

For immediate release

16 February 2010

THE BRUNNER INVESTMENT TRUST PLC

Final Results for the year ended 30 November 2009

The following comprises extracts from the Company's Annual Financial Report for the year ended 30 November 2009. The full Annual Financial Report is available to be viewed on or downloaded from the company's website at www.brunner.co.uk. Copies will be posted to shareholders shortly.

MANAGEMENT REPORT

Chairman's Statement

Following the major upheavals in financial markets in 2009, it was encouraging that our asset value ended the year up 24.0%. This was roughly in line with the benchmark index which rose 24.4%. The share price rose by over 27% during the year.

Earnings per ordinary share fell 14.7%. This reflected dividend cuts from a number of our holdings which were partially offset by a one-off repayment of VAT. The total repayment, including interest, was £1,548,169 of which £1,072,893 was allocated to the revenue account. This has been a factor behind the proposed increase in the final dividend. Further details of the VAT repayment are set out in Note 2, page 44 of the Annual Financial Report.

The final dividend of 7.2p per share if approved by shareholders will be paid on 25 March 2010 to shareholders on the Register of Members at the close of business on 26 February 2010, bringing the total payment for 2009 to 12.0p, an increase of 2.6% on last year's distribution. Looking forward, given the dividend cuts referred to earlier and in the absence of positive compensating factors such as the VAT repayment, it is likely – on current projections – that revenue reserves will be required to maintain the current year's payout. These reserves have been built up in previous years to help smooth dividend payments when earnings fall and, following payment of this year's dividend, will amount to 23.4p.

Gearing, in the form of the Trust's long-term debentures, had a positive impact on performance this year. As in previous years, liquid funds over and above those allocated to equities have been invested in UK government securities. In 2009, some of this liquidity was allocated to two new holdings, an index linked gilt and a conventional gilt, both of which have maturity profiles similar to those of the long-term debentures.

Buy-backs

We have maintained our policy of repurchasing shares for cancellation and during the course of the year 431,710 shares were repurchased for cancellation, and a further 130,500 shares have been repurchased since the year end. This policy, as well as enhancing the net asset value per share, has resulted in lower volatility in the share price discount to net asset value per share than would otherwise have been the case. The discount, valuing debt at market, has also narrowed modestly in recent years as shown in the table on page 5 of the Annual Financial Report.

Board Composition

As we reported in 2009, Ben Siddons will retire from the Board at the conclusion of this year's AGM. Ben has been on the Board for nineteen years and his knowledge and experience have been invaluable to the Trust over this time. Richard Wakeling will also be retiring from the Board this year. Richard has been on the Board for nine years, in recent years as the Senior Independent Director. Both Ben and Richard have made very significant contributions to the work of the Board and I am sure you will join me in thanking them and wishing them well for the future.

I am pleased to confirm the appointment of Ian Barlow to the Board with effect from 19 November 2009. Ian is standing for election at the AGM and his biography is on page 18 of the Annual Financial

Report. It is the Board's intention that after the AGM, Ian will take over as Chairman of the Audit Committee from William Worsley, who will have served as Chairman for nine years, and William Worsley will take over from Richard Wakeling as Senior Independent Director.

Outlook

It is salutary to remember that the year began with the possibility that large parts of the western banking system might fail altogether, with unthinkable consequences. The change in sentiment since March 2009 has been remarkable but it is unlikely that this enthusiasm will be sustained throughout 2010.

The outlook is more than usually uncertain; a recovery now appears to have taken root across the global economy but it is likely that the unorthodox measures taken by governments and central banks during 2008 and 2009 will start to be reversed in coming months.

Only when these stimulative measures have been withdrawn will the underlying health of economies (and by extension the current and future state of national balance sheets) be capable of examination and diagnosis. Whilst we are reasonably confident that the market and economic recovery can be sustained in 2010, we are prepared for further periods of weakness and volatility as the market comes to terms with these uncertainties. Vigilance and careful research will remain key in this testing market environment.

Annual General Meeting

The Annual General Meeting of the Company will be held on 18 March 2010 at 12 noon and I look forward to meeting those shareholders who are able to attend.

Principal Risks and Uncertainties

With the assistance of the Managers the Board has drawn up a risk matrix which identifies the key risks to the Company. These key risks fall broadly under the following categories:

Investment Activity and Strategy

An inappropriate investment strategy, e.g., asset allocation or the level of gearing, may lead to under performance against the Company's benchmark index and peer group companies, resulting in the Company's shares trading on a wider discount. The Board manages these risks by diversification of investments through its investment restrictions and guidelines which are monitored and on which the Board receives reports. RCM (UK) Limited ("RCM") provides the Directors with management information including performance data and reports and shareholder analyses. The Board monitors the implementation and results of the investment process with the investment managers, who attend all board meetings, and reviews data which show risk factors and how they affect the portfolio. The investment managers employ the Company's gearing tactically within a strategic range set by the Board. The Board holds periodic meetings devoted to strategy.

