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**TEMPLETON EMERGING MARKETS
INVESTMENT TRUST PLC**
ANNUAL REPORT AND AUDITED ACCOUNTS

30 APRIL 2008

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COMPANY SUMMARY

Introduction

Templeton Emerging Markets Investment Trust PLC ("TEMIT") is a closed ended investment trust whose shares are quoted on both the London and New Zealand Stock Exchanges, however the majority of its shareholders are based in the UK

Objective

The investment objective of TEMIT is to provide long term capital appreciation for its investors through investment in companies operating in emerging markets or whose stocks are listed on the stock markets of such countries

Assets

TEMIT is the largest emerging markets investment trust in the UK, with total assets of £2.3 billion as at 30 April 2008, investing in the stock markets of emerging countries. However, investments in companies listed on more developed stock exchanges may also be made where those companies derive a significant source of revenue from emerging markets

Management

The Board of Directors is responsible for the overall strategy of the Company and monitoring performance of the Company

The Board has appointed Templeton Asset Management Ltd ("TAML" or the "Investment Manager") as the Investment Manager of the Company to carry out day to day investment management services for the Company. TAML has over 20 years of investment experience in emerging markets and approximately US\$41 billion in assets under management. TAML is part of the Franklin Templeton Group which has US\$617 billion in assets under management as of 30 April 2008.

Share Capital

At 30 April 2008 the Company's authorised share capital consisted of 1,362,419,566 Ordinary Shares of 25p of which 472,681,216 were issued and fully paid. During the year the Company bought back 63,300,377 shares.

AIC

The Company is a member of The Association of Investment Companies (AIC).

How to Invest

There are two ways of purchasing shares in TEMIT:

1. Through the Templeton Investment Plan
Through the Templeton Investment Plan, investors have a cost effective and straightforward route for investing in TEMIT. The Plan currently has approximately 4,900 members. The Plan is designed to accommodate the needs of an investor, whether they wish to:
 - invest a regular monthly or quarterly amount – minimum £50 monthly or £150 quarterly
 - make occasional lump sum investments – initial minimum £250, minimum subsequent investments £50
2. Directly in the stock market through a stockbroker

For more information contact your financial adviser or call us free on 0800 305 306. Alternatively, you can visit the Franklin Templeton Investments website at www.franklintempleton.co.uk

This report does not constitute or form part of any offer for shares or an invitation to apply for shares. The price of shares and income from them can go down as well as up and you may not get back the full amount that you invested. Past performance is no guarantee of future performance. Currency fluctuations will affect the value of overseas investments. Emerging Markets can be more risky than Developed Markets. Please consult your professional adviser before deciding to invest.

FINANCIAL SUMMARY

2007 2008

	Year ended 30 April 2008	Year ended 30 April 2007	Change
Net Assets and Shareholders' Funds (£ million)	2,291.40	1,925.48	19.0%
Net Asset Value (pence per Ordinary Share)	484.77	359.24	34.9%
Total Shareholder Return	35.7%	4.2%	
Benchmark 1			
MSCI Emerging Markets Index	27.0%	7.5%	
Benchmark 2			
S&P/IFCI Composite Index	25.6%	9.0%	
Share Price (pence)	438.00	327.25	33.8%
Year – High (pence)	485.50	338.50	
Year – Low (pence)	324.75	265.55	
Dividend (pence per Ordinary Share)	3.50	3.13	11.8%
Revenue Earnings (pence per Ordinary Share)†	4.07	4.16	(2.2%)
Share Price Discount to Net Asset Value	9.6%	8.9%	
Total Expense Ratio‡	1.33%	1.32%	

Indices above are shown on a total return basis in GBP Source: Franklin Templeton Investments and Datastream

The Company has prepared its financial statements in accordance with International Financial Reporting Standards ("IFRS") for the years ended 30 April 2008 and 30 April 2007

† The Earnings per Ordinary Share figure is based on the earnings shown in the "Revenue" column in the Income Statement on page 38 and Note 5 of the Notes to the Financial Statements

‡ The Total Expense Ratio represents the annualised total expenses of the Company divided by the monthly average trading net assets of the Company for the year

TEN YEAR RECORD

1999 2008

Year ended 30 April	1999	2000	2001	2002	2003	2004	2005*	2006	2007	2008
Total Net Assets and Shareholders' Funds (£000)	721 571	749 906	619 031	666 217	595 486	778 457	1 065 957	1 866 199	1 925 484	2 291 395
NAV Basic (pence)	153.29	159.25	135.66	146.24	130.82	171.01	198.88	348.18	359.24	484.77
NAV Diluted (pence)	149.95	154.93	135.21	144.00	N/A	164.58	N/A	N/A	N/A	N/A
Price Ordinary (pence)	129.00	116.25	113.50	125.00	107.25	144.00	167.25	310.25	327.25	438.00
Price Warrants (pence)	37.00	22.00	17.00	17.50	3.75	13.25	N/A	N/A	N/A	N/A
Discount (%)	15.8%	27.0%	16.3%	14.5%	18.0%	15.8%	15.9%	10.9%	8.9%	9.6%
Revenue Earnings per share Undiluted (pence)	1.68	1.34	1.36	1.82	1.70	2.89	3.42	3.65	4.16	4.07
Revenue Earnings per share Diluted (pence)	1.40	1.12	1.13	1.51	N/A	2.88	N/A	N/A	N/A	N/A
Net Dividends per Ordinary share (pence)	1.10	1.10	1.25	1.25	1.25	2.25	2.25	2.67	3.13	3.50
Total Expense Ratio	1.18%	1.57%	1.61%	1.34%	1.49%	1.48%	1.50%	1.41%	1.32%	1.33%

*Prior to April 2005 the results were prepared in accordance with UK GAAP. The results for the year ended 30 April 2005 have been restated in accordance with IFRS.

The main differences as a result of adopting IFRS are:

- Investments are valued on a bid basis, as opposed to a mid basis, and
- Only dividends paid during the year are reflected in the Financial Statements. A dividend of 3.50p per share on the Company's profits of 2008 has been proposed.

TOTAL RETURN – with dividends re-invested

CHAIRMAN'S STATEMENT

35.7%

The total return for the Company for the year, including dividends re-invested, was 35.7%.

Performance

In my first annual statement to you as Chairman I am delighted to report that the net asset value per share rose from 359.24 pence at 30 April 2007 to 484.77 pence at 30 April 2008. This represents an increase of 34.9% despite a turbulent year for financial markets.

The stated objective of the Company is to provide long term capital appreciation for its investors and since its launch in 1989 the net asset value of the Company, in sterling terms, has risen by 1,479.4% compared with a rise of 673.4% for the MSCI Emerging Markets Index and 707.8% for the S&P/IFC Investable Composite Index. The continued long term performance of your Company sets it apart from its peers and makes it an attractive proposition for long term investment.

The share price at 30 April 2008 was 438.00 pence, compared with 327.25 pence at the beginning of the financial year, an increase of 33.8%. The Company's discount widened slightly during the year, increasing from 8.9% initially to 9.6% at the end of the year; the discount generally was in the range of 8% to 11%.

The total assets at the year end were £2,297 million compared to £1,925 million at 30 April 2007. The total return for the Company for the year, including dividends re-invested, was 35.7%. Over the year, the MSCI Emerging Markets Index and the S&P/IFC Investable Composite Index increased by 27.0% and 25.6% respectively.

I am delighted to report that TEMIT has also been nominated for a number of independent awards from

personal finance magazines primarily recognising its strong performance since the beginning of 2008. TEMIT won both the Best Investment Trust in the Global Growth category of the Moneywise Investment Trust Awards 2008 and Best Large Trust 2007 in the Investment Trusts magazine awards. The Company was also highly commended in Best Large Trust sector of the Money Observer Investment Trust Awards 2008.

These awards demonstrate the Company's continued commitment to meeting its objective to deliver strong capital growth to shareholders over the long term.

The Manager's Report & Portfolio Review on pages 9 to 13 gives a detailed analysis of the Company's performance over the year. The portfolio is managed using the value style of investing and the investment process is described on pages 21 and 22.

On 18 June 2008 the net asset value per share had fallen by 3.3% to 468.60 pence since 30 April 2008, and the share price correspondingly by 0.5% to 436.00 pence.

Tender Offer

At the EGM held on 13 June 2008 the proposals for a tender offer to purchase up to 30% of the Company's share capital were approved. Accordingly, the proposals set out in the Circular to shareholders dated 20 May 2008 are currently being implemented.

The tender offer proposals were designed to

- provide an opportunity for returning capital to those shareholders seeking an exit from the Company.

- preserve or enhance the interests of continuing shareholders,
- maintain the liquidity of the Company's shares in the secondary market, and
- bring the demand from buyers and sellers of the Company's shares closer to equilibrium

The total number of shares successfully tendered was 141.8 million leaving 330.9 million shares in issue after the tender proposals are fully implemented. The strike price discount was 4% to the NAV which resulted in an uplift to the NAV for the benefit of continuing shareholders of 1.7%. Following the allocation of assets to the tender pool the assets attributable to continuing shareholders was £1,551 million.

In the Circular to shareholders proposing the tender offer the costs were estimated at £6 million. All of these expenses will be borne by exiting shareholders.

Shareholders also voted in favour of granting authority to the Company to purchase up to 14.99% of the Ordinary Shares in issue on 13 June 2008, the authority to expire no later than the Annual General Meeting in 2009. The Company will continue to buy back shares when the Directors consider it to be in the interests of shareholders as a whole.

Asset allocation

At the year end, 98.9% of the Company's total assets were invested in equities, with the remaining 1.1% being held in liquid assets. The general policy of the Board is to be fully invested.

