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loose	Form of Proxy

Majedie Investments PLC is a self-managed investment trust with total portfolio assets under management of over £270 million as at 30 September 2007.

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

Our **Benchmark** is 70% FTSE All-Share Index and 30% FTSE World ex UK Index (Sterling) on a total return basis.

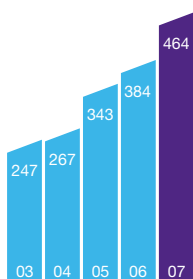
Highlights for 2007

Total shareholder return:	25.2%
Net asset value total return:	23.1%
Benchmark total return:	12.6%
Special dividend (per share):	4.5p
Final dividend (per share):	6.2p
Total dividends (per share):	14.5p
Total dividend increase on 2006:	52.6%
Directors' valuation of investment in Majedie Asset Management Limited not included in NAV (per share):	26.4p

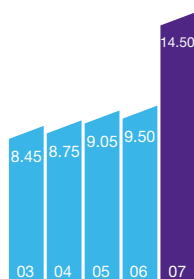
Group Summary

Total assets*	£273.4m	
Shareholders' funds	£239.6m	
Market capitalisation	£213.2m	
Capital structure	10p ordinary shares	52,528,000
	Debt	£13.5m 9.5% debenture stock 2020 £20.7m 7.25% debenture stock 2025
Management fee	The trust is self-managed and accordingly does not pay a fee to third party fund managers.	
ISA status	Up to £7,000 in each tax year until 2010.	
PEP status	The Company's policy is to hold at least one half of its investments by value in the ordinary shares of UK and other EU companies thus qualifying fully as an investment trust for Personal Equity Plan purposes.	

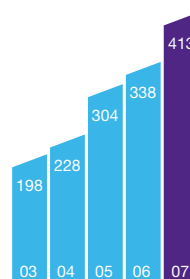
Recent Trends



Net asset value per share (pence) increased by 20.9% in the year*



Dividends (pence) have increased for the eighteenth year, this year by 52.6% largely as the result of the payment of a special dividend



Share price (pence) has increased by 22.2% during the year

* Represents total assets less current liabilities as at 30 September 2007.

Year's Summary

Financial*	2007	2006	%
as at 30 September			
Total assets less current liabilities	£273.4m	£232.9m	17.4
Shareholders' funds	£239.6m	£199.2m	20.3
Net asset value per share	464.4p	384.0p	20.9
Share price	413.3p	338.3p	22.2
Discount to net assets (debt at par value)	11.0%	11.9%	
Discount to net assets (debt at fair value)	7.9%	8.0%	
Revenue return before tax	£8.2m	£9.3m	(11.8)
Earnings per share	15.6p	13.1p	19.1
Core dividends per share**	10.0p	9.5p	5.3
Total dividends per share**	14.5p	9.5p	52.6
Group costs (administrative expenses)	£2.9m	£9.0m	(67.8)
Company costs (administrative expenses)	£2.9m	£2.5m	15.0
Company costs/average Company net assets	1.3%	1.3%	
Company costs/average Company total assets	1.1%	1.1%	
Maximum potential gearing	14.1%	17.0%	

* Financial information is disclosed in respect of the consolidated accounts unless otherwise stated.

**Dividends per share represent dividends that relate to the Company's financial year. However under IFRS dividends are not accrued until paid or approved.

Year's high/low		2007	2006
Share price	high	483.2p	383.8p
	low	333.0p	266.0p
Net asset value	high	502.7p	419.7p
	low	377.0p	305.4p
Discount (debt at par)	high	14.7%	15.4%
	low	2.5%	7.7%
Discount (debt at fair value)	high	10.2%	11.4%
	low	(1.3%)*	2.8%

* Premium

Performance	2007	2006
year ended 30 September		
Investment portfolio return (total assets)†	20.5%	12.9%
Net asset value total return	23.1%	15.0%
Total shareholder return	25.2%	14.6%
Benchmark total return†	12.6%	13.0%

† Source: The WM Company

Chairman's Statement

I am delighted to report that during the 2007 financial year there has been a significant increase in the net asset value of the Company of over £40m to £239.6m. About one half of this increase relates to a general rise in stock markets, the other half has been generated through much hard work by Gill Leates and her investment team. Furthermore total dividends of £5.1m have been paid during the year.

The net asset value total return for the year was 23.1% compared with 12.6% for the benchmark – a substantial outperformance of 10.5%. It is always a challenge to beat the benchmark, and this year's result represents a particularly commendable achievement in light of the considerable recent market turmoil. This investment return excludes the increase in the valuation of our investment in Majedie Asset Management Limited.

This success with the portfolio has driven growth in the share price which has increased by 22.2% during the year generating total shareholder return of 25.2% exactly doubling the benchmark return of 12.6% graphically represented below.

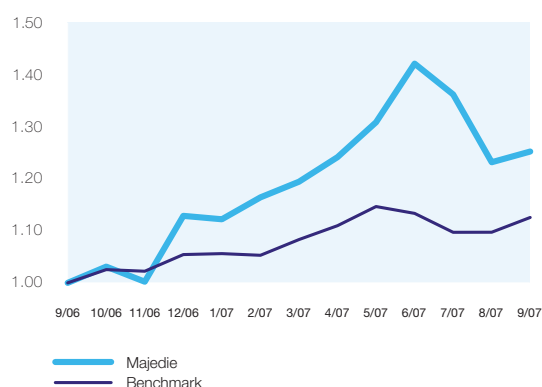
There is a saying that stock markets climb a 'wall of worry' and indeed there are currently global and local factors giving cause for concern. However it is important to be able to look through short term market volatility and hold to a clear course to achieve growth over the longer term. Much of the research and investment analysis, which has delivered the strong performance this year, was carried out over the last three years or so. It is thought that this valuable work will continue to yield good gains in the future combining with new investment opportunities which are continually being evaluated and implemented.

The overall investment strategy has been consistent over the last few years. One key aspect has involved identifying companies where the underlying business is driven by one or more of the following: strong management, intellectual property rights, the successful

development of resource assets or the innovative implementation of new technologies. Such companies are less vulnerable to outside economic and general stock market factors.

For the last couple of years the group net return before tax has been particularly buoyant due to the impact of Majedie Asset Management. This year's net return before tax was £8.2m and a bar chart opposite illustrates the comparison with earlier years. This year's income includes £3.8m of special dividends from Majedie Asset Management and accordingly the Board is recommending an additional special dividend of 4.5p per share be included with this year's final dividend. A normal core final dividend of 6.2p per share is proposed and, when combined with the interim of 3.8p, the core total dividend of 10p per share represents an increase of 5.3% over last year's dividend of 9.5p. The Majedie dividend has been increased by more than the rate of inflation in each of the last eighteen years and a diagram opposite shows the increases over the last ten years in comparison with the Retail Prices Index.

TOTAL SHAREHOLDER RETURN V BENCHMARK
YEAR TO 30 SEPTEMBER 2007 (REBASED)



The Board will consider next year whether a second special dividend should be paid, taking into account the incidence and extent of the fourth and final instalment of the special dividends from MAM. Thereafter the Majedie distributions will revert to the normal level of the past.

As shown in the Chief Executive's Statement on page 7 the increase in Company costs since last year arises from an increase in bonuses and an increased charge for the Long Term Incentive Plan. This is appropriate in light of the strong progress achieved over the last few years with investment performance and with our investment in MAM. Thereafter the Majedie distributions will revert to the normal level of the past.

The AGM will be held at 11.30am on 16 January 2008 at a new venue at the Watermen's Hall in London. Details are set out on page 69. I do hope you will come and meet the Board. There will be brief presentations from the executive directors and an opportunity to ask questions.

The main global trends are continuing including slowing growth in the developed economies partly linked to the US housing market, reducing interest rates and a weakening US dollar. China and India in particular are likely to continue to contribute significantly to global demand. However the ongoing repercussions of the sub-prime crisis and the threat of inflation are complicating policy decisions for central banks.

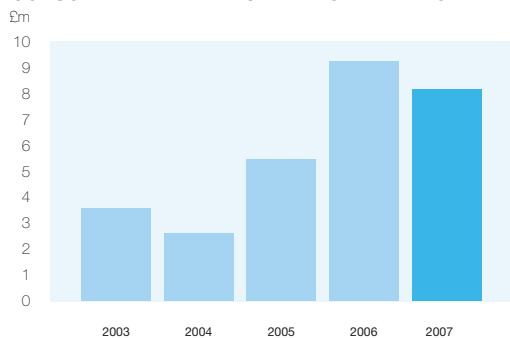
Much effort and application on the part of the investment team has resulted in superb investment performance. I would like to thank all staff for their contributions to this achievement. I am also very grateful to my fellow directors for their considerable dedication and support over the last twelve months.



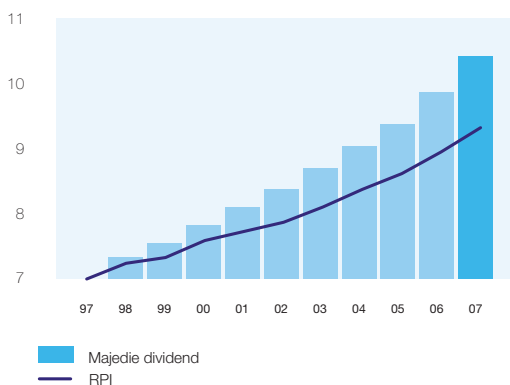
Henry S Barlow Chairman

23 November 2007

CONSOLIDATED NET RETURN BEFORE TAXATION



GROWTH IN CORE MAJEDIE DIVIDENDS COMPARED WITH INCREASE IN RETAIL PRICES INDEX BOTH REBASED TO 1997 (PENNY PER SHARE)



Chief Executive's Statement

This year's significant investment performance has further strengthened the three year record for both net asset value (NAV) total return and total shareholder return as shown in the graphs below. Against the three year benchmark return of 58.2%, the NAV total return was 84.2% and the total shareholder return was 98.4%.

During the year we have again benefited from the gearing from our long term debentures which have contributed about 1.4% to our net asset value total return and over the last three years have added more than 5% after taking into account the payment of interest. An attribution analysis of this year's performance and a summary of the underlying investment performance over the last eight years is provided in the Business Review on page 20. This strong performance excludes the growth in the value of our investment in Majedie Asset Management Limited over the period – see below.

Majedie Asset Management

The MAM business has continued to grow during the year with assets under management increasing from £3.7bn to circa £4.5bn. Our 30% investment has been valued in the Company balance sheet by the Board at £16.2m plus a special dividend receivable of £2.1m. The £16.2m reflects a 41% increase from last year's value of £11.5m and due to accounting rules is not included in the Consolidated balance sheet nor in the weekly announced net asset value which merely includes £2.6m being our investment in associate – see Note 15 on page 57.

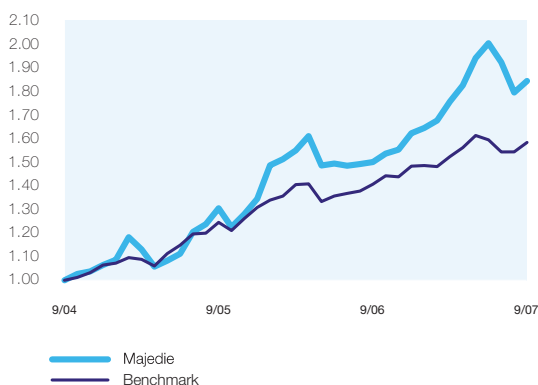
If the investment was fully reflected in our net asset value, it would result in an uplift of 26.4p per share on 464.4p per share at 30 September 2007 – an increase of 5.7%.

Income

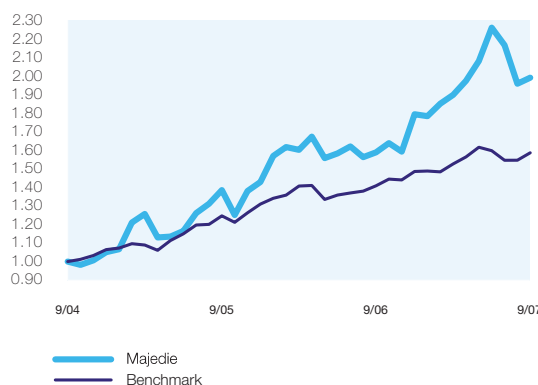
This year's income includes the second and third instalments of four special dividends receivable from MAM totalling £3.8m. The Chairman has already referred to the proposed payment of a special Majedie Investments dividend of 4.5p per share and this will be in addition to a proposed core final dividend of 6.2p. The diagram opposite provides a breakdown of the intended distributions for this year and how they compare with those for 2006. Both the interim dividend of 3.8p per share and the core final dividend of 6.2p have been increased compared with last year.

Over the next couple of years total income is likely to reduce as dividends from MAM are paid at a normal level.

NAV TOTAL RETURN V BENCHMARK
3 YEARS TO 30 SEPTEMBER 2007 (REBASED)



TOTAL SHAREHOLDER RETURN V BENCHMARK
3 YEARS TO 30 SEPTEMBER 2007 (REBASED)



Costs

The consolidated costs for the Group have reduced from £9.0m to £2.9m due to MAM no longer being consolidated since it ceased to be a subsidiary in 2006. Company costs have increased by 15% compared with 2006 due to increases in bonuses and the charge for share incentives as summarised in the table below. Other core costs have remained static. The Company's total expense ratio of 1.3% compares with the investment trust sector average of 1.4%.

The increase in bonuses relates to the strong investment performance achieved during the year and payment of the exceptional MAM-related bonuses approved at last year's AGM. For the first time last year, as required by International Financial Reporting Standards, the Company included a charge against income in relation to share-based incentive awards made to executive directors and senior employees. For the next few years this charge is likely to increase as the 2006 Long Term Incentive Plan becomes fully implemented. The plan includes incentive awards which vest over 3 and 5 year periods. For further information see the Report on Directors' Remuneration on pages 25 to 29 and Note 26 on pages 62 to 64.

Listing Rules

New Listing Rule requirements were introduced with effect from 28 September 2007 requiring investment companies to publish in the annual report the full text of their investment policy and a statement explaining how investment risk has been spread in accordance with the published investment policy. In common with a number of other investment trusts reporting at this time we have sought and received a temporary waiver of these requirements from the Financial Services Authority allowing us to publish our investment policy and an explanation of the spread of investment risk for the first time in our interim report next year or beforehand if we are able to do so. In the meantime the Business Review on pages 17 – 21 includes information about various aspects of the investment trust including investment matters.

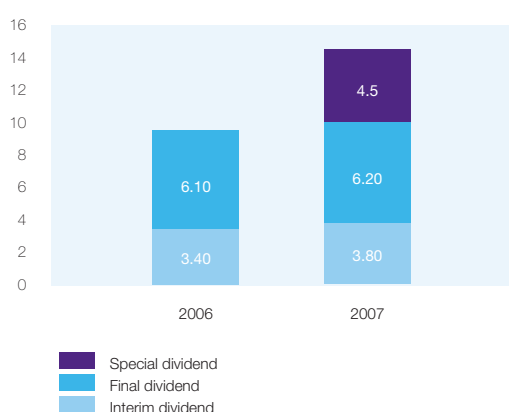
Business Development

The investment management sector is undergoing rapid change. However we continue to seek business development opportunities which involve significant fund management skill with a proven track record and a simple, scalable business model. This should ultimately contribute to our overall objective of generating superior returns for shareholders.

Robert E Clarke Chief Executive

23 November 2007

COMPARISON OF MAJEDIE DIVIDENDS: 2006 & 2007
(PENCE PER SHARE)



ANALYSIS OF COMPANY COSTS

	2007 £'000	2006 £'000
Core costs	2,225	2,222
Bonuses	454	190
Charge for share-based payments	177	72
Total	2,856	2,484

2007 has been a year of great challenges in the global markets, culminating in the turmoil caused by the US sub-prime crisis. Despite this the fund has achieved a strong NAV total return of 23.1%.

Performance

Majedie's net asset value total return outperformed the benchmark by 10.5%, rising by 23.1% compared to the benchmark increase of 12.6%. This relates to a £40m increase in the portfolio value and a £20m increase over and above the benchmark, plus £5.1m of dividends paid during the year.

The outperformance was broadly spread with both the UK and overseas portfolios strongly ahead of their respective benchmarks of the FTSE All-Share Index and the FTSE World ex UK Index. The investment policy followed during the year included the full deployment of gearing resulting in an enhancement to performance of 1.4% to 23.1%.

UK investments represented 76% of the portfolio and rose 23.9% against the FTSE All-Share Index rise of 13.3%. This strong performance was driven by the investments in the small and mid-cap companies in the portfolio. Sectors which outperformed were resources, general industrials, engineering, tobacco, media, non-life and life insurance, pharmaceuticals, general financials and technology hardware.

In North America, which represents about 10.9% of the portfolio, the return was 13.5% against 8.3% from the benchmark, an outperformance of 5.2%. This was mainly produced from large investments in the oil and mining sectors.

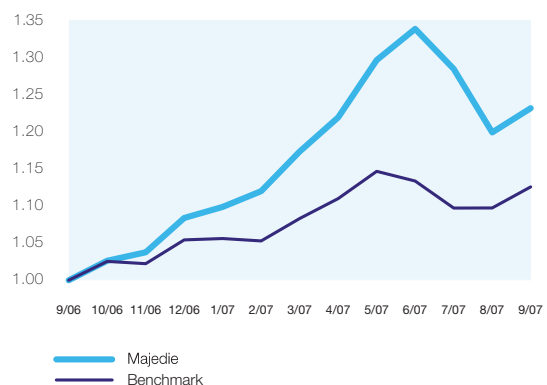
Europe was the only geographic area which performed below the benchmark, but this was outweighed by strong performance elsewhere. Particular areas of outperformance were Australia and South Africa through a number of mining companies.

Strategy

As set out in the report and accounts for the last two years, the strategy has been to focus the portfolio on sectors which have long term macro factors in their favour. An example is the natural resources sector where the strong growth in China and India will continue to drive fundamental demand for many years to come. In particular remaining overweight in companies which have greater control of their destinies, through a combination of long term contracts, intellectual property superiority through technology and patents, or resource companies which can considerably enhance their asset values through successful drilling programmes.

Geographically the portfolio is overweight the UK, Asia ex-Japan, Canada and underweight US, Europe and Japan. This geographic distribution has been in place for some time, particularly underweighting the US due to our view that the dollar would continue to weaken.

NAV TOTAL RETURN V BENCHMARK
YEAR TO 30 SEPTEMBER 2007 (REBASED)



The portfolio continues to be structured in anticipation of future interest rate cuts, which are now emerging. Although these have been catalysed by the sub-prime crisis, rather than the anticipated slowing of the US economy, the effects should still be beneficial to the portfolio.

