alstom (France)	1,108	0.7
Sanofi-Aventis (France)	1,040	0.7
Toyota (Japan)	1,031	0.7
Illinois Tools (USA)	1,005	0.7

Company	Market Value £000	% of Fund
Wells Fargo (USA)	989	0.7
AT&T (USA)	955	0.6
ENI (Italy)	951	0.6
JP Morgan Chase (USA)	935	0.6
Coca-Cola (USA)	931	0.6

Interim Management Report

The important events that have occurred during the period under review, the key factors influencing the financial statements and the principal uncertainties for the remaining six months of the financial year are set out in the Chairman's Statement and Investment Manager's Report on pages 3 to 10.

The principal risks facing the Company are substantially unchanged since the date of the Annual Report for the year ended 30 September 2010 and continue to be as set out in that report. Risks faced by the Company include, but are not limited to, market risk, discount volatility, regulatory risk, financial risk, risks associated with banking and hedging and non-compliance with Section 1158 of the Corporation Tax Act 2010.

Responsibility Statement of the Directors in respect of the Half-Yearly Financial Report

In accordance with the Disclosure and Transparency Rules 4.2.7R and 4.2.8R, we confirm that to the best of our knowledge:

(a) The condensed set of financial statements has been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting, as adopted by the European Union, as required by the Disclosure and Transparency Rule 4.2.4R, and gives a true and fair view of the assets, liabilities and financial position of the Company;

(b) The Chairman's Statement and Investment Manager's Report includes a fair review of the information required to be disclosed under the Disclosure and Transparency Rule 4.2.7R, interim management report. This includes (i) an indication of important events that have occurred during the first six months of the financial year, and their impact on the condensed set of financial statements presented in the Half-Yearly Financial Report and (ii) a description of the principal risks and uncertainties for the remaining six months of the financial year; and

(c) There were no changes in the transactions or arrangements with related parties as described in the Group's annual report for the year ended 30 September 2010 that would have had a material effect on the financial position or performance of the Group in the first six months of the current financial year.

Andrew J Adcock
Chairman
For and on behalf of the Board
27 May 2011

Independent Review Report to Majedie Investments PLC

Introduction

We have been engaged by the Company to review the condensed set of financial statements in the Half-Yearly Financial Report for the six months ended 31 March 2011 which comprises the Condensed Consolidated Statement of Comprehensive Income, Condensed Consolidated Statement of Changes in Equity, Condensed Consolidated Balance Sheet, Condensed Consolidated Cash Flow Statement and related notes 1 to 14.

We have read the other information contained in the Half-Yearly Financial Report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the Company in accordance with guidance contained in International Standard on Review Engagements 2410 (UK and Ireland) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our work, for this report, or for the conclusions we have formed.

Directors' Responsibilities

The Half-Yearly Financial Report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the Half-Yearly Financial Report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

As disclosed in note 1, the annual financial statements of the Group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this Half-Yearly Financial Report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union.

Our Responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the Half-Yearly Financial Report based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410 (UK and Ireland), "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the Half-Yearly Financial Report for the six months ended 31 March 2011 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

Ernst & Young LLP
London
27 May 2011

Condensed Consolidated Statement of Comprehensive Income

for the half year ended 31 March 2011

	Note	Half year ended 31 March 2011 Revenue return £000	Capital return £000	Total £000
Investments				
Gains/(losses) on investments at fair value through profit or loss			6,470	6,470
Net investment result			6,470	6,470
Income				
Income from investments	2	2,745		2,745
Other income	2	25		25
Total income		2,770		2,770
Expenses				
Administration expenses		(972)	(1,206)	(2,178)
Return/(deficit) before finance costs and taxation		1,798	5,264	7,062
Finance costs		(362)	(1,086)	(1,448)
Net return/(deficit) before taxation		1,436	4,178	5,614
Taxation	3	(73)		(73)
Net return/(deficit) after taxation for the period		1,363	4,178	5,541
Other comprehensive income – exchange differences on translation of foreign operations			(613)	(613)
Total comprehensive income for the period		1,363	3,565	4,928
Net return/(deficit) after taxation attributable to:				
Equity holders of the Company		1,364	4,176	5,540
Non-controlling interest		(1)	2	1
Return/(deficit) per ordinary share:		pence	pence	pence
Basic and diluted	4	2.6	8.0	10.6

The total column of this statement is the Consolidated Statement of Comprehensive Income of the Group, prepared in accordance with International Financial Reporting Standards (IFRS). The supplementary revenue return and capital return columns are prepared under guidance published by the Association of Investment Companies. All items in the above statement relate to continuing operations. See notes 1 to 14.