Dividend

The Board's dividend policy ensures the Company maintains its investment trust status by not retaining more than 15% of gross revenues. To this end, the Board of Directors has proposed a cash dividend of 3.50 pence per Ordinary Share (2007: 3.13 pence). This represents an increase of 11.8% on 2007, which is partly attributable to the lower shareholder base at the time of the dividend record date as a result of share buy backs and the tender offer.

Discount

During the year, the Board has kept the discount under continual review and retained its right to buy back shares when it believed that this was in shareholders' best interests having regard to the Company's investment objective. During the year 63.3 million shares were bought back (representing 11.8% of the shares in issue at 30 April 2007) for a total cost to the Company of £245.1 million. This has contributed to an uplift to the NAV per share of 1.34%.

The Board and the AGM

As indicated in the Half Yearly Report of the Company to 31 October 2007, Sir Ronald Hampel and Charles Johnson retired from the Board on 12 December 2007. In addition, Andrew Knight retired from the Board on 25 February 2008 and Peter Godsoe retired on 26 June 2008. Sir Ronnie joined the Board in 2003 at the time of its significant restructuring and provided vision and leadership in his role as Chairman from 22 September 2004 to 12 December 2007. Charlie joined the Board in 1994 and provided outstanding advice to the Board with his wide experience of investment and fund management. Andrew and Peter also joined the Board in 2003 and provided an excellent sounding board during Board discussions. We shall miss Sir Ronnie, Charlie, Andrew and Peter and I would like to thank them for their commitment and contribution during those periods.

We welcomed Peter Harrison to the Board on 30 November 2007 and Christopher Brady and Gregory Johnson to the Board on 12 December 2007. Mr Harrison (56), Mr Brady (53) and Mr Johnson (46) will be recommended to shareholders for re-election at the Annual General Meeting on 25 September 2008 and their biographies appear on pages 7 and 8.

The Directors have also appointed Hamish Buchan (63) to the Board as a Director and as a member of the Audit Committee with effect from 26 June 2008. A resolution to re-appoint him as a Director will be proposed at the AGM. Hamish is an experienced director of UK investment trusts and former Chairman of the Association of Investment Companies. His biographical details appear on page 7.

Sir Peter Burt retires by rotation and offers himself for re-election at the AGM.

The Board continually evaluates its performance and following the annual Directors' appraisal process and on the recommendation of the Nomination Committee, the Board has approved all these Directors standing for re-election.

Finally, I would like to invite you to the AGM which will be held in London at Stationer's Hall, on 25 September 2008 at 12 noon. I hope that you will be able to attend this meeting at which the Manager will make a short presentation and with my fellow Directors, I look forward to the opportunity of meeting you.

Peter A Smith
26 June 2008

Indices above are shown on a total return basis in GBP. Sources: Franklin Templeton Investments and Standard & Poors.

BOARD OF DIRECTORS

PETER A SMITH (CHAIRMAN)

Peter Smith (61) was appointed to the Board on 17 May 2004 and was appointed Chairman of the Board and a member of the Nomination and Remuneration Committee on 12 December 2007. He is Chairman of Savills PLC. He is also a non executive director of Associated British Foods Plc, N M Rothschild & Sons Limited and of The Equitable Life Assurance Society. He was Senior Partner of PricewaterhouseCoopers ("PwC") in the UK until 2000 and prior to the formation of PwC, from the merger of Price Waterhouse and Coopers & Lybrand, he had been the Chairman of Coopers & Lybrand in the UK since 1994. Previously, he was a non executive director of Safeway PLC and Chairman of RAC PLC.

He is an independent Director.

Left to right: Neil A Collins, Christopher D Brady,
Sir Peter Burt, Peter A Smith, Peter O Harrison,
Gregory E Johnson

CHRISTOPHER D BRADY

Christopher Brady (53) was appointed to the Board on 12 December 2007. He is the founding partner and Chairman of The Chart Group. With over 25 years' experience in private equity, corporate finance and capital markets he focuses on identifying and building *portfolio companies* through his extensive industry relationships and perspective. Prior to Chart, he was a partner with Lodestar Group, a merger advisory and investment firm acquired by Societe Generale, and spent eleven years in the Corporate Finance and Capital Markets Departments of Lehman Brothers and Dillon Read. Mr Brady is a director of Bitrage, SeaMobile, U.S. Helicopter and several Chart investment companies and affiliates.

He is an independent Director.

HAMISH N BUCHAN

Hamish Buchan (63) was appointed to the Board and a member of the Audit Committee on 26 June 2008. He is Chairman of JPMorgan American Investment Trust PLC. He is also a Director of Aberforth Smaller Companies Trust plc, Personal Assets Trust plc, Standard Life European Private Equity Trust plc, The Scottish Investment Trust plc and Scottish Community Foundation. Mr Buchan has been involved in the investment trust sector for forty years, mainly as an investment trust analyst and is currently a Director and immediate past Chairman of the Association of Investment Companies.

He is an independent Director.

SIR PETER BURT

Sir Peter Burt (64) was appointed to the Board on 1 October 2004 and has been a member of the Audit Committee since 6 December 2004. He was appointed the Senior Independent Director and Chairman of the Nomination and Remuneration Committee on 12 December 2007. He is Chairman of Promethean PLC. Previously, he was Chairman of ITV PLC and a Non-Executive Director of Royal Dutch Shell PLC. He joined the Bank of Scotland in 1975, becoming head of its International Division in 1985, Chief General Manager of the Bank in 1988 and Group Chief Executive in 1996. When the Bank merged with the Halifax in 2001, he became Executive Deputy Chairman of HBOS until he retired in 2003.

He is an independent Director.

NEIL A COLLINS

Neil Collins (61) was appointed to the Board and the Audit Committee on 28 September 2006 and a member of the Nomination and Remuneration Committee on 26 June 2008. He has spent most of his career in financial journalism and was City Editor of The Daily Telegraph for nearly 20 years until he retired from the position in 2005. Prior to that he had been City Editor of the London Evening Standard and The Sunday Times. He is a Director of Finsbury Growth and Income Trust Plc.

He is an independent Director.

PETER C GODSOE*

Peter Godsoe (70) was appointed to the Board on 15 December 2003 and has been a member of the Audit Committee since 23 February 2004. He is currently an independent Director of Barrick Gold, Lonmin Plc, Ingersoll Rand Company, Rogers Communications Inc and Onex Corporation. Peter joined Scotiabank in 1966. He became General Manager of the International Division in 1971. He was appointed an Executive Vice President in 1980 and Vice Chairman and member of the Board of Directors in 1982. In 1992, he was named President and Chief Operating Officer. He became Chief Executive Officer in 1993 and was Chairman of the Board from 1995 until he retired in 2004.

He is an independent Director.

*Resigned 26 June 2008.

BOARD OF DIRECTORS

CONTINUED

PETER O HARRISON

Peter Harrison (56) was appointed to the Board on 30 November 2007 and became Chairman of the Audit Committee on 12 December 2007. He was the UK Head of Financial Services at KPMG for three years and a member of the UK Management Team. He retired from full time work with KPMG in 2002 as a Senior Partner in the Financial Services Division having thirty years experience in the profession, twenty one of which was at KPMG with fourteen years as a partner. His client work included providing business advisory, audit and regulatory assistance to a number of global retail banks, fund managers and leasing businesses as well as an overseas Government Investment Agency. He is Vice Chairman and Chairman of the Audit Committee at the Saffron Building Society which he joined as a Non Executive Director in November 2003. He is also a Senior Advisor and consultant with KPMG.

He is an independent Director.

GREGORY E JOHNSON

Gregory Johnson (46) was appointed to the Board on 12 December 2007. He is President and Chief Executive Officer of Franklin Resources, Inc. and serves on the Board of Directors. He is also President of Templeton Worldwide, Inc., Chief Executive Officer and President of Templeton International, Inc. and serves as a Director for a number of subsidiaries of Franklin Resources, Inc. He is a member of a number of Franklin Templeton's international fund boards. Greg joined Franklin in 1986 after working as a senior accountant for Coopers & Lybrand. He has served as President and Chairman of the Board for Franklin Templeton Distributors, Inc., President of Franklin Investment Advisory, LCC, President of FT Trust Company, Vice President of Franklin Advisers, Inc., co portfolio manager of Franklin Income Fund and Franklin Utilities Fund and as an investment analyst.

Mr. Johnson is the son of Charles Johnson, a former Director of TEMIT and currently Chairman and Director of Franklin Resources, Inc., and Chairman and Director of various Franklin Templeton funds.

MANAGER'S REPORT & PORTFOLIO REVIEW

30 APRIL 2008

MANAGEMENT COMPANY

The Directors have appointed Templeton Asset Management Ltd ("TAML") as Investment Manager of the Company

TAML, part of the Franklin Templeton Group (with US\$617 billion in assets under management as at 30 April 2008), has over 20 years of investment experience in emerging markets and approximately US\$41 billion in assets under management

TAML's Executive Chairman, Mark Mobius has spent over thirty years working in Asia and other emerging markets. TAML currently has 66 employees supporting Mark, consisting of 36 portfolio managers/analysts from 18 nationalities who between them speak 19 different languages. They are located in 14 offices, Moscow (Russia), Warsaw (Poland), Vienna (Austria), Dubai (United Arab Republic), Istanbul (Turkey), Johannesburg (South Africa), Hong Kong (China), Singapore, Shanghai (China), Seoul (South Korea), Mumbai (India), Ho Chi Minh (Vietnam), Rio de Janeiro (Brazil), and Buenos Aires (Argentina)

TAML's Emerging Markets Team receives support from the employees of Franklin Resources Inc, its ultimate parent company and its subsidiaries

OVERVIEW

Emerging market equities started the reporting period on an upbeat note with most markets recording positive

Mark Mobius and TAML's Emerging Markets team

returns. After reaching a record high at the end of October 2007, renewed concerns of a recession in the US and its possible impact on emerging markets, coupled with global credit concerns, led markets to correct, eliminating some of the gains recorded in the earlier part of the period. Most stock markets were supported by a robust macroeconomic environment: surging money supply, rising commodity prices, stronger emerging market currencies, improved corporate earnings and significant fund inflows. In addition, emerging market countries are benefiting from large fiscal reserves and strong macroeconomic trends. The Investment Manager is thus of the opinion that emerging markets are in a much better position to weather a slowdown in the US economy than in the past.