The global banking system has been severely tested by the sub-prime problem. However, in order to avoid contagion of this crisis, the US and other governmental authorities around the world have brought in measures in partnership with the banks and other financial institutions.

Base metals and oil prices have continued to rise through the year driven by the continued expansion of demand from the world's developing economies, notably China and India. Together they account for 12% of global consumption of oil compared to 7-8% ten years ago. According to International Energy Agency estimates, increases in global supply are unable to match the pace of global demand increases.

The UK's overweighting in the portfolio is due to this market's higher yield, its greater exposure to international businesses, sterling being the reporting currency and the steady decline of the dollar over the last five years. The prospect of declining interest rates in the US and a weakening economy mean that the dollar could decline further. The high yields of both utilities and banks, where the fund is overweight, offer both income and defensive qualities in a difficult market. The UK also offers international diversification with over 60% of UK earnings being derived from overseas assets.

Outlook

After the sub-prime crisis consensus forecasts for global GDP growth have been reduced to 2-2.5% in 2008. Within these figures the developed world is expected to grow at 2.0%, whilst in Asia Pacific ex-Japan the forecast is 3.5-4%. However, China and India are still forecast to continue to grow at over 8%. China's economy is now as big as that of the UK, and the combined effect of China and India is a new positive balancing item in the world economy.

Markets worldwide responded very strongly to the cut in rates by the Federal Reserve in September 2007. Investors perceive that the monetary cycle has turned and more cuts are expected in the US. In the UK there is now even discussion that rates may be cut later in the year or early in 2008. In the EU the European Central Bank (ECB) has held rates and discussion is now about whether the ECB will have to cut rates in the future. In Japan the Bank of Japan did not raise rates over the summer and looks unlikely to do so because economic activity is slowing.

Inflation remains benign giving a reasonable background for a further reduction in rates. Retail sales in the US fell over the summer, but US industrial production was up. In addition banks worldwide are now rushing to quantify their exposures to these sub-prime loans and provide for them so that their balance sheets are cleared for the New Year. Against this general background and with the prospect of further monetary easing by the major central banks, it is reasonable to expect that economic growth will be stimulated to prevent a major downturn and therefore provide a reasonable backdrop for world stockmarkets.

Gillian M Leates Investment Director
23 November 2007

Asset Distribution

at 30 September 2007

Classification of Assets	United Kingdom %	North America %	Continental Europe %	Pacific Basin %	Total 2007 %	Total 2006 %
Oil & Gas Producers	5.0	1.3	0.4	2.4	9.1	12.8
Oil Equipment & Services	1.8				1.8	1.6
Oil & Gas	6.8	1.3	0.4	2.4	10.9	14.4
Chemicals	1.4		0.1		1.5	1.7
Industrial Metals	6.0			2.1	8.1	6.5
Mining	6.8	1.0		2.1	9.9	5.5
Basic Materials	14.2	1.0	0.1	4.2	19.5	13.7
Construction & Materials	0.7	0.1		0.1	0.9	0.9
Aerospace & Defence	3.3	0.2			3.5	2.8
General Industrials	3.9				3.9	1.2
Electronic & Electrical Equipment	0.4		0.5		0.9	0.6
Industrial Engineering	0.7				0.7	1.3
Industrial Transportation	0.3			0.1	0.4	0.7
Support Services	1.3		0.2		1.5	1.2
Industrials	10.6	0.3	0.7	0.2	11.8	8.7
Automobiles & Parts		0.2			0.2	0.3
Beverages	0.3				0.3	1.4
Food Producers		0.1			0.1	
Household Goods	1.0				1.0	2.5
Tobacco	0.7	0.2			0.9	0.8
Consumer Goods	2.0	0.5			2.5	5.0
Health Care, Equipment & Services		0.5			0.5	
Pharmaceuticals & Biotechnology	2.6	0.1			2.7	3.1
Health Care	2.6	0.6			3.2	3.1
Food & Drug Retailers	0.9				0.9	1.4
General Retailers	0.6				0.6	2.1
Media	0.3	0.1			0.4	3.8
Travel & Leisure	2.4				2.4	2.4
Consumer Services	4.2	0.1			4.3	9.7
Fixed Line Telecommunications	1.6				1.6	0.7
Mobile Telecommunications	2.4				2.4	1.1
Telecommunications	4.0				4.0	1.8
Electricity	1.0		0.2	0.1	1.3	0.8
Gas, Water & Multi Utilities	3.3				3.3	3.3
Utilities	4.3		0.2	0.1	4.6	4.1
Banks	11.3		0.5	0.4	12.2	15.0
Non Life Insurance	0.3				0.3	0.2
Life Insurance	1.9				1.9	2.0
Real Estate	2.1			0.1	2.2	2.9
General Financial	3.7				3.7	5.1
Equity Investment Instruments	3.3			0.6	3.9	7.6
Financials	22.6		0.5	1.1	24.2	32.8
Software & Computer Services	1.8	4.9		0.7	7.4	2.0
Technology & Hardware Equipment	0.4				0.4	
Technology	2.2	4.9		0.7	7.8	2.0
Unlisted Investments	2.4	2.2			4.6	3.3
Total Equities	75.9	10.9	1.9	8.7	97.4	98.6
Convertibles						0.2
Total Non-current Assets	75.9	10.9	1.9	8.7	97.4	98.8
Cash	2.6				2.6	1.2
% Total at 30 September 2007	78.5	10.9	1.9	8.7	100.0	100.0

The Fund analysed on pages 12 and 13 comprises the fixed asset investments of £262,153,000 and cash (as adjusted for amounts due to/from brokers for settlement) of £7,016,000.

Unlisted investments comprise an amount of £12,340,000 invested in placings for 18 separate companies which were expected to become listed securities after 30 September 2007. Suspended stocks have been analysed in their listed sectors.

Twenty Largest UK Investments

at 30 September 2007

Company	Market Value £000	% of Fund
First Quantum	15,564	5.8
Accsys Technologies	8,399	3.1
HSBC	7,960	3.0
Barclays	7,557	2.8
United Utilities	6,875	2.6
Majedie Asset Management UK Opportunities	6,171	2.3
Lloyds TSB	5,517	2.0
Royal Bank of Scotland	5,194	1.9
Vodafone	4,739	1.8
BT	4,390	1.6
Royal Dutch Shell 'B'	3,687	1.4
London Capital	2,970	1.1
BP	2,962	1.1
BAE Systems	2,891	1.1
Rolls Royce	2,780	1.0
Medicsight	2,770	1.0
GlaxoSmithKline	2,717	1.0
Enterprise Inns	2,690	1.0
BHP Billiton	2,625	1.0
Hunting	2,581	1.0
	<hr/> 101,039	<hr/> 37.6

Ten Largest Overseas Investments

at 30 September 2007

Company	Market Value £000	% of Fund
Phorm (USA)	13,003	4.8
MEO Australia (Australia)	6,199	2.3
International Ferro Metals (South Africa)	4,309	1.6
Mintails (Australia)	2,711	1.0
Oilexco (Canada)	2,573	1.0
Petaquilla Copper (Canada)	2,470	0.9
Eservglobal (Australia)	1,878	0.7
Rock Well Petroleum (USA)	1,473	0.5
AOI Medical (USA)	1,321	0.5
Mantra Resources (Australia)	1,270	0.5
	<hr/> 37,207	<hr/> 13.8

Valuation of Investments

Holdings valued over £100,000 at 30 September 2007

Company	Market Value £000	% of Fund
Oil & Gas		
Oil & Gas Producers		
Antrim Energy (Canada)	449	0.2
Ascent Resources	2,212	0.8
BP	2,962	1.1
Concorde Oil & Gas	800	0.3
Interoil (Canada)	404	0.2
JKX Oil & Gas	1,018	0.4
MEO Australia (Australia)	6,199	2.3
Oilex (Australia)	306	0.1
Oilexco (Canada)	2,573	1.0
Petrohunter Energy (USA)	187	0.1
Providence Resources (Ireland)	1,192	0.4
Roxi Petroleum	691	0.3
Royal Dutch Shell 'B'	3,687	1.4
Sibir Energy	639	0.2
Timan Oil & Gas	460	0.2
Xtract Energy	978	0.4
Oil Equipment & Services		
Corac Group	1,128	0.4
Baltic Oil Terminals	435	0.2
Hunting	2,581	1.0
Lamprell	672	0.2
Basic Materials		
Chemicals		
Bayer (Germany)	258	0.1
Greenhouse Fund	750	0.3
Hydrodec	1,530	0.6
Plant Impact	504	0.2
Plantic Technologies	452	0.2
Virotec International	455	0.2
Industrial Metals		
African Copper	455	0.2
Bannerman Resources (Australia)	1,135	0.4
First Quantum	15,564	5.8
International Ferro Metals (South Africa)	4,309	1.6
Paladin Resources (Australia)	340	0.1
Mining		
Albidon	1,300	0.5
Anatolia Minerals (Canada)	335	0.1
Anvil Mining (Canada)	341	0.1
Aricom	857	0.3
BHP Billiton	2,625	1.0

Company	Market Value £000	% of Fund
Black Range Minerals (Australia)	239	0.1
Canadian Royalties (Canada)	232	0.1
Cape Diamonds	136	0.1
Coal International	464	0.2
Condor Resources	550	0.2
Detour Gold (Canada)	416	0.2
Diamondcorp	612	0.2
Dwyka Resources (Australia)	434	0.2
Gladstone Pacific (Australia)	690	0.3
Kalahari Minerals	220	0.1
Kirkland Lake (Canada)	811	0.3
Mantra Resources (Australia)	1,270	0.5
Metals Exploration	1,777	0.7
Mintails (Australia)	2,711	1.0
Mwana Africa	795	0.3
Nautilus Minerals (Canada)	692	0.3
Pangea Diamondfields	434	0.2
Petra Diamonds	610	0.2
Rusina Mining	233	0.1
Serabi Mining	355	0.1
Strike Resources (Australia)	336	0.1
Talvivaara Mining	457	0.2
Templar Minerals	600	0.2
Toledo Mining	2,215	0.8
Xstrata	952	0.4
Zeehan Zinc	483	0.2
Zincor Resources	2,557	0.9
Industrials		
Construction & Materials		
Ashley House	1,074	0.4
Balfour Beatty	475	0.2
Pan Pacific (Canada)	137	0.1
Rok	227	0.1
Siam City Cement (Thailand)	198	0.1
Aerospace & Defence		
Aero Inventory	375	0.1
Allen Vanguard (Canada)	633	0.2
Babcock International	561	0.2
BAE Systems	2,891	1.1
Meggitt	671	0.2
Rolls Royce	2,780	1.0
VT Group	1,492	0.6

Company	Market Value £000	% of Fund
General Industrials		
Accsys Technologies	8,399	3.1
Cookson	839	0.3
Nviro Cleantech	1,000	0.4
Sabien Technology	185	0.1
Electronic & Electrical Equipment		
ACTA Spa (Italy)	1,215	0.5
KSK Power	1,145	0.4
Schneider Electric (France)	262	0.1
Industrial Engineering		
Charter	1,585	0.6
Severfield-Rowen	421	0.2
Industrial Transportation		
Airports Of Thailand (Thailand)	209	0.1
Lonrho Africa	697	0.3
Support Services		
Brulines (Holdings)	396	0.1
EAG	404	0.2
Experian Group	643	0.2
Polymer Logistics (Netherlands)	427	0.2
SDI Group	289	0.1
Serco Group	477	0.2
Waterman Group	330	0.1
Wolseley	661	0.2
WSP	354	0.1
Consumer Goods		
Automobiles & Parts		
Azure Dynamics (Canada)	506	0.2
Beverages		
Scottish & Newcastle	859	0.3
Food Producers		
Kraft Foods (USA)	225	0.1
Household Goods		
Barratt Developments	718	0.3
Bellway	876	0.3
Bovis Homes	1,112	0.4
Tobacco		
Altria Group (USA)	655	0.2
British American Tobacco	631	0.2
Imperial Tobacco	1,120	0.4

Company	Market Value £000	% of Fund
Health Care		
Health Care, Equipment & Services		
AOI Medical (USA)	1,321	0.5
Pharmaceuticals & Biotechnology		
Alliance Pharma	231	0.1
GlaxoSmithKline	2,717	1.0
Medicsight	2,770	1.0
Nanoscience	956	0.4
Napo Pharma	295	0.1
Northwest Biothera (USA)	259	0.1
Sexual Health	150	0.1
Consumer Services		
Food & Drug Retailers		
Sainsbury (J)	543	0.2
Tesco	1,871	0.7
General Retailers		
Carphone Warehouse	1,045	0.4
Findel	554	0.2
Media		
Jump TV (Canada)	450	0.2
YouGov	774	0.3
Travel & Leisure		
Clapham House	398	0.1
Domino's Pizza	343	0.1
Enterprise Inns	2,690	1.0
Millennium & Copthorne Hotels	480	0.2
Punch Taverns	730	0.3
Restaurant Group	833	0.3
Whitbread	1,109	0.4
Telecommunications		
Fixed Line Telecommunications		
BT	4,390	1.6
Mobile Telecommunications		
Broca	1,635	0.6
Vodafone	4,739	1.8
Utilities		
Electricity		
Electricity Generating (Thailand)	181	0.1
International Power	1,277	0.5
Red Electrica (Spain)	532	0.2
Renewable Power	338	0.1
Scottish & Southern Energy	1,164	0.4

Company	Market Value £000	% of Fund
Gas, Water & Multi Utilities		
National Grid	667	0.2
Northumbrian Water	1,261	0.5
United Utilities	6,875	2.6
Financials		
Banks		
Alliance & Leicester	1,917	0.7
Bangkok Bank (Thailand)	243	0.1
Bank of Piraeus (Greece)	774	0.3
Barclays	7,557	2.8
BBVA (Spain)	264	0.1
Credit Suisse (Switzerland)	269	0.1
HSBC	7,960	3.0
Kasikornbank (Thailand)	257	0.1
Krung Thai Bank (Thailand)	249	0.1
Lloyds TSB	5,517	2.0
Royal Bank of Scotland	5,194	1.9
Siam Commercial Bank (Thailand)	260	0.1
Standard Chartered	2,224	0.8
Non Life Insurance		
Beazley	732	0.3
Life Insurance		
Aviva	1,641	0.6
Legal & General	530	0.2
Prudential	2,518	0.9
Sagicor Financial	420	0.2
Real Estate		
British Land	1,582	0.6
Bukit Sembawang Estates (Singapore)	188	0.1
Dawnay Day Carpath	921	0.3
Dawnay Day Sirius	353	0.1
Grainger Trust	671	0.2
Land Securities	1,043	0.4
Primary Health Properties	810	0.3
St. Modwen Properties	404	0.2
General Financial		
Ambrian Capital	763	0.3
Cenkos Securities	183	0.1
Cordillera Resources	544	0.2
General Capital	360	0.1
ICAP	527	0.2
Investika (Australia)	104	0.0
London Capital	2,970	1.1
MAN Group	1,052	0.4
Numis	2,052	0.8
Plus Markets	1,414	0.5

Company	Market Value £000	% of Fund
Equity Investment Instruments		
Equatorial Biofuels	267	0.1
L&G Japan Index Trust (Japan)	1,043	0.4
London Asia Chinese (Asia)	535	0.2
Majedie Asset Mgmt UK Alpha 'C'	1,998	0.7
Majedie Asset Mgmt UK Equity	292	0.1
Majedie Asset Mgmt UK Focus Fund	299	0.1
Majedie Asset Mgmt UK Opps	6,171	2.3
Technology		
Software & Computer Services		
2 Ergo Group	1,872	0.7
Alterian	581	0.2
AVEVA Group	859	0.3
Dragonwave	1,140	0.4
Eservglobal (Australia)	1,878	0.7
Mediasurface	379	0.1
Phorm (USA)	13,003	4.8
Redknee Solutions (Canada)	163	0.1
Technology & Hardware Equipment		
ClearSpeed Technology	158	0.1
Zenergy Power	857	0.3
Unlisted Investments		
Altair Financial Services	1,333	0.5
Capital Lease Aviation	750	0.3
Continental Petroleum	800	0.3
Ionic Water Technologies (USA)	393	0.1
Microsaic Systems	780	0.3
MN Speciality Steels	593	0.2
Petaquilla Copper (Canada)	2,470	0.9
Rock Well Petroleum (USA)	1,473	0.5
Stratic Energy (USA)	184	0.1
Torbanite One (USA)	491	0.2
Transpac (USA)	196	0.1
Tsar Emeralds (USA)	432	0.2
TSI	425	0.2
Vitec Group	300	0.1
Vostok Energy	1,402	0.5
Xshares (USA)	147	0.1

Board of Directors

Henry S Barlow* OBE MA FCA (63) Chairman

He has lived in Malaysia since 1970 returning for frequent visits to the UK to pursue a number of business interests, chiefly involving agriculture. A former joint Managing Director of the Highlands Group, a large plantation company, he was appointed a director of Majedie in 1978. He has served on a number of committees, including that of the British-Malaysian Industry and Trade Association, ultimately as Chairman, and sits on the board of HSBC Bank (Malaysia) Berhad. He has recently become a member of the board of Synergy Drive Berhad which is absorbing the businesses and assets of Golden Hope Plantations Berhad and Guthrie Ropel Berhad. He is a member of the Nomination Committee. He was non-executive Chairman of Majedie Asset Management Limited from 2002 until May 2006.

Hubert V Reid* (67) Deputy Chairman Senior Independent Director

He is Chairman of Enterprise Inns plc and of Midas Income & Growth Trust PLC and a non-executive director of Michael Page International PLC. He was previously Managing Director and then Chairman of the Boddington Group plc and a non-executive director and then Chairman of Ibstock PLC, Bryant Group plc and of the Royal London Insurance Group. He was appointed a director of Majedie in 1999 and is Chairman of the Audit, Remuneration and Nomination Committees.

Robert E Clarke BSc MSc ACA (50) Chief Executive

Between 1982 and 1985 he worked in Canada for Clarkson Gordon and the Bank of Montreal. He returned to the UK in 1985 to work for Hoare Govett and was appointed Finance Director of Hoare Govett Securities Limited in 1988. After six years as Finance Director of Alwen Hough Johnson Limited, a Lloyd's broker specialising in reinsurance, he joined Majedie as Finance Director in 1996. He completed a Masters in Finance degree at London Business School in the same year. He was appointed Managing Director in 1998 and non-executive director of Majedie Asset Management in 2002.

Gillian M Leates BA FSI (50) Investment Director

Between 1981 and 1989 she worked for Schroder Investment Management, initially as an analyst then as the fund manager of the Schroder Special Exempt Smaller Companies Fund. In 1989 she joined Courtaulds Investment Management and in 1997 was given sole responsibility for the £975m UK equity portfolio of the Courtaulds Pension Fund. She joined Majedie and was appointed Investment Director in 1999. She was a non-executive Director of Majedie Asset Management Limited from 2002 until May 2006.