Half year ended 31 March 2010 Revenue return £000	Capital return £000	Total £000	Year ended 30 September 2010 Revenue return £000	Capital return £000	Total £000
	6,218	6,218		(2,361)	(2,361)
	6,218	6,218		(2,361)	(2,361)
7,584		7,584	10,011		10,011
48		48	82		82
7,632		7,632	10,093		10,093
(478)	(1,434)	(1,912)	(3,105)	(2,017)	(5,122)
7,154	4,784	11,938	6,988	(4,378)	2,610
(350)	(1,051)	(1,401)	(701)	(2,101)	(2,802)
6,804	3,733	10,537	6,287	(6,479)	(192)
(50)		(50)	(131)		(131)
6,754	3,733	10,487	6,156	(6,479)	(323)
6,754	3,733	10,487	6,156	(6,479)	(323)
6,754	3,733	10,487	6,156	(6,479)	(323)
pence	pence	pence	pence	pence	pence
13.0	7.2	20.2	11.8	(12.4)	(0.6)

Condensed Consolidated Statement of Changes in Equity

for the half year ended 31 March 2011

	Notes	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Share options reserve £'000
Half year ended 31 March 2011					
30 September 2010		5,253	785	56	(220)
Net return after tax for the period					
Other comprehensive income					
Share options expense	5				30
Dividends declared and paid in period	7				
Introduction of Non-controlling interest in the QIF					
Own shares (sold)/purchased by Employee Incentive Trust (EIT)					(19)
31 March 2011		5,253	785	56	(209)
Half year ended 31 March 2010					
30 September 2009		5,253	785	56	(284)
Net return after tax for the period					
Share options expense	5				29
Dividends declared and paid in period	7				
31 March 2010		5,253	785	56	(255)
Year ended 30 September 2010					
30 September 2009		5,253	785	56	(284)
Net return/(deficit) after tax for the year					
Share options expense	5				64
Dividends declared and paid in year	7				
30 September 2010		5,253	785	56	(220)

See notes on pages 23 to 33.

Capital reserve £'000	Revenue reserve £'000	Own shares reserve £'000	Currency translation reserve £'000	Non-controlling interest £'000	Total £'000
86,945	26,042	(1,702)			117,159
4,176	1,364			1	5,541
			(613)		(613)
					30
	(3,277)				(3,277)
			5	86	91
		19			
91,121	24,129	(1,683)	(608)	87	118,931
93,424	26,649	(1,702)			124,181
3,733	6,754				10,487
					29
	(4,578)				(4,578)
97,157	28,825	(1,702)			130,119
93,424	26,649	(1,702)			124,181
(6,479)	6,156				(323)
					64
	(6,763)				(6,763)
86,945	26,042	(1,702)			117,159

Condensed Consolidated Balance Sheet

at 31 March 2011

	Notes	31 March 2011 £'000	31 March 2010 £'000	30 September 2010 £'000
Non-current assets				
Property and equipment		494	287	531
Investments at fair value through profit or loss	8	133,172	151,052	145,423
		133,666	151,339	145,954
Current assets				
Trade and other receivables		20,240	1,508	1,691
Cash and cash equivalents		19,857	12,218	5,538
		40,097	13,726	7,229
Total assets		173,763	165,065	153,183
Current liabilities				
Trade and other payables		(21,042)	(1,175)	(2,243)
Total assets less current liabilities		152,721	163,890	150,940
Non-current liabilities				
Debentures		(33,790)	(33,771)	(33,781)
Total liabilities		(54,832)	(34,946)	(36,024)
Net assets		118,931	130,119	117,159

	Notes	31 March 2011 £'000	31 March 2010 £'000	30 September 2010 £'000
Represented by:				
Ordinary share capital		5,253	5,253	5,253
Share premium		785	785	785
Capital redemption reserve		56	56	56
Share options reserve		(209)	(255)	(220)
Capital reserve		91,121	97,157	86,945
Revenue reserve		24,129	28,825	26,042
Own shares reserve		(1,683)	(1,702)	(1,702)
Currency translation reserve		(608)		
Equity Shareholders' Funds		118,844	130,119	117,159
Non-controlling interest		87		
Total equity		118,931	130,119	117,159
Net asset value per share		pence	pence	pence
Basic and fully diluted	10	228.4	250.1	225.2

See notes on pages 23 to 33.