Within the emerging markets asset class, Latin American markets were among the top performers as stronger regional currencies, higher commodity prices and greater demand for metals and soft commodities supported resource producers in markets such as Brazil. In Asia, China, India and Thailand were among the top performing markets. China and India continued to benefit from strong economic growth, a large consumer base and large foreign reserves. Despite returning double digit returns, South Korea on the other hand underperformed its regional peers during the period. In Europe, the Russian market benefited from high commodity prices, robust FDI inflows and strong economic growth. While Turkey ended the period with

MANAGER'S REPORT & PORTFOLIO REVIEW

CONTINUED

COMPANY PORTFOLIO DISTRIBUTION

a minor gain, the South African market recorded a decline

PERFORMANCE ATTRIBUTION

The Company's performance, relative to the MSCI Emerging Markets (EM) index, benefited significantly from its overweight position and good stock selection in Brazil. An underweight position in South Africa and overweight exposure in Thailand, coupled with good stock selection in these markets as well as Russia, further enhanced relative performance.

The largest contributors to performance in Brazil were overweight exposures to Vale Do Rio Doce, one of the world's biggest iron ore producers who are also engaged in various mining activities, and leading commercial banks, Unibanco and Banco Bradesco. The Company's absence from underperforming stocks such as Standard Bank and Goldfields in South Africa and Russia's Sberbank, as well as an overweight exposure to Norilsk Nickel in Russia, allowed these markets to record positive attribution effects. Overweight positions in PTT Exploration & Production Public (PTTEP), the oil and natural gas exploration and production arm of PTT, Siam Commercial Bank, a major commercial bank in Thailand, and Land & Houses, a premier real estate developer in the country, also helped the portfolio. By sector, good stock selection in the banking, materials and utilities sectors as well as an underweight position in semiconductor companies supported performance.

Conversely, detractors to relative performance included overweight positions in Turkey and Hungary as well as selective investments in South Korea. Investments in Akbank, Gedeon Richter and SK Energy resulted in the largest negative attribution effects in these markets due to their underperformance relative to the benchmark MSCI EM index during the period. Remaining confident of the long term potential of Akbank and SK Energy, the Company increased its holdings in both stocks as recent markets corrections provided an attractive buying opportunity. Holdings in Gedeon Richter, however, were reduced due to regulatory risks. By industry, an underweight exposure to telecommunications services companies and the underperformance of selective holdings in the energy and pharmaceutical sectors had a negative impact on the Company.

PORTFOLIO CHANGES & INVESTMENT STRATEGIES

Fund raising for share buybacks required the sale of a number of holdings during the period. The attainment of target prices also led to selective sales. These sales also allowed the Company to focus on stocks deemed to be relatively more attractively valued within our investment universe. Holdings were thus reduced in Brazil, China "Red chip" shares, Malaysia, Hungary, South Africa, Taiwan and South Korea. These sales reduced the Company's exposure to the wireless & integrated telecommunications services, electric utilities, marine

ports & services, pharmaceuticals and tobacco sectors. Major sales included Maxis Communications, a leading telecommunications services provider in Malaysia that the Company sold in a tender offer. Gedeon Richter, a major pharmaceutical producer in Hungary, and China Merchants, a conglomerate specialising in ports and related asset investments in China.

The Company's search for undervalued stocks trading at attractive valuations led to selective investments in the automobile manufacturing, metals & mining, IT consulting, oil & gas and banking sectors. Energy stocks are expected to benefit from greater revenues and earnings as a result of high oil prices and greater global energy demand. Additions included PTT, Thailand's leading integrated gas company, and SK Energy, a major player in South Korea's refining market.

Growing demand for raw materials in emerging markets, especially markets such as China and India as well as high commodity prices should support corporate earnings in these natural resource companies. Purchases included Sesa Goa, a leading Indian iron ore miner and exporter. Aluminum Corporation of China (Chalco), China's leading producer of alumina and primary aluminium products, and National Aluminum India's largest alumina producer.

Banking reforms and growing demand for financial services made banks attractive investments. Banks are also generally facing more favourable business conditions such as increasing fee income derived from cross selling of financial products and lower non performing loans due to economic recovery and fewer bankruptcies. Investments included Turkey's Akbank, Indonesian banks, Bank Danamon and Bank Central Asia, and Faysal Bank in Pakistan. Moreover, the continued trend of outsourcing of services to Indian consulting companies could also lead to higher corporate earnings. Thus, exposure to the sector was increased via the purchase of Tata Consultancy, a major IT consulting company in India.

ASIA

China's economy grew 10.6% year on year in the first quarter of 2008, compared to the revised 11.9% for all of 2007. The slowdown was mainly due to slower export growth and heavy snowstorms in the earlier part of the year. Inflation, while lower than the 8.7% recorded in February, was a relatively high 8.3% year on year in March as a result of high food prices. Tightening measures continued during the reporting period as the government strived to curb rising inflationary pressures. China's foreign reserves increased 40% year on year in the first quarter of 2008 to US\$1.7 trillion in part due to trade and foreign direct investment (FDI) inflows. FDI flows totalled US\$74.7 billion up 7.5% year on year in 2007. Politically, President Hu Jintao and Premier Wen Jiabao were re-elected for another five year term by the National People's Congress in March.

In South Korea, GDP increased 5.7% year on year in the first quarter of 2008, higher than 2007's 4.9% growth, mainly due to higher exports. Growth, however, slowed down on a quarter on quarter basis, as lower domestic demand led private consumption growth to reach a three year low of 3.6%. The government maintained its GDP growth forecast of 6% for 2008 despite expectations of slower global growth this year. Inflation remained a key concern for the government with the CPI increasing 3.9% in March, higher than the Central Bank's 3.5% target for the fourth consecutive month. Actual FDI inflows totalled US\$7.7 billion in 2007 while foreign exchange reserves reached a new high of US\$264.3 billion in March. In politics, Lee Myung-bak was sworn in as the new President following his election in December 2007. Lee pledged to boost economic growth through tax cuts, deregulation and privatisation.

The Bank of Thailand raised its 2008 GDP growth forecast to 4.8% to 6.0% from 4.5% to 6.0% due to the government's economic stimulus package and stronger exports growth. The economy grew 4.8% in 2007. The government implemented measures such as the simplification of red tape for investors and reduction in the time taken to process small and medium sized project approvals, to attract local and foreign investment. Politically, the People Power Party (PPP), supporters of ousted Prime Minister Thaksin, won the most seats in the parliamentary elections in December. The new parliament subsequently elected Samak Sundaravej, the head of the PPP, and ally of former Prime Minister Thaksin Shinawatra, as Prime Minister.

LATIN AMERICA

Brazil's GDP grew 5.4% year on year in 2007 its fastest annual growth in three years. Key drivers included strong investment and private consumption growth. Brazil's financial position continued to strengthen with international reserves totalling US\$193.9 billion in mid March, compared to US\$180.3 billion as of end 2007. International ratings agency, Standard & Poor's, raised Brazil's long term foreign currency sovereign credit rating from "BB+" to the investment grade of "BBB" due to the country's improved growth prospects and fiscal management policies. Fitch and Moody's currently rate the country at one level below investment grade status. After 18 interest rate cuts totalling 850 basis points, the Central Bank embarked upon a tightening policy in April 2008 by raising its key interest rate by 50 basis points as inflation reached a two year high of 4.7% in March.

SOUTHERN/EASTERN EUROPE

Government estimates put Russia's first quarter GDP growth at 8.0% year on year, in line with the 8.1% growth for all of 2007. This led the government to revise its 2008 growth forecast to 7.6% from 7.1%. Key drivers included robust investment and consumption growth. Investment also remained robust with FDI inflows totalling US\$47 billion in 2007. On the political front, as widely expected, First Deputy Prime Minister Dmitry Medvedev won the presidential elections by an overwhelming majority on March 2, 2008. Medvedev confirmed that his administration would continue the policies set by President Putin's government. Putin also formally agreed to becoming the leader of the ruling United Russia party and its nomination for the position of prime minister in May 2008. Given the party's majority in the Duma, Putin's appointment is assured.

GDP growth in Turkey slowed to 4.5% year on year in 2007 from 6.9% in 2006 due to slower growth in the last three quarters of the year. The economy remained embroiled in political instability for a large part of the period, firstly due to parliamentary elections and then a power struggle between the ruling government party, army, judiciary and republican opposition. Despite being re-elected in a landslide victory in July 2007, Turkey's chief prosecutor, Abdurrahman Yalçinkaya, petitioned the constitutional court for the closure of the ruling Justice and Development Party (AKP) as well as a 5 year political ban for 71 officials of the AKP including President Abdullah Gül and Prime Minister Tayyip Erdoğan. Yalçinkaya accuses the AKP of being "the centre of anti secular activities". In the meanwhile however, government focus has been drawn away from much needed focus on reforms and financial markets.