J William M Barlow* BA (43)

In 1991 he joined Skandia Asset Management Limited as an equity portfolio manager and was also Managing Director of DnB Asset Management (UK) Limited from 2002 until 2004. He has been a non-executive director of Majedie Investment Trust Management Limited since 1996. He currently works for Fimat International Banque S.A. (UK Branch), part of Société Générale Group and is a non-executive director of Aintree Racecourse Company Limited. He was appointed to the Board in July 1999.

Gerry P Aherne* (61)

Spent 18 years with Equity & Law in various actuarial and investment management roles up to 1986, then 16 years with Schroder Investment Management, as Investment Director up to 2002. He is currently managing partner of Javelin Capital Partners LLP and a non-executive director of Henderson Global Investors plc, where he is Chairman of the Remuneration Committee, and of Electric & General Investment Trust plc. He was a founding director of PRI Group plc from 2002 until 2003, when it was acquired by BRIT. He was appointed a director of Majedie in May 2006 and is a member of the Audit, Remuneration and Nomination Committees.

*non-executive

Directors' Report

The directors submit their report and the accounts for the year ended 30 September 2007.

Introduction

A review of developments during the year and of future prospects is contained in the Chairman's Statement on pages 4 and 5 and in the Chief Executive's Statement on pages 6 and 7. The Business Review, on pages 17 to 21, the section on Corporate Governance on pages 22 to 24 and the Report on Directors' Remuneration on pages 25 to 29 form part of this report. The audited financial statements are presented on pages 32 to 67. The Investment Report on pages 8 and 9 refers to the progress of markets during the year and the changes which have been made to the portfolio. An analysis of the portfolio is given on pages 12 and 13. The subsidiary and associated undertakings principally affecting the profits and net assets of the Group during the year are listed in notes 14 and 15 to the accounts.

Principal Activity

The Company operates as an investment trust company engaged primarily in investment in listed securities. See Business Review on pages 17 to 21.

Results and Dividend

Consolidated net revenue return before taxation amounted to £8,153,000 (2006: £9,296,000). The directors recommend a final ordinary dividend of 6.2p per ordinary share and a special dividend of 4.5p per ordinary share, payable on 23 January 2008 to shareholders on the register at the close of business on 4 January 2008. Together with the interim dividend of 3.8p per share paid on 29 June 2007, this makes a total distribution of 14.5p per share (2006: 9.5p per share).

Directors

The present directors of the Company are listed on page 14.

The directors retiring by rotation and seeking re-election at the forthcoming Annual General Meeting in accordance with the Articles of Association are H V Reid and G M Leates. The Board has considered and reviewed their appointment prior to the submission for recommendation. The Board believes that the performance of Mr Reid and Mrs Leates continues to be effective, that they demonstrate commitment to their roles and have a range of business, financial and asset management skills and experience relevant to the direction and control of the Company. Notwithstanding that Hubert Reid will have served on the Board for nine years at the date of the AGM, his fellow directors consider that he continues to make a significant and

valuable contribution to the governance of the Company and that, in carrying out his duties he brings a unique rigour and independence of character when exercising his judgement and when expressing his opinions. In accordance with the principles of the Combined Code, Mr Reid will, if re-elected at the AGM, submit himself annually for re-election thereafter.

The continuing directors recommend that shareholders vote in favour of the re-election of each director retiring by rotation.

Directors' Interests

Beneficial interests in ordinary shares as at 30 September:

	2007	2006
H S Barlow	14,605,619	14,605,619
H V Reid	33,214	32,435
R E Clarke	25,402	25,280
G M Leates	6,164	6,164
J W M Barlow	1,254,857	1,254,857

G P Aherne has no beneficial interest in the shares of the Company.

The beneficial interests disclosed above include the total holdings of shares within certain trusts where there are other beneficiaries.

Non-beneficial interests in ordinary shares as trustees for various settlements as at 30 September:

	2007	2006
H S Barlow	613,084	613,084
J W M Barlow	2,235,777	2,235,777

Some of the directors' holdings are duplicated, the total after elimination of duplicated holdings being 18,474,117 shares at 30 September 2007 (2006: 18,473,216).

With the exception of employment arrangements, no director had an interest at any time during the year or since in any material contract, being a contract of significance with the Company or any subsidiary of the Company.

Details of directors share options and restricted share awards are provided in the Report on Directors' Remuneration on pages 28 and 29.

Directors' Report

Substantial Shareholdings

At the date of this report the Company has been notified of the following substantial holdings in shares carrying voting rights:

H S Barlow	14,605,619	27.81%
The AXA Group	7,107,417	13.53%
Sir J K Barlow – beneficial	2,796,642	5.32%
– non-beneficial	1,231,205	2.34%
M H D Barlow – beneficial	2,513,798	4.79%
– non-beneficial	1,722,869	3.28%
Miss A E Barlow	1,784,948	3.40%
G B Barlow	1,644,990	3.13%

The substantial voting rights disclosed above include the total holdings of shares within certain trusts where there are other beneficiaries.

Policy on Payment of Suppliers

It is the Company's policy to settle all investment transactions in accordance with the terms and conditions of the relevant market in which it operates. All other expenses are paid on a timely basis in the ordinary course of business.

At 30 September 2007 the Company had four days of suppliers' invoices outstanding in respect of trade creditors (2006: four days).

Status

The Company has received written confirmation from HM Revenue & Customs that it was an approved investment trust for taxation purposes under Section 842 of the Income and Corporation Taxes Act 1988 in respect of the year ended 30 September 2006.

In the opinion of the directors the Company has subsequently directed its affairs so as to enable it to continue to qualify for such approval and the Company will continue to request formally written confirmation of investment trust status each year.

The Company is not a close company. The Company is a public limited company and an investment company under Section 266 of the Companies Act 1985.

Annual General Meeting

At the Annual General Meeting of the Company held on 17 January 2007, shareholders gave approval for the directors to make market purchases of up to 7,873,947 ordinary shares of 10p each. During the year ended 30 September 2007 the Company did not make any purchases of its own shares for cancellation (2006: nil).

Shareholder approval is sought at the Annual General Meeting to renew the authority of the Company to exercise the power contained in its Articles of Association to make market purchases of its own shares. The directors consider it desirable that the Company be authorised to make such purchases. The maximum number of shares which may be purchased under this authority is 7,873,947 being 14.99% of the issued share capital. Any shares so purchased will be cancelled. Under the proposed authority the maximum price (exclusive of expenses) which may be paid for such shares shall be 5% above the average of the middle market quotations taken from the London Stock Exchange Daily Official List for the five business days before the purchase is made.

Disclosure of Information to Auditors

As far as each of the directors are aware:

- there is no relevant audit information of which the Company's Auditors are unaware; and
- they have taken all steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's Auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 234ZA of the Companies Act 1985.

Auditors

A resolution will be proposed at the Annual General Meeting to re-appoint Deloitte & Touche LLP as auditors.

By Order of the Board
Capita Sinclair Henderson Limited
Company Secretary
23 November 2007

Introduction

This Business Review provides shareholders with an insight into the nature and structure of the Company and its operations during the year. In particular, it gives information on:

- the regulatory and competitive environment within which the Company operates;
- the internal environment relating to the Company, including the framework of governance implemented by the Board to ensure as far as possible that the Company's objectives are achieved with minimum risk;
- the management of the investment portfolio;
- the Company's performance in the year measured against Key Performance Indicators (KPIs); and
- the development of the overall business.

Regulatory and Competitive Environment

The Company is a self-managed investment trust and is listed on the London Stock Exchange. It is subject to UK company law, International Financial Reporting Standards, Listing Prospectus and Disclosure Rules, taxation law and the Company's own Articles of Association. The appointment of the Board is approved by shareholders and the directors are charged with ensuring that the Company complies with its objectives as well as these regulations. The majority of investment trusts have wholly non-executive boards of directors and outsource the management of their investment portfolios to external fund management companies. Majedie Investments PLC is a self-managed investment trust where the investment portfolio is managed by an internal investment team led by the Investment Director. The Chief Executive oversees the operation of the business and seeks to exploit business development opportunities.

Under the Companies Act 1985, Section 266, the Company is defined as an investment company. As such, it analyses its income between profits available for distribution by way of dividends (revenue profits) and other profits available for distribution by way of capital reductions (capital profits). The financial statements, starting on page 32, report on these profits, the changes in equity, the balance sheet position and the cash flows in the current and prior financial period. This is in compliance with current International Financial Reporting Standards, supplemented by the Revised Statement of Recommended Practice for Investment Trust Companies (SORP). The principal accounting policies of the Company are set out in note 1 to the accounts on pages 42 to 47. The Auditors' opinion on the Financial Statements, which is unqualified, appears on page 31.

In addition to the annual and interim results, the Company makes weekly net asset value (NAV) announcements via an authorised Stock Exchange regulatory news service. The Company also reports to shareholders on performance against benchmark, corporate governance and investment activities.

At least one shareholders' meeting is held in each year in January to allow shareholders to vote on the appointment of directors and the Auditors, the payment of dividends, authority for share buybacks and any other special business. The business of the next such Annual General Meeting, scheduled for 16 January 2008 is set out on page 69.

The Company is subject to corporation tax on its net revenue profits but is exempt from corporation tax on capital gains, provided it complies at all times with Section 842 of the Income and Corporation Taxes Act 1988. Section 842 requires, broadly that:

- the Company's revenue (including dividend and interest receipts but excluding profits on sale of shares and securities) should be derived wholly or mainly from shares and securities;
- the Company must not retain in respect of any accounting period more than 15% of its income from shares and securities;
- no holding in a company should represent more than 15% by value of the Company's investments in shares and securities unless the holding was acquired previously and the value has risen to exceed the 15% limit without any action having been taken; and
- realised profits on sale of shares and securities may not be distributed by way of dividend.

Compliance with these rules is proved annually in retrospect to HM Revenue and Customs (HMRC). HMRC approval of the Company as an investment trust is granted 'subject to there being no subsequent enquiry under corporation tax self-assessment'. Such approval has been received in respect of all relevant years up to and including the year ended 30 September 2006, and the Company continues to comply with these rules.

Governance

The Company's Board of directors is responsible for the overall stewardship of the Company, including corporate strategy, corporate governance, risk and controls assessment, overall investment policy, asset allocation and gearing limits. There are six members of the Board as set out on page 14 comprising two executive directors and four non-executive directors, of whom two are considered to be independent. This Board structure satisfies the Combined Code requirements for smaller listed companies. Nonetheless the Board considers that all its directors exercise their judgement in an independent manner. Please refer to the Corporate Governance section on pages 22 to 24 for further information regarding the Combined Code and the three main committees of the Board: Audit, Remuneration and Nomination.

Investment performance is measured primarily against a benchmark comprising 70% FTSE All-Share Index and 30% FTSE World ex UK Index (Sterling) on a total return basis.

In the process of its governance of the Company, the Board regularly reviews internally generated reports and reports from other independent sources such as The WM Company to assess the on-going investment performance of the Company. Income and cost forecasts are reviewed to enable costs to be controlled within budget and to ensure that the Company is able to pursue a progressive dividend policy while remaining in compliance with the relevant tax rules. Other regularly reviewed reports include those covering the list of investments, the level of gearing, the discount to net asset value and the shareholder register. The Board's assessment of the major risks faced by the Company, together with the principal controls in place to mitigate the risks, is set out later in this review.

Capital Structure

As part of its corporate governance the Board keeps under review the capital structure of the Company. At 30 September 2007 the Company had an issued share capital of £5,252,800, comprising 52,528,000 ordinary shares of 10p each. The Board seeks each year to renew authority of the Company to make market purchases of its own shares. However, the Board is only likely to use such authority in special circumstances. In general the directors believe that the discount to net assets will be reduced sustainably over the long term by the creation of value through the development of the business.

In 1994 and 2000 the Company issued two long term debentures: £15m 9.5% debenture stock 2020 and £25m 7.25% debenture stock 2025 respectively. In 2004 the Company redeemed £1.5m of the 2020 issue and £4.3m of the 2025 issue as an opportunity arose to redeem at an attractive price.

The Board is responsible for setting the overall gearing range within which the Investment Director may operate.

Principal Risks

The Company's assets consist mainly of quoted equity securities and its principal risks are therefore market-related. The number of investments held, together with the geographic and sector diversity of the portfolio, enables the Company to spread its risks with regard to liquidity, market volatility, currency movements and revenue streams.

Specific portfolio limits for individual stocks and market sectors are employed to restrict risk levels. The level of portfolio risk is assessed in relation to the benchmark using estimates of tracking error (an indication of the amount by which the performance of the portfolio could differ from that of the benchmark) and beta (an indication of the extent to which the value of the portfolio could move for a given move in the benchmark). It is however generally recognised that in certain circumstances the accuracy of tracking error estimates can reduce significantly if individual stocks within the portfolio have a short data history. The level of risk at a net asset value level increases with gearing. In certain circumstances cash balances may be raised to reduce the effective level of gearing. Although such action would increase the tracking error in the portfolio, it would result in a lower level of risk in absolute terms.

Other risks faced by the Company include the following:

- i. an inappropriate investment strategy could result in poor returns for shareholders and a widening of the discount of the share price to the NAV per share. The Board regularly reviews strategy in relation to a range of issues including the allocation of assets between geographic regions and industrial sectors; and gearing;

- ii. failure to comply with regulations could result in the Company losing its listing and/or being subjected to corporation tax on its capital gains. The Board receives and reviews regular reports from the fund administrator on its controls in place to prevent non-compliance of the Company with rules and regulations. The Board also receives regular investment listings and income forecasts as part of its monitoring of compliance with Section 842;
- iii. inadequate financial controls could result in misappropriation of assets, loss of income and debtor receipts and mis-reporting of NAVs. The Board regularly reviews statements on internal controls and procedures and subjects the books and records of the Company to an annual audit. The financial risks are set out in more detail in note 27 on pages 64 to 66.
- iv. loss of key staff could affect investment returns. The quality of the management team and contingency planning is a crucial factor in delivering good performance. The Company develops its recruitment and remuneration packages in order to retain key staff and undertakes succession planning.

The systems in place to manage the Company's internal controls are described further on page 24.

Management of Assets and Shareholder Value

The Company invests around the world in markets, sectors and companies that the Board and Investment Director believe will generate long term growth in capital and income for shareholders. Many potential investments are considered each year. The Investment Director meets a large number of management teams from potential corporate investments. Assessing the quality of management is a key input into the investment process. Extensive work is also done on analysing potential investments for their market positioning/competitive advantage, financial strength and cashflow characteristics. Various valuation parameters are used to provide an indication of the potential attractiveness of the investment opportunity in relation to other potential investments in the area/sector and in relation to similar investments within the portfolio.

The Board measures the overall investment performance of the Company against the benchmark. Investment risks are spread through holding a range of securities in different industrial sectors.

The Chief Executive and other directors meet with larger shareholders outside the Annual General Meeting as appropriate. Meetings are also held with investment trust analysts and stockbroking firms. The Company has three investor savings schemes which provide shareholders with cost effective and convenient ways of investing. Communication of up-to-date information is provided through the website at www.majedie.co.uk.

Performance Highlights

The Board uses the following Key Performance Indicators (KPIs) to help assess progress against the Company's objectives:

- NAV total return.
- total shareholder return.

both measured against benchmark total return.

The above KPIs are commented on and displayed in graphical form within the Chairman's and Chief Executive's Statements on pages 4 to 7. The following KPIs are commented on in this Business Review:

- investment portfolio return (total assets): see Investment Performance on page 20.
- share price discount: the level of the discount at the end of the financial year calculated with debt at par was 11.0% and was similar to that at the start of the year.
- total expense ratio: see Costs on page 21.
- annual dividend growth: See Total Return Philosophy & Dividend Policy on page 21.

Investment Performance

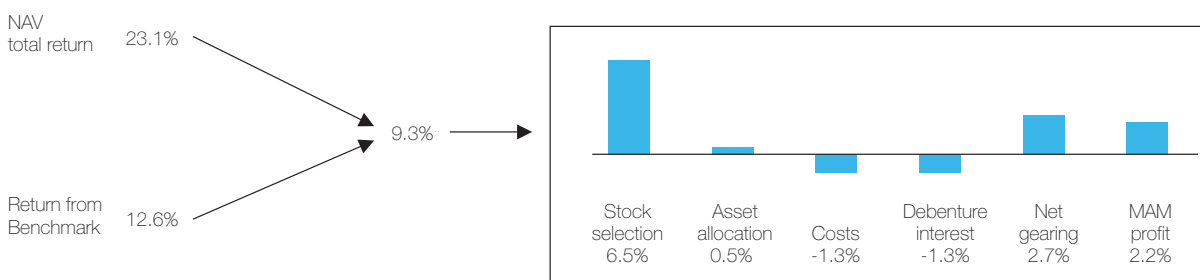
The Investment Report on pages 8 to 9 comments on the investment portfolio return for total assets for the year ended 30 September 2007. Gill Leates joined as Investment Director in 1999 and therefore the following table summarises the relative investment performance for the last eight years comparing the returns from total assets with those of the benchmark:

Years ended 30 September 2007:	Investment Return		Arithmetic Outperformance
	Total Assets	Benchmark	
1 year	20.5%	12.6%	7.9%
3 years	72.6%	58.4%	14.2%
5 years	115.1%	111.4%	3.7%
7 years	41.8%	27.6%	14.2%
8 years	68.5%	45.2%	23.3%

As at 30 September 2007 the Total Assets portfolio totalled £269.0m and included investments of £262.2m and cash balances of £6.8m. For the year ended 30 September 2007 the investment portfolio return from total assets was 20.5%. This relates to the increase in the value of investments plus dividend income received during the year (without deducting costs or debenture interest) as calculated by The WM Company. It outperformed the benchmark return of 12.6% by 7.9%.

The rest of the difference between the NAV total return for the year and the benchmark return arose from the net impact of the gearing effect of the debentures less debenture interest costs, and the net profit contribution from Majedie Asset Management (MAM) shown in the diagram below. Total shareholder return for the year was 25.2%. The level of gearing during the year ranged between 11.3% and 19.0%.

ATTRIBUTION ANALYSIS



Source: The WM Company, Majedie

Costs

The Company's expense ratio over net assets is 1.3% which compares with the investment trust sector average of 1.4%. The Board pays close attention to cost control and the current situation is referred to further in the Chief Executive's Statement on page 7.

Total Return Philosophy & Dividend Policy

The directors believe that investment returns will be maximised if a total return policy is followed whereby the investment team pursues the best opportunities irrespective of the associated dividend yield. The Company has a comparatively high level of revenue reserves for the investment trust sector. The strength of these reserves will from time to time assist in underpinning our progressive dividend policy in years when the income from the portfolio is insufficient to cover completely the annual distribution.