Condensed Consolidated Cash Flow Statement

for the half year ended 31 March 2011

	Notes	Half year ended 31 March 2011 £'000	Half year ended 31 March 2010 £'000	Year ended 30 September 2010 £'000
Net cash inflow from operating activities	11	19,032	5,897	3,091
Investing activities				
Purchases of tangible assets		(85)	(93)	(420)
Disposals of tangible assets				29
Net cash outflow from investing activities		(85)	(93)	(391)
Financing activities				
Interest paid		(1,438)	(1,392)	(2,783)
Dividends paid		(3,277)	(4,578)	(6,763)
Increase in non-controlling interest		87		
Net cash outflow from financing activities		(4,628)	(5,970)	(9,546)
Increase/(decrease) in cash and cash equivalents for period	12	14,319	(166)	(6,846)
Cash and cash equivalents at start of period		5,538	12,384	12,384
Cash and cash equivalents at end of period		19,857	12,218	5,538

See notes on pages 23 to 33.

Notes to the Condensed Consolidated Financial Statements

as at 31 March 2011

1. Accounting Policies

The Condensed Consolidated Financial Statements on pages 16 to 22 comprise the unaudited results of the Company and subsidiaries for the six months to 31 March 2011 and are presented in pounds sterling, as this is the functional currency of the Group.

The Condensed Consolidated Financial Statements have been prepared in accordance with International Accounting Standard IAS 34 "Interim Financial Reporting". They do not include all financial information required for full annual financial statements. The Condensed Consolidated Financial Statements have been prepared using the accounting policies adopted in the audited financial statements for the year ended 30 September 2010. Certain presentational changes have been made which have no effect on the net assets of the Group.

2. Income

	Half year ended 31 March 2011 £'000	Half year ended 31 March 2010 £'000	Year ended 30 September 2010 £' 000
Income from investments			
Franked investment income*	2,275	7,131	8,778
UK unfranked investment income	(14)	21	21
Overseas dividends	464	404	1,156
Fixed interest and convertible bonds	20	28	56
	2,745	7,584	10,011
Other income			
Deposit interest	3	27	44
Sundry income	22	21	38
	25	48	82
Total income	2,770	7,632	10,093

Notes to the Condensed Consolidated Financial Statements

as at 31 March 2011

	Half year ended 31 March 2011 £'000	Half year ended 31 March 2010 £'000	Year ended 30 September 2010 £' 000
Total income comprises:			
Dividends	2,725	7,556	9,955
Fixed interest	20	28	56
Interest	3	27	44
Other income	22	21	38
	2,770	7,632	10,093
Income from investments			
Listed UK	1,097	1,284	2,618
Listed overseas	464	404	1,156
Unlisted*	1,184	5,896	6,237
	2,745	7,584	10,011

* Includes MAM special dividend income of £nil (31 March 2010 & 30 September 2010: £5,400,000).

3. Taxation

The charge for the half year to 31 March 2011 is £73,000 (half year to 31 March 2010: £50,000; year ended 30 September 2010: £131,000). These amounts represent irrecoverable withholding tax paid on overseas investment income.

The Company has an effective corporation tax rate of 0%. As investment gains are exempt from tax owing to the Company's status as an Investment Trust and there is expected to be an excess of management expenses over taxable income there is no charge for corporation tax.

4. Calculation of Returns per Ordinary Share

Basic returns per ordinary share in each period are based on the return on ordinary activities after taxation attributable to equity shareholders. Basic return per ordinary share for the period is based on 52,022,541 (half year ended 31 March 2010: 52,022,510; year ended 30 September 2010: 52,022,510) shares, being the weighted average number of shares in issue after adjustment for the shares held by the Employee Incentive Trust.