Mark Mobius works with some of his senior analysts

Going forward, the Investment Manager therefore expects to see discerning investors becoming more selective, benefiting markets with stronger fundamentals and better growth prospects.

have experienced significant volatility as a result of the uncertainty. Turkey is currently one of the cheapest markets in emerging markets which means that the political uncertainty is already priced in its valuations. While political issues may continue in the short term, we remain confident of Turkey's longer term potential.

OUTLOOK

While there has been much talk about emerging markets decoupling from the US market, the Investment Manager does not believe a complete decoupling is possible because the world has become so interdependent. There is no question that the relationships between nations are growing because world trade and travel has been growing. Whereas in the past the US was the centre, the biggest economy in the world by far, this is no longer the case. While the US is still the largest economy and most influential, this influence has gradually diminished as other economies continue to grow at much faster rates. This has especially been the case in the emerging market countries where we are seeing new centres of economic wealth and growth. China, Russia, Brazil and India are clear examples. Moreover, there is a lot of new growth taking place in the world today. In addition to emerging markets, frontier markets such as Qatar, UAE, Kazakhstan, Lithuania, Nigeria and Vietnam are all forecast to grow 7% to 12% in 2008. The Investment

Manager will continue to monitor these markets with a view to future investment by the Company (all of these countries have already been approved for investment by the Board).

Additionally, over the last 5 years, emerging markets have demonstrated stronger economies. For example, Asia is the largest emerging markets region in the world and home to some of the fastest growing economies globally. In fact, more than half of the world's population lives in Asia, providing the region with a huge consumer base. Per capita incomes have also been rising, which leads to higher domestic consumption and decreasing dependence on exports to the US.

While stock prices have fallen across the board recently without much differentiation and in empathy with what was happening in the US, one must remember that historically emerging markets are generally not strongly correlated to the US. Going forward, the Investment Manager therefore expects to see discerning investors becoming more selective, benefiting markets with stronger fundamentals and better growth prospects.

J Mark Mobius, Ph D
Templeton Asset Management Ltd

26 June 2008

PORTFOLIO SUMMARY

PORTFOLIO DISTRIBUTION AS AT 30 APRIL 2008 AND 30 APRIL 2007

All figures are in %

	Australia	Brazil	China	Hungary	India	Malaysia	Mexico	Pakistan	Poland	Russia	Singapore	South Africa	South Korea	Taiwan	Thailand	Turkey	Other	Liquid Assets	2008 Total	2007 Total
Consumer Discretionary			3.9										1.1	0.2	0.7		1.0		6.9	5.9
Consumer Staples		0.9					0.4				2.0	0.1					0.3		3.7	3.8
Energy	1.7	5.3	6.9	2.2	1.6					5.6			2.7		1.6				27.6	24.7
Financials		11.0						1.4							4.1	3.6	0.9		21.0	18.8
Healthcare				0.4															0.4	2.2
Industrials			0.2						0.2				5.1						5.5	8.1
Information Technology					0.8										0.3				1.1	1.5
Materials		7.1	3.5		3.6					2.9		1.2			1.0				19.3	15.8
Telecommunications Services	—	—						0.2		1.4				0.2		1.8			3.6	7.4
Utilities		1.9							2.5				1.4		1.6	2.4			9.8	10.5
Total Equities																			98.9	98.7
Liquid Assets																		1.1	1.1	1.3
2008 Total	1.7	26.2	14.5	2.6	6.0	0.0	0.4	1.6	2.7	9.9	2.0	1.3	10.3	0.7	9.0	7.8	2.2	1.1	100	100
2007 Total	1.7	19.7	14.5	4.3	3.5	2.0	1.1	0.0	2.5	8.9	1.8	3.1	12.2	2.3	7.4	8.2	5.5	1.3	100	100

PORTFOLIO HOLDINGS

BY GEOGRAPHY

Geographical analysis (by country of incorporation)

As at 30 April 2008

Country	Sector	Fair Value** £'000
AUSTRIA		
OMV AG†	Utilities	38,738
		<u>38,738</u>
BRAZIL		
Banco Bradesco SA, ADR pfd *†	Financial	114,517
Centrais Eletricas Brasileiras SA	Utilities	15,249
Companhia Paranaense de Energia Copel, ADR, pfd *†	Utilities	28,225
Companhia Vale do Rio Doce, ADR pfd , A*†	Materials	165,340
Petroleo Brasileiro SA, ADR, pfd *†	Energy	120,675
Souza Cruz SA	Consumer Staples	21,102
Unibanco – Uniao de Bancos Brasileiros SA, GDR, pfd *†	Financial	139,179
		<u>604,287</u>
CHINA		
Aluminum Corp of China Ltd , H	Materials	80,117
Brilliance China Automotive Holdings Ltd	Consumer Discretionary	19,489
China International Marine Containers (Group) Co Ltd ,	Industrials	3,568
China Petroleum and Chemical Corp , H	Energy	81,430
Denway Motors Ltd	Consumer Discretionary	43,214
PetroChina Co Ltd , H	Energy	79,727
Yanzhou Coal Mining Co Ltd , H	Consumer Discretionary	26,286
		<u>333,831</u>
HUNGARY		
MOL Hungarian Oil and Gas Nyrt	Energy	49,314
Richter Gedeon Nyrt	Health Care	8,779
		<u>58,093</u>
INDIA		
Hindalco Industries Ltd	Materials	20,079
National Aluminium Co Ltd	Materials	37,151
Oil & Natural Gas Corp Ltd	Energy	35,589
Sesa Goa Ltd	Materials	24,265
Tata Consultancy Services Ltd	Information Technology	17,878
		<u>134,962</u>

*US listed stocks

†pfd preferred shares

†These companies have significant exposure to operations in emerging markets

**Fair value represents the bid value of a security as required by International Financial Reporting Standards

PORTFOLIO HOLDINGS

BY GEOGRAPHY CONTINUED

<i>Country</i>	<i>Sector</i>	<i>Fair Value**</i> <i>£'000</i>
INDONESIA		
PT Astra International Tbk	Consumer Discretionary	22,453
PT Bank Central Asia Tbk	Financial	6,926
PT Bank Danamon Indonesia Tbk	Financial	13,280
		<u>42,659</u>
MEXICO		
Kimberly Clark de Mexico SAB de CV, A	Consumer Staples	9,286
		<u>9,286</u>
PAKISTAN		
Faysal Bank Ltd	Financial	10,607
MCB Bank Ltd	Financial	20,941
Pakistan Telecommunications Corp , A	Telecommunication Services	5,436
		<u>36,984</u>
POLAND		
Grupa Lotos SA	Utilities	15,578
Polnord SA	Industrials	4,200
Polski Koncern Naitowy Orlen SA	Utilities	40,861
		<u>60,639</u>
RUSSIA		
Gazprom ADR*	Energy	67,594
LUKOIL, ADR*	Energy	55,783
Mining and Metallurgical Co Norilsk Nickel	Materials	16,867
Mining and Metallurgical Co Norilsk Nickel, ADR*	Materials	50,201
Mobile TeleSystems, ADR*	Telecommunication Services	31,815
OAO TMK	Energy	4,903
		<u>227,163</u>
SINGAPORE		
Dairy Farm International Holdings Ltd	Consumer Staples	45,986
		<u>45,986</u>
SOUTH AFRICA		
Anglo American PLC	Materials	26,878
Tiger Brands Ltd	Consumer Staples	2,727
		<u>29,605</u>

*US listed stocks

†pfd preferred shares

‡These companies have significant exposure to operations in emerging markets

**Fair value represents the bid value of a security as required by International Financial Reporting Standards

Country	Sector	Fair Value** £'000
SOUTH KOREA		
Hyundai Development Co	Industrials	119,066
Kangwon Land Inc	Consumer Discretionary	24,646
SK Energy Co Ltd	Energy	61,303
SK Holdings Co Ltd	Utilities	31,785
		<u>236,800</u>
SWEDEN		
Onflame Cosmetics SA, SDR†	Consumer Staples	6,550
		<u>6,550</u>
TAIWAN		
Compal Communications Inc	Telecommunication Services	4,121
Novatek Microelectronics Corp Ltd	Information Technology	7,092
Tainan Enterprises Co Ltd	Consumer Discretionary	4,559
		<u>15,772</u>
THAILAND		
Kasikornbank Public Co Ltd, fgn	Financial	32,417
Kiatnakin Bank Public Co Ltd, fgn	Financial	9,904
Land and Houses Public Co Ltd, fgn	Consumer Discretionary	15,348
PTT Exploration and Production Public Co Ltd, fgn	Energy	36,423
PTT Public Co Ltd, fgn	Utilities	37,748
Siam Cement Public Co Ltd, fgn	Materials	22,727
Siam Commercial Bank Public Co Ltd, fgn	Financial	50,071
		<u>204,638</u>
TURKEY		
Akbank TAS	Financial	82,436
Tupras Türkiye Petrol Rafineleri AS	Utilities	56,272
Turkcell İletişim Hizmetleri AS	Telecommunication Services	40,223
		<u>178,931</u>
TOTAL INVESTMENTS		<u>2,264,926</u>
OTHER NET ASSETS		26,469
TOTAL EQUITY		<u>2,291,395</u>

*US listed stocks

†pfld preferred shares

‡These companies have significant exposure to operations in emerging markets

**Fair value represents the bid value of a security as required by International Financial Reporting Standards

TEN LARGEST INVESTMENTS

IN ORDER OF MARKET VALUE AS AT 30 APRIL

VALE RIO DOCE

<i>Country</i>	<i>% of Total Net Assets</i>	<i>Fair Value £'000</i>
Brazil	7.22	165,340

This Brazilian based company is one of the world's largest iron ore producers that is also engaged in various mining activities