The Board is committed to a progressive dividend policy where the dividend is increased each year by more than the rate of inflation and this has been achieved in each of the last eighteen years. At £30.0m, the revenue reserves represent more than five times the current annual core dividend distribution. Over the last ten years the average annual growth of the dividend has been 3.8%.

Majedie Asset Management Limited

In 2002 the Company established a new fund management subsidiary specialising in UK equities: Majedie Asset Management. The new business was launched in March 2003 and today has assets under management of circa £4.5bn. Having started with a 70% shareholding, the Company now retains a 30% interest. The relevant developments during the year are referred to in the Chairman's Statement on page 4, in the Chief Executive's Statement on page 6 and further referred to in notes 14 and 15 on pages 56 to 58.

Business Development

We continue to seek other business development opportunities in areas of specialisation which have strong prospects of generating superior investment returns – particularly where such opportunities would be complementary to, and would generate synergies with the existing business.

This section of the annual report describes how Majedie Investments has applied the principles of Section 1 of the Combined Code on Corporate Governance, as required by the Financial Services Authority (FSA). The Board considers that the Company has complied with the provisions of the Combined Code throughout the year ended 30 September 2007.

The Company

It is first relevant to consider the special nature of Majedie Investments compared with other listed companies in relation to matters of corporate governance. In complying with the more detailed aspects of best corporate governance practice, the Board takes into account the following:

- Majedie is a listed investment trust;
- unlike many investment trusts, the business is self-managed; and
- the Barlow family as a whole owns about 55% of the shares in issue.

Although the family shareholding in total is significant, there are a number of individual family members and trusts represented by many separate shareholdings. The principal objective of the Board of directors continues to be to maximise total shareholder return for all shareholders.

Directors

The Board usually meets at least six times in each calendar year. Its principal focus is the strategic development of the Group, investment policy and the control of the business. Key matters relating to these areas including the monitoring of operating and financial performance are reserved for the Board and set out in a formal statement.

There are six members of the Board as set out on page 14. The roles of Chairman, Deputy Chairman and Chief Executive are filled by Henry Barlow, Hubert Reid and Robert Clarke respectively. There are two executive directors and four non-executive directors, two of whom – Hubert Reid and Gerry Aherne are considered to be independent. The Board structure satisfies the Combined Code requirements for smaller listed companies. Nonetheless the Board considers that all its directors exercise their judgement in an independent manner.

The Chairman considers that he has sufficient time to commit to the Company's affairs notwithstanding his other business interests and commitments. The Chairman is deemed to have no conflicting interests.

The division of responsibilities between the Chairman and the Chief Executive are clearly established and have been set out in writing and agreed by the Board. Hubert Reid is the senior independent non-executive director. He chairs each of the Board's three committees which are referred to in greater detail below. All directors in office attended eight Board meetings held during the financial year ended 30 September 2007.

The Board has undertaken a formal and rigorous evaluation of its own performance and that of its committees through the circulation of a comprehensive questionnaire. The independence of each non-executive director has been considered. The results have been discussed and actioned by the Board as appropriate. The Board believes strongly in the development of its directors and employees so that all maintain their professional standards. The Chairman has convened a meeting with non-executive directors without the executive directors being present and the Deputy Chairman has chaired a meeting of the non-executive directors without the Chairman being present.

The Nomination Committee comprises solely non-executive directors: Hubert Reid (Chairman), Henry Barlow and Gerry Aherne. William Barlow is invited to attend and participate in the meetings. The Committee considers the appointment of candidates before deciding whether to make a recommendation to the Board in respect of both executive and non-executive directors. The terms of reference of the Nomination Committee are available on request or from our website. The ultimate appointment of a director is a matter for the whole Board.

The role of the Nomination Committee is to review the balance and effectiveness of the Board and consider succession planning, identifying the skills and expertise required to meet the future challenges and opportunities facing the Company, and the individuals who might best provide them. The Committee is responsible for assessing the time commitment required for each Board appointment and for ensuring that the present incumbents have sufficient time to undertake them. The Committee will consider the need for appointing external search consultants to assist with recruitment to the Board as and when appropriate.

Under the Company's Articles of Association all directors are required to be elected by shareholders at the first Annual General Meeting after their appointment. The directors must seek re-election by the shareholders at least once every three years. All non-executive directors are appointed for a fixed term lasting no more than three years after an individual director's election or re-election by shareholders at a general meeting.

The Board does not believe that lengthy service in itself disqualifies a director from seeking re-election, nor that there is any evidence that lengthy service automatically compromises the independence of a director of an investment company from the manager or from the executive team of a self-managed investment company. It is generally acknowledged that the boards of investment companies are more likely than most to benefit from having at least one director with considerably longer than nine years' experience. Towards the end of each fixed term the Board will consider whether to renew a particular appointment. When making a recommendation for the appointment of, or for the re-election of a director, the Board will take into account the ongoing requirements of the Combined Code, with the objective of achieving a good balance of experience and the need from time to time to refresh the Board and its Committees. Any director who has served for a period of more than nine years will stand for annual re-election.

The Nomination Committee met once and the Committee Chairman – Hubert Reid, Henry Barlow, Gerry Aherne and William Barlow were present. The Nomination Committee considered the re-appointment of Hubert Reid in his absence. The Committee decided that, notwithstanding that he will have served nine years by the time of the forthcoming AGM, a recommendation for re-appointment be made to the Board on the basis that he continues to make a significant and valuable contribution to the governance of the Company and that, in carrying out his duties he brings a unique rigour and independence of character when exercising his judgement and when expressing his opinions.

The Board has agreed and established a procedure for directors in furtherance of their duties to take independent professional advice if necessary, at the Company's expense.

The Company has arranged directors' and officers' liability insurance which provides cover for legal expenses under certain circumstances.

Directors' Remuneration

The Remuneration Committee comprises: Hubert Reid (Chairman), and Gerry Aherne – solely non-executive directors. Henry Barlow and William Barlow are invited to attend and participate in the relevant meetings. The terms of reference of the Remuneration Committee are available on request or from our website. The Report on Directors' Remuneration on pages 25 to 29 explains the approach taken by the Committee to the structuring of remuneration for executive directors. The Remuneration Committee met on two occasions during the year and all members of the Committee were present at each meeting.

Relations with Shareholders

Senior executives hold meetings with the Company's principal shareholders to discuss the Company's strategy, financial and investment performance. From time to time, the Chairman and/or Deputy Chairman attend such meetings. The issues discussed with shareholders are reported in detail to the Board. Shareholders are encouraged to attend the Annual General Meeting and to participate in the proceedings. Separate resolutions are tabled in respect of each substantial issue.

Corporate Social Responsibility

In carrying out its activities and in relationships with employees, suppliers and the community, the Company aims to conduct itself responsibly, ethically and fairly.

Institutional Voting – Use of Voting Rights

The Investment Director, in the absence of explicit instruction from the Board, is empowered to exercise discretion in the use of the Company's voting rights.

Accountability and Audit

In the annual report each year the directors seek to provide shareholders with information in sufficient detail to allow them to obtain a reasonable understanding of recent developments affecting the business and the prospects for the Company in the year ahead. The Business Review on pages 17 to 21 provides additional detailed information.

The Audit Committee comprises: Hubert Reid (Chairman) and Gerry Aherne: solely non-executive directors. Other Board members and representatives of the auditors are normally invited to attend meetings of the Committee. The Board has agreed the terms of reference for the Audit Committee which meets at least twice a year. The terms of reference – available on request or from our website include the Committee's role and duties in some detail. In particular during the year the Committee has reviewed the Group's financial statements to ensure they are prepared to a high standard and comply with all the relevant legislation and guidelines where appropriate. A key objective is to maintain an effective relationship with the auditors allowing for the Committee to consult the auditors without executive management being present, if appropriate. The Audit Committee met twice during the year and the Committee Chairman and Gerry Aherne were present at both meetings.

The Audit Committee has reviewed the "whistleblowing" procedures of the Company to ensure that concerns of staff may be raised in a confidential manner.

Internal Control Review

The directors acknowledge that they are responsible for the systems of internal control relating to the Company and its subsidiaries and for reviewing the effectiveness of those systems. An ongoing process has been in existence for some time to identify, evaluate and manage risks faced by Group companies. Key procedures are also in place to provide effective financial control over the Group's operations.

The risk management process and systems of internal control are designed to manage rather than eliminate the risk of failure to achieve the Company's objectives. It should be recognised that such systems can only provide reasonable, not absolute, assurance against material misstatement or loss.

Risk assessment and the review of internal controls are undertaken by the Board in the context of the Company's overall investment objective. The review covers business strategy, investment management, operational, compliance and financial risks facing the Company and its subsidiaries. In arriving at its judgement of the nature of the risks facing Group companies, the Board has considered the Group's operations in the light of the following factors:

- the nature and extent of risks which it regards as acceptable to bear within the overall business objective;
- the likelihood of such risks becoming a reality; and
- management's ability to reduce the incidence and impact of risk on performance and the relevant controls.

Given the nature of the activities of the Company and the fact that certain key functions are sub-contracted to third party service provider organisations, the directors have reviewed the controls operating and have obtained information from key third party suppliers regarding the relevant controls operated by them.

The Company does not have an internal audit function. Having recently considered this matter, the directors are of the opinion that there is no need at the present time for the Company to have an internal audit function since there are considered to be adequate checks and balances. In particular the fund administration, accounting and company secretarial functions of the investment trust are performed by Capita Sinclair Henderson Limited. Custody is outsourced to RBC Dexia Investor Services Limited.

In accordance with guidance issued to listed companies, the directors have carried out a review of the effectiveness of the system of internal control as it has operated over the year.

Deloitte & Touche LLP are the auditors of the Company, the Group and subsidiary companies. The Board believes that auditor objectivity is safeguarded, for two main reasons. Firstly the extent of non-audit work carried out by Deloitte & Touche LLP is limited and flows naturally from the firm's role as auditor to the Group. Capita Sinclair Henderson Limited advises the Company on corporation tax computations and submissions to HM Revenue and Customs. Deloitte & Touche LLP provides taxation advice to the Group from time to time on various issues and in particular each year reviews the work carried out by Capita Sinclair Henderson Limited and reviews the relevant taxation issues at the time of the audit of the annual report. A summary of fees for audit and non audit work undertaken by the auditors is provided in note 3 to the accounts on page 48.

Secondly, Deloitte & Touche LLP has provided information on its independence policy and the safeguards and procedures it has developed to counter perceived threats to its objectivity. It also confirms that it is independent within the meaning of all regulatory and professional requirements and that the objectivity of the audit is not impaired.

Going Concern

The directors believe that the Company has adequate financial resources to continue in operational existence for the foreseeable future. For this reason, the Board continues to adopt the going concern basis in preparing the financial statements.

Report on Directors' Remuneration

This report has been prepared in accordance with Schedule 7A to the Companies Act 1985. The report also meets the relevant requirements of the Listing Rules of the Financial Services Authority and describes how the Board has applied the principles relating to the directors' remuneration. As required by the Act, a resolution to approve the report will be proposed at the Annual General Meeting of the Company at which the financial statements will be approved.

The Act requires the auditors to report to the Company's members on certain parts of the report on directors' remuneration and to state whether in their opinion those parts of the report have been properly prepared in accordance with the Companies Act 1985. The report has therefore been divided into separate sections for audited and unaudited information.

UNAUDITED SECTION

Remuneration Committee

During the year ended 30 September 2007 the Remuneration Committee comprised solely independent non-executive directors – being Hubert Reid (Chairman) and Gerry Aherne.

Henry Barlow (Chairman of the Board), and Robert Clarke (Chief Executive) were invited to attend meetings, but withdrew when their own remuneration was discussed and did not participate in decisions on their own remuneration. William Barlow is also invited to attend meetings. Michael Buckley of Capita Sinclair Henderson Limited acted as Secretary to the Committee. The terms of reference of the Remuneration Committee are available on request or may be obtained from the Company website. During the year, the Committee also conducted a formal review of the Committee's effectiveness and concluded it was effective and able to fulfil its terms of reference. The Board agreed with this conclusion.

The Role of the Committee and Policies on Directors' Remuneration

The role of the Committee is to establish Board policy in respect of terms of employment, including remuneration packages, in detail for the Chairman and for each executive director and in general for certain senior executives. The Committee seeks to encourage the enhancement of the Company's performance and to ensure that remuneration packages offered are competitive and designed to attract, retain and motivate executive directors and senior executives of the right calibre. In setting both the policy related to, and levels of, remuneration and benefits for executive directors and senior executives, the Committee takes account of market data and independent professional advice. In particular the Committee is mindful that the Company operates in the financial services sector in the City of London where there is competition among organisations for well-qualified senior executives.

Remuneration Policy

The Company intends that its remuneration arrangements for executive directors should reward the creation of added value over the long term and specifically incentivise directors to: i) achieve a degree of investment outperformance in keeping with a moderate level of risk; ii) develop the business in a profitable manner; and iii) reduce the level of discount to net assets and its volatility. The Committee has given full consideration to the principles of good governance of the Combined Code. The Board has accepted the Committee's recommendations without amendment. A new Long Term Incentive Plan (LTIP) was approved by shareholders in January 2006.

A significant proportion of the executive directors' remuneration is performance-related. The proportion of pay at risk in 2006/07 was as follows. In preparing the table below at 'target performance' the bonus is assumed to be half the maximum payout and the LTIP has an expected value of 50% of salary. At 'maximum performance' the LTIP has been assumed to have an expected value of 100% of salary.

	Chief Executive		Investment Director	
	At Target Performance	At Maximum Performance	At Target Performance	At Maximum Performance
Salary	50%	33%	48%	31%
Cash Bonus	13%	17%	14%	19%
Deferred Bonus	12%	17%	14%	19%
LTIP	25%	33%	24%	31%
Total	100%	100%	100%	100%

Report on Directors' Remuneration

Salary

The basic salary for each executive director is determined by the Committee after taking into account market data provided by independent consultants, individual performance and the extent and the nature of an individual's responsibilities.

Bonus

The bonus structure comprises two elements relating to investment performance and business development. Investment performance is assessed over both one year and three year periods. The normal maximum bonus for the Chief Executive is 100% of salary and for the Investment Director is 120% of salary. The normal maximum cash element of the bonus is 50% and 60% of salary respectively. A matching award of shares equal in value to the cash bonus (a 'Matching Award') is made under the LTIP. The Matching Award only vests once the executive has completed three years' further service and therefore has an important retention effect. Payments under the bonus scheme are not pensionable.

In January 2007 shareholders approved the award of special additional bonuses to the two executive directors in relation to the successful receipt of special cash dividends from Majedie Asset Management Limited in 2006/07 and 2007/08 only. The details are set out on pages 30 and 31 of the 2006 annual report. These exceptional bonuses are earned at the rate of 5% of the special dividend cash receipts for each director and the cash element (being 50% of the total) will be subject to annual maxima in each of the two years of 50% of salary for RE Clarke and 70% of salary for GM Leates.

Long Term Total Shareholder Return (TSR)-based Awards

As well as the deferred share 'Matching Awards' referred to above, the LTIP provides for the award of longer term TSR-based awards with two demanding performance conditions calculated over discrete five year periods. Annual award levels will normally be for shares with a maximum value of 100% of one year's salary.

TSR is the investment return obtained by a shareholder holding the Company's shares over a specific period. It takes account of the change in share price during the period, any relevant corporate actions and assumes that all dividends are reinvested in the Company's shares on the relevant ex-dividend date.

The two demanding performance conditions relate to:

- i. TSR v. benchmark return measured over five years;
- ii. TSR v. a specified absolute investment return measured over five years.

For each of the above two measures there is a lower and higher threshold after five years shown in the following table:

	Lower Threshold		Higher Threshold	
	Non vesting if performance is below	Extent of vesting of Award at lower threshold (% of salary)	Performance threshold for maximum vesting	Extent of maximum vesting of Award at higher threshold (% of salary)
TSR v Benchmark	Benchmark return	12.5%	Benchmark return + 15%	50%
TSR v absolute return	TSR of 44% after 5 years (being approximately 7.5% p.a. compound)	12.5%	TSR of 61% after 5 years (being approximately 10% p.a. compound)	50%
Extent of vesting of total award if both conditions are met		25%		100%

The benchmark is the Company's stated benchmark of 70% FTSE All-Share Index and 30% FTSE World ex UK Index (Sterling). The lower and higher thresholds are designed to be as stretching as median and upper quartile targets in a typical UK long term incentive plan. In normal circumstances, an award will vest in full only if the Company's TSR reaches the higher threshold for both the relative performance condition and for the absolute performance condition. An award will not vest at all if the lower threshold is not met for either condition. Between the lower and higher threshold, a TSR-based Award will vest on a sliding scale basis.

Pension Contributions

The executive directors are eligible for membership of the Barlow Service Company Limited Retirement Benefits Scheme which is a non-contributory money purchase plan administered by Scottish Widows' Fund & Life Assurance Society. The Company makes contributions on behalf of the executive directors of 14-16% of salary and matches additional contributions made by members up to an additional 4% of salary. Members are also provided with permanent health insurance and life assurance cover on the basis of a lump sum death in service policy.

Other Benefits

Executive directors are also eligible for other benefits including a non-pensionable salary supplement in respect of a company car alternative and membership of a private medical scheme.

Performance

The graph below compares the total shareholder return with the total return on a hypothetical portfolio constructed according to the following benchmark equity index over the last five years. The benchmark is 70% FTSE All-Share Index and 30% FTSE World ex UK Index (Sterling) and has been chosen as a comparator for the purpose of this graph since it is the Company's formal benchmark.

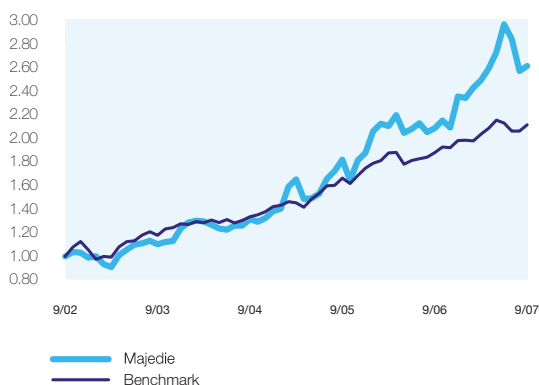
Service Contracts

The Company's policy with regard to directors' service contracts is that no special provision is made for compensation in the event of loss of office. A fair but robust principle of mitigation would be applied to the payment of compensation in the context of advice received. Robert Clarke has a service contract dated 9 November 1998 requiring twelve months' notice of termination from either the Company or the individual. Gill Leates has a service contract dated 8 June 2007 requiring six months' notice of termination from either the Company or the individual. None of the other directors has a service contract with the Company. Non-executive directors have memoranda of terms.