Portfolio and Market

Market risk arises from uncertainty about the future prices of the Company's investments. It represents the potential loss the Company might suffer through holding investments in the face of negative market movements. The Board considers asset allocation, stock selection and levels of gearing on a regular basis and has set investment restrictions and guidelines that are monitored and reported on by RCM. The Board monitors the implementation and results of the investment process with the investment managers.

Accounting, Legal and Regulatory

In order to qualify as an investment trust the Company must comply with Section 842 of the Income and Corporation Taxes Act 1988 ("Section 842"), and details are given above under the heading Business and Status of the Company. A breach of Section 842 could result in the Company losing investment trust status and, as a consequence, realised chargeable gains in the Company's portfolio would be subject to Corporation Tax. The Section 842 criteria are monitored by RCM and results are reported to the Board at each Board Meeting. The Company must comply with the provisions of the

Companies Act 2006 ("Companies Act"), and, as the Company's shares are listed on the London Stock Exchange, the Company must comply with the UK Listing Authority's Listing Rules and Disclosure and Transparency Rules ("UKLA Rules"). A breach of the Companies Act could result in the Company and/or the Directors being fined or the subject of criminal proceedings. Breach of the UKLA Rules could result in the suspension of the Company's shares which would in turn lead to a breach of Section 842. The Board relies on its company secretary and its professional advisers to ensure compliance with the Companies Act and UKLA Rules.

Corporate Governance and Shareholder Relations

Details of the Company's compliance with Corporate Governance best practice, including information on relations with shareholders, are set out in the Corporate Governance Statement beginning on page 27 of the Annual Financial Report.

Operational

Disruption to, or failure of, RCM's accounting, dealing or payment systems or the custodian's records may prevent accurate reporting and monitoring of the Company's financial position. Details of how the Board monitors the services provided by RCM and other suppliers and the key elements designed to provide effective internal control are included within the Internal Control section of the Corporate Governance Statement beginning on page 29 of the Annual Financial Report.

Financial

The financial risks to the Company are disclosed in Note 18 beginning on page 52 of the Annual Financial Report.

Directors' Responsibility Statement

The Annual Financial Report contains a responsibility statement in the following form:

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations. Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors at the date of the approval of this Report each confirm to the best of their knowledge that:

- the financial statements, prepared in accordance with applicable accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and
- the Annual Financial Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that they face.

THE BRUNNER INVESTMENT TRUST PLC
Final Results for the year ended 30 November 2009

For and on behalf of the Board of Directors

Keith Percy
Chairman

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RCM (UK) Limited

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PORTFOLIO ANALYSIS as at 30 November 2009*

	%
United Kingdom	51.4
Americas	26.4
Europe	11.4
Japan	4.0
Pacific Basin	6.1
Other countries	0.7
Total	100.0

*Excludes Cash and Treasury Stock

THIRTY LARGEST INVESTMENTS as at 30 November 2009

	Valuation 30 November 2009 £	% of Invested Funds	Sector
HSBC Holdings	11,603,673	4.60	Banks
Treasury Stock 4.75% 07/06/2010	10,423,125	4.14	Gilt
Royal Dutch Shell 'B' Shares	8,471,905	3.36	Oil & Gas Producers
GlaxoSmithKline	8,322,044	3.30	Pharmaceuticals & Biotechnology
Treasury Stock 2.5% I/L 16/04/2020	7,712,921	3.06	Gilt
Treasury Stock 4% 07/03/2022	7,609,313	3.02	Gilt
BP	6,875,342	2.73	Oil & Gas Producers
Vodafone Group	6,486,770	2.57	Mobile Telecommunications
BG Group	5,683,332	2.25	Oil & Gas Producers
BHP Billiton	5,680,165	2.25	Mining
Rio Tinto	4,207,554	1.67	Mining
Unilever	3,987,044	1.58	Food Producers
Cobham	3,905,791	1.55	Aerospace & Defence
Compass	3,630,653	1.44	Travel & Leisure
Centrica	2,921,660	1.16	Gas, Water & Multiutilities
BAE Systems	2,785,815	1.11	Aerospace & Defence
Prudential	2,698,300	1.07	Life Insurance
Nestle	2,608,555	1.04	Food Producers
Reckitt Benckiser	2,607,561	1.03	Household Goods
Xstrata	2,600,762	1.03	Mining
International Power	2,588,205	1.03	Electricity
Telecity	2,549,061	1.01	Software & Computer Services
Melrose	2,528,664	1.00	Industrial Engineering
BNP Paribas	2,508,898	1.00	Banks
Apple	2,394,632	0.95	Technology Hardware & Equipment
Google	2,321,556	0.92	Software & Computer Services
Reed Elsevier	2,285,001	0.91	Media
Diageo	2,220,150	0.88	Beverages
Philip Morris	2,211,750	0.88	Tobacco
Toyota Motor	2,186,903	0.87	Automobile & Parts
	134,617,105	53.41	% of Total Invested Funds