There is no dilution to the basic return per ordinary share since share options, if exercised, would be satisfied by shares already held by the Employee Incentive Trust.

5. Share-based payments

The Group currently operates one share-based payment scheme being the 2006 Long Term Incentive Plan which in turn has two sections relating to TSR-based Awards and Matching Awards. The previous scheme, The Discretionary Share Option Scheme 2000, closed in the year ended 30 September 2010. With the introduction of Javelin Capital LLP and the resultant employee transfers from the Company no further awards will be made under the LTIP. Javelin Capital does not operate any share-based payment schemes.

The number of outstanding options granted by the Company are summarised in the table below:

	31 March 2011	31 March 2010	30 September 2010
Number of outstanding options			
LTIP: TSR-based Awards	307,389	291,268	291,268
LTIP: Matching Awards	13,097	17,812	17,812
	320,486	309,080	309,080

During the half year ended 31 March 2011 the number of options outstanding under the LTIP TSR-based Awards showed a net increase of 16,121. This comprised an additional 16,121 options as a result of the 2010 4.2p interim dividend and 2010 6.3p final dividend which is in accordance with the LTIP rules. Additionally the number of options outstanding under LTIP Matching Awards showed a net decrease of 4,715. This reflects an exercise of 5,701 options on 31 March 2011 and an increase in options in respect of the 2010 4.2p interim dividend and 2010 6.3p final dividend in accordance with the LTIP rules.

During the half year to 31 March 2011 the Group recognised a total expense for share-based payment transactions of £30,000 (half year ended 31 March 2010: £29,000; year ended 30 September 2010: £64,000).

The total shareholding of Majedie Investments PLC Incentive Trust is 499,789 (31 March 2010: 505,490; 30 September 2010: 505,490) ordinary shares. The shares will be held by the trust until the relevant options are exercised or until they lapse. The cost of the shares is presented in the Condensed Consolidated Balance Sheet under the heading ‘Own shares reserve’, as a deduction from shareholders’ funds in accordance with IFRS 2: Share-based Payments.

6. Segment reporting

As detailed in the Company's Annual Report for the year ended 30 September 2010, geographical segments are considered to be the Group's primary reporting segment and business segments the secondary reporting segment. The Group has two business segments: its activity as an investment trust, which is the business of the parent company, and the business of the subsidiary, Javelin Capital LLP, which provides management services within the United Kingdom only.

Investing activities

The Company's investment objective is to maximise shareholder return over the long term whilst increasing dividends by more than the rate of inflation.

The Company operates as an investment trust company and its portfolio contains investments in companies listed in a number of countries. Geographical information about the portfolio is provided on page 11.

Investment management services

To complement this investment objective and create income and capital for the Group, Javelin Capital LLP has been launched to market a range of funds to third party investors and provide investment management and advisory services.

	Half year ended 31 March 2011		Half year ended 31 March 2010		Year ended 30 September 2010	
	Investing activities £'000	Investment management and advisory services £'000	Investing activities £'000	Investment management and advisory services £'000	Investing activities £'000	Investment management and advisory services £'000
Revenue from external customers	2,769*	1	7,632*		10,091*	2
Carrying amount of assets	121,739	(2,895)	130,119		119,471	(2,312)

* The investment and other income of the parent company and the Javelin Capital Strategies fund

7. Dividends

In accordance with International Accounting Standard 10: Events After the Balance Sheet Date, dividends are not accounted for until paid. The following table summarises the amounts recognised as distributions to equity holders in the relevant period:

	Half year ended 31 March 2011 £'000	Half year ended 31 March 2010 £'000	Year ended 30 September 2010 £'000
2010 Final dividend of 6.30p paid on 26 January 2011	3,277		
2010 Interim dividend of 4.20p paid on 30 June 2010			2,185
2009 Final dividend of 6.30p paid on 27 January 2010		3,277	3,277
2010 Special dividend of 2.50p paid on 8 March 2010		1,301	1,301
	3,277	4,578	6,763

The directors propose an interim dividend for 2011 of 4.2p per share, to be paid on 29 June 2011.

8. Investments

All investments are designated upon initial recognition as held at fair value through profit or loss, and are measured at subsequent reporting dates at fair value, which is either the bid price or the last traded price, depending on the convention of the exchange on which the investment is quoted. Investments in unit trusts or open ended investment companies are valued at the closing price, the bid price or the single price as appropriate, released by the relevant investment manager.