Share Ownership

Executive directors are encouraged to increase their shareholding in the Company and are expected to build a shareholding of at least one times salary within five years of the adoption of the new Long Term Incentive Plan in January 2006. Progress towards this objective during the year has been satisfactory taking into account the matching awards of deferred shares set out in the table on page 29.

TOTAL SHAREHOLDER RETURN VS BENCHMARK
5 YEARS TO 30 SEPTEMBER 2007 (REBASED)



Report on Directors' Remuneration

AUDITED SECTION

Directors' Remuneration

The remuneration of the directors for the year ended 30 September 2007 was as follows:

	Salary & Fees £000	Annual Bonus £000	Special Bonus £'000	Pension Contributions £000	Other Benefits £000	Total 2007 £000	Total 2006 £000
Executive Directors							
R E Clarke	200	52	80	39	14	385	312
G M Leates	145	80	80	26	12	343	213
Non-Executive Directors							
H S Barlow	40	–	–	–	–	40	40
H V Reid	30	–	–	–	–	30	30
J W M Barlow	23	–	–	–	–	23	23
G P Aherne	23	–	–	–	–	23	9
P Marsh (retired 26/07/06)	–	–	–	–	–	–	19
	461	132	160	65	26	844	646

The above bonus amounts are in respect of the cash element being 50% of the total bonus awards for the year. The remaining 50% have been satisfied via matching awards of deferred shares which will vest after three years' further service – see table on page 29.

Discretionary Share Option Scheme 2000

The last grants under the Discretionary Share Option Scheme 2000 were made in December 2004. The Committee has decided that no further grants will be made under the Scheme.

Approved Share Options held by Directors

The following HM Revenue & Customs approved options were held by directors during the year to 30 September 2007:

	Date of Grant	Exercise Price Pence	Hurdle Rate (p.a.)	Earliest Date of Exercise	Latest Date of Exercise	At 1 Oct 2006	Exercised During the Year	At 30 Sept 2007
R E Clarke	14/02/01	361.5	8.5%	14/02/04	13/02/11	8,298	–	8,298
G M Leates	14/02/01	361.5	8.5%	14/02/04	13/02/11	8,298	–	8,298

Unapproved Share Options held by Directors

The following unapproved options were held by directors during the year to 30 September 2007:

	Date of Grant	Exercise Price Pence	Hurdle Rate (p.a.)	Earliest Date of Exercise	Latest Date of Exercise	At 1 Oct 2006	Exercised During the Year	At 30 Sept 2007
R E Clarke	14/02/01	361.5	8.5%	14/02/04	13/02/11	80,885	–	80,885
G M Leates	14/02/01	361.5	8.5%	14/02/04	13/02/11	55,325	–	55,325
R E Clarke	23/11/01	283.5	8.5%	23/11/04	22/11/11	59,964	–	59,964
G M Leates	23/11/01	283.5	8.5%	23/11/04	22/11/11	43,033	–	43,033
R E Clarke	22/11/02	196.5	7.5%	22/11/05	21/11/12	76,930	–	76,930
G M Leates	22/11/02	196.5	7.5%	22/11/05	21/11/12	58,265	–	58,265
R E Clarke	18/03/04	221.5	7.5%	18/03/07	17/03/14	76,749	–	76,749
G M Leates	18/03/04	221.5	7.5%	18/03/07	17/03/14	55,079	–	55,079
R E Clarke	21/12/04	231.5	7.5%	21/12/07	20/12/14	77,105	–	77,105
G M Leates	21/12/04	231.5	7.5%	21/12/07	20/12/14	55,334	–	55,334

The performance targets attaching to the share option grants summarised in the table on page 28 are that the options are not exercisable unless total shareholder return between the date of grant and the proposed date of exercise exceeds the relevant annualised hurdle rate specified at the time of grant as shown.

Long Term Incentive Plan: TSR-based Awards

The following TSR-based awards were held by directors during the year to 30 September 2007:

	Date of Grant	At 1 Oct 2006	Number of Shares Awarded	Increase in Awards Due to Dividends Paid During Year	At 30 Sept 2007	Vesting Date	Lapse Date
R E Clarke	27/01/06	58,000	–	1,438	59,438	27/01/11	27/01/16
G M Leates	27/01/06	41,648	–	1,033	42,681	27/01/11	27/01/16
R E Clarke	27/11/06	–	59,524	1,476	61,000	27/11/11	27/11/16
G M Leates	27/11/06	–	43,155	1,070	44,225	27/11/11	27/11/16

Long Term Incentive Plan: Matching Awards

The following Matching Awards were held by or awarded to directors during the year to 30 September 2007:

	Date of Grant	At 1 Oct 2006	Number of Shares Awarded	Increase in Awards Due to Dividends Paid During Year	At 30 Sept 2007	Vesting Date	Lapse Date
R E Clarke	27/11/06	24,389	–	605	24,994	27/11/09	27/11/16
G M Leates	27/11/06	13,008	–	323	13,331	27/11/09	27/11/16
R E Clarke	24/01/07	–	10,798	93	10,891	24/01/10	24/01/17
G M Leates	24/01/07	–	10,798	93	10,891	24/01/10	24/01/17
R E Clarke	21/05/07	–	10,226	88	10,314	21/05/10	21/05/17
G M Leates	21/05/07	–	10,226	88	10,314	21/05/10	21/05/17
R E Clarke	14/11/07	–	13,673	–	13,673	14/11/10	14/11/17
G M Leates	14/11/07	–	21,047	–	21,047	14/11/10	14/11/17

During the year ended 30 September 2007 the share price traded within a range of 333.0p to 483.2p. The share price on 30 September 2007 was 413.3p.

Approval

The Report on Directors' Remuneration on pages 25 to 29 was approved by the Board on 23 November 2007.

On behalf of the Board

H V Reid Chairman of the Remuneration Committee

23 November 2007

Statement of Directors' Responsibilities

The directors are responsible for preparing the Annual Report, Directors' Remuneration 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. The directors are required by the International Accounting Standards (IAS) Regulation to prepare the Group financial statements under International Financial Reporting Standards (IFRSs) as adopted by the European Union and have also elected to prepare financial statements for the Company in accordance with IFRSs as adopted by the European Union. The financial statements are also required by law to be properly prepared in accordance with the Companies Act 1985 and Article 4 of the IAS Regulation.

International Accounting Standard 1 requires that financial statements present fairly for each financial year the Company's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's 'Framework for the preparation and presentation of financial statements'. In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable IFRSs.

However, directors are also required to:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information; and
- provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance.

The directors are responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for the Group's system of internal financial control, for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The financial statements are published on www.majedie.co.uk, which is a website maintained by the Company. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Report of the Independent Auditors

Independent Auditors' Report to the Members of Majedie Investments PLC

We have audited the Group and individual Company financial statements (the 'financial statements') of Majedie Investments PLC for the year ended 30 September 2007 which comprise the consolidated and individual company income statements, the consolidated and individual company statements of change in shareholders' equity, the consolidated and individual company balance sheets, the consolidated and individual company cash flow statements, and the related notes 1 to 29. These financial statements have been prepared under the accounting policies set out therein. We have also audited the information in the Report on Directors' Remuneration that is described as having been audited.

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

Respective Responsibilities of Directors and Auditors

The directors' responsibilities for preparing the annual report, the Report on Directors' Remuneration and the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted for use in the European Union are set out in the Statement of Directors' Responsibilities.

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

We report to you our opinion as to whether the financial statements give a true and fair view, in accordance with the relevant financial reporting framework, and whether the financial statements, and the part of the Report on Directors' Remuneration described as having been audited, have been properly prepared in accordance with the Companies Act 1985 and, as regards the Group financial statements, Article 4 of the IAS Regulation. We report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements. The information given in the Directors' Report includes that specific information presented in the Business Review that is referred to the Directors' Report. We also report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We review whether the corporate governance statement reflects the Company's compliance with the nine provisions of the 2003 FRC Combined Code specified for our review by the Listing Rules of the Financial Services Authority, and we report if it does not. We are not required to consider whether the Board's statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the Group's corporate governance procedures or its risk and control procedures.

We read the other information contained in the annual report as described in the contents section and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any further information outside the annual report.

Basis of Audit Opinion

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

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

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with IFRS as adopted by the European Union, of the state of the affairs of the Group and the individual Company as at 30 September 2007 and of the return of the Group and the individual Company for the year then ended;
- the financial statements and the part of the Report on Directors' Remuneration described as having been audited have been properly prepared in accordance with the Companies Act 1985 and, as regards the Group financial statements, Article 4 of the IAS Regulation; and
- the information given in the Directors' Report is consistent with the financial statements.



Deloitte & Touche LLP

Chartered Accountants and Registered Auditors

London

28 November 2007

Consolidated Income Statement

for the year ended 30 September 2007

	Notes	Revenue £000	Capital £000	2007 Total £000	Revenue £000	Capital £000	2006 Total £000
Investments							
Gains on investments at fair value through profit or loss	13		42,080	42,080		22,738	22,738
Net investment result			42,080	42,080		22,738	22,738
Income							
Dividends and interest	2	8,963		8,963	6,271		6,271
Client fee income in subsidiary company					10,915		10,915
Other income		120		120	62		62
Total income		9,083		9,083	17,248		17,248
Expenses							
Administration expenses	3	(1,288)	(1,568)	(2,856)	(7,593)	(1,423)	(9,016)
Return before finance costs, share of net return of associate and taxation		7,795	40,512	48,307	9,655	21,315	30,970
Share of net return of associate	15	1,058		1,058	340		340
Finance costs	6	(700)	(2,098)	(2,798)	(699)	(2,098)	(2,797)
Net return before taxation		8,153	38,414	46,567	9,296	19,217	28,513
Taxation	7	(51)		(51)	(1,331)		(1,331)
Net return after taxation for the year		8,102	38,414	46,516	7,965	19,217	27,182
Attributable to:							
Equity holders of the parent		8,102	38,414	46,516	6,815	19,217	26,032
Minority interest					1,150		1,150
		8,102	38,414	46,516	7,965	19,217	27,182
Return per ordinary share:							
Basic and diluted	10	pence 15.6	pence 74.2	pence 89.8	pence 13.1	pence 36.9	pence 50.0

The total column of this statement is the Consolidated Income Statement of the Group prepared under International Financial Reporting Standards (IFRS). The supplementary revenue and capital columns are prepared under guidance published by the Association of Investment Companies.

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

The notes on pages 42 to 67 form part of these accounts.

These accounts have been prepared in compliance with the recognition and measurement criteria of IFRS.

Company Income Statement

for the year ended 30 September 2007

	Notes	Revenue £000	Capital £000	2007 Total £000	Revenue £000	Capital £000	2006 Total £000
Investments							
Gains on investments at fair value							
through profit or loss	13		42,080	42,080		23,706	23,706
Gain on revaluation of associate	15		4,668	4,668		3,517	3,517
Net investment result			46,748	46,748		27,223	27,223
Income							
Dividends and interest	2	8,963		8,963	6,881		6,881
Other income		120		120	71		71
Total income		9,083		9,083	6,952		6,952
Expenses							
Administration expenses	3	(1,288)	(1,568)	(2,856)	(1,061)	(1,423)	(2,484)
Return before finance costs and taxation		7,795	45,180	52,975	5,891	25,800	31,691
Finance costs	6	(700)	(2,098)	(2,798)	(699)	(2,098)	(2,797)
Net return before taxation		7,095	43,082	50,177	5,192	23,702	28,894
Taxation	7	(51)		(51)	(37)		(37)
Net return after taxation for the year		7,044	43,082	50,126	5,155	23,702	28,857
Return per ordinary share:							
Basic and diluted	10	pence 13.6	pence 83.2	pence 96.8	pence 9.9	pence 45.6	pence 55.5

The total column of this statement is the Income Statement of the Company prepared under International Financial Reporting Standards (IFRS). The supplementary revenue and capital columns are prepared under guidance published by the Association of Investment Companies.

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

The notes on pages 42 to 67 form part of these accounts.

These accounts have been prepared in compliance with the recognition and measurement criteria of IFRS.

Consolidated Statement of Changes in Equity

for the year ended 30 September 2007

	Notes	Share capital £000	Share premium £000	Capital redemption reserve £000	Share options reserve £000
Year ended 30 September 2007					
As at 30 September 2006		5,253	785	56	85
Net return after tax for the year					
Investments at fair value through profit or loss					
• Increase in unrealised appreciation before transfer on disposal					
• Transfer on disposal of investments					
• Net gain on realisation of investments					
Costs charged to capital					
Total recognised income and expenditure					
Share options expense	26				177
Dividends declared and paid in year	9				
Own shares purchased by Employee Incentive Trust (EIT)	20				
As at 30 September 2007		5,253	785	56	262
Year ended 30 September 2006					
As at 30 September 2005		5,253	785	56	37
Net return after tax for the year					
Investments at fair value through profit or loss					
• Increase in unrealised appreciation before transfer on disposal					
• Transfer on disposal of investments					
• Net gain on realisation of investments					
Loss on deemed disposal					
Costs charged to capital					
Total recognised income and expenditure					
Share options expense	26				72
Dividends declared and paid in year	9				
Own shares purchased/sold by Employee Incentive Trust (EIT)					(24)
Adjustment due to 25% reduction in the Company's holding in Majedie Asset Management Limited					
Removal of minority interest					
As at 30 September 2006		5,253	785	56	85

The notes on pages 42 to 67 form part of these accounts.

These accounts have been prepared in compliance with the recognition and measurement criteria of IFRS.

Capital reserve – realised £000	Capital reserve – unrealised £000	Retained earnings £000	Own shares reserve £000	Equity attributable to the equity holders of the parent £000	Minority interest £000	Total £000
118,723	47,502	28,723	(1,908)	199,219	0	199,219
		8,102		8,102		8,102
	38,588			38,588		38,588
14,534	(14,534)					
3,492				3,492		3,492
(3,666)				(3,666)		(3,666)
14,360	24,054	8,102		46,516		46,516
				177		177
		(5,131)		(5,131)		(5,131)
			(1,145)	(1,145)		(1,145)
<u>133,083</u>	<u>71,556</u>	<u>31,694</u>	<u>(3,053)</u>	<u>239,636</u>	<u>0</u>	<u>239,636</u>
89,507	57,501	26,723	(1,422)	178,440	405	178,845
		6,815		6,815	1,150	7,965
	18,353			18,353		18,353
28,352	(28,352)					
5,353				5,353		5,353
(968)				(968)		(968)
(3,521)				(3,521)		(3,521)
29,216	(9,999)	6,815		26,032	1,150	27,182
				72		72
		(4,815)		(4,815)		(4,815)
			(486)	(510)		(510)
					804	804
					(2,359)	(2,359)
<u>118,723</u>	<u>47,502</u>	<u>28,723</u>	<u>(1,908)</u>	<u>199,219</u>	<u>0</u>	<u>199,219</u>

Company Statement of Changes in Equity

for the year ended 30 September 2007

	Notes	Share Capital £000	Share Premium £000	Capital Redemption Reserve £000
Year ended 30 September 2007				
As at 30 September 2006		5,253	785	56
Net return after tax for the year				
Investments at fair value through profit or loss				
• Increase in unrealised appreciation before transfer on disposal				
• Movement between reserves				
• Transfer on disposal of investments				
• Net gain on realisation of investments				
Revaluation of investment in associated undertaking				
Costs charged to capital				
Total recognised income and expenditure				
Share options expense	26			
Dividends declared and paid in year	9			
Own shares purchased by Employee Incentive Trust (EIT)	20			
As at 30 September 2007		5,253	785	56
Year ended 30 September 2006				
As at 30 September 2005		5,253	785	56
Net return after tax for the year				
Investments at fair value through profit or loss				
• Increase in unrealised appreciation before transfer on disposal				
• Transfer on disposal of investments				
• Net gain on realisation of investments				
Revaluation of investment in associated undertaking				
Costs charged to capital				
Total recognised income and expenditure				
Share options expense	26			
Dividends declared and paid in year	9			
Own shares purchased/sold by Employee Incentive Trust (EIT)				
As at 30 September 2006		5,253	785	56

The notes on pages 42 to 67 form part of these accounts.

These accounts have been prepared in compliance with the recognition and measurement criteria of IFRS.

Share Options Reserve £000	Capital Reserve – Realised £000	Capital Reserve – Unrealised £000	Retained Earnings £000	Own shares Reserve £000	Total £000
85	119,758	57,055	28,103	(1,908)	209,187
			7,044		7,044
		38,588			38,588
	3	(3)			
	14,534	(14,534)			
	3,492				3,492
		4,668			4,668
	(3,666)				(3,666)
	14,363	28,719	7,044		50,126
177					177
			(5,131)		(5,131)
				(1,145)	(1,145)
262	134,121	85,774	30,016	(3,053)	253,214
37	89,574	63,537	27,763	(1,422)	185,583
			5,155		5,155
		18,353			18,353
	28,352	(28,352)			
	5,353				5,353
		3,517			3,517
	(3,521)				(3,521)
	30,184	(6,482)	5,155		28,857
72					72
			(4,815)		(4,815)
(24)				(486)	(510)
85	119,758	57,055	28,103	(1,908)	209,187

Consolidated Balance Sheet

as at 30 September 2007

	Notes	2007 £000	2006 £000
Non-current assets			
Property and equipment	12	69	89
Investments at fair value through profit or loss	13	262,153	227,085
Investment in associate	15	2,605	1,547
		<u>264,827</u>	<u>228,721</u>
Current assets			
Trade and other receivables	16	3,221	3,766
Cash and cash equivalents	17	6,764	4,546
		<u>9,985</u>	<u>8,312</u>
Total assets		<u>274,812</u>	<u>237,033</u>
Current liabilities			
Trade and other payables	18	(1,448)	(4,100)
Total assets less current liabilities		<u>273,364</u>	<u>232,933</u>
Non-current liabilities			
Debentures	18	(33,728)	(33,714)
Total liabilities		<u>(35,176)</u>	<u>(37,814)</u>
Net assets		<u>239,636</u>	<u>199,219</u>
Represented by:			
Ordinary share capital	19	5,253	5,253
Share premium		785	785
Capital redemption reserve		56	56
Share options reserve		262	85
Capital reserve – realised		133,083	118,723
Capital reserve – unrealised		71,556	47,502
Retained earnings		31,694	28,723
Own shares reserve	20	(3,053)	(1,908)
Equity Shareholders Funds		<u>239,636</u>	<u>199,219</u>
Net asset value per share			
Basic and fully diluted	21	pence 464.4	pence 384.0

Approved by the Board and authorised for issue on 23 November 2007.