UNIBANCO

<i>Country</i>	<i>% of Total Net Assets</i>	<i>Fair Value £'000</i>
Brazil	6.07	139,179

One of Brazil's largest financial conglomerates, providing a full range of banking and financial services

PETROBRAS

<i>Country</i>	<i>% of Total Net Assets</i>	<i>Fair Value £'000</i>
Brazil	5.27	120,675

Brazil's national oil and gas company

HYUNDAI DEVELOPMENT

<i>Country</i>	<i>% of Total Net Assets</i>	<i>Fair Value £'000</i>
South Korea	5.20	119,066

One of the leading residential property developers in Korea

BANCO BRADESCO

<i>Country</i>	<i>% of Total Net Assets</i>	<i>Fair Value £'000</i>
Brazil	5.00	114,517

One of Brazil's largest financial conglomerates, providing a full range of banking and financial services

Mark Mobius at one of the Vale Rio
Doce mines

AKBANK

<i>Country</i>	<i>% of Total Net Assets</i>	<i>Fair Value £ 000</i>
Turkey	3.60	82,436

One of Turkey's largest privately owned commercial banks, providing a full range of banking and financial services

CHINA PETROLEUM AND CHEMICAL CORP

<i>Country</i>	<i>% of Total Net Assets</i>	<i>Fair Value £ 000</i>
China	3.55	81,430

One of the largest integrated energy companies in China

ALUMINUM CORP OF CHINA

<i>Country</i>	<i>% of Total Net Assets</i>	<i>Fair Value £ 000</i>
China	3.50	80,117

Aluminum Corporation of China Limited and its subsidiaries engage in bauxite mining, alumina refining, and aluminium smelting businesses in the People's Republic of China

PETROCHINA

<i>Country</i>	<i>% of Total Net Assets</i>	<i>Fair Value £ 000</i>
China	3.48	79,727

China's largest oil and gas company in terms of reserves. The company is also diversifying into marketing and downstream activities

GAZPROM

<i>Country</i>	<i>% of Total Net Assets</i>	<i>Fair Value £ 000</i>
Russia	2.95	67,594

Gazprom is the largest producer of natural gas in the world in terms of reserves and production

Total Top Ten Holdings	<u>1,050,081</u>
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FINANCIAL SUMMARY

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DIRECTORS' REPORT

The Directors submit their Annual Report together with the financial statements of the Company for the year ended 30 April 2008

BUSINESS REVIEW

Principal Activity and Investment Status

The Company is registered as a public limited company in terms of the Companies Act 1985. The Company is an investment company under Section 833 of the Companies Act 2006.

In the opinion of the Directors, the Company has directed its affairs so as to be able to continue to seek approval as an investment trust from the HM Revenue & Customs under section 842 of the Income and Corporation Taxes Act 1988 each year.

Investment Policy

The objective of the Company is to provide long term capital appreciation for its shareholders through investment in companies operating in emerging markets or whose stocks are listed on the stock markets of such countries. No material change will be made to this policy without shareholder approval.

Risk is spread by investing in a number of holdings, some of which themselves are diversified companies.

Where possible, investment will generally be made directly in the stock markets of emerging countries. However, investment in companies listed on more developed stock exchanges may also be made where those companies have a significant source of their revenue from emerging countries although the Investment Manager does not anticipate investing a significant part of the Company's assets in such companies. Where the Investment Manager determines appropriate, for example to gain access to markets closed to foreign portfolio investors, investment may be made in emerging markets through collective investment schemes although such investment is not likely to be substantial.

In any event, Templeton Asset Management Ltd ("TAML" or the "Investment Manager"), as the Investment Manager to the Company, will invest directly only in countries where it is satisfied that acceptable custodial and other arrangements are in place to safeguard TEMIT's investments and in companies with perceived satisfactory procedures.

It is intended that the Company's funds will normally be invested in equity investments although the Investment Manager may invest in equity related investments (such as convertibles) where there are perceived to be advantages.

The Investment Manager employs a bottom up, value oriented, long term approach to investing. It focuses on the market price of a company's securities relative to the Investment Manager's evaluation of the company's long term earnings, asset value and cash flow potential. As it looks for investment, it focuses on specific companies and undertakes in depth research to construct an action list from which it makes its buy decisions. Before a purchase is made, it looks at the company's potential earnings and growth over a five year horizon. During its analysis, it also considers the company's position in its sector, the economic framework and political environment.

The portfolio will frequently be over weight or under weight against the indices. This is consistent with its investment approach of long term value investing. The Investment Manager evaluates investment opportunities with updated financial ratios on a daily basis, and adjusts the portfolio to seek optimal exposures to stocks which are assessed to be best bargains in global emerging markets.

The Investment Manager searches for well managed companies assessed as under valued, especially those that are out of favour among investors. On the other hand, the Investment Manager sells companies that, in its opinion, are over valued, typically when the earnings prospects or underlying net asset values are fully recognised by other investors.

The Investment Manager's investment research and portfolio construction processes may be summarised in five steps:

- (1) Identify Opportunities – A master list is compiled which is screened for securities that meet certain market capitalisation and liquidity criteria as determined by the Investment Manager.

DIRECTORS' REPORT

CONTINUED

- (2) Analyse Companies – A detailed analysis of the stock's industry and financial accounts is undertaken along with a visit to the company to interview management, assess its quality of product or services, analyse customers and competitors and ascertain competitive advantage,
- (3) Construct Action List – Each stock on this list has a specified buy and sell target. This selection list is a dynamic list that is monitored continually,
- (4) Allocate Portfolio – On a weekly basis the portfolio is reviewed for consistency and to ensure that it complies with the Investment Manager's investment committee guidelines, and
- (5) Evaluate and Monitor Portfolio – Once the portfolio has been constructed, each investment within the portfolio is reviewed against price targets set for the securities. These targets are continually updated with comparisons made with the sector that the security operates in. Contact is also maintained with the company and its suppliers and staff.

The general policy of the Board is to be fully invested. However, in response to market conditions, the Investment Manager may decide to hold funds temporarily in cash or other appropriate assets.

Key Performance Indicators

The following are considered key performance indicators for the Company:

- the return in net asset value per share compared to its benchmarks
- the movement in share price and discount, and
- the total expense ratio

Performance

The Investment Manager employs a value investing strategy and purchases stocks trading at less than their assessed value. The TEMIT portfolio may therefore differ significantly from the benchmark indices.

In the year to 30 April 2008, the Company's net asset value per share returned 35.7%. This was ahead of both the Company's benchmarks. The MSCI Emerging Markets Index increased by 27.0% and the S&P/IFCI Composite Index rose by 25.6%. Since inception, the net asset value of TEMIT has risen by 1,479.4% compared with a rise of 673.4% for the MSCI Emerging Markets Index and 707.8% for the S&P/IFCI Composite Index.

The Chairman's Statement on pages 4 and 5 and the Manager's Report on pages 9 to 13 include a review of the main developments during the year and the investment outlook.

Share Capital and Discount

The Board is aware that discount volatility is unwelcome to many shareholders and has powers to buy back the Company's shares as a discount control mechanism when it is in the best interests of the Company's shareholders.

The share price of TEMIT increased by 33.8% to 438.00p as at 30 April 2008 from 327.25p as at 30 April 2007. Market conditions have seen large fluctuations in the discount during the year from a high of 15.5% to a low of 6.2%. As at 30 April 2008, the discount had widened to 9.6% from 8.9% at 30 April 2007.

During the year, the Company bought back and cancelled 63.3 million Ordinary Shares for a total cost of £245.1 million which represented 11.5% of the share capital in issue at the start of the year.

The Board held extensive discussions with major shareholders in recent months following the lack of agreement among shareholders last year over the best means of providing an exit opportunity to those shareholders who wish to realise part or all of their investment.

In these discussions, it became apparent that while a group of shareholders wished to dispose of all of their investment, others indicated a desire to reduce their holding and many indicated a wish for little or no change.

SHARE PRICE DISCOUNT TO NET ASSET VALUE

After careful consideration, the Board concluded that, whilst many shareholders wished the Company would maintain the status quo, it should seek to bring supply and demand closer to an equilibrium by providing an exit opportunity to those shareholders who wished to realise their investment without adversely affecting continuing shareholders.

The Board believed that the best way to achieve this was by way of a tender offer. The size and characteristics of the tender offer were set to permit each group of shareholders to achieve their objectives as far as possible.

The tender offer proposals were approved at an EGM of the Company on 13 June 2008. As a result, 141.8 million Ordinary Shares will be bought back and cancelled at a discount of 4% to the NAV.

In the period from 1 May 2008 to 18 June 2008, no shares were bought back and cancelled.

Expense Ratio

The Total Expense Ratio has risen from 1.32% at 30 April 2007 to 1.33% at 30 April 2008. This is due to additional expenses which were incurred as part of the Company's reorganisation proposals brought to shareholders in July 2007.

Results and Dividends

The profit for the year was £626.3 million (2007: £74.1 million) of which £19.8 million (2007: £22.3 million) was revenue profit. The full results for the Company are disclosed in the Income Statement on page 38.

Following the tender offer whereby 30% of the Company's share capital was bought back and cancelled, and in order to maintain the Company's status as an Investment Trust, the total amount distributable is calculated with reference to the reduced amount of shares in issue after the tender offer.

The Directors propose an ordinary dividend of 3.50 pence per Ordinary Share (2007: 3.13p) making a total dividend for 2008 of £12.4 million (2007: £16.8 million). If approved by shareholders of the Annual General Meeting to be held on 25 September 2008, this will be payable on 1 October 2008 to shareholders on the register at close of business on 29 August 2008.