INCOME STATEMENT

for the year ended 30 November 2009

	Revenue £	2009 Capital £	Total Return £ (Note C)
Net gains on investments at fair value	-	42,764,239	42,764,239
Net gains on foreign currencies	-	4,085	4,085
Income	7,531,313	-	7,531,313
Investment management fee	(304,716)	(711,005)	(1,015,721)
Investment management fee VAT refund	695,017	475,276	1,170,293
Administration expenses	(368,764)	(14,399)	(383,163)
Net return before finance costs and taxation	7,552,850	42,518,196	50,071,046
Finance costs: interest payable and similar charges	(1,390,534)	(3,188,515)	(4,579,049)
Net return on ordinary activities before taxation	6,162,316	39,329,681	45,491,997
Taxation	(456,912)	187,189	(269,723)
Net return on ordinary activities attributable to Ordinary Shareholders	5,705,404	39,516,870	45,222,274
Return per Ordinary Share (basic and diluted) (Note B)	12.22p	84.65p	96.87p

BALANCE SHEET

as at 30 November 2009

Investments held at fair value through profit or loss	252,022,474
Net Current Assets	6,302,211
Total Assets less Current Liabilities	258,324,685
Creditors : Amounts falling due after more than one year	(51,832,995)
Total Net Assets	206,491,690
Called up Share Capital	11,633,326
Capital Redemption Reserve	4,366,674
Capital Reserve	176,235,232
Revenue Reserve	14,256,458
Equity Shareholders' Funds	206,491,690
Net Asset Value per Ordinary Share	443.8p

The Net Asset Value is based on 43,533,305 Ordinary Shares in issue.

INCOME STATEMENT

for the year ended 30 November 2008

	Revenue £	2008 Capital £	Total Return £ (Note C)
Net losses on investments at fair value	-	(99,627,396)	(99,627,396)
Net gains on foreign currencies	-	6,525	6,525
Income	9,537,646	-	9,537,646
Investment management fee	(395,503)	(922,839)	(1,318,342)
Investment management fee VAT refund	-	-	-
Administration expenses	(333,519)	(28,872)	(362,391)
Net return before finance costs and taxation	8,808,624	(100,572,582)	(91,763,958)
Finance costs: interest payable and similar charges	(1,413,877)	(3,232,898)	(4,646,775)
Net return on ordinary activities before taxation	7,394,747	(103,805,480)	(94,410,733)
Taxation	(630,637)	311,048	(319,589)
Net return on ordinary activities attributable to Ordinary Shareholders	6,764,110	(103,494,432)	(96,730,322)
Return per Ordinary Share (basic and diluted) (Note B)	14.32p	(219.11)p	(204.79)p

BALANCE SHEET

as at 30 November 2008

	2008 £
Investments held at fair value through profit or loss	208,316,911
Net Current Assets	11,668,980
Total Assets less Current Liabilities	219,985,891
Creditors : Amounts falling due after more than one year	(51,940,765)
Total Net Assets	168,045,126
Called up Share Capital	11,741,254
Capital Redemption Reserve	4,258,746
Capital Reserve	138,030,243
Revenue Reserve	14,014,883
Equity Shareholders' Funds	168,045,126
Net Asset Value per Ordinary Share	357.8p

The Net Asset Value is based on 46,965,015 Ordinary Shares in issue.

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

For the year ended 30 November 2009

	Called up Share Capital £	Capital Redemption Reserve £	Capital Reserve £	Revenue Reserve £	Total £
Net Assets at 30 November 2007	11,856,279	4,143,721	243,324,611	12,494,178	271,818,789
Revenue Return	-	-	-	6,764,110	6,764,110
Shares repurchased during the year	(115,025)	115,025	(1,799,936)	-	(1,799,936)
Dividends on Ordinary Shares	-	-	-	(5,243,405)	(5,243,405)
Capital Return	-	-	(103,494,432)	-	(103,494,432)
Net Assets at 30 November 2008	11,741,254	4,258,746	138,030,243	14,014,883	168,045,126
Net Assets at 30 November 2008	11,741,254	4,258,746	138,030,243	14,014,883	168,045,126
Revenue Return	-	-	-	5,705,404	5,705,404
Shares repurchased during the year	(107,928)	107,928	(1,311,881)	-	(1,311,881)
Dividends on Ordinary Shares	-	-	-	(5,463,829)	(5,463,829)
Capital Return	-	-	39,516,870	-	39,516,870
Net Assets at 30 November 2009	11,633,326	4,366,674	176,235,232	14,256,458	206,491,690

CASH FLOW STATEMENT

For the year ended 30 November 2009

	2009	2009	2008
	£	£	£
Net cash inflow from operating activities		7,526,631	8,062,049
Return on investments and servicing of finance			
Interest paid	(4,664,316)		(4,672,618)
Dividends paid on Preference Stock	(22,500)		(22,500)
Net cash outflow from servicing of financing		(4,686,816)	(4,695,118)
Capital expenditure and financial investment			
Purchase of fixed asset investments	(115,874,738)		(175,771,433)
Sale of fixed asset investments	114,129,508		172,419,299
Net cash outflow from financial investments		(1,745,230)	(3,352,134)
Equity dividends paid		(5,463,829)	(5,243,405)
Net cash outflow before financing		(4,369,244)	(5,228,608)
Financing			
Repurchase of Ordinary Shares for cancellation		(1,314,376)	(1,799,376)
Decrease in cash		(5,683,620)	(7,027,984)

Notes

Note A

The financial statements have been prepared under the historical cost basis, except for the measurement at fair value of the investments, and in accordance with the United Kingdom law and United Kingdom Generally Accepted Accounting Practice (UK GAAP) and the Statement of Recommended Practice – 'Financial Statements of Investment Trust Companies' and Venture Capital Trusts (SORP) issued in January 2009 by the Association of Investment Companies.

Note B

The Returns per Ordinary Share have been calculated using a weighted average number of shares in issue of 46,681,926 (30 November 2008 – 47,234,401 shares).

Note C

The total column of this statement is the profit and loss account of the Company.

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

A Statement of Total Recognised Gains and Losses is not required as all gains and losses of the Company have been reflected in the Income Statement.

Included in the cost of investments are transaction costs and stamp duty on purchases which amounted to £165,452 (2008– £297,113) and transaction costs on sales which amounted to £100,385 (2008– £171,446).

Note D

Valuation – As the Company's business is investing in financial assets with a view to profiting from their total return in the form of increases in fair value, financial assets are designated as held at fair value through profit or loss in accordance with FRS 26 'Financial Instruments: Recognition and Measurement'. The Company manages and evaluates the performance of these investments on a fair value basis in accordance with its investment strategy, and information about the investments is provided on this basis to the Board of Directors.

Note E

Dividends on Ordinary Shares

	2009	2008
	£	£
Dividends paid on Ordinary Shares:		
Final – 6.90p paid 27 March 2009 (2008 – 6.30p)	3,225,430	2,980,852
Interim – 4.80p paid 28 August 2009 (2008 – 4.80p)	2,238,399	2,262,553
	<u>5,463,829</u>	<u>5,243,405</u>

The dividend payments above are after adjusting for dividends proposed but not paid due to share buy backs.

Dividends payable at the year end are subject to approval by shareholders at the Annual General Meeting and are not recognised as a liability under FRS 21 'Events After Balance Sheet Date' (see Annual Financial Report – Statement of Accounting Policies). Details of these dividends are set out below.

	2009	2008
	£	£
Dividends paid on Ordinary Shares:		
Final dividend – 7.20p payable 25 March 2010 (2009 – 6.90p)	3,550,398	3,240,586

The proposed final dividend accrued is based on the number of shares in issue at the year end. However, the dividend payable will be based on the numbers of shares in issue on the record date and will reflect any purchases and cancellations of shares by the Company settled subsequent to the year end.

Note F

The financial information for the year ended 30 November 2009 has been extracted from the statutory accounts for that year. The auditor's report on those accounts was unqualified and did not contain a statement under either Section 498(2) or (3) of the Companies Act 2006. The Annual Financial Report has not yet been delivered to the Registrar of Companies.

The financial information for the year ended 30 November 2008 has been extracted from the statutory accounts for that year which have been delivered to the Registrar of Companies. The auditor's report on those accounts was unqualified and did not contain a statement under either Section 237(2) or Section 237(3) of the Companies Act 1985.