

HALF YEAR REPORT
FOR THE HALF YEAR ENDED 31 OCTOBER 2008

POLAR CAPITAL
TECHNOLOGY TRUST PLC

POLAR CAPITAL TECHNOLOGY TRUST PLC – PROFILE

Polar Capital Technology Trust PLC was launched on 16 December 1996 under the name Henderson Technology Trust plc, with the issue of ordinary shares plus one warrant attached to every five shares. The original subscription price for each share was £1. On 30 September 2005 the warrants reached their final exercise date and were converted into ordinary shares of the Company.

In 2005, the shareholders voted to continue the life of the Company and they will have in 2010 and every five years thereafter the right to approve, or otherwise, the continued existence of the Company.

OBJECTIVE

The investment objective is to maximise long-term capital growth for our shareholders through investing in a diversified portfolio of technology companies around the world. The investment policy is set out in full in the Annual Report.

BENCHMARK

The Company has a benchmark of the Dow Jones World Technology Index (total return, Sterling adjusted) against which NAV performance is measured for the purpose of assessing performance fees.

RATIONALE

Over the last two decades the technology industry has been one of the most vibrant, dynamic and rapidly growing segments of the global economy. Technology companies offer the potential for substantially faster earnings growth than the broad market, reflecting the long-term secular uptrend in technology spending.

INVESTMENT APPROACH

Stocks are selected for their potential for shareholder returns, not on the basis of technology for its own sake. The investment manager believes in rigorous fundamental analysis and focus on:

- management quality
- the identification of new growth markets
- the globalisation of major technology trends and
- exploiting international valuation anomalies and sector volatility

MANAGEMENT

Polar Capital has been the appointed investment manager throughout the year. Mr Ben Rogoff, the appointed fund manager, has been responsible for the Company's portfolio since 1 May 2006. Mr Craig Mercer is deputy fund manager and along with Mr Ben Rogoff directs a team of technology specialists.

FEES

The Company pays both a basic management fee as well as a performance fee if performance is above a predetermined level. Further details are given in the Annual Report.

Information on the Company can be accessed at: www.polarcapitaltechnologytrust.co.uk and further shareholder information is given at the back of this report.

Investors should be aware that the value of the Company's shares may reflect the greater relative volatility of technology shares. Technology shares are subject to the risks of developing technologies, competitive pressures and other factors including the acceptance by business and consumers of new technologies. Many companies in the technology sector are smaller companies and are therefore also subject to the risks attendant on investing in smaller capitalisation businesses.

HIGHLIGHTS

FINANCIAL

	(Unaudited) Half year ended 31 October 2008	(Audited) Year ended 30 April 2008	Movement %
Net assets per ordinary share	182.72p	226.72p	(19.4)
Price per ordinary share	145.50p	190.75p	(23.7)
Total net assets	£238,875,000	£300,425,000	(20.5)
Shares in issue	130,730,914	132,508,914	(1.3)

INDEX CHANGES OVER THE HALF YEAR ENDED 31 OCTOBER 2008 (TOTAL RETURN)

	Local Currency %	Sterling Adjusted %
Benchmark		
Dow Jones World Technology	(34.6)	(19.8)
Technology Indices:		
NYSE Arca Technology 100	(26.4)	(9.8)
FTSE Techmark 100	–	(24.6)
Tecdex	(36.7)	(36.8)
Tokyo SE Electronics	(44.0)	(27.1)
MSCI AC Asia Pacific ex Japan Information Technology	(45.3)	(33.0)
Market Indices:		
FTSE World	–	(22.4)
S&P 500 Composite	(29.3)	(13.3)
FTSE All-Share	–	(28.2)
FTSE World Europe (ex UK)	–	(31.3)
Tokyo SE (Topix)	(35.6)	(16.1)
FTSE World Pacific Basin (ex Japan)	–	(36.6)

EXCHANGE RATES

	31 October 2008	30 April 2008
US\$ to £	1.6158	1.9806
Japanese Yen to £	158.91	206.99
Euro to £	1.2742	1.2721

INTERIM MANAGEMENT REPORT

Investment Manager's Report

The half year to 31 October has been an extraordinarily stressful one. In our last annual report, we warned that the secondary effects of the credit crisis had yet to be felt and that market conditions would therefore continue to be challenging. However, we did not anticipate the sheer destructiveness of the "perfect storm" that broke over the summer. Countless column inches and media hours have been devoted to reporting on the financial crisis over recent months, so much so that little has been left unsaid. Suffice it to say that the financial conditions over this period have been worse than most investors have ever experienced.

Stock markets began the reporting period by drifting downwards but a succession of catastrophic corporate failures led to justifiable fears of a collapse in the financial system and, dramatically transformed this decline into a free-fall. In the process, only the highest quality sovereign debt escaped the plunge while other assets experienced overwhelming selling pressure. The Dow Jones Global Technology index fell by 34.6% but fortuitously sterling's demise cushioned the fall to 19.8% in currency adjusted terms. Our own net asset value per share fell by 19.4% over the half year.

Technology shares in all markets fell sharply with those in Asia worst afflicted. Our strategy during much of this period has been to retain some cash, focus on the more liquid, large capitalisation companies particularly in the USA and avoid too much exposure to smaller companies whose earnings were likely to prove more vulnerable to a sharp deterioration in demand and whose size made them more at risk of a "flight to quality" by investors.

In executing this strategy, our exposure to the resurgent US dollar has increased while our

weighting in the UK has declined to the lowest levels we can recall. Although the resulting positioning is uncharacteristic of our traditional investment style, the move has prevented the portfolio suffering worse damage.

The last six months have thrown up few positive features. However, it is perhaps worth observing that the recent volatility in markets together with the remarkable and forced deleveraging that has been both its cause and accompaniment have highlighted the merits of investment trusts' largely closed-end structure. Although forced selling has led to a widening of discounts, this itself has given us an opportunity to continue to buy back shares at very attractive prices.

So dominant have been the macroeconomic developments this year that trends within the technology sector itself have very much taken a back seat. What appeared to be a supportive environment for technology spending in which a number of new product cycles were underway has deteriorated to the extent that few companies are claiming to see much further than their rapidly shortening order books. Encouraging earnings guidance has been replaced by a single-minded focus on damage limitation and a reluctance to provide any forecasts. In these respects, the technology sector is no different from any other but it does have the very material advantages of strong balance sheets and not having been subject to the spending and financial engineering excesses that have characterised many other sectors.

Governments and monetary authorities around the world have taken extraordinary measures in an attempt to revive a financial system that has suffered acute cardiac arrest. Many of the measures taken will only have a delayed impact on economic conditions while others depend on the

effective working of money markets which are clearly malfunctioning. The absence of confidence amongst consumers and corporations is understandable but it presents a very material issue for governments to tackle. There simply are no easy solutions but we should take some comfort from the determination being shown by the authorities to deal with the crisis. Moreover, a number of the global economy's natural stabilisers are beginning to click in, for example oil and other commodity prices. The recent collapse in equity prices has undoubtedly discounted a material element of the deterioration in economic and corporate trading conditions that is now becoming apparent in both official statistics and company profit guidance. While there are still very significant risks, recent policy action has much reduced, even if it has not removed, the prospect of a severe recession degenerating into a prolonged and global depression. Provided that credit markets stabilise, economic activity should improve by the second half of 2009.

Although the near term outlook for corporate earnings is appalling, this is gradually being reflected in analysts' forecasts and we may be within reach of an earnings trough. Sentiment remains very depressed but such negativity is often associated with market turning points while seasonal trends are generally favourable. Most importantly, at recent lows, values have become increasingly evident. Following recent falls, most equity markets are hugely oversold which makes the probability of a meaningful rally much more likely. Consequently, we have reduced our cash position while retaining our focus on the USA and on more liquid securities since we believe the US economy will be among the first to recover.

Global technology stocks entered the downturn following a muted prior expansion with attractive valuations and strong balance sheets. Despite this the sector trades today at one of the most attractive relative valuations seen since the early 1990s. As a result we are confident that the sector will regain its leadership status once economic conditions begin to normalise. We hope, as visibility on 2009 improves, to return to a more balanced mix of market capitalisations within the portfolio and to be able to discern next Spring tentative signs of recovery.

B Rogoff
15 December 2008

Risks and uncertainties

The Directors consider that the principal risks and uncertainties faced by the group for the remaining six months of the financial year which could have a material impact on performance are consistent with those outlined in the annual report for the year ended 30 April 2008. These principal risks can be summarised as market volatility, stock pricing and liquidity risks, currency and interest rates risks, counterparty risks, differing economic cycles between different markets and risks inherent in technology such as obsolescence and consumer acceptance of changes.

The investment manager's report comments on the outlook for market related risks, including the increased volatility in share prices, the economic cycles and the deterioration in investor sentiment. The portfolio continues to be diversified across a number of stock markets worldwide to mitigate risk. There is an increased level of economic risk for the next six months as credit conditions are still precarious.

Related Party Transactions

In accordance with DTR 4.2.8R there have been no new related party transactions during the six months to 31 October 2008 and therefore nothing to report on any material effect by such transactions on the financial position or performance of the Company during that period. There have been no changes in any related party transaction described in the last annual report that could have a material effect on the financial position or performance of the company in the first six months of the current financial year.

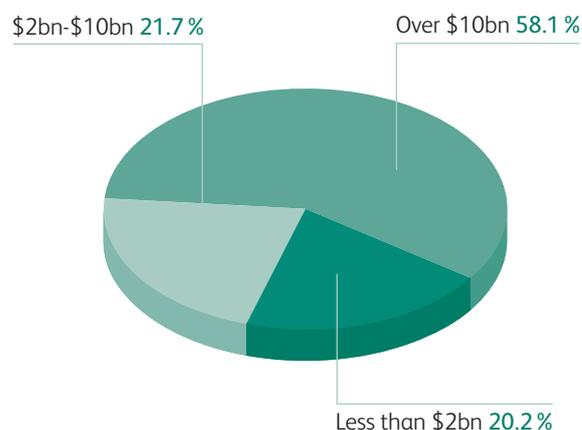
Responsibility Statement

The Directors of Polar Capital Technology Trust plc, which are listed in the Shareholder Information Section, confirm to the best of their knowledge:

- The condensed set of financial statements have been prepared in accordance with IAS34 as adopted by the European Union
- The Interim Management Report (constituting the investment manager's report) includes a fair review of the information required by the Disclosure and Transparency Rules 4.2.7R
- The half-yearly financial report has not been audited or reviewed by the Auditors
- The half-yearly financial report was approved by the Board on 15 December 2008 and the responsibility statement was signed on its behalf by Richard Waking, Chairman of the Board.

PORTFOLIO ANALYSIS

FUND DISTRIBUTION BY MARKET CAPITALISATION AT 31 OCTOBER 2008



CLASSIFICATION OF INVESTMENTS AT 31 OCTOBER 2008

	North America %	Europe %	Asia %	Total 31 October 2008 %	Total 30 April 2008 %
Computing	23.7	1.1	3.5	28.3	23.3
Components	9.3	1.3	8.6	19.2	16.0
Software	19.1	1.5	0.5	21.1	19.6
Services	0.8	1.0	–	1.8	3.3
Communications	9.2	2.7	2.1	14.0	11.3
Life Sciences	1.5	–	0.6	2.1	5.5
Consumer, Media & Internet	5.5	–	0.6	6.1	5.9
Other Technology	1.7	2.6	1.6	5.9	9.3
Unquoted Investments	0.6	0.3	–	0.9	0.8
Total investments	71.4	10.5	17.5	99.4	95.0
Other net assets (excluding loans)	0.1	2.4	8.6	11.1	13.1
Loans	–	–	(10.5)	(10.5)	(8.1)
Grand total (net assets of £238,875,000)	71.5	12.9	15.6	100.0	–
At 30 April 2008 (net assets of £300,425,000)	67.0	20.0	13.0	–	100.0

EQUITY INVESTMENTS OVER 0.75% OF NET ASSETS AT 31 OCTOBER 2008

NORTH AMERICA

£'000s			% of net assets
12,227	Apple	Computing	5.1%
11,994	Microsoft	Software	5.0%
11,725	Google	Internet	5.0%
10,075	Intel	Semiconductor manufacturing	4.2%
9,833	Oracle	Enterprise software	4.1%
9,332	Cisco	Data Networking	3.9%
9,011	Qualcomm	Wireless IP	3.8%
7,739	Hewlett-Packard	Hardware	3.2%
6,774	International Business Machines	IT services	2.8%
4,226	Broadcom	Semiconductors	1.8%
3,701	Research In Motion	Wireless data	1.6%
3,612	Juniper Networks	Networking infrastructure	1.5%
3,250	Adobe Systems	Software	1.3%
3,137	First Solar	Alternative energy	1.3%
2,978	Texas Instruments	Semiconductors	1.3%
2,642	Amdocs	Services	1.1%
2,574	Lam Research	Semiconductor capital equipment	1.1%
2,523	Informatica	Software	1.1%
2,301	Check Point Software Technologies	Software	1.0%
2,114	EMC	Computing	0.9%
2,097	Polycom	Communication Equipment	0.9%
2,014	F5 Networks	Communication Equipment	0.8%
1,782	Cognizant	IT services	0.8%
127,661	Total investments over 0.75 %		53.6%
42,838	Other investments		17.8%
170,499	Total North American investments		71.4%

PORTFOLIO ANALYSIS (CONTINUED)

EQUITY INVESTMENTS OVER 0.75% OF NET ASSETS AT 31 OCTOBER 2008

EUROPE

£'000s			% of net assets
6,017	Nokia	Telecom equipment	2.5%
2,387	SAP	Software	1.0%
1,868	Q-cells	Alternative energy	0.8%
10,272	Total investments over 0.75 %		4.3%
14,842	Other investments		6.2%
25,114	Total European investments		10.5%

ASIA

£'000s			% of net assets
6,451	Samsung Electronics	Electricals	2.7%
3,440	Taiwan Semiconductor	Semiconductors	1.4%
3,363	Canon	Office automation	1.4%
3,020	High Tech Computer	Smart phones	1.3%
2,796	Keyence	Sensors	1.2%
2,355	Nidec	Electrical Components	1.0%
1,907	Ibiden	Electronic components	0.8%
25,332	Total investments over 0.75 %		9.8%
18,581	Other investments		7.7%
41,913	Total Asian investments		17.5%

CONSOLIDATED INCOME STATEMENT

FOR THE HALF YEAR ENDED 31 OCTOBER 2008

	(Unaudited) Half year ended 31 October 2008			(Unaudited) Half year ended 31 October 2007			(Audited) Year ended 30 April 2008		
	Revenue return £'000	Capital return £'000	Total return £'000	Revenue return £'000	Capital return £'000	Total return £'000	Revenue return £'000	Capital return £'000	Total return £'000
Investment income	1,707	–	1,707	1,934	–	1,934	2,644	–	2,644
Other operating income	295	–	295	372	–	372	1,171	–	1,171
(Losses)/gains on investments held at fair value	–	(57,770)	(57,770)	–	20,741	20,741	–	(13,397)	(13,397)
Other losses	–	(407)	(407)	–	(1,113)	(1,113)	–	(5,041)	(5,041)
Total income	2,002	(58,177)	(56,175)	2,306	19,628	21,934	3,815	(18,438)	(14,623)
Expenses									
Investment management fee	(1,604)	–	(1,604)	(2,025)	–	(2,025)	(3,730)	–	(3,730)
Other administrative expenses	(298)	–	(298)	(503)	–	(503)	(626)	–	(626)
Profit/(loss) before finance costs and tax	100	(58,177)	(58,077)	(222)	19,628	19,406	(541)	(18,438)	(18,979)
Finance costs	(305)	–	(305)	(256)	–	(256)	(480)	–	(480)
(Loss)/profit before tax	(205)	(58,177)	(58,382)	(478)	19,628	19,150	(1,021)	(18,438)	(19,459)
Tax	(218)	–	(218)	(244)	–	(244)	(333)	–	(333)
Net (loss)/profit for the period	(423)	(58,177)	(58,600)	(722)	19,628	18,906	(1,354)	(18,438)	(19,792)
Earnings per ordinary share (pence)			(44.34p)			13.59p			(14.45p)

The total column of this statement represents the Group's Income Statement, prepared in accordance with IFRS. The revenue return and capital return columns are supplementary to this and are prepared under guidance published by the Association of Investment Companies.

All items in the above statement derive from continuing operations.

All income is attributable to the equity holders of Polar Capital Technology Trust Plc. There are no minority interests.

CONSOLIDATED AND COMPANY BALANCE SHEETS

AT 31 OCTOBER 2008

	(Unaudited) Half year ended 31 October 2008		(Unaudited) Half year ended 31 October 2007		(Audited) Year ended 30 April 2008	
	Group £'000	Company £'000	Group £'000	Company £'000	Group £'000	Company £'000
Non current assets						
Investments held at fair value	237,526	239,661	340,552	342,692	285,569	287,603
Current assets						
Other receivables	2,424	5,775	15,033	18,285	11,933	15,244
Cash and cash equivalents	29,077	23,591	36,119	30,727	38,843	33,498
	31,501	29,366	51,152	49,012	50,776	48,742
Total assets	269,027	269,027	391,704	391,704	336,345	336,345
Current liabilities						
Other payables	(4,917)	(4,917)	(13,518)	(13,518)	(11,716)	(11,716)
Bank loans	–	–	(10,439)	(10,439)	(4,831)	(4,831)
	(4,917)	(4,917)	(23,957)	(23,957)	(16,547)	(16,547)
Total assets less current liabilities	264,110	264,110	367,747	367,747	319,798	319,798
Non current liabilities						
Bank loans	(25,235)	(25,235)	(16,744)	(16,744)	(19,373)	(19,373)
Net assets	238,875	238,875	351,003	351,003	300,425	300,425
Equity attributable to equity shareholders						
Ordinary share capital	32,683	32,683	34,625	34,625	33,127	33,127
Capital redemption reserve	11,529	11,529	9,587	9,587	11,085	11,085
Share premium	117,902	117,902	117,902	117,902	117,902	117,902
Warrant exercise reserve	7,536	7,536	7,536	7,536	7,536	7,536
Retained earnings:						
Capital reserve	130,058	132,192	241,131	243,271	191,185	193,219
Revenue reserve	(60,833)	(62,967)	(59,778)	(61,918)	(60,410)	(62,444)
Total equity	238,875	238,875	351,003	351,003	300,425	300,425
Net asset value per ordinary share	182.72p	182.72p	253.43p	253.43p	226.72p	226.72p

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF YEAR ENDED 31 OCTOBER 2008

(Unaudited) Half year ended 31 October 2008

	Ordinary share capital £'000	Capital redemption reserve £'000	Share premium £'000	Warrant exercise reserve £'000	Retained earnings £'000	Total £'000
Group and Company						
Total equity at 30 April 2008	33,127	11,085	117,902	7,536	130,775	300,425
Loss for the period	–	–	–	–	(58,600)	(58,600)
Shares bought back for cancellation	(445)	445	–	–	(2,950)	(2,950)
Total equity at 31 October 2008	32,682	11,530	117,902	7,536	69,225	238,875

(Unaudited) Half year ended 31 October 2007

	Ordinary share capital £'000	Capital redemption reserve £'000	Share premium £'000	Warrant exercise reserve £'000	Retained earnings £'000	Total £'000
Total equity at 30 April 2007	34,998	9,214	117,902	7,536	165,848	335,498
Profit for the period	–	–	–	–	18,906	18,906
Shares bought back for cancellation	(373)	373	–	–	(3,401)	(3,401)
Total equity at 31 October 2007	34,625	9,587	117,902	7,536	181,353	351,003

(Audited) Year ended 30 April 2008

	Ordinary share capital £'000	Capital redemption reserve £'000	Share premium £'000	Warrant exercise reserve £'000	Retained earnings £'000	Total £'000
Total equity at 30 April 2007	34,998	9,214	117,902	7,536	165,848	335,498
Loss for the year	–	–	–	–	(19,792)	(19,792)
Shares bought back for cancellation	(1,871)	1,871	–	–	(15,281)	(15,281)
Total equity at 30 April 2008	33,127	11,085	117,902	7,536	130,775	300,425

CONSOLIDATED AND COMPANY CASH FLOW STATEMENTS

FOR THE HALF YEAR ENDED 31 OCTOBER 2008

	(Unaudited) Half year ended 31 October 2008		(Unaudited) Half year ended 31 October 2007		(Audited) Year ended 30 April 2008	
	Group £'000	Company £'000	Group £'000	Company £'000	Group £'000	Company £'000
Cash flows from operating activities						
(Loss)/profit before finance costs and tax	(58,077)	(58,077)	19,406	19,406	(18,979)	(18,979)
Adjustment for non-cash items:						
Foreign exchange losses	407	407	1,113	1,113	5,041	5,041
Adjusted (loss)/profit before finance costs and tax	(57,670)	(57,670)	20,519	20,519	(13,938)	(13,938)
Adjustments for :						
Decrease in investments	48,043	47,942	11,653	9,771	66,636	64,860
Decrease/(increase) in receivables	9,603	9,563	(9,198)	(9,223)	(6,063)	(6,147)
(Decrease)/increase in payables	(6,828)	(6,828)	6,587	6,587	4,774	4,774
	50,818	50,677	9,042	7,135	65,347	63,487
Net cash from operating activities before tax	(6,852)	(6,993)	29,561	27,654	51,409	49,549
Taxation paid	(312)	(312)	(250)	(250)	(374)	(374)
Net cash from operating activities	(7,164)	(7,305)	29,311	27,404	51,035	49,175
Cash flows from financing activities						
Cost of shares repurchased	(2,950)	(2,950)	(3,401)	(3,401)	(15,281)	(15,281)
Loans matured	(5,271)	(5,271)	(26,827)	(26,827)	(38,530)	(38,530)
Loans taken out	–	–	16,285	16,285	21,340	21,340
Finance costs	(276)	(276)	(220)	(220)	(433)	(433)
Net cash from financing activities	(8,497)	(8,497)	(14,163)	(14,163)	(32,904)	(32,904)
Net (decrease)/ increase in cash and cash equivalents	(15,661)	(15,802)	15,148	13,241	18,131	16,271
Cash and cash equivalents at the beginning of the period	38,843	33,498	22,059	18,574	22,059	18,574
Effect of foreign exchange rate changes	5,895	5,895	(1,088)	(1,088)	(1,347)	(1,347)
Cash and cash equivalents at the end of the period	29,077	23,591	36,119	30,727	38,843	33,498

NOTES TO THE ACCOUNTS

FOR THE SIX MONTH PERIOD ENDED 31 OCTOBER 2008

1. GENERAL INFORMATION

The consolidated accounts comprise the unaudited results for Polar Capital Technology Trust Plc and its subsidiary PCT Finance Limited for the six months to 31 October 2008.

The unaudited accounts to 31 October 2008 have been prepared using the accounting policies used in the Group's annual accounts to 30 April 2008. These accounting policies are based on International Financial Reporting Standards ("IFRS") and comprise standards and interpretations approved by the International Accounting Standards Board ("IASB") together with interpretations of the International Accounting Standards and Standing Interpretations Committee approved by the International Accounting Standards Committee ("IASC") that remain in effect, to the extent that IFRS has been adopted by the European Union.

The financial information in this half year report does not constitute statutory accounts as defined in section 240 of the Companies Act 1985. The results for the six months ended 31 October 2008 and 31 October 2007 have not been audited. Full statutory accounts for the year ended 30 April 2008, prepared under IFRS, including the report of the auditors which was unqualified and did not contain a statement under either section 237(2) or 237(3) of the Companies Act 1985, have been delivered to the Registrar of Companies.

The financial statements are presented in GBP and all values are rounded to the nearest thousand pounds (£'000) except where otherwise stated.

2. EARNINGS PER ORDINARY SHARE

Earnings per ordinary share is based on the net loss after taxation attributable to the ordinary shares of £58,600,000 (31 October 2007 – profit of £18,906,000; 30 April 2008 – loss of £19,792,000) and on 132,155,309 (31 October 2007 – 139,125,123; 30 April 2008 – 136,939,163) ordinary shares, being the weighted average number of shares in issue during the period.

3. NET ASSET VALUE PER ORDINARY SHARE

Net asset value per ordinary share is based on net assets attributable to the ordinary shares of £238,875,000 (31 October 2007 – £351,003,000; 30 April 2008 – £300,425,000) and on 130,730,914 (31 October 2007 – 138,498,914; 30 April 2008 – 132,508,914) ordinary shares, being the number of ordinary shares in issue at the end of the period.

4. SHARE CAPITAL

During the period, the Company made market purchases of 1,778,000 of its own ordinary shares for cancellation for a total consideration of £2,949,876 including stamp duty (nominal value of £444,500).

5. DIVIDEND

In accordance with stated policy, no interim dividend has been declared for the period (31 October 2007 and 30 April 2008 – nil).

6. VAT ON INVESTMENT MANAGEMENT FEES

In 2004 the Association of Investment Companies (the "AIC"), together with JP Morgan Claverhouse Investment Trust plc, launched a case against HM Revenue & Customs ("HMRC") to challenge whether Value Added Tax ("VAT") should have been charged on fees paid for management services provided to investment trust companies. On 28 June 2007 the European Court of Justice delivered its judgment on the case in favour of the AIC. Since then HMRC has accepted that the provision of investment management services to investment trust companies is VAT exempt and has acknowledged its liability to pay claims in respect of VAT borne by investment companies.

The Company has had two managers since its formation in December 1996. Henderson Global Investors managed the Company from formation up to 9 February 2001 and Polar Capital has been the manager since that date. From 31 July 2007 the Company has ceased to be charged VAT on management fees.

The previous Manager has confirmed that it has lodged claims with HMRC to recover VAT paid from Autumn 1996 to February 2001 while Polar Capital has confirmed that it has lodged claims covering the period from February 2001 to July 2007.

The Company was charged VAT in respect of the period December 1996 to February 2001 of £8.2m and has recovered £4.3m, while in the period from February 2001 to 31 July 2007 it was charged VAT of £3.2m and recovered £2.2m. Of the £4.9m of un-recovered VAT some £3.9m relates to a period which lies outside the three year time limit for lodging repayment claims and may not be recoverable through the managers' claims. Of the £1.0m balance of un-recovered VAT, the amount of any VAT reclaimed by the manager which is to be paid to the Company is the subject of ongoing discussions with HMRC and the managers. Therefore the Board do not believe there is yet sufficient certainty to quantify the VAT recoverable a result of the Claverhouse case. Accordingly no amounts have been recognised in these accounts.

SHAREHOLDER AND INVESTOR INFORMATION

DIRECTORS

RKA Wakeling (Chairman)
BJD Ashford-Russell
PF Dicks
DJ Gamble
RAS Montagu
MB Moule

INVESTMENT MANAGER

Polar Capital LLP
Authorised and regulated by the Financial Services Authority

FUND MANAGER

Ben Rogoff

DEPUTY FUND MANAGER

Craig Mercer

SECRETARY

Polar Capital Secretarial Services Limited,
represented by N P Taylor FCIS

REGISTERED OFFICE

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INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
Hay's Galleria, 1 Hay's Lane,
London SE1 2RD

BANKERS AND CUSTODIAN

JPMorgan Chase Bank NA
125 London Wall,
London EC2Y 5AJ

REGISTERED NUMBER

Registered in England and Wales No. 3224867

COMPANY WEBSITE

www.polarcapitaltechnologytrust.co.uk

REGISTRAR

Shareholders who have their shares registered in their own name, not through a Share Savings Scheme or PEP/ISA, can contact the registrars with any queries on their holding. In correspondence you should refer to Polar Capital Technology Trust PLC, stating clearly the registered name and address and if available the full account number.

Equiniti Limited
Aspect House, Spencer Road, Lancing,
West Sussex BN99 6DA

Shareholder helpline: 0870 6015366
www.shareview.co.uk

SHARE PRICE AND PERFORMANCE DETAILS

The Company's Net Asset Value ("NAV") is released daily, on the next working day following the calculation date, to the London Stock Exchange.

The mid-market prices of the ordinary shares are published daily in the Financial Times in the Companies and Markets section under the heading "Investment Companies".

Share price information is also available from the London Stock Exchange Website www.londonstockexchange.co.uk (PCT), Bloomberg (PCT.LN), Reuters (PCT.L), and SEDOL – 0422002.

PORTFOLIO DETAILS

Portfolio information is provided to the AIC for its monthly statistical information service (www.theaic.co.uk) and monthly fact sheets, as well as previous copies of annual report and accounts, are available on the Company's website.



INVESTING

MARKET PURCHASES

The shares of Polar Capital Technology Trust PLC are listed and traded on the London Stock Exchange. Investors may purchase shares through their stockbroker, bank or other financial intermediary.

SHARE DEALING SERVICES

The Company has arranged for Shareview Dealing, a telephone and internet share sale service offered by Equiniti to be made available. For telephone sales call 08708 500852 between 8.30am and 4.30pm, Monday to Friday and for internet sales log on to www.shareview.co.uk/dealing

SAVINGS SCHEME & ISA

The shares of the Company may also be purchased through arrangements offered by BNP Paribas Securities Services and Alliance Trust Savings.

BNP Paribas Securities Services (BNP Paribas) operates and administers both a share savings scheme and an ISA scheme (the Schemes) dedicated to the shares of the Company. BNP Paribas made these Schemes available at the request of the Company and they have operated since 2001. Both the share savings scheme and the ISA are subject to the key features document which should be read before entering into the investment. These Schemes are subject to commission, stamp duty and administration charges which are detailed in the key features document. Information and the key feature document are available from:

BNP Paribas Securities Services (Polar Capital), Block C, Western House, Lynchwood Business Park, Peterborough PE2 6BP Telephone 0845 358 1109 or 00 44 1733 285784 if phoning from overseas. Fax. 01733 285822

Alternatively UK residents can invest through the Alliance Trust. They provide and administer a range of self-select investment plans, including tax-advantaged ISAs and SIPPs (self-invested personal pensions) and also Investment Plans and First Steps, an investment plan for children.

For more information, please contact Alliance Trust on 08000 326 323, or visit www.alliancetrust.co.uk

Please remember that any investment in the shares of Polar Capital Technology Trust either directly or through a savings scheme or ISA carries the risk that the value of your investment and any income from them may go down as well as up due to the fluctuations of the share price, the market and interest rates. This risk may result in an investor not getting back their original amount invested. Past performance is not a guide to future performance.

Polar Capital Technology Trust is allowed to borrow against its assets and this may increase losses triggered by a falling market, however the Company may increase or decrease its borrowing levels to suit market conditions. The Company's shares may reflect the greater volatility of technology shares which themselves are subject to the risks of developing technologies and other commercial risks. Many technology companies are smaller companies and are therefore also subject to the risks attendant on investing in smaller companies. It is therefore important that you read the key features documents and understand the risks associated with investing in the shares of the Company.

If you are in any doubt as to the suitability of a plan or any investment available within a plan, please take professional advice.



WARNING TO SHAREHOLDERS – BOILER ROOM SCAMS

Over the last year, many companies have become aware that their shareholders have received unsolicited phone calls or correspondence concerning investment matters. These are typically from overseas based 'brokers' who target UK shareholders, offering to sell them what often turn out to be worthless or high risk shares in US or UK investments. These operations are commonly known as 'boiler rooms'. These 'brokers' can be very persistent and extremely persuasive, and a 2006 survey by the Financial Services Authority (FSA) has reported that the average amount lost by investors is around £20,000.

It is not just the novice investor that has been duped in this way; many of the victims had been successfully investing for several years. Shareholders are advised to be very wary of any unsolicited advice, offers to buy shares at a discount or offers of free company reports. If you receive any unsolicited investment advice:

- Make sure you get the correct name of the person and organisation
- Check that they are properly authorised by the FSA before getting involved by visiting www.fsa.gov.uk/register
- Report the matter to the FSA either by calling 0845 606 1234 or visiting www.moneymadeclear.fsa.gov.uk
- If the calls persist, hang up.

If you deal with an unauthorised firm, you will not be eligible to receive payment under the Financial Services Compensation Scheme. The FSA can be contacted by completing an online form at www.fsa.gov.uk/pages/doing/regulated/law/alerts/overseas.shtml

Details of any share dealing facilities that the company endorses will be included in company mailings.

More detailed information on this or similar activity can be found on the FSA website www.moneymadeclear.fsa.gov.uk

July 2008

REGISTERED OFFICE:

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London SW1H 9NP
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www.polarcapitaltechnologytrust.co.uk

REGISTRAR:

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