Unlisted investments are formally valued on a semi-annual basis by the Board of Directors taking into account relevant information as appropriate including market prices, latest dealings, accounting information, professional advice and the guidelines issued by the International Private Equity and Venture Capital Association. In between the formal valuations the Directors review these investments for any significant changes and incorporate such changes as they consider necessary.

8. Investments continued

Unlisted investments disclosed in the Portfolio Information on page 11 total £34,661,000 of which £4,661,000 is invested in 23 companies and £30,000,000 is the carrying value of our investment in MAM as detailed in note 9 below.

9. Majedie Asset Management Limited (MAM)

Majedie Investments PLC owns a 30% equity shareholding in MAM, which provides investment management and advisory services relating to UK equities.

The carrying value of our investment in MAM is included in the Condensed Consolidated Balance Sheet as part of investments at fair value through profit or loss:

	31 March 2011 £'000	31 March 2010 £'000	30 September 2010 £'000
Deemed cost of investment	1,207	1,207	1,207
Holding gains	28,793	28,793	28,793
Fair value at period end	30,000	30,000	30,000

The carrying value of MAM in the 31 March 2011 Condensed Consolidated Financial Statements is its fair value as assessed at 31 March 2011. The Board regularly monitors the investment in MAM to ensure that the carrying value remains appropriate.

10. Net Asset Value

The net asset value per share has been calculated based on equity Shareholders funds and on 52,028,211 (31 March 2010: 52,022,510; 30 September 2010: 52,022,510) ordinary shares, being the shares in issue at the period end having deducted the number of shares held by the Employee Incentive Trust.

11. Reconciliation of Operating Profit to Operating Cash Flow

	Half year ended 31 March 2011 £'000	Half year ended 31 March 2010 £'000	Year ended 30 September 2010 £'000
Consolidated net return/(deficit) before taxation	5,614	10,537	(192)
Adjustments for:			
(Gains)/losses on investments	(6,470)	(6,218)	2,361
Exchange movements	(613)		
Dividends reinvested	(5)	(32)	(45)
Share-based remuneration	30	29	64
Depreciation	122	30	84
Purchases of investments*	(609,010)	(24,372)	(57,963)
Sales of investments*	628,877	24,805	55,741
	18,545	4,779	50
Finance costs	1,448	1,401	2,802
Operating cash flows before movements in working capital	19,993	6,180	2,852
(Decrease)/increase in trade and other payables	(213)	(60)	410
Increase in trade and other receivables	(685)	(166)	(18)
Net cash inflow from operating activities before tax	19,095	5,954	3,244
Tax recovered	28	4	10
Tax on unfranked income	(91)	(61)	(163)
Net cash inflow from operating activities	19,032	5,897	3,091

* The large increase in investment transactions in the six months to 31 March 2011 reflects the high volume trading activity in the QIF in line with its investment approach and industry peers.

12. Reconciliation of Net Cash Flow to Movement in Net Debt

	Half year ended 31 March 2011 £'000	Half year ended 31 March 2010 £'000	Year ended 30 September 2010 £'000
Increase/(decrease) in cash	14,319	(166)	(6,846)
Non cash items	(9)	(9)	(19)
Change in net debt	14,310	(175)	(6,865)
Net debt beginning of period	(28,243)	(21,378)	(21,378)
Net debt at end of period	(13,933)	(21,553)	(28,243)

13. Related Party Transactions

Javelin Capital

Javelin Capital LLP (Javelin Capital) is the investment manager and general administrator to the Company and is also the parent entity of Javelin Capital Fund Management Limited (JCFM) and Javelin Capital Services Limited (JCS) all of which are consolidated in the group accounts.

Javelin Capital Strategies plc is an Irish Stock Exchange listed Qualifying Investment Fund "QIF". It currently has one sub-fund called the Javelin Capital Global Equity Strategies Fund, which due to the relative size of the Company's investment in the sub-fund is also consolidated into the group accounts. Javelin Capital and JCFM act as investment manager and manager for the QIF respectively and are entitled to receive management and performance fees.

