



Life Offices Opportunities Trust plc

Interim Report 30 June 2008

“The investment objective of the Company is long term capital growth from a diversified portfolio of with-profits life assurance policies which have the potential for achieving enhanced capital returns, particularly through corporate change in the life assurance industry.”

Chairman's Statement

I am pleased to report the first half of 2008 has seen the Company's asset value again increased. Over the six month period, the net asset value per share rose by 2.1 per cent to 165.62 pence. The investment objective of the Company has been to achieve long term capital growth and no dividend is payable.

As at the end of June 2008, there were only 31 endowment policies worth approximately £1.0 million still to mature. This represented 2.6 per cent of net assets. Maturities continue apace and as at the close of business on 18 August 2008, there were only 4 policies outstanding representing less than 0.3 per cent of net assets. The Managers have received details of the maturity proceeds for all the outstanding policies.

Since the repayment of the gearing in 2007, the cash proceeds from maturities have been positioned in short dated UK government securities and bank deposits. Being aware of potential counterparty risk, the deposits have been placed with a range of well financed major UK high street banks.

We are pleased to report that on average the maturity proceeds were 1.6 per cent higher than forecast at the 2007 year end. This is an exceptional result given the weakness in life offices' underlying assets. We suspect that the maturing of the Company's policies has been very well timed as recent market weakness is likely to affect future life office payouts.

As the proceeds from the remaining policies will have been received by the end of the third quarter of 2008, the Board see no reason to delay the formal winding up of the Company. To this end, a circular to shareholders is being prepared in order to convene a formal shareholder meeting in early October to approve the winding up of the Company. This will be sent to shareholders in mid September.

Barring unforeseen circumstances, the first liquidation distribution should be payable soon after the date of liquidation with a further final distribution before the year end.

John Brumwell
20 August 2008

Unaudited Accounts

Statement of Total Return	6 months 30 June 2008 £000	6 months 30 June 2007 £000
Revenue Return		
Income	882	27
Expenses allocated to revenue	(25)	(66)
Net revenue return after tax	857	(39)
Capital return		
Gains on sale of investments	7,253	1,549
Movement in unrealised appreciation on investments	(7,077)	1,217
Gains/(losses) on investments	176	2,766
Interest allocated to capital	–	(282)
Expenses allocated to capital	(244)	(233)
Net capital return after tax	(68)	2,251
Total return after tax	789	2,212
Return per ordinary share		
Revenue	3.64p	(0.17p)
Capital	(0.29p)	9.56p
Total	3.35p	9.39p

Cash Flow Statement	6 months 30 June 2008 £000	6 months 30 June 2007 £000
Net cash flow from operating activities	(56)	(604)
Returns from investment and servicing of finance	–	(282)
Capital expenditure and financial investment	9,069	4,130
Increase in cash	9,013	3,244

Unaudited Accounts

Balance Sheet	31 December 2007 £000	30 June 2008 £000	30 June 2007 £000
Investments – endowment policies	21,233	996	43,617
Net current assets/(liabilities)	16,982	38,008	(7,694)
Shareholders' funds	38,215	39,004	35,923
Net Asset Value per share	162.27p	165.62p	152.54p

Notes

1. These are not full accounts in terms of the Companies Act 1985. Audited accounts for the year to 31 December 2007, which were unqualified, have been lodged with the Registrar of Companies.
2. Investment management fees and finance costs have been allocated 100 per cent to capital (2007 – same).

Investment Portfolio

Life Office	Number of Policies	Market Valuation £000	per cent of Total Assets
1 Standard Life	16	507	1.3
2 Scottish Provident	7	187	0.5
3 Prudential	3	100	0.3
4 Prudential (Scottish Amicable)	2	77	0.2
5 Scottish Life	1	58	0.1
6 Windsor Life	1	35	0.1
7 Aviva (Norwich Union)	1	32	0.1
Total investments	31	996	2.6

Company Information

Directors

John C H Brumwell (Chairman)

John S H H Motion

Raymond M Paul

John B Wilson

Investment Managers, Secretaries and Registered Office

SVM Asset Management Limited

7 Castle Street

Edinburgh EH2 3AH

Telephone: +44 (0) 131 226 6699

Facsimile: +44 (0) 131 226 7799

E mail: info@svmonline.co.uk

Web: www.svmonline.co.uk

Registrars

Computershare Investor Services plc

Lochside House

7 Lochside Avenue

Edinburgh Park

Edinburgh EH12 9DJ

Telephone: 0870 707 1120

Policy Advisors

WL Consulting Limited

Stockbrokers

HSBC Securities

Auditors

Ernst & Young LLP

Bankers

The Bank of New York Mellon

The Royal Bank of Scotland plc

Registered Number

162841