Henry S Barlow
Robert E Clarke
Directors

The notes on pages 42 to 67 form part of these accounts.

These accounts have been prepared in compliance with the recognition and measurement criteria of IFRS.

Company Balance Sheet

as at 30 September 2007

	Notes	2007 £000	2006 £000
Non-current assets			
Investments at fair value through profit or loss	13	262,153	227,085
Investment in subsidiaries	14	194	194
Investment in associate	15	16,185	11,517
		<u>278,532</u>	<u>238,796</u>
Current assets			
Trade and other receivables	16	3,092	3,597
Cash and cash equivalents	17	6,434	4,297
		<u>9,526</u>	<u>7,894</u>
Total assets		<u>288,058</u>	<u>246,690</u>
Current liabilities			
Trade and other payables	18	(1,116)	(3,789)
Total assets less current liabilities		<u>286,942</u>	<u>242,901</u>
Non-current liabilities			
Debentures	18	(33,728)	(33,714)
Total liabilities		<u>(34,844)</u>	<u>(37,503)</u>
Net assets		<u>253,214</u>	<u>209,187</u>
Represented by:			
Ordinary share capital	19	5,253	5,253
Share premium		785	785
Capital redemption reserve		56	56
Share options reserve		262	85
Capital reserve – realised		134,121	119,758
Capital reserve – unrealised		85,774	57,055
Retained earnings		30,016	28,103
Own shares reserve	20	(3,053)	(1,908)
Equity Shareholders Funds		<u>253,214</u>	<u>209,187</u>
Net asset value per share			
Basic and fully diluted	21	pence 490.7	pence 403.2

Approved by the Board and authorised for issue on 23 November 2007.

Henry S Barlow
Robert E Clarke
Directors

The notes on pages 42 to 67 form part of these accounts.

These accounts have been prepared in compliance with the recognition and measurement criteria of IFRS.

Consolidated Cash Flow Statement

for the year ended 30 September 2007

	Notes	2007 £000	2006 £000
Net cash flow from operating activities			
Consolidated net return before taxation		46,567	28,513
Adjustments for:			
Gains on investments	13	(42,080)	(22,738)
Share of net return of associate		(1,058)	(340)
Dividends reinvested		(24)	
Depreciation		27	123
Loss on sale of fixed assets			1
Share based remuneration		177	72
		3,609	5,631
Finance costs		2,798	2,797
Operating cashflows before movements in working capital		6,407	8,428
Increase in trade and other payables		443	1,451
Increase in trade and other receivables		(589)	(2,015)
Net cash inflow from operating activities before tax		6,261	7,864
Tax recovered		20	14
Tax on unfranked income		(52)	(43)
Net cash inflow from operating activities		6,229	7,835
Investing activities			
Purchases of investments		(108,693)	(133,592)
Sales of investments		113,749	137,973
Purchases of tangible assets		(7)	(42)
Exclusion of cash on Majedie Asset Management Limited ceasing to be a subsidiary			(3,869)
Net cash inflow from investing activities		5,049	470
Financing activities			
Interest paid		(2,784)	(2,783)
Dividends paid		(5,131)	(4,815)
Purchases of own shares into Employee Incentive Trust		(1,145)	(582)
Net cash outflow from financing activities		(9,060)	(8,180)
Increase in cash and cash equivalents for year	22, 23	2,218	125
Cash and cash equivalents at start of year		4,546	4,421
Cash and cash equivalents at end of year		6,764	4,546

The notes on pages 42 to 67 form part of these accounts.

These accounts have been prepared in compliance with the recognition and measurement criteria of IFRS.

Company Cash Flow Statement

for the year ended 30 September 2007

	Notes	2007 £000	2006 £000
Net cash flow from operating activities			
Company net return before taxation		50,177	28,894
Adjustments for:			
Gains on investments	13	(42,080)	(23,706)
Gains on revaluation of associate		(4,668)	(3,517)
Dividends reinvested		(24)	
Share based remuneration		177	72
Recharge expenses			104
		3,582	1,847
Finance costs		2,798	2,797
Operating cashflows before movements in working capital		6,380	4,644
Increase in trade and other payables		422	53
Increase in trade and other receivables		(629)	(1,124)
Net cash inflow from operating activities before tax		6,173	3,573
Tax recovered		20	14
Tax on unfranked income		(52)	(43)
Net cash inflow from operating activities		6,141	3,544
Investing activities			
Purchases of investments		(108,693)	(133,592)
Sales of investments		113,749	137,973
Net cash inflow from investing activities		5,056	4,381
Financing activities			
Repayment of preference shares and loan			2,350
Interest paid		(2,784)	(2,783)
Dividends paid		(5,131)	(4,815)
Purchases of own shares into Employee Incentive Trust		(1,145)	(582)
Net cash outflow from financing activities		(9,060)	(5,830)
Increase in cash and cash equivalents for year	22, 23	2,137	2,095
Cash and cash equivalents at start of year		4,297	2,202
Cash and cash equivalents at end of year		6,434	4,297

The notes on pages 42 to 67 form part of these accounts.

These accounts have been prepared in compliance with the recognition and measurement criteria of IFRS.

General Information

Majedie Investments PLC is a company incorporated in the United Kingdom under the Companies Act 1985. The address of the registered office is given on page 71. The nature of the Group's operations and its principal activities are set out in the Business Review on pages 17 to 21 and in note 8 on page 51.

At the date of authorisation of these financial statements, the following relevant Standards and Interpretations have not been applied in these financial statements since they were in issue but not yet effective:

IFRS 7 *Financial instruments: Disclosures*; and the related amendment to IAS 1 on capital disclosures
IFRS 8 *Operating Segments*
IFRIC 10 *Interim Financial Reporting and Impairment*
IFRIC 11 *IFRS 2 – Group and Treasury Share Transactions*
IFRIC 12 *Service Concession Arrangements*

The directors anticipate that the adoption of the above Standards and Interpretations in future periods will have no material impact on the financial statements of the Group except for additional disclosures on capital and financial instruments when the relevant standards come into effect for periods commencing on or after 1 January 2007.

1 Accounting Policies

The accounts on pages 32 to 67 comprise the audited results of the Company, its subsidiaries and associate for the year ended 30 September 2007, and are presented in pounds sterling, as this is the principal currency in which the Group and Company transactions are undertaken.

Accounting Policies under International Financial Reporting Standards

Basis of Accounting

The accounts of the Group and the Company have been prepared in accordance with International Financial Reporting Standards (IFRS). They comprise standards and interpretations approved by the International Accounting Standards Board, and International Financial Reporting Committee, interpretations approved by the International Accounting Standards Committee that remain in effect, and to the extent they have been adopted by the European Union.

Where presentational guidance set out in the Statement of Recommended Practice (SORP) for investment trusts issued by the Association of Investment Companies in January 2003 (as revised in December 2005) is consistent with the requirements of IFRSs, the directors have sought to prepare the financial statements on a basis compliant with the recommendations of the SORP.

The financial statements have been prepared on the historical cost basis, except for the revaluation of financial instruments. The principal accounting policies adopted are set out as follows:

1 Accounting Policies *continued*

Basis of Consolidation

The Consolidated Accounts incorporate the accounts of the Company and entities controlled by the Company (its subsidiaries) made up to 30 September each year. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

Minority interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Minority interests consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group.

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

Associate

An associate is an entity over which the Group is in a position to exercise significant influence, but not control or joint control, through participation in the financial and operating policy decisions of the investee. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over these policies.

The results and assets and liabilities of associates are incorporated in the consolidated accounts using the equity method of accounting. Investments in associates are carried in the consolidated balance sheet at cost as adjusted by post-acquisition changes in the Group's share of the net assets of the associate, less any impairment in the value of individual investments. Losses of the associates in excess of the Group's interest in those associates are not recognised.

Any excess of the cost of acquisition over the Group's share of the fair values of the identifiable net assets of the associate at the date of acquisition is recognised as goodwill. Any deficiency of the cost of acquisition below the Group's share of the fair values of the identifiable net assets of the associate at the date of acquisition (ie discount on acquisition) is credited in profit and loss in the period of acquisition.

Where a group company transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate. Losses may provide evidence of an impairment of the asset transferred in which case appropriate provision is made for impairment.

Notes to the Accounts

1 Accounting Policies *continued*

Foreign Currencies

The individual financial statements of each Group company are presented in the currency of the primary economic environment in which it operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each Group company are expressed in pounds sterling, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in the foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

Segmental Reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

Investment Income

Dividend income from investments is taken to the revenue account on an ex-dividend basis and net of any associated tax credit.

The fixed return on a debt security is recognised on a time apportionment basis so as to reflect the effective yield on the debt security. Deposit interest is included on an accruals basis.

Expenses

All expenses are accounted for on an accruals basis. In respect of the analysis between revenue and capital items presented within the income statement, all expenses have been presented as revenue items except as follows:

- Expenses which are incidental to the acquisition of an investment are included within the cost of that investment.
- Expenses which are incidental to the disposal of an investment are deducted from the disposal proceeds of the investment.
- Expenses are split and presented partly as capital items where a connection with the maintenance or enhancement of the value of the investments held can be demonstrated, and accordingly the investment management expenses have been allocated 75% to capital, in order to reflect the directors expected long-term view of the nature of the investment returns of the Company.

Pension Costs

Payments made to the Company's defined contribution retirement benefits scheme are charged as an expense as they fall due.

1 Accounting Policies *continued*

Finance Costs

75% of finance costs arising from the debenture stocks are allocated to capital at a constant rate on the carrying amount of the debt; 25% of the finance costs are charged on the same basis to the revenue account. Premiums payable on repurchase of debenture stock are charged 100% to capital.

Share Based Payments

The Group has applied the requirements of IFRS 2: Share-based Payments. In accordance with the transitional provisions IFRS 2 has been applied to all grants of equity instruments after 7 November 2002 that were unvested as of 1 October 2004.

The Group issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value determined at the date of grant, which is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest. Fair value is measured by use of the Black-Scholes model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

Taxation

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

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

In line with the recommendations of the SORP, the allocation method used to calculate tax relief on expenses presented against capital returns in the supplementary information in the income statement is the marginal basis. Under this basis, if taxable income is capable of being offset entirely by expenses presented in the revenue return column of the income statement, then no tax relief is transferred to the capital return column.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

No provision is made for tax on capital gains since the Company operates as an investment trust for tax purposes.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and any recognised impairment loss. Leasehold improvements are written off in equal annual instalments over the minimum period of the lease whereas depreciation for other tangible assets is provided for at 25% to 33% per annum using the straight-line method.

Leasing

Leases are classified as financial leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease.

Notes to the Accounts

1 Accounting Policies *continued*

Investments Held at Fair Value Through Profit or Loss

When a purchase or sale is made under a contract, the terms of which require delivery within the timeframe of the relevant market, the investments concerned are recognised or derecognised on the trade date.

All investments are accounted at fair value through profit or loss as defined by IAS 39.

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 normally valued on an 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.

Financial Instruments

Financial assets and financial liabilities are recognised on the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Derivative Financial Instruments

The Group does not enter into derivative contracts for the purpose of hedging risks on its investment portfolio as it is a long term investor. The Group does, however, receive or purchase warrants on shares which are classified as equity instruments under IAS 32. These equity instrument derivatives are recognised at fair value on the date the contract is entered into and are subsequently re-valued at their fair value.

Changes in the fair value of derivative financial instruments are recognised as they arise in the income statement.

Trade Receivables

Trade receivables do not carry any interest and are stated at their fair value as reduced by appropriate allowances for estimated irrecoverable amounts.

Cash and Cash Equivalents

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

Financial Liabilities and Equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Debentures

All debentures are recorded at proceeds received, net of direct issue costs.

Trade Payables

Trade payables are not interest bearing and are stated at their fair value.

Reserves

Gains and losses on the realisation of investments and foreign currency are accounted for in the realised capital reserve. Increases and decreases in the valuation of investments and currency held at the year end are accounted for in the unrealised capital reserve.

1 Accounting Policies *continued*

Own Shares

Own shares held under option are accounted for in accordance with IFRS 2: Share-based Payments. This requires that the consideration paid for own shares held be presented as a deduction from shareholders' funds, and not recognised as an asset.

Goodwill

Goodwill arising on consolidation represents costs incurred in establishing a specialist fund management business in 2002. Goodwill is recognised as an asset and reviewed for impairment at least annually. Any impairment is recognised immediately in profit or loss and is not subsequently reversed. On disposal of a subsidiary, associate or jointly controlled entity, the attributable amount of goodwill is included in the profit or loss on disposal. Goodwill arising before the date of transition to IFRS has been retained at the previous UK GAAP amounts subject to being tested for impairment at that date.

Critical Accounting Judgement

In the process of applying the Company's accounting policies described above, the directors have made a critical accounting judgement regarding the fair value of the investment in Majedie Asset Management Limited that has the most significant effect on the financial statements of the Company. Note 15 on pages 57 and 58 sets out the relevant details of the valuation including the assumptions on which the valuation is based.

2 Dividends and Interest

	Group 2007 £000	Group 2006 £000	Company 2007 £000	Company 2006 £000
Listed investments				
– UK dividend income	4,458	4,217	4,458	4,217
– unfranked	363	228	363	228
Unlisted investments				
– UK dividend income				614
– Special dividend income	3,808	1,483	3,808	1,483
Interest on deposits	340	354	340	350
Exchange differences on income	(6)	(11)	(6)	(11)
	8,963	6,271	8,963	6,881

Special dividend income of £3,808,000 (2006: £1,483,000) receivable from Majedie Asset Management Limited – see note 15 on pages 57 and 58.

Notes to the Accounts

3 Administration Expenses

	Group 2007 £000	Group 2006 £000	Company 2007 £000	Company 2006 £000
Staff costs – note 5	1,474	6,436	1,474	1,122
Other staff costs and directors' fees	150	283	150	228
Advisers' costs	461	914	461	402
Information costs	134	414	134	154
Establishment costs	153	170	153	122
Operating lease rentals – premises	146	223	146	146
Depreciation on tangible assets	27	123		
Auditors' remuneration (also see below) for:				
– audit	64	63	56	45
– other services to the Group	10	21	6	11
Other expenses	237	369	276	254
	2,856	9,016	2,856	2,484

A charge of £1,568,000 (2006: £1,423,000) to capital and an equivalent credit to revenue has been made in both the Group and Company to recognise the accounting policy of charging 75% of investment management expenses to capital.

Total fees charged by the auditors for the year, all of which were charged to revenue, comprised:

	Group 2007 £000	Group 2006 £000	Company 2007 £000	Company 2006 £000
Audit services				
– statutory audit	64	63	56	45
– audit-related regulatory reporting	4	10		
Tax services – advisory	6	9	6	9
Other non-audit services				
– relating to Employee Share Option scheme		2		2
	74	84	62	56

4 Directors' Emoluments – Company

	2007 £000	2006 £000
Salaries and fees	461	442
Bonuses	292	125
Pension contributions	65	52
Other benefits	26	27
	844	646

The Report on Directors' Remuneration on pages 25 to 29 explains the Company's policy on remuneration for executive directors. It also provides further details of directors' remuneration and longer term incentives.

5 Staff Costs including Executive Directors – Group

	2007 £000	2006 £000
Salaries and other payments	1,079	6,000
Social security costs	134	186
Pension contributions	84	178
Share based remuneration – note 26	177	72
	1,474	6,436
	2007 Number	2006 Number
Average number of employees: Management and office staff	9	18

6 Finance Costs – Group and Company

	2007			2006		
	Revenue £000	Capital £000	Total £000	Revenue £000	Capital £000	Total £000
Interest on 9.5% debenture stock 2020	321	962	1,283	321	962	1,283
Interest on 7.25% debenture stock 2025	375	1,126	1,501	375	1,126	1,501
Amortisation of expenses associated with debenture issue	4	10	14	3	10	13
	700	2,098	2,798	699	2,098	2,797

Further details of the debenture stocks in issue are provided in note 18.

Notes to the Accounts

7 Taxation

Analysis of tax charge – Group and Company

	Group 2007 £000	Group 2006 £000	Company 2007 £000	Company 2006 £000
Foreign tax	51	37	51	37
UK corporation tax		1,294		
	51	1,331	51	37

Reconciliation of tax charge:

The current taxation for the year is lower than the standard rate of corporation tax in the UK (30%). The differences are explained below:

	Group 2007 £000	Group 2006 £000	Company 2007 £000	Company 2006 £000
Net return before taxation	46,567	28,513	50,177	28,894
Taxation at UK Corporation Tax rate of 30% (2006: 30%)	13,970	8,554	15,053	8,668
Effects of:				
– UK dividends which are not taxable	(2,480)	(1,710)	(2,480)	(1,894)
– other income which is not taxable	(10)	(8)	(10)	(8)
– gains on investments which are not taxable	(12,624)	(6,821)	(14,024)	(8,167)
– expenses not deductible for tax purposes	5	5		5
– excess expenses for current year	1,456	1,306	1,461	1,396
– utilisation of tax losses		(32)		
– tax on share of net return of associate	(317)			
– overseas taxation which is not recoverable	51	37	51	37
Actual current tax charge	51	1,331	51	37

7 Taxation *continued*

Group

After claiming relief against accrued income taxable on receipt, the Group has unrelieved excess expenses of £38,500,000 (2006: £33,600,000). It is unlikely that the Group will generate sufficient taxable income in the future to utilise these expenses and therefore no deferred tax asset has been recognised.

Company

After claiming relief against accrued income taxable on receipt, the Company has unrelieved excess expenses of £38,500,000 (2006: £33,600,000). It is unlikely that the Company will generate sufficient taxable income in the future to utilise these expenses and therefore no deferred tax asset has been recognised.

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

8 Segment Reporting

The Group comprises the Company, its wholly owned subsidiaries and associate holding. The Group's activity as an investment trust represents the sole significant business segment. Previously an analysis of revenue and net assets was separately disclosed in two business segments being the investment trust segment and the provision of investment management services by Majedie Asset Management Limited (MAM).

On 30 April 2006 the Group's holding in MAM reduced from 55% to 30% and the company ceased to be a subsidiary and became an associate. Under International Accounting Standard (IAS) 14 neither the nature nor the extent of the activity in the associate company is appropriate for additional separate disclosure.

Further details of subsidiaries and the associate company are contained in notes 14 and 15 respectively on pages 56 to 58.

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 pages 10, 12, and 13 and exposure to different currencies is disclosed in note 27 on page 65.

Previously, geographical segments were considered to be the primary reporting segments for the Group and an analysis of investment income by the four geographical segments; UK, North America, Continental Europe and Pacific Basin, was disclosed. However under IAS 14 neither the nature nor the extent of the activity in the separate geographic area is appropriate for additional separate disclosure.