Gearing

The Board has agreed that in exceptional circumstances, TEMIT may borrow up to 10% of its net assets. The use of gearing is discussed by the Board and the Investment Manager regularly and is monitored on a daily basis.

During the period, the Company utilised a short term overdraft facility with JPMorgan to facilitate the share buy back programme and secure an orderly realisation of investments for the purpose. The maximum borrowing was £25 million in November 2007.

Principal Risks and Uncertainties

The principal risks facing the Company are summarised below. The number and spread of investments in TEMIT's portfolio is intended to reduce the degree of risk, however, investors should be aware of the risks associated with TEMIT's investment objectives.

Market risk

Many of the companies in which TEMIT does or may invest are, by reason of the locations in which they operate, exposed to the risk of political or economic change. In addition, exchange control, tax or other regulations introduced in any country in which TEMIT invests may affect its income and the value and marketability of its investments. Currency fluctuations may also affect the value of its investments and the income derived therefrom, and investors in emerging markets can face settlement and custodial problems. Furthermore, companies in emerging markets are not always subject to accounting, auditing and financial standards which are equivalent to those applicable in the United Kingdom and there may also be less government supervision and regulation. These risks can increase the potential for losses in the Company and affect its share price. For these reasons, a long term approach to investing in emerging markets is taken.

DIRECTORS' REPORT

CONTINUED

In recent years many Emerging Market stock markets have experienced considerable price appreciation, and are at, near, or above the high points of their historic valuations. Emerging Markets have in the past been subject to greater price volatility and rapid and severe re pricing than developed markets. In such situations, the correlation between different stocks in the same market, and between various Emerging Markets and countries has been shown to increase, reducing the benefits that diversification between securities industries, markets and countries generally provides.

Investment risk

In addition, the Company may invest a greater portion of its assets in the securities of one issuer, securities domiciled in a particular country, or securities within one industry group than other types of fund investments. As a result, it may be more sensitive to economic, business political or other changes affecting similar issues or securities, which may result in greater fluctuation in the value of the portfolio.

Currency risk

It is important to recognise the effect of currency movements on TEMIT's performance. In general, if the value of sterling increases compared with a foreign currency, an investment traded in that foreign currency will decrease in value because it will be worth fewer UK pounds. This can have a negative effect on fund performance. Conversely, when, in general, sterling weakens in relation to a foreign currency, investments traded in that foreign currency will increase in value, which can contribute to an improvement in the Company's performance.

Regulatory risk

It is also worth noting that the Company operates in a complex regulatory environment and faces a number of regulatory risks. A breach of Section 842 of the Income and Corporation Taxes Act 1988 would result in the Company being subject to capital gains tax on portfolio investments. Breaches of other regulations such as the ULKA Listing Rules, could lead to a number of detrimental outcomes and reputational damage.

Key personnel

The ability of the Company to achieve its investment objective is significantly dependent upon the expertise of the Investment Manager and its ability to attract and retain suitable staff. The Company is also reliant upon the skills of its Directors and the loss of any of these individuals could reduce its ability to achieve its planned investment objectives. The Company and the Investment Manager have endeavoured to ensure that the principal members of their management teams are suitably incentivised, but the retention of such staff cannot be guaranteed.

Operational risk

Like many other investment trust companies, the Company has no employees. The Company therefore relies up on the services provided by third parties and is dependent upon the control systems of the Investment Manager and the Company's service providers. The security, for example, of the Company's assets, dealing procedures, accounting records and maintenance of regulatory and legal requirements depend on the effective operation of these systems. These are regularly tested and monitored and an internal control report, which includes an assessment of risks together with an overview of procedures to mitigate such risks, is prepared by the Secretary and Administrator and reviewed by the Audit Committee annually. The custodian (JP Morgan) produces an annual SAS 70 report which is reviewed by its auditors and gives assurance regarding the effective operation of controls.

The Directors have sought to ensure that the Company's service providers have adopted an appropriate framework of controls which is designed to monitor the principal risks facing the Company, and to provide a monitoring system to enable the Directors to mitigate these risks.

Further information on the risks that TEMIT is subject to is also detailed in Note 14 of the Notes to the Financial Statements.

FINANCIAL

Share Capital

Changes in the share capital of the Company are set out in Note 10 of the Notes to the Financial Statements

Going Concern

The Directors are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future and, as such, a going concern basis is appropriate in preparing the Financial Statements

Creditor Payment Policy

Investment transactions are settled by the Company in accordance with the terms and conditions of the relevant market. While the Company follows no formal code, its policy is to agree the terms of payment at the start of business and ensure that the supplier is aware of the terms of payment. Payment is made in accordance with these terms provided that the supplier is also complying with all the relevant terms and conditions. For the year ended 30 April 2008 the number of trade (broker) creditor days was 1 day (2007: 1 day)

Auditors

Grant Thornton UK LLP have expressed their willingness continue in office as auditors and resolutions proposing its re appointment and authorising the Directors to determine its remuneration for the ensuing year will be submitted at the Annual General Meeting

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors were unaware and that each Director had taken all steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditors were aware of that information

Statement of Directors' Responsibilities in respect of the Financial Statements

The Directors are responsible for preparing the Annual Report and Accounts in accordance with applicable United Kingdom law and regulations

Company law requires the Directors to prepare the financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with IFRS as adopted by the EU

The financial statements are required by law and IFRS as adopted by the EU to present fairly the financial position of the Company and the performance for that period. The Companies Act 1985 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation

In preparing the financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether the financial statements have been prepared in accordance with IFRS, as adopted by the EU and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business

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

DIRECTORS' REPORT

CONTINUED

The Directors to the best of their knowledge, state that

- the financial statements prepared in accordance with United Kingdom Generally accepted Accounting Practice give a true and fair view of the assets liabilities financial position and profit or loss of the Company and
- the Report of the Directors includes a fair review of the development and performance of the business and the position of the Company together with a description of the principal risks and uncertainties that it faces

Under applicable law and regulations, the Directors are also responsible for preparing a Directors' Report, Directors Remuneration Report and the Corporate Governance Statement that comply with that law and those regulations. The Annual Report is available on the Company's website (www.temit.co.uk)

Legislation in the United Kingdom governing the preparation and dissemination of the financial statements and other information included in annual reports may differ from legislation in other jurisdictions

DIRECTORS

Directors

The Board currently comprises seven Non Executive Directors six of whom are independent from Franklin Templeton Investments, the group of companies associated with the Company's Investment Manager. The Chairman is Non Executive and independent from the Investment Manager. The Directors' biographies are set out on pages 6 to 8

The following were Directors during the year to 30 April 2008

Peter A Smith	Sir Peter Burt
Neil A Collins	Peter O Harrison (appointed 30 November 2007)
Christopher D Brady (appointed 12 December 2007)	Gregory E Johnson (appointed 12 December 2007)
Charles B Johnson (resigned 12 December 2007)	Sir Ronald Hampel (resigned 12 December 2007)
Peter C Godsoe OC (resigned 26 June 2008)	Andrew S B Knight (resigned 25 February 2008)

The Company identified suitable candidates for the Board after consultation with appropriate individuals operating in the investment trust industry. External search consultants were not appointed and no formal advertising was carried out.

Peter Godsoe resigned as a Director and a member of the Audit Committee on 26 June 2008 and Hamish Buchan was appointed as a Director and a member of the Audit Committee on 26 June 2008.

Mr Johnson is President and Chief Executive Officer of Franklin Resources Inc. He is also President of Templeton Worldwide Inc, the parent company of the Investment Manager. He is therefore not an independent Director.

The Company's Articles of Association require newly appointed Directors to submit themselves for election by shareholders at the next Annual General Meeting and Directors are then subject to re election at intervals of no more than three years. All Directors serving longer than nine years must offer themselves for annual re election.

Sir Peter Burt retires by rotation as a Director and offers himself for re election as required under the Company's Articles of Association.

Peter Harrison, Christopher Brady, Gregory Johnson and Hamish Buchan offer themselves for re election as Directors as required under the Company's Articles of Association. The Board recommends the re election of Sir Peter Burt, Peter Harrison, Christopher Brady, Gregory Johnson and Hamish Buchan, whose biographies are set out in this Annual Report as they will continue to provide the Company with valuable guidance, experience and support.

Each Director has a letter of appointment from the Company. Other than previously stated, no Director was a party to or had an interest in any contract or arrangement with the Company at any time during the year.

The Directors meet quarterly and retain full and effective control over the Company through the monitoring of the management team of the Investment Manager, and FTIML (the Secretary and Administrator). The Board is responsible

for investment policy and has a schedule of matters reserved for the resolution of the Directors for safeguarding shareholders' investment and the Company's assets

The primary focus of the Directors at the quarterly board meetings is a review of the investment performance of the Company and associated matters such as gearing, asset allocation, marketing/investor relations, peer group information and industry issues. The Board also reviews the investment mandate, long term investment strategy, performance of the Company and the appropriate guidelines within which the Investment Manager should operate.

The table below lists the number of Board and Committee meetings attended by each Director. During the year there were 7 Board Meetings, 4 Audit Committee Meetings and 2 Nomination and Remuneration Committee Meeting.

Director	Board Meetings Attended	Audit Committee Meetings Attended	Nomination and Remuneration Committee Meetings Attended
² Christopher D Brady	4	N/A	N/A
Sir Peter Burt	6	2	2
Neil A Collins	7	4	N/A
¹ Peter O Harrison	5	2	N/A
² Gregory E Johnson	3	N/A	N/A
Peter A Smith	7	3	N/A
³ Sir Ronald Hampel	4	N/A	2
³ Charles B Johnson	4	N/A	N/A
⁴ Andrew S B Knight	4	N/A	N/A
⁵ Peter C Godsoe, OC	5	3	N/A

¹ Peter O Harrison was appointed on 30 November 2007

² Christopher D Brady and Greg Johnson were appointed on 12 December 2007

³ Sir Ronald Hampel and Charles B Johnson resigned on 12 December 2007

⁴ Andrew S B Knight resigned on 25 February 2008

⁵ Peter Godsoe resigned on 26 June 2008

In addition to the scheduled Board and Committee meetings, there have been a number of additional meetings of the Directors to formulate and finalise the capital reorganisation proposals in 2007 and the tender offer proposals in 2008. Throughout this process the Chairman and all of the Directors have contributed significant additional time in performing their role, attending such additional meetings, when possible.

Nomination and Remuneration Committee

The Board established a Nomination and Remuneration Committee in February 2002, which currently comprises Sir Peter Burt (appointed Chairman of the Nomination and Remuneration Committee on 12 December 2007) and Peter Smith (appointed member of the Nomination and Remuneration Committee on 12 December 2007) and Neil Collins (appointed member of the Nomination and Remuneration Committee on 26 June 2008). Sir Ronald Hampel was a member of the Nomination and Remuneration Committee until his resignation from the Board on 12 December 2007. In appointing Peter Harrison, Christopher Brady, Gregory Johnson and Hamish Buchan as Directors the Nomination and Remuneration Committee evaluated the balance of skills, knowledge and experience on the Board and prepared a description of the role and capabilities required for these particular appointments. In appointing Peter Smith as Chairman the Nomination and Remuneration Committee evaluated the balance of skills, knowledge and experience on the Board and prepared a description of the role and capabilities required for this appointment. A job specification has been prepared by the Nomination and Remuneration Committee and Peter Smith's other significant commitments were re-disclosed to the Board prior to his appointment. The role of the Nomination and Remuneration Committee is to review regularly the Board structure, size and composition and make recommendations to the Board with regard to any adjustments that seem appropriate, to consider the rotation and renewal of the Board, approve the candidate specification for all Board appointments, approve the process by which suitable candidates are identified and short listed, and to nominate candidates for consideration by the full Board, whose responsibility it is formally to make appointments.

DIRECTORS' REPORT

CONTINUED

In addition, the Committee reviews the level of Directors' fees periodically relative to other comparable companies and in the light of the Directors' responsibilities.

A copy of the terms of reference of the Nomination and Remuneration Committee is available to shareholders on the TEMIT website (www.temit.co.uk) or on request via Client Dealer Services at Franklin Templeton Investment Management Limited using the contact details provided on the inside back cover of this report.

Performance Evaluation

The Board has undertaken a formal evaluation of its own performance and that of its Committees and individual Directors including the Chairman. The Board has also considered the independence of each Director. The evaluation of the Board, of its Committees, and the performance of individual Directors, is carried out first through discussions between the Chairman and each Director on an individual basis. The Chairman has been evaluated by his fellow Directors, led by Sir Peter Burt, the Senior Independent Director, and such evaluations shall continue to take place at least annually. Thereafter, the Board meets as a group to review the findings. The performance and cost of service providers are considered as regular items annually on the Board's agenda.

Information, Induction and Professional Development

The Board is supplied, via the Company Secretary, with regular information to enable the Directors to discharge their duties. The new Directors were provided with detailed information on the performance and background of the Company and briefings from Franklin Templeton management and the Company's advisers on joining the Board. The induction process was adapted to recognise the experience and qualifications of the new Directors. The Company Secretary provides the Board with regular updates on regulatory issues and on the latest corporate governance rules and guidelines.

Directors' appointment letters

Each of the Directors has an appointment letter with the Company and such letters are available for inspection at the Company's registered office. The terms of their appointment provide that a Director will be subject to re-election at the first annual general meeting after their appointment and at least every three years after that. The terms also provide that a Director may be removed without notice and that compensation will not be due on leaving office.

Indemnification and Insurance

The Company entered into deeds of indemnity with each of the Directors prior to the date of this report. These are qualifying third party indemnity provisions and are in force as at the date of this report. This information is disclosed in accordance with sections 236(2) and 236(3) of the Companies Act 2006. The Company maintains appropriate insurance cover in respect of legal action against the Directors.

Remuneration

Details of the remuneration policy are set out in the Directors' Remuneration Report. The Board's policy is that the remuneration of Non Executive Directors should reflect the experience of the Board as a whole and be fair and comparable to that of other investment trusts similar in size, capital structure and investment objective.

The fees for the Non Executive Directors are currently determined within the limits set out in the Company's Articles of Association, and they are not eligible for bonuses, pension benefits, share options, long term incentive schemes or other benefits in accordance with other long standing investment trusts.

The Company's policy on Directors' remuneration, together with details of the remuneration of each Director who served in the year, is detailed in the Directors' Remuneration Report on page 34.

Apart from the Directors, TEMIT itself has no employees and therefore no retirement or health scheme obligations or policies in respect of employment, including the employment of disabled persons.

No Director had notified the Company of any beneficial interest (including any family interest) existing either at the beginning or at the end of the year to 30 April 2008 in the Company's Ordinary Shares save for the following Directors

	30 April 2008	30 April 2007
Sir Ronald Hampel (resigned 12 December 2007)		
Ordinary Shares	N/A	21,618
Sir Peter Burt		
Ordinary Shares	4,000	4,000
Andrew S B Knight (resigned 25 February 2008)		
Ordinary Shares	N/A	11,000
Neil A Collins		
Ordinary Shares	7,000	7,000

The Company has not received notification of any changes in the above interests as at 18 June 2008

Substantial Shareholdings

As at 18 June 2008 the Company had been notified that the following were interested in 3% or more of the issued share capital of the Company. The substantial shareholder notifications are based on the expected outcome once the tender proposals are fully implemented around end July 2008 using the issued share capital figure of 330.9 million

Name	Number of Shares	Percentage
City of London	50,378,491	15.23
Legal & General Investment Management	20,273,398	6.09
Templeton Investment Plan	16,290,962	4.92
Lazard Asset Management LLC Group	13,386,007	4.05

SERVICE PROVIDERS

Investment Manager

During the year, Templeton Asset Management Ltd ("TAML") acted as Investment Manager to the Company under an investment management agreement and received from the Company a monthly fee at an annual rate of 1.00% of the total net assets of the Company.

The investment management agreement between the Company and TAML is of an unlimited duration and may be terminated by either party but in certain circumstances the Company may be required to pay compensation to TAML of an amount up to one year's management fee. Compensation is not payable if at least one year's notice of termination is given.

The Board considers the arrangements for the provision of investment management services to the Company on an ongoing basis and a formal review is conducted annually. When assessing the performance of the Investment Manager, the Board believes it is appropriate to make this assessment over a medium to long term timeframe which is in accordance with the long term approach taken to investment. In the opinion of the Directors, the continuing appointment of TAML on the agreed terms is in the best interests of the shareholders as a whole. The Directors believe that TAML is well positioned to act as Investment Manager to the Company and well resourced to identify attractive investment opportunities.

DIRECTORS' REPORT

CONTINUED

Secretarial and Administration Managers

During the year FTIML acted as secretary and administrator of the Company. The fee paid to FTIML for this is an annual rate of 0.20% of the total net assets of the Company, payable monthly.

The agreement between the Company and FTIML may be terminated by either party but in certain circumstances the Company may be required to pay compensation to FTIML of an amount up to one year's secretarial and administration fee. Compensation is not payable if at least one year's notice of termination is given. The Directors also keep under annual review the performance of FTIML as secretarial and administration managers.

Custodian

JPMorgan Chase Bank acts as global custodian to the Company and receives a fee for the provision of custody and nominee services to the Company under a custody agreement (which contains provision for the exclusion or limitation of liability as set out in the custody agreement). The custody agreement may be terminated by either party giving the other 60 days' notice.

CORPORATE GOVERNANCE

The Company is committed to high standards of corporate governance. The Board is accountable to the shareholders for good governance and this statement describes how the Company applies the principles identified in the Combined Code on Corporate Governance 2006. It also makes reference to the Company's adherence to the Code of Corporate Governance of the Association of Investment Companies ("AIC").

Compliance with the Combined Code on Corporate Governance 2006

The Board considers that the Company has complied with the relevant provisions of Section 1 of the Combined Code on Corporate Governance 2006 throughout the year ended 30 April 2008.

AIC Code of Corporate Governance 2007 (the "AIC Code")

The Company is a member of the AIC. The Board considers that the Company adheres to the principles and follows the recommendations of the AIC Code and where appropriate, it provides explanations why and/or detailed the steps it intends to take to bring the Company into line in the future. By reporting against the AIC Code and by following the AIC's Corporate Governance Guide for Investment Companies (the "AIC Guide"), the Company is meeting its obligations under the Combined Code and paragraph 9.8.6 of the Listing Rules and as such the Company is not required to report further on issues contained in the Combined Code which are not relevant to the Company as explained in the AIC Guide.

Additional Information for New Zealand Shareholders

As a result of a requirement for Overseas Issuers listed on the New Zealand Stock Exchange, the following should be noted by New Zealand Shareholders:

- (a) The corporate governance rules and principles in TEMIT's home exchange jurisdiction in the United Kingdom may materially differ from the New Zealand Stock Exchange corporate governance rules and the principles of the Corporate Governance Best Practice Code.
- (b) Investors may find more information about the corporate governance and principles of TEMIT's home exchange in the United Kingdom in the above Corporate Governance statement and online at www.frc.org.uk/corporate/combinedcode.cfm.

Schedule of Reserved Matters

The Board has formally adopted a Schedule of Reserved Matters which details the matters which the Board has agreed are specifically reserved to them for their collective decision. These matters include, *inter alia*, approval of the half yearly and annual financial statements, recommendation of the final dividend, approval of any preliminary announcements of

the Company approval of any changes to the Company's investment objective and/or policy, appointment or removal of the Company's Investment Manager or its Secretary and Administrator Board membership and Board committee membership and any major changes to the investment objective, philosophy or policy of the Company, other than any such changes delegated to the Investment Manager under the Investment Management Agreement

The day to day investment management of the portfolio of the Company is delegated to the Investment Manager who manages the portfolio in accordance with the investment objectives of the Company as set by the Board

Social, Environmental & Ethical Policy

As an investment trust, the Company has no direct social or environmental responsibilities. Its ethical policy is focused on ensuring that its funds are properly managed and invested within the guidelines approved by the Board. The Board receives regular reports on the policies and controls in place.

The Investment Manager invests in companies that it considers to be well managed and subject to appropriate corporate governance. A well managed company is considered to be one which complies with all the relevant legislation and which meets the social and environmental requirements of the country in which it operates. It is important to recognise that local laws and requirements of emerging markets do not necessarily equate with those of developed countries.

Institutional Shareholder Voting Policy

As an institutional investor, the Company recognises its responsibility that the companies in which it invests should aspire to appropriate levels of corporate governance. As a matter of policy, the Company aims to utilise its votes in shares held in the relevant underlying portfolio companies at the annual general meetings of these companies.

Contact with Shareholders

The Chairman of the Company is available for any shareholder questions and he has regular meetings with the Company's major shareholders. Furthermore, the members of the Board are available during the year for any significant matters arising and are usually present in person at the Annual General Meeting. At each Annual General Meeting of the Company, Dr Mark Mobius, briefs shareholders on the investment outlook of the Company. In addition, on behalf of the Board, he has periodic meetings with the Company's major shareholders to discuss aspects of the Company's performance. Shareholders may contact the members of the Board via Client Dealer Services at FTIML using the contact details provided on the inside back cover of this report.

Accountability and Audit

In 1994 the Board established an Audit Committee, which currently comprises Peter Harrison (Chairman of the Audit Committee), Sir Peter Burt, Neil Collins and Hamish Buchan (appointed 26 June 2008). Peter Godsoe was a member of the Audit Committee until his resignation from the Board on 26 June 2008. The Audit Committee plays an important role in the appraisal and supervision of key aspects of the Company's business including financial reporting and internal controls. The Chairman of the Audit Committee will attend the Company's Annual General Meeting and will be prepared to respond to questions which may be raised by shareholders on matters within the Audit Committee's responsibilities.

The Company's Audit Committee meets representatives of the Investment Manager and its Compliance Officer, who report as to the proper conduct of business in accordance with the regulatory environment in which both the Company and the Investment Manager operate. The Company's external auditors also attend the Committee at its request at least once a year, and report on their work procedures, the quality of the Company's accounting procedures and their findings in relation to the Company's statutory accounts. The responsibilities of the Audit Committee include review of the internal financial controls, accounting policies, financial statements, the management contract, the auditors appointment, remuneration, independence and policy on supplying non audit services and ensuring continued independence.

The terms of reference of the Audit Committee reflect the recommendations of the Combined Code on Corporate Governance 2006. A copy of the terms of reference of the Audit Committee is available to shareholders on the TEMIT

DIRECTORS' REPORT

CONTINUED

website (www.temit.co.uk) or on request via Client Dealer Services at Franklin Templeton Investment Management Limited using the contact details provided on page 1

Non audit work undertaken by Grant Thornton UK LLP for the year ended 30 April 2008 on behalf of TEMIT includes assistance with the capital restructuring proposals in 2007 and the tender offer proposals in 2008, review of the October 2007 Half Yearly Report and review of the Interim Accounts of the Company for the 11 month period ended 31 March 2008. An engagement letter is issued for all non audit work and subsequently reviewed by the Audit Committee to ensure that the independence and objectivity of the Auditors is safeguarded

Risk Management Objectives and Policy

The Company invests in equities and other investments for the long term in seeking its investment objectives as stated on pages 21 and 22. This creates potential exposure to the following risks: Market Price, Foreign Currency, Interest Rate, Liquidity and Fair Value risks. The Company's policy and objectives in relation to such risks is disclosed in Note 14 of the Notes to the Financial Statements

Internal Control

The Board is ultimately responsible for ensuring that a sound system of internal controls of the Company is maintained to safeguard shareholders' investment and the Company's assets

The Audit Committee undertakes an annual review of the effectiveness of the Company's system of internal controls and the Directors believe that an appropriate framework is in place to meet the requirement of ensuring that a sound system of internal controls is in place by the Company

The Board has an ongoing process for identifying, evaluating and managing risks that the Company is exposed to. This process is conducted throughout the year and has been conducted up to the date of signing of this report. The Board has identified risk management controls in the key areas of business objectives, accounting, compliance, operations and secretarial as areas for the extended review and, if relevant, necessary actions have been or are being taken to remedy any significant failings or weaknesses identified. It has, however, to be understood that systems of internal control, however carefully designed, operated and supervised, can provide only reasonable and not absolute assurance against material misstatement or loss

The Company does not have its own internal audit function but places reliance on the internal audit, compliance and other control functions of its service providers

Authority to Purchase Own Shares

At the Extraordinary General Meeting of the Company held on 13 June 2008, a Special Resolution was passed authorising the Company to purchase its Ordinary Shares in the market a maximum of 14.99 per cent of the Ordinary Shares in issue on 13 June 2008 or 70,854,915 shares, whichever is lower up to the conclusion of the Annual General Meeting in 2009

Purchases will only be made for cash at a cost which is below the prevailing net asset value per share. Under the rules of the UK Listing Authority the maximum price which may be paid is the higher of (a) 5% above the average market value of the shares for the five business days before the purchase is made and (b) that stipulated by Article 5(1) of the Buy back and Stabilisation Regulation. The minimum price payable for the Ordinary Shares will be 25 pence per share

Purchases will be funded either by using available cash resources by selling investments in the portfolio or by borrowing. The authority to purchase shares will only be exercised if to do so would be in the best interests of shareholders generally. Other than in accordance with a dispensation from the UK Listing Authority, no shares will be purchased by the Company during periods when the Company would be prohibited from making such purchases by the rules of the UK Listing Authority

The Directors envisage seeking the renewal of the relevant authority in 2009 and in each succeeding year

ANNUAL GENERAL MEETING

Ordinary Business

It is proposed to receive and adopt the Directors' and Auditors' Reports and Financial Statements for the year ended 30 April 2008 and to approve the Directors Remuneration Report for the year ended 30 April 2008

It is proposed to declare a dividend and to authorise the Directors to determine the Auditors remuneration

It is proposed to re elect Christopher D Brady, Hamish N Buchan, Sir Peter Burt, Peter O Harrison and Gregory I Johnson as Directors

Grant Thornton UK LLP will be re appointed as Auditors

The results of the votes on the resolutions at the Annual General Meeting will be published on the Company's website (www.temit.co.uk)

Special Business

The Special Business to be dealt with at the forthcoming Annual General Meeting of the Company relates to the cancellation of Share Premium Account and the Capital Redemption Reserve and adoption of new Articles of Association of the Company

Adoption of New Articles of Association

It is proposed in resolution 11 to adopt new articles of association (the New Articles) in order to update the Company's current articles of association (the Current Articles) primarily to take account of changes in UK company law brought about by the Companies Act 2006

The principal changes introduced in the New Articles are summarised in the Appendix to the Notice of the Annual General Meeting. Other changes, which are of a minor, technical or clarifying nature and also some more minor changes which merely reflect changes made by the Companies Act 2006 have not been noted in the Appendix to the Notice of AGM. The New Articles showing all the changes to the Current Articles are available for inspection, as noted on page 57 of this document

Capital Reorganisation

It is proposed in resolution 12 to cancel the amounts standing to the credit of the Company's share premium account and capital redemption reserve. The cancellation will create additional distributable reserves which will provide flexibility to the Company in continuing to operate its share buy back policy

If resolution 12 is approved it is expected that, subject to confirmation of the Court of Session in Scotland (the 'Court') an application for the Court order confirming the cancellation will be made in October 2008 and the cancellation will take effect immediately upon the registration of such order with the Registrar of Companies which is expected to be during December 2008

Recommendation

The Directors believe all the Resolutions proposed are in the best interests of the Company and the shareholders as a whole and recommend all shareholders to vote in favour of all the Resolutions

By Order of the Board

Registered Office

5 Morrison Street

Edinburgh EH3 8BH, UK

Sara A MacIntosh

for and on behalf of

Franklin Templeton Investment Management Limited

Secretary

26 June 2008



DIRECTORS' REMUNERATION REPORT

The Board has prepared this report, in accordance with the requirements of Schedule 7A to the Companies Act 1985. An ordinary resolution for the approval of this report will be put to the members at the forthcoming Annual General Meeting.

The law requires your Company's auditors to audit certain of the disclosures provided. Where disclosures have been audited, they are indicated as such. The auditors' opinion is included in their report on pages 36 and 37.

Nomination and Remuneration Committee

The Board has appointed a Nomination and Remuneration Committee whose role is more fully explained on page 27 in the Directors' Report.

Policy on Directors' fees

The Board's policy is that the remuneration of Non Executive Directors should reflect the responsibilities of the Board, the experience of the Board as a whole and be fair and comparable to that of other investment trusts similar in size, capital structure and investment objective. This policy will continue for the year to 30 April 2009 and subsequent years.

Non Executive Directors are