In addition to any fees received from the QIF, Javelin Capital is also entitled to receive management, performance and administration fees from the Company itself in accordance with the relevant agreements.

JCS provides administrative services to the group. In performing these services it incurs expenses, including a lease charge from the Company for the use of some of its fixed assets, which are recovered by way of recharges and management fees.

13. Related Party Transactions continued

The Company has a £20m investment in the Javelin Capital Global Equity Strategies Fund. This investment is subject to management and performance fees in accordance with the fund's prospectus and supplement.

The Company incurs certain costs on behalf of Majedie Portfolio Management Limited (MPM) for operating the Majedie Investments PLC Share Plan. These costs, net of any income in MPM, are recharged to MPM.

The table below details the related party transactions described above and includes the balances owing between the various group companies:

	Half year ended 31 March 2011 £'000	Half year ended 31 March 2010 £'000	Year ended 30 September 2010 £'000
QIF fee revenue due to the manager	165,000		7,000
QIF fee revenue due to the investment manager	134,000		
Company management fee revenue due to Javelin Capital	358,000		58,000
Company administration fee revenue due to Javelin Capital	132,000		25,000
Company lease charge to JCS	23,000		4,000
JCS management fee income from Javelin Capital	1,462,000		2,356,000
MPM costs recharged by the Company	16,000	17,000	35,000

13. Related Party Transactions continued

	Half year ended 31 March 2011 £'000	Half year ended 31 March 2010 £'000	Year ended 30 September 2010 £'000
Balances outstanding at the end of the period:			
Between JCS and the Company	322,000		283,000
Between JCS and Javelin Capital	363,000		37,000
Between JCS and JCFM	15,000		
Between the Company and MPM	93,000	92,000	92,000
Between JCFM and Javelin Capital	137,000		
Between JCFM and the QIF	68,000		7,000

Transactions between group companies during the period were made on terms equivalent to those that occur in arm's length transactions.

Majedie Asset Management (MAM)

MAM is accounted for as an investment in both the Company and Group accounts and is valued at fair value through profit or loss.

The table below details the transactions between MAM and the Company during the period:

	Half year ended 31 March 2011 £'000	Half year ended 31 March 2010 £'000	Year ended 30 September 2010 £'000
Ordinary dividends received in the period	1,164	781	468
Special dividends received in the period		5,400	5,400
Balances outstanding at the end of the period			

The Company has no investments in any MAM funds.

14. Financial Information

The financial information contained in this Half-Yearly Financial Report does not constitute full statutory accounts as defined in Section 434 of the Companies Act 2006. The financial information for the six months ended 31 March 2011 and 31 March 2010 have not been audited, but have been reviewed by the Company's auditors and their report is on pages 14 and 15.

The information for the year ended 30 September 2010 has been extracted from the latest published audited accounts. Those accounts have been filed with the Registrar of Companies and included the report of the auditors which was unqualified and did not contain a statement under Section 498(2) or (3) of the Companies Act 2006. Those statutory accounts were prepared in accordance with International Financial Reporting Standards, as adopted by the European Union.

Company Information

Board of Directors

A J Adcock, Chairman

H V Reid, Deputy Chairman

C J Arnheim

J W M Barlow

P D Gadd

All Directors are non-executive

Registered Office

Tower 42

25 Old Broad Street

London EC2N 1HQ

Telephone: 020 7626 1243

E-mail: majedie@majedie.co.uk

Registered number: 109305 England

Company Secretary

Capita Sinclair Henderson Limited
(trading as Capita Financial Group –
Specialist Fund Services)

Beaufort House

51 New North Road

Exeter EX4 4EP

Telephone: 01392 412122

Facsimile: 01392 253282

Investment Manager

Javelin Capital LLP

Tower 42

25 Old Broad Street

London EC2N 1HQ

Telephone: 020 7382 8170

Fax: 020 7382 4854

Email: info@javelincapital.com

Registrars

Computershare Investor Services PLC

The Pavilions

Bridgwater Road

Bristol BS99 6ZZ

Telephone: 0870 707 1159

Auditors

Ernst & Young LLP

1 More London Place

London SE1 2AF

Stockbrokers

Cenkos Securities plc

6.7.8 Tokenhouse Yard

London EC2R 7AS

Website

www.majedie.co.uk

Notes

Notes