Notes to the Accounts

9 Dividends – Group and Company

The following table summarises the amounts recognised as distributions to equity shareholders in the period:

	2007 £000	2006 £000
2005 Final dividend of 5.85p paid on 25 January 2006		3,045
2006 Interim dividend of 3.40p paid on 30 June 2006		1,770
2006 Final dividend of 6.10p paid on 24 January 2007	3,165	
2007 Interim dividend of 3.80p paid on 29 June 2007	1,966	
	5,131	4,815

	2007 £000	2006 £000
Proposed final dividend for the year ended 30 September 2007 of 6.20p (2006: final dividend of 6.10p) per ordinary share	3,200	3,165
Proposed special dividend for the year ended 30 September 2007 of 4.50p (2006: nil) per ordinary share	2,322	
	5,522	3,165

Neither the proposed final dividend nor the proposed special dividend have been included as a liability in these accounts in accordance with IAS 10: Events after the Balance sheet date.

Set out below is the total dividend to be paid in respect of the financial year. This is the basis on which the requirements of Section 842 of the Income and Corporation Taxes Act 1988 are considered.

	2007 £000	2006 £000
Interim dividend for the year ended 30 September 2007 of 3.80p (2006: 3.40p) per ordinary share	1,966	1,770
Proposed final dividend for the year ended 30 September 2007 of 6.20p (2006: 6.10p) per ordinary share	3,200	3,165
Proposed special dividend for the year ended 30 September 2007 of 4.50p (2006: nil) per ordinary share	2,322	
	7,488	4,935

10 Return per Ordinary Share – Group and Company

Basic return per ordinary share is based on 51,791,114 (2006: 52,016,698) ordinary shares, being the weighted average number of shares in issue having adjusted for the shares held by the employee incentive trust referred to in note 20. Basic returns per ordinary share are based on the net return after taxation attributable to equity shareholders. There is no dilution to the basic return per ordinary share shown for the years ended 30 September 2006 and 2007 since the share options referred to in note 20 would, if exercised, be satisfied by the shares already held by the employee incentive trust.

	Group 2007 £000	Group 2006 £000	Company 2007 £000	Company 2006 £000
Basic and diluted revenue returns are based on net revenue after taxation of:	8,102	6,815	7,044	5,155
Basic and diluted capital returns are based on net capital return of:	38,414	19,217	43,082	23,702

11 Intangible Fixed Assets – Group

	2007 £000	2006 £000
Goodwill		
Cost and value:		
At beginning of year		360
Deemed disposal – note 14		(164)
Transfer to investment in associate – note 15		(196)
At end of year	0	0

As a result of an agreement signed in 2002 to establish the specialist fund management business of Majedie Asset Management Limited, goodwill on consolidation arose as at 30 September 2002 in connection with the carrying value of the investment in that company. The carrying value of the investment originally included relevant acquisition costs relating to the cost of professional advice received directly in connection with the specific transaction.

See notes 14 and 15 for further information regarding the investment in Majedie Asset Management Limited.

Notes to the Accounts

12 Property and Equipment – Group

	Leasehold Improvements £000	Office Equipment £000	Total £000
Cost:			
At 1 October 2006	352	258	610
Additions	3	4	7
At 30 September 2007	355	262	617
Depreciation:			
At 1 October 2006	303	218	521
Charge for year	8	19	27
At 30 September 2007	311	237	548
Net book value:			
At 30 September 2007	44	25	69
At 30 September 2006	49	40	89

13 Investments at Fair Value Through Profit or Loss – Group and Company

	Listed £000	2007 Unlisted £000	Total £000	Listed £000	2006 Unlisted £000	Total £000
Opening cost at beginning of year	172,194	7,389	179,583	146,227	2,706	148,933
Gains at beginning of year	47,210	292	47,502	57,203	298	57,501
Opening fair value at beginning of year	219,404	7,681	227,085	203,430	3,004	206,434
Purchases at cost	71,941	33,681	105,622	128,784	7,389	136,173
Sales – proceeds	(112,634)		(112,634)	(139,230)		(139,230)
Sales – realised gains/(losses) on sales	18,046	(20)	18,026	33,707		33,707
Increase/(decrease) in unrealised appreciation	23,240	814	24,054	(9,993)	(6)	(9,999)
Adjustment for listing of prior year unlisted	29,816	(29,816)		2,706	(2,706)	
Closing fair value at end of year	249,813	12,340	262,153	219,404	7,681	227,085
Closing cost at end of year	179,363	11,234	190,597	172,194	7,389	179,583
Gains at end of year	70,450	1,106	71,556	47,210	292	47,502
Closing fair value at end of year	249,813	12,340	262,153	219,404	7,681	227,085

Unlisted investments comprise an amount of £12,340,000 invested in placings for 18 separate companies which were expected to become listed securities after 30 September 2007. The valuation of investments on pages 12 and 13 includes 16 unlisted investments of over £100,000.

13 Investments at Fair Value Through Profit or Loss – Group and Company continued

During the year the Company incurred transaction costs of £611,000 (2006: £749,000) of which £352,000 (2006: £465,000) related to the purchase of investments and £259,000 (2006: £284,000) related to the sales of investments. These amounts are included in gains on investments at fair value through profit or loss, as disclosed in the consolidated income statement.

	Group 2007 £000	Group 2006 £000	Company 2007 £000	Company 2006 £000
Analysis of investment return:				
Net gain on realisation of investments	18,026	33,707	18,026	33,707
Realised exchange losses on settlement		(2)		(2)
Increase/(decrease) in unrealised appreciation on investments	24,054	(9,999)	24,054	(9,999)
Revaluation of investment in associate undertaking – note 15			4,668	3,517
Loss on deemed disposal – note 14		(968)		
	42,080	22,738	46,748	27,223

The fair value of the investment portfolio is analysed as follows:

	2007 £000	2006 £000
Listed equities	249,813	218,934
Listed preference shares		470
Unlisted equities	12,340	7,681
	262,153	227,085

Substantial Share Interests

The Company has a number of investee company holdings where its investment is greater than 3% of any class of capital in those companies. Those that are considered material in the context of these accounts are shown below:

	Value £000	% of Class Held
Phorm	13,003	4.47
MEO Australia	6,199	5.58

Notes to the Accounts

14 Investments in Subsidiaries – Company

The Company's subsidiaries at 30 September 2007 are as follows:

Barlow Service Company Limited	– provides administrative services to Group companies
Majedie Portfolio Management Limited	– manager of the Majedie Share Plan, authorised and regulated by the Financial Services Authority
Majedie Investment Trust Management Limited	– non trading
Barlow Investments Limited	– non trading
Majedie Properties Limited	– non trading
Majedie Securities Limited	– non trading

All the subsidiaries are incorporated in Great Britain and are wholly owned.

Company	2007 Total £000	2006 Majedie Asset Management Limited (see note 15) £000	2006 Other Subsidiaries £000	2006 Total £000
Cost:				
At beginning of year	1,002	3,258	1,002	4,260
Redemption of preference shares		(2,100)		(2,100)
Transfer on 1 May 2006 to investment in associate		(1,158)		(1,158)
At end of year	1,002	0	1,002	1,002
Unrealised (depreciation)/ appreciation:				
At beginning of year	(808)	6,842	(808)	6,034
Transfer on 1 May 2006 to investment in associate		(6,842)		(6,842)
At end of year	(808)		(808)	(808)
Valuation at end of year	194	0	194	194

Prior year comparative figures including Majedie Asset Management Limited as a subsidiary

Up until 30 April 2006, when the Group's holding in Majedie Asset Management Limited reduced from 55% to 30%, the Group's investment in Majedie Asset Management Limited was accounted for as a subsidiary. The results for the seven months to 30 April 2006 included within the consolidated income statement amounted to a pre-tax profit of £2,470,000 and administrative expenses of £6,351,000.

Prior year deemed disposal of equity investment in Majedie Asset Management

The 25% reduction in the equity holding in Majedie Asset Management Limited and the corresponding 25% increase in minority interest resulted in a loss on deemed partial disposal of £968,000 as follows:

	Group 2006 £000
Decrease in share of net surplus attributable to equity shareholders	(804)
Write off of applicable portion of goodwill on consolidation – note 11	(164)
Loss on deemed disposal – note 13	(968)

14 Investments in Subsidiaries – Company continued

Prior year minority interest

Minority interest disclosed in the consolidated income statement represents the relevant proportion of the profit on ordinary activities after tax for Majedie Asset Management Limited for the seven months to 30 April 2006. The movement in minority interest, including the 25% increase in minority interest noted previously, is set out below:

	Group 2006 £000
At beginning of year	405
Share of profit for 7 months to 30 April 2006	1,150
Increase in share of net surplus	804
Removal of minority interest upon Majedie Asset Management Limited becoming an associate	(2,359)
At end of year	0

15 Investment in Associate – Group and Company

Majedie Asset Management Limited, a company incorporated in England and Wales, provides investment management and advisory services relating to UK equities.

Since 30 April 2006, when the Group's shareholding reduced to 30%, the results of Majedie Asset Management Limited have been accounted for in the Group accounts as an associate.

The classes of Majedie Asset Management Limited shares are as follows:

	2007		2006	
	No. of Shares in Issue	% Held by Company	No. of Shares in Issue	% Held by Company
A Shares (held by the Company)	128,571	100	128,571	100
Ordinary Shares (held by MAM employees)	300,000		300,000	
Total equity share capital	428,571	30	428,571	30
Deferred Shares (held by the Company)	571,429	100	571,429	100

Group

The carrying value of the investment in associate in the consolidated balance sheet using the equity method is as follows:

	2007 £000	2006 £000
30% share of Majedie Asset Management Limited net assets at 30 April 2006	1,011	1,011
Goodwill at inception	196	196
Deemed cost of investment in associate at 30 April 2006	1,207	1,207
Cumulative share of associate net return since 1 May 2006	1,398	340
Investment in associate at end of year	2,605	1,547

The share of net return of associate in the financial year was £1,058,000 (2006: £340,000).

Notes to the Accounts

15 Investment in Associate – Group and Company continued

The following financial information for Majedie Asset Management Limited has been extracted from its audited accounts for the year ended 30 September 2007.

	2007 £000	2006 £000
Net Assets	8,000	4,031
Net profit after tax	3,842	3,760
Revenue reserves	4,930	1,403

Company

The directors have carried out a review of the fair value of the investment in Majedie Asset Management Limited according to the accounting policy for valuing unlisted investments on page 46. As at 30 September 2007 the investment is valued in the Company balance sheet at £16,185,000 (2006: £11,517,000) plus a special dividend receivable of £2,110,000 (2006: £1,483,000) totalling £18,295,000 (2006: £13,000,000). As a result of this review the directors' valuation of the Company's equity investment has increased by £4,668,000 compared with last year.

The above valuation exercise was carried out by the Board in accordance with the Company's accounting policy for the valuation of unlisted investments. The approach adopted involved the consideration of earnings for the 2007 and the 2008 financial years, the inclusion of estimated performance fee income on a discounted basis, the application of a relevant market-based multiple to earnings, an overall illiquidity discount and an estimate of the current value of special dividends receivable.

	2007 £000	2006 £000
Cost		
At beginning of year	1,158	
Transfer on 1 May 2006 from investment in subsidiary – note 14		1,158
At end of year	1,158	1,158
Unrealised appreciation		
At beginning of year	10,359	
Transfer on 1 May 2006 from investment in subsidiary – note 14		6,842
Movement for the year	4,668	3,517
At end of year	15,027	10,359
Valuation at end of year	16,185	11,517

The calculation and payment of four special dividends to the Company is detailed in the Shareholders Agreement for Majedie Asset Management Limited. The third of these payments of £2,110,000 is due to be received shortly and therefore is included in trade and other receivables: special dividend due from associate undertaking.

16 Trade and Other Receivables

	Group 2007 £000	Group 2006 £000	Company 2007 £000	Company 2006 £000
Sales for future settlement	252	1,367	252	1,367
Payments in advance	186	214		
Dividends receivable	660	656	660	656
Special dividend due from associate undertaking	2,110	1,483	2,110	1,483
Other amounts due from associate undertaking	4	14	4	14
Accrued income	3	7	3	7
Taxation recoverable	6	25	6	25
Amounts due from subsidiary undertakings			57	45
	3,221	3,766	3,092	3,597

17 Cash and Cash Equivalents

	Group 2007 £000	Group 2006 £000	Company 2007 £000	Company 2006 £000
Deposits	5,836	4,211	5,836	4,211
Other balances	928	335	598	86
	6,764	4,546	6,434	4,297

18 Trade and Other Payables

Amounts falling due within one year:

	Group 2007 £000	Group 2006 £000	Company 2007 £000	Company 2006 £000
Purchases for future settlement		3,095		3,095
Accrued expenses	488	441		
Other creditors	960	564	960	564
Amounts owed to subsidiary undertakings			156	130
	1,448	4,100	1,116	3,789

Amounts falling due after more than one year:

	Group 2007 £000	Group 2006 £000	Company 2007 £000	Company 2006 £000
£13.5m (2006: £13.5m) 9.5% debenture stock 2020	13,363	13,358	13,363	13,358
£20.7m (2006: £20.7m) 7.25% debenture stock 2025	20,365	20,356	20,365	20,356
	33,728	33,714	33,728	33,714

Both debenture stocks are secured by a floating charge over the Company's assets. Expenses associated with the issue of debenture stocks were deducted from the gross proceeds and are being accounted for, at a constant rate, the effect of which is immaterially different to applying the effective interest rate method, over the life of the debentures. Further details on interest and the amortisation of issue expenses are provided in note 6.

19 Called Up Share Capital

	2007 £000	2006 £000
Allotted and fully paid at 30 September: 52,528,000 (2006: 52,528,000) ordinary shares of 10p each	5,253	5,253
Authorised at 30 September: 70,000,000 (2006: 70,000,000) ordinary shares of 10p each	7,000	7,000

Details of directors' share options are set out in the Report on Directors' Remuneration on pages 28 and 29.

20 Own Shares – Group and Company

Following the grant of matching and TSR-based awards to directors and employees under the Long Term Incentive Plan (LTIP), 284,107 own shares costing £1,145,000 were purchased by the Majedie Investments PLC Employee Incentive Trust (EIT) during the year ended 30 September 2007. The total number of options outstanding is now 655,265 under the Discretionary Share Option Scheme 2000 and 329,768 under the LTIP and the total shareholding of the trust is 927,833 ordinary shares. The shares will be held by the trust until the relevant options are exercised or until they lapse. They are presented on the balance sheet as a deduction from shareholders' funds, in accordance with the policy detailed in note 1. Further details of the LTIP are given in the Report on Directors' Remuneration on pages 25 to 29.

	Number of Shares	Own Shares Reserve £000
As at 30 September 2006	643,726	(1,908)
Additions	284,107	(1,145)
As at 30 September 2007	927,833	(3,053)

21 Net Asset Value

The consolidated net asset value per share has been calculated based on equity shareholders' funds of £239,636,000 (2006: £199,219,000) and on 51,600,167 (2006: 51,884,274) ordinary shares, being the shares in issue at the year end having deducted the number of shares held by the EIT.

The Company net asset value per share has been calculated based on equity shareholders' funds of £253,214,000 (2006: £209,187,000) and on the same number of shares as used for the calculation of the consolidated net asset value per share.

22 Reconciliation of Net Cash Flow to Movement in Net Debt

Group	2007 £000	2006 £000
Increase in cash in the year	2,218	125
Non cash items	(14)	(14)
Change in net debt	2,204	111
Net debt beginning of year	(29,168)	(29,279)
Net debt at end of year	(26,964)	(29,168)

Company	2007 £000	2006 £000
Increase in cash in the year	2,137	2,095
Non cash items	(14)	(14)
Change in net debt	2,123	2,081
Net debt at beginning of year	(29,417)	(31,498)
Net debt at end of year	(27,294)	(29,417)

23 Analysis of Changes in Net Debt

Group	At 30 September 2006 £000	Cash Flows £000	Non Cash Items £000	At 30 September 2007 £000
Cash at bank	4,546	2,218		6,764
Debt due after one year	(33,714)		(14)	(33,728)
	(29,168)	2,218	(14)	(26,964)

Company	At 30 September 2006 £000	Cash Flows £000	Non Cash Items £000	At 30 September 2007 £000
Cash at bank	4,297	2,137		6,434
Debt due after one year	(33,714)		(14)	(33,728)
	(29,417)	2,137	(14)	(27,294)

Notes to the Accounts

24 Operating Lease Commitments

A subsidiary company, Barlow Service Company Limited, had an annual commitment at 30 September 2007 of £146,000 (2006: £146,000) under a non-cancellable operating lease in respect of premises. This operating lease commitment is disclosed in the table below:

Expiry Date	2007 £000	2006 £000
Within one year	146	146
Between one and two years	146	146
Between two and three years	146	146
Between three and four years	146	146
Five years and above	359	505
	943	1,089

25 Financial Commitments

With the exception of the financial commitment detailed in note 24, at 30 September 2007 the Group had no financial commitments which had not been accrued for (2006: none).

26 Share-based Payments

The Group operates two share-based payment schemes: the Discretionary Share Option Scheme 2000 and the 2006 Long Term Incentive Plan (LTIP) which in turn has two sections relating to TSR-based Awards and Matching Awards. The LTIP replaces the Discretionary Share Option Scheme 2000 for executive directors and senior executives, and the first awards were made in January 2006.

Discretionary Share Option Scheme 2000

The Scheme involved the granting of share options, with an exercise price equal to the average quoted market price of the Company's shares on the date of grant, to executives in 2001, 2002, and 2004. Following a review of executive directors' remuneration in 2005, it was decided that no further awards of options would be made under the Scheme. Share options in the Scheme have a performance condition based on a specified annualised hurdle rate applying between the grant date and the exercise date. If the performance condition has been achieved up to the exercise date the share options may be exercised within a seven year period beginning three years after the date of grant.

Long Term Incentive Plan: TSR-based Awards

Awards of restricted shares up to a maximum value of one year's salary have performance conditions based on total shareholder return in relation to two separate performance conditions over a period of five years. The performance conditions contain higher and lower thresholds that determine the extent of the vesting of the award. Refer to the Report on Directors' Remuneration on pages 25 to 29 for further information.

26 Share-based Payments continued

Long Term Incentive Plan: Matching Awards

Executive directors receive 50% of their overall bonus for the year in deferred shares. The shares granted according to these matching awards only vest once the executive has completed three years' further service. There are no other performance conditions.

