



JPMorgan Overseas Investment Trust plc

INTERIM REPORT FOR THE SIX MONTHS ENDED 31ST DECEMBER 2006

Interim Performance

+8.5% Return to shareholders¹

+7.3% Return on net assets²

+7.0% Benchmark return^{3,4}

	31st DEC 2006	30th JUNE 2006	% CHANGE
FINANCIAL DATA			
Total net assets (£'000)	215,767	227,579	-5.2
Number of ordinary shares in issue	33,307,448	36,257,448	
Net asset value per ordinary share with debt at par value	647.8p	627.7p	+3.2
Net asset value per ordinary share with debt at fair value ⁵	647.9p	627.8p	+3.2
Ordinary share price	611.0p	575.0p	+6.3
Discount ⁶			

¹Change in share price with net dividend reinvested. (Source: Standard & Poor's – www.funds-sp.com).

²Change in net asset value per share (bid value and debt at par) with net dividend reinvested. (Source: Fundamental Data Ltd).

³Change in value with net dividends reinvested. (Source: MSCI).

⁴The Company's benchmark is the MSCI World Index in sterling terms. Comparison with the Company's performance is made with this benchmark. The benchmark is a recognised index of stocks which should not be taken as wholly representative of the Company's investment universe. The Company's investment strategy does not track this index and, consequently, there may be some divergence between the Company's performance and that of the stated index.

⁵The fair value of the £200,000 debenture issued by the Company has been calculated with reference to a similar dated gilt, plus a margin. All other debt is included in the accounts at fair value.

⁶Source: Bloomberg.

Chairman's Statement

I am pleased to be able to report that your Company made a good return of 8.5% for shareholders during the six months ending 31st December. The return on net assets was 7.3% which was just ahead of the MSCI World Index return of 7.0%.

The discount control system worked well and maintained the share price at a discount of around 5% to the net asset value per share. This did entail buying in almost 3 million shares for cancellation but remaining shareholders had the benefit of the enhancement to net asset value per share which resulted from buying in shares at a discount.

Our investment manager, Ed Walker, continues to run a high conviction portfolio of about 80 stocks for the Trust. As these stocks are predominantly in overseas companies and only 7.9% in UK companies, the rise in the value of sterling against the US dollar, the euro and the yen during the period did have a detrimental effect upon returns. Nevertheless, a return on net assets of 7.3% over 6 months, following the last two full years when the Company made 17.6% and 11.9%, is a creditable performance.

Our expectation is that the growth in world markets will continue, albeit at a slower rate than in recent times. Corporate profits are still growing and stock valuations relative to earnings are not demanding. Our investment manager endeavours to pick those stocks which will outperform, although we cannot expect him to be right on every occasion. Nevertheless, I do believe that there are grounds for expecting another positive performance by the Company over the remainder of this financial year.

George Paul

Chairman

2nd March 2007

Investment Manager's Report

The second half of 2006 was an eventful period for global equity markets. Following a sharp correction in May and June, markets recovered strongly through to the end of the year. The MSCI World Index returned 7.0% over the 6 months to the end of December in sterling, including dividends. Although a healthy return, the strength of sterling against virtually every major currency significantly reduced returns from overseas markets. Sterling climbed approximately 5% against the US dollar and euro, and over 10% against the Japanese yen. This was primarily due to rising interest rates in the UK as the Bank of England sought to maintain control of rising inflation.

The key driver of the positive movement in global markets was a belief that the United States would maintain a healthy level of growth despite evidence of a rapid slowdown in the housing market. Concerns that a potential knock-on effect would also slow growth in Asia and Europe therefore diminished. Evidence of inflationary pressures was also generally muted, and so expectations for interest rates moderated in the US. A sharp fall in the oil price from August was a significant factor in aiding these trends.

The principal exceptions to this picture included the UK, as indicated above, and Japan. Japan was the only major market that failed to join in the global rally. Concerns that the Bank of Japan might raise interest rates too fast led to concerns that the recovery in that market could be put at risk. It is our strongly held view that this will not be the case as a reform-minded government continues to understand the importance of establishing the health of the economic recovery before taking interest rates to higher levels.

The current environment remains supportive for equities. Despite the fact that equity markets have had very strong rises for almost four years this has been matched by the growth in corporate profits. Valuations of equities therefore look attractive, supported by low bond yields and high levels of liquidity. Furthermore, the outlook for company profits remains promising, although growth levels are unlikely to match recent years. Globalisation has been the key factor in allowing companies to manage costs and continue to grow profits. This remains in place.

With regard to the current high levels of liquidity there is significantly less certainty: abundant liquidity is currently manifesting itself in several ways, including high levels of mergers and acquisitions, the private equity boom and continued growth in asset prices around the world, particularly in property markets. The common factors behind these trends are the ready supplies of cheap borrowing and high levels of investor confidence. Although there are no signs that either of these factors is on the wane, we must remain highly vigilant and ensure the forces that have created the virtuous circle of events today do not reverse and lead to a sharp correction in asset prices around the world.

The portfolio is positioned for constructive equity markets, and has a bias to European and Asian economic growth. There continues to be a greater focus on investment led growth, and relatively little exposure to consumer stocks, particularly in the US.

Ed Walker
Investment Manager

2nd March 2007

Ten Largest Investments

All figures at 31st December 2006

Company	Country	Valuation £,000	% ¹
JPMorgan Emerging Markets Investment Trust	Emerging Markets	5,871	2.7
General Electric	USA	5,034	2.3
Total	France	5,033	2.3
HSBC	Hong Kong	4,509	2.1
Roche	Switzerland	4,374	2.0
Prudential Financial	USA	4,104	1.9
Barclays	UK	4,057	1.9
Unicredito Italiano	Italy	3,816	1.8
Ericsson	Sweden	3,754	1.7
Sumitomo Mitsui Financial	Japan	3,731	1.7
Total		44,283	20.4

¹Based on total assets less current liabilities of £217.6m.

²As at 30th June 2006, the value of the ten largest investments amounted to £47,891,000 representing 20.9% of total assets less current liabilities.

Portfolio Analysis

By Region	at 31st December 2006		at 30th June 2006	
	Portfolio	Benchmark	Portfolio	Benchmark
	%	%	%	%
North America	38.9	52.2	41.3	53.2
Continental Europe	30.0	21.6	27.1	20.3
Japan	12.0	10.8	12.9	11.5
United Kingdom	7.9	11.3	9.3	11.3
Emerging Markets	7.6	—	6.1	—
Developed Asia	2.7	4.1	2.0	3.7
Net current assets ¹	0.9	—	1.3	—
	100.0	100.0	100.0	100.0

Based on total assets less current liabilities of £217.6m (£229.5m as at 30th June 2006).

¹Includes investments in liquidity stocks.

By Sector	at 31st December 2006		at 30th June 2006	
	Portfolio	Benchmark	Portfolio	Benchmark
	%	%	%	%
Financials	32.8	26.5	31.1	25.6
Information technology	14.7	10.4	13.3	10.4
Industrials	11.7	10.7	13.5	10.8
Energy	9.6	9.1	10.1	9.9
Healthcare	9.1	9.2	9.5	9.6
Consumer staples	8.3	8.0	6.8	8.0
Materials	6.0	5.6	5.5	6.1
Consumer discretionary	4.9	11.5	7.3	11.3
Telecommunication services	1.1	4.5	—	4.2
Utilities	0.9	4.5	1.6	4.1
Net current assets ¹	0.9	—	1.3	—
	100.0	100.0	100.0	100.0

Based on total assets less current liabilities of £217.6m (£229.5m as at 30th June 2006).

¹Includes investments in liquidity stocks.

Income Statement

for the six months ended 31st December 2006

	(Unaudited) Six months ended 31st December 2006			(Unaudited) Six months ended 31st December 2005			(Audited) Year ended 30th June 2006		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains from investments held at fair value through profit or loss	—	9,645	9,645	—	62,939	62,939	—	69,765	69,765
Income from investments	1,537	—	1,537	3,067	—	3,067	6,982	—	6,982
Other interest receivable and similar income	58	—	58	172	—	172	422	—	422
Gross return	1,595	9,645	11,240	3,239	62,939	66,178	7,404	69,765	77,169
Management fee	(225)	(225)	(450)	(406)	(406)	(812)	(755)	(755)	(1,510)
Performance fee	—	(734)	(734)	—	(1,726)	(1,726)	—	(2,147)	(2,147)
Other administrative expenses	(213)	—	(213)	(250)	—	(250)	(525)	—	(525)
Net return on ordinary activities before finance costs and taxation	1,157	8,686	9,843	2,583	60,807	63,390	6,124	66,863	72,987
Finance costs	(4)	(4)	(8)	(15)	(15)	(30)	(28)	(27)	(55)
Net return on ordinary activities before taxation	1,153	8,682	9,835	2,568	60,792	63,360	6,096	66,836	72,932
Taxation	(142)	—	(142)	(275)	—	(275)	(639)	—	(639)
Net return on ordinary activities after taxation	1,011	8,682	9,693	2,293	60,792	63,085	5,457	66,836	72,293
Return per ordinary share (note 2)	2.93p	25.17p	28.10p	3.29p	87.16p	90.45p	8.88p	108.75p	117.63p

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

The total column of this statement is the profit and loss account of the Company and the revenue and capital columns represent supplementary information. The total column represents all the information that is required to be disclosed in a 'Statement of Total Recognised Gains and Losses' ('STRGL'). For this reason a STRGL has not been presented.

Reconciliation of Movements in Shareholders' Funds

for the six months ended 31st December 2006

(Unaudited)

	Called up Share Capital £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
At 30th June 2005	17,435	16,510	323,878	18,030	375,853
Adjustment to opening shareholders' funds at 1st July 2005 to reflect the adoption of bid prices	—	—	(301)	—	(301)
Shares bought back and cancelled	(8,371)	8,371	(214,720)	—	(214,720)
Total return from ordinary activities	—	—	66,836	5,457	72,293
Dividends appropriated in the year	—	—	—	(5,546)	(5,546)
At 30th June 2006	9,064	24,881	175,693	17,941	227,579
Shares bought back and cancelled	(737)	737	(17,309)	—	(17,309)
Total return from ordinary activities	—	—	8,687	1,011	9,698
Dividends appropriated in the period	—	—	—	(4,201)	(4,201)
At 31st December 2006	8,327	25,618	167,071	14,751	215,767

Balance Sheet

as at 31st December 2006

	(Unaudited) 31st December 2006 £'000	(Unaudited) 31st December 2005 £'000	(Audited) 30th June 2006 £'000
Fixed assets			
Investments at fair value through profit or loss	217,256	426,081	226,520
Current assets			
Debtors	2,198	703	716
Cash and short term deposits	59	8,802	3,743
	2,257	9,505	4,459
Creditors: amounts falling due within one year	(1,885)	(638)	(1,483)
Net current assets	372	8,867	2,976
Total assets less current liabilities	217,628	434,948	229,496
Creditors: amounts falling due after more than one year	(200)	(200)	(278)
Provision for liabilities and charges	(1,661)	(1,393)	(1,639)
Total net assets	215,767	433,355	227,579
Capital and reserves			
Called up share capital	8,327	17,435	9,064
Capital redemption reserve	25,618	16,510	24,881
Capital reserve	167,071	384,670	175,693
Revenue reserve	14,751	14,740	17,941
Shareholders' funds	215,767	433,355	227,579
Net asset value per share (note 3)	647.8p	621.4p	627.7p

Cash Flow Statement

for the six months ended 31st December 2006

	(Unaudited) Six months ended 31st December 2006 £'000	(Unaudited) Six months ended 31st December 2005 £'000	(Audited) Year ended 30th June 2006 £'000
Net cash inflow from operating activities	191	1,241	4,213
Net cash outflow from returns on investments and servicing of finance	(9)	(30)	(55)
Tax recovered	5	5	42
Net cash inflow from capital expenditure and financial investment	17,971	2,132	208,327
Dividends paid	(4,201)	(5,583)	(5,546)
Net cash outflow from financing	(17,626)	—	(214,277)
Decrease in cash for the period	(3,669)	(2,235)	(7,296)

Notes to the Accounts

1. Accounting Policies

The accounts have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice ('UK GAAP') and with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies' dated 31st December 2005.

All of the Company's operations are of a continuing nature.

The accounting policies applied to these interim accounts are consistent with those applied in the accounts for the year ended 30th June 2006.

2. Return per share

	(Unaudited) Six months ended 31st December 2006 £'000	(Unaudited) Six months ended 31st December 2005 £'000	(Audited) Year ended 30th June 2006 £'000
Return per share is based on the following:			
Revenue return	1,011	2,293	5,457
Capital return	8,682	60,792	66,836
Total return	9,693	63,085	72,293
Weighted average number of shares in issue			
	34,497,563	69,742,065	61,455,911
Revenue return per share	2.93p	3.29p	8.88p
Capital return per share	25.17p	87.16p	108.75p
Total return per share	28.10p	90.45p	117.63p

3. Net asset value per share

Net asset value per share is calculated by dividing the funds attributable to ordinary shareholders by the number of ordinary shares in issue at 31st December 2006 of 33,307,448 (31st December 2005: 69,742,065 and 30th June 2006: 36,257,448).

4. Accounts for the year ended 30th June 2006

The figures and financial information for the year ended 30th June 2006 are extracted from the latest published accounts of the Company and do not constitute statutory accounts for that year. Those accounts have been delivered to the Registrar of Companies and included the report of the auditors which was unqualified and did not contain a statement under either section 237(2) or 237(3) of the Companies Act 1985.

Information about the Company

Financial Calendar

Financial year end	30th June
Interim results announced	February
Final results announced	October
Final dividend payment on ordinary shares	December
Interest payments on 4.5% perpetual debenture stock	1st January, 1st July
Annual General Meeting	November

History

The Company was formed in 1887. The Company was a general investment trust until 1982, when it adopted its current objective. The current name was adopted in 2006.

The Company is managed by JPMorgan Asset Management (UK) Limited, and the present named investment manager, Ed Walker, is responsible for the portfolio.

Directors

George Paul (*Chairman*)
Richard Barfield
Simon Davies
Geoffrey Howe
John Rennocks

Company Numbers

Company registration number: 24299
Stock Exchange SEDOL Number: 0914327
Bloomberg Code: JMO LN
Reuters Code: JMO.L

Market Information

The Company's net asset value ('NAV') is published daily, via the London Stock Exchange. The Company's ordinary shares are listed on the London Stock Exchange and the New Zealand Stock Exchange. The market price of the ordinary shares is shown daily in The Daily Telegraph, Financial Times, The Guardian, The Independent, The Herald, New Zealand Herald, The Scotsman, on BBC Ceefax, and on the Company's website at www.jpmoveerseas.com, where the share price is updated every fifteen minutes during trading hours.

Share transactions

The Company's shares may be dealt in directly through a stockbroker or professional adviser acting on an investor's behalf. They may also be purchased and held through the JPMorgan Investment Trust Share Plan, Individual Savings Account (ISA) and Personal Equity Plan (PEP).

Manager and Secretary

JPMorgan Asset Management (UK) Limited

Company's Registered Office

Finsbury Dials,
20 Finsbury Street,
London EC2Y 9AQ
Telephone number: 020 7742 6000

For Company secretarial and administrative matters, please contact Philip Jones FCIS.

UK Registrars

Lloyds TSB Registrars, Reference 1103,
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Tel: 0870 600 3984

Notifications of changes of address and enquiries regarding certificates or dividend cheques should be made in writing to the Registrar quoting reference 1103.

Registered shareholders can obtain further details on individual holdings on the internet by visiting www.shareview.co.uk

New Zealand Registrars

Computershare Investor Services Limited
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Telephone 09 522 0022

Notifications of changes of address and enquiries regarding certificates or dividend cheques should be made in writing to the Registrars.

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