	2007					
	Discretionary Share Option Scheme 2000		TSR-based Awards		Matching Awards	
	No. of Options	Weighted Average Exercise Price (p)	No. of Options	Weighted Average Exercise Price (p)	No. of Options	Weighted Average Exercise Price (p)
Outstanding at 1 October 2006	655,265	260.8	99,648	0.0	37,397	0.0
During the year:						
Awarded			102,679	0.0	83,737	0.0
Forfeited						
Increase in awards due to dividends paid			5,017		1,290	
Outstanding at 30 September 2007	655,265	260.8	207,344	0.0	122,424	0.0
Exercisable at 30 September 2007	370,021	229.6				

	2006					
	Discretionary Share Option Scheme 2000		TSR-based Awards		Matching Awards	
	No. of Options	Weighted Average Exercise Price (p)	No. of Options	Weighted Average Exercise Price (p)	No. of Options	Weighted Average Exercise Price (p)
Outstanding at 1 October 2005	714,156	257.9				
During the year:						
Awarded			142,046	0.0	37,397	0.0
Forfeited	(30,220)	254.8	(43,420)	0.0		
Exercised	(28,671)	196.5				
Increase in awards due to dividends paid			1,022			
Outstanding at 30 September 2006	655,265	260.8	99,648	0.0	37,397	0.0
Exercisable at 30 September 2006	251,596	232.1				

The aggregate estimated fair value of the 102,679 TSR-based awards on 27 November 2006, being the date on which the awards were granted was £141,000 (2006: £191,000 relating to the aggregate estimated fair value of 142,046 options granted on 27 January 2006).

The 83,737 matching awards granted in 2007 were made on 24 January, 21 May and 14 November 2007 and had an aggregate estimated fair value on those dates of £224,000. However they are included here as they relate to an overall bonus award for the 2007 financial year (2006: £86,000 relating to 37,397 matching awards made on 27 November 2006). The relevant proportion of their estimated fair value has been charged in the income statement.

Notes to the Accounts

26 Share-based Payments continued

The options and awards outstanding at 30 September 2007 had a weighted average remaining contractual life of 5.3 years, 3.8 years and 2.6 years in respect of the Discretionary Share Options Scheme 2000, TSR-based Awards and Matching Awards respectively (2006: 6.5 years, 5 years and 3 years respectively).

Awards and options are forfeited if the employee leaves employment before vesting.

The following table lists the assumptions and inputs used in the Black Scholes Model for share awards granted in the year:

	2007 TSR-based Awards	2007 Matching Awards	2006 TSR-based Awards	2006 Matching Awards
Weighted average share price	337.6p	390.0p	325.0p	336.0p
Weighted average exercise price	0.0p	0.0p	0.0p	0.0p
Expected volatility	15.0%	15.0%	15.0%	15.0%
Expected life	5 yrs	3 yrs	5 yrs	3 yrs
Risk free rate	4.9%	5.3%	4.1%	4.9%
Expected dividends	2.8%	2.5%	2.8%	2.8%

Expected volatility was determined by calculating the historical volatility of the Company's share price over the last three years. The expected life used in the model had been adjusted, based on the management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

The Group has recognised a total expense of £177,000 (2006: £72,000) related to share-based payment transactions in the year ended 30 September 2007.

27 Financial Instruments and Risk Profile

The Company's financial instruments comprise its investment portfolio – see note 13, cash balances, debtors and creditors that arise directly from its operations such as sales and purchases awaiting settlement and accrued income, and the debenture loans used to finance its operations. The Company does not use derivatives for hedging purposes.

As an investment trust, the Company invests in securities for the long term. Accordingly, it is the Board's policy that no trading in investments or other financial instruments shall be undertaken.

The Company has little exposure to credit and cash flow risk. Unlisted investments in the portfolio are subject to liquidity risk. This risk is taken into account by the directors when arriving at the valuation of these assets.

The principal risks in the management of the portfolio are:

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

These risks are taken into account when setting investment policy and making investment decisions.

Market Price Risk

Exposure to market price risk comprises mainly movements in the value of the equity investments. A detailed breakdown of the investment portfolio is given on pages 12 and 13. Uncertainty arises as a result of future changes in the market prices of the Company's equity investments. Economic and market data are monitored by the Investment Director within an overall investment strategy approved by the Board.

27 Financial Instruments and Risk Profile continued

Foreign Currency Risk

Exposure to foreign currency risk arises through investments in securities listed on overseas stock markets. The Company does not normally hedge against foreign currency movements but takes account of the relative strengths and weaknesses of currencies in making investment decisions.

Interest Rate Risk

Indirect exposure to interest rate risk arises through the effect of interest rate changes on the valuation of the investment portfolio. The majority of the financial assets are equity shares, which pay dividends, not interest.

The Company finances its operations primarily through retained profits, including realised and unrealised capital gains, and equity share capital. In addition there are long term debenture loans which have fixed rates of interest – see note 18.

a) Currency exposures

A proportion of the net assets of the Company are denominated in currencies other than sterling, with the effect that the balance sheet and total return can be significantly affected by currency movements.

The currency risk of the Company's financial assets and liabilities at the balance sheet date was:

	2007 £000	2006 £000
Monetary exposures		
UK sterling	6,434	4,297
Non-monetary exposures		
US dollar	6,369	7,970
Euro	11,578	5,682
Japanese yen		1,711
Swiss franc	269	
Singapore dollar	189	
Thai baht	1,603	
Canadian dollar	5,457	7,481
Australian dollar	12,704	4,067
UK sterling	243,455	215,482
	281,624	242,393
Total assets	288,058	246,690
Liabilities		
Monetary exposures		
UK sterling	(33,728)	(33,714)
Non-monetary exposures		
UK sterling	(1,116)	(3,789)
	(34,844)	(37,503)
Total net assets	253,214	209,187

Notes to the Accounts

27 Financial Instruments and Risk Profile continued

The Company's financial instruments at 30 September comprised the following:

	Book Value 2007 £000	Book Value 2006 £000	Fair Value 2007 £000	Fair Value 2006 £000
Financial assets				
Investment portfolio	262,153	227,085	262,153	227,085
Cash	6,434	4,297	6,434	4,297
Financial liabilities				
£13.5m (2006: £13.5m) 9.5% debenture stock 2020	13,363	13,358	17,474	18,469
£20.7m (2006: £20.7m) 7.25% debenture stock 2025	20,365	20,356	24,383	23,709

The investment portfolio has been valued in accordance with the accounting policy in note 1 to the accounts. Accordingly, book value equates to fair value. The fair value of the debenture stock is based on information provided by FT Interactive Data as at 30 September in each year.

The Company's exposure to foreign currencies through its investments in overseas securities as at 30 September 2007 was £38,169,000 (2006: £26,911,000).

b) Interest rate risk profile of financial assets and financial liabilities

The interest rate risk of the Company's financial assets and liabilities at the balance sheet date was:

	2007 £000	2006 £000
Floating rate financial assets		
UK sterling	6,434	4,297
Financial assets not carrying interest As shown in note 27a	281,624	242,393
Total assets	288,058	246,690
Floating and fixed rate financial liabilities		
UK sterling	(33,728)	(33,714)
Financial liabilities not carrying interest UK sterling	(1,116)	(3,789)
Total liabilities	(34,844)	(37,503)
Total net assets	253,214	209,187

28 Derivative Financial Instruments

In the course of its investment activities the Company receives warrants on ordinary shares which provide exposure to companies on favourable terms. At 30 September 2007, the fair value of the Company's warrants, both listed and unlisted was £21,000 (2006: £83,000).

Changes in the fair value of warrants amounting to £62,000 (2006: £2,000 credited) have been debited to the income statement in the year ended 30 September 2007.

29 Related Party Transactions

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

Majedie Asset Management Limited is a related party. It was a subsidiary until 30 April 2006 and is now accounted for as an associate.

	Details of Transactions		Amounts Owed by Related Parties		Amounts Owed to Related Parties	
	2007	2006	2007	2006	2007	2006
	£000	£000	£000	£000	£000	£000
Majedie Asset Management Limited						
Special dividend due to Group	3,808	1,483	2,110	1,483		

At 30 September 2007 the Company held investments in funds managed by Majedie Asset Management Limited representing 3.3% (2006: 4.3%) of the Company's investment portfolio as set out in the table below.

Fund	2007	2006
	Market Value £000	Market Value £000
Majedie Asset Management UK Opportunities	6,171	5,383
Majedie Asset Management UK Focus	299	257
Majedie Asset Management UK Equity	292	252
Majedie Asset Management UK Alpha A		1,880
Majedie Asset Management UK Alpha B		1,882
Majedie Asset Management UK Alpha C	1,998	
	8,760	9,654

Distributions totalling £117,000 (2006: £108,000) from these investments were received by the Company during the year.

The Company makes investments from time to time in companies on the boards of which a non-executive director of the Company serves as a director. The Company's non-executive directors are not involved in any day-to-day investment decisions relating to the investment portfolio.

The remuneration of the directors, who are the key management personnel of the Group, is set out below in aggregate for each of the categories specified in IAS 24: Related Party Disclosures. Further information about the remuneration of individual directors is provided in the audited part of the Report on Directors Remuneration on pages 25 to 29.

	2007	2006
	£000	£000
Short-term employee benefits	844	646
Share-based payments	171	64
	1,015	710

Ten Year Record

to 30 September 2007

Year End	Total† Assets £000	Share- holders' Funds £000	NAV Per Share Pence	Share Price Pence	Discount %	Earnings Pence	Net Dividend Pence	Actual Gearing Ratio %	Potential Gearing Ratio %	Total Company Costs Ratio %
1998	180,298	165,490	315.3	296.0	6.13	5.48	7.20	(0.6)	8.9	1.15
1999	216,519	201,708	383.3	367.0	4.24	8.09	7.40	2.3	7.3	1.38
2000	274,620	235,269	446.3	358.5	19.68	7.01	7.65	15.5	16.7	0.95
2001	203,067	163,709	310.7*	242.5	21.95	7.73	7.90	19.4	24.1	0.96
2002	164,344	124,893	238.1*	187.5	21.25	9.97	8.15	18.3	31.7	1.56
2003	168,001	128,810	246.6*	198.0	19.72	7.52	8.45	17.1	30.6	1.67
2004	172,144	138,893	266.5*	227.5	14.63	5.25	8.75	14.5	24.3	1.36
2005**	212,600	178,845	343.0*	303.5	11.52	8.94	9.05***	16.4	18.9	1.19
2006	232,933	199,219	384.0*	338.3	11.90	13.10	9.50***	14.6	17.0	1.31
2007	273,364	239,636	464.4*	413.3	11.00	15.64	14.50***	11.3	14.1	1.28

The Actual Gearing Ratio is calculated as total assets less cash, fixed interest assets and minority interest divided by shareholders' funds less own shares held, up to and including 2002. From 2003 onwards the Actual Gearing Ratio is calculated as total assets less cash, fixed interest assets and minority interest divided by shareholders' funds. The Potential Gearing Ratio is calculated as total assets less minority interest and own shares held divided by shareholders' funds less own shares held, up to and including 2002. From 2003 onwards the Potential Gearing Ratio is calculated as total assets less minority interest divided by shareholders' funds. The change in calculation in 2003 for both the Actual Gearing Ratio and the Potential Gearing Ratio is due to UITF Abstract 38: Accounting for ESOP Trusts.

* From 2001 onwards NAV Per Share figures have been calculated as described in note 21 on page 60.

** Restated – to reflect current accounting policies. Results for the years 1998 to 2004 are as originally reported and have not been revised to reflect current accounting policies.

*** Net dividends represent dividends that relate to the Company's financial year. Under IFRS dividends are not accrued until paid or approved.

† Represents total assets less current liabilities.

Notice of Meeting

Notice is hereby given that the ninety seventh Annual General Meeting of Majedie Investments PLC will be held on 16 January 2008 at Watermen's Hall, 16 St Mary-at-Hill, London EC3R 8EF at 11.30am for the purpose of transacting the following:

Ordinary Business

1. To receive and adopt the Directors' Report and Accounts for the year ended 30 September 2007.
2. To receive the Report on Directors' Remuneration.
3. To declare a final dividend of 6.2p per share in respect of the year ended 30 September 2007.
4. To declare a special dividend of 4.5p per share in respect of the year ended 30 September 2007.
5. To re-elect H V Reid as a director.
6. To re-elect G M Leates as a director.
7. To re-appoint Deloitte & Touche LLP as auditors and to authorise the directors to fix their remuneration.

Special Business

To consider and, if thought fit, pass the following resolution which will be proposed as a special resolution:

8. THAT the Company generally be and is hereby authorised for the purpose of Section 166 of the Companies Act 1985 to make market purchases (as defined in Section 163 of the said Act) of shares of 10p each in the capital of the Company (shares) provided that:
 - a) the maximum number of shares hereby authorised to be purchased is 7,873,947; being 14.99% of the issued share capital;
 - b) the minimum price which may be paid for such shares is 10p per share;
 - c) the maximum price (exclusive of expenses) which may be paid for such shares shall be 5% above the average of the middle market quotations taken from the London Stock Exchange Daily Official List for the five business days before the purchase is made;
 - d) the authority hereby conferred shall (unless previously renewed or revoked) expire on the earlier of the next Annual General Meeting of the Company and the date which is eighteen months after the date on which this resolution is passed; and
 - e) the Company may make a contract to purchase its own shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiry of such authority and may make a purchase of its own shares in pursuance of any such contract.

By order of the Board

Capita Sinclair Henderson Limited

Company Secretary

23 November 2007

Copies of directors' service contracts, the Articles of Association and the Register of Directors' Interests in the shares of the Company are available for inspection at the Company's registered office during normal business hours and from 11am on 16 January 2008 at the place of the meeting until its conclusion. A member who is entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend, speak and vote instead of him or her. Such proxies need not be members of the Company. Pursuant to Regulation 41 of the Uncertified Securities Regulations 2001, the time by which a person must be entered on the register of members in order to have the right to attend or vote at the meeting is 11.30am on 14 January 2008. Changes to entries on the register of members after that time will be disregarded in determining the rights of any person to attend or vote at the meeting.

By attending the Annual General Meeting a holder of ordinary shares expressly agrees he/she is requesting and willing to receive any communications made at the Annual General Meeting.

Majedie Savings Plans

Majedie Share Plan

The Majedie Share Plan is a straightforward and low cost way to invest or save in the shares of Majedie Investments PLC. Charges are kept low and the Plan is very flexible.

Lump sum investments are dealt with on a weekly or daily basis whereas the monthly savings facility is an affordable and effective way of building a substantial shareholding over the longer term. The minimum lump sum investment is £250, while the minimum monthly amount is £25. There are no maximum limits.

There are no dealing charges and there is no annual management fee. Your lump sum or monthly payments will be used to buy as many shares as possible after deducting Government Stamp Duty, currently at the rate of 0.5%. On the sale of shares a fixed charge of £15 + VAT is levied.

Dividends may either be paid in cash or reinvested in the Plan. Existing Majedie shareholdings may be transferred into the Plan. You may close your plan by selling all your shares at any time.

For more information, a Majedie Share Plan booklet and/or an application form please contact the Majedie Share Plan Manager, Majedie Portfolio Management Limited*, 1 Minster Court, Mincing Lane, London EC3R 7ZZ (telephone: 020 7626 1243).

** authorised and regulated by the Financial Services Authority*

Majedie Corporate ISA

The Majedie Corporate ISA (Individual Savings Account) provides individuals with a tax efficient way to invest or save in the shares of Majedie Investments PLC.

ISAs provide the following benefits:

- no extra income tax payable on income generated within the ISA;
- no Capital Gains Tax liability on any profits arising from within the ISA;
- no need to include the details of your ISA in reports to HM Revenue & Customs; and
- no minimum period of investment.

The Majedie Corporate ISA provides the additional benefit of extremely low cost. There are no initial charges and no annual management charges. Furthermore there is no brokerage charge on purchases or sales as part of the weekly bulk dealing for the scheme. However there is Government Stamp Duty on purchases, currently at 0.5%, and there is also an additional charge should you wish to make use of the Real Time Dealing Service.

Shares may be purchased either by way of a lump sum payment or through regular monthly payments. The minimum lump sum investment is £500, while the minimum direct debit subscription is £50. If you do not want to use the other available components of an ISA then the maximum investment permitted in shares in a MAXI ISA is £7,000 in each tax year until 2010. The maximum which may be invested in shares in a MINI ISA is currently £4,000 in each tax year until 2010. Income may be paid direct to your bank or building society on a half-yearly basis or reinvested.

The Majedie Corporate ISA is provided in conjunction with Halifax Share Dealing (HSDL) who act as an HM Revenue & Customs Approved PEP and ISA Manager. For more information, an ISA booklet and/or an application form please contact the Majedie Corporate ISA Manager, Halifax Share Dealing Limited, Trinity Road, Halifax HX1 2RG (telephone: 0870 600 9966).

Majedie General PEP

Although you are no longer able to put new money into a PEP, your existing PEP investments remain sheltered from tax and can continue to grow. You may transfer an existing PEP from another manager to the Majedie General PEP.

Further details may be obtained from the Company's PEP Manager, The Share Centre, PO BOX 2000, Aylesbury, Buckinghamshire HP21 8ZB (telephone: 0800 800 008).

Shareholder Information

Registered Office

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Registered Number: 109305 England

Company Secretary

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Telephone: 01392 412122
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Registrars

Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol BS99 6ZZ
Telephone: 0870 707 1159

Shareholders should notify all changes of name and address in writing to the Registrars. Shareholders may check details of their holdings, historical dividends, graphs and other data by accessing www.computershare.com.

Shareholders wishing to receive communications from the Registrars by email (including notification of the publication of the annual and interim reports) should register on-line at <http://www-uk.computershare.com/investor>. Shareholders will need their shareholder number, shown on their share certificate and dividend vouchers, in order to access both of the above services.

Auditors

Deloitte & Touche LLP

Stockbrokers

Landsbanki

Key Dates in 2008

Ex-dividend date	2 January 2008
Record date	4 January 2008
Annual General Meeting	16 January 2008
2006/07 final dividend paid	23 January 2008
Interim results announcement	May
2007/08 interim dividend paid	30 June 2008
Financial year end	30 September
Final results announcement	November
Annual report mailed to shareholders	December

Website

www.majedie.co.uk

Share Price

The share price is quoted daily in The Times, Financial Times, The Daily Telegraph, The Independent and London Evening Standard. Shares may be bought through the Majedie Share Plan or Majedie Corporate ISA (details of which are set out on page 70). You may transfer an existing PEP to the Majedie General PEP (page 70). You may also purchase shares through an on-line dealing facility or via your stockbroker or bank.

Net Asset Value

The Company announces its net asset value weekly through the London Stock Exchange and on its website. The Financial Times publishes daily estimates of the net asset value and discount.

Capital Gains Tax

For capital gains tax purposes the adjusted market price of the Company's shares at 31 March 1982 was 35.875p per 10p share. Former shareholders of Barlow Holdings PLC are recommended to consult their professional advisers in this regard.

Notes

Majedie Investments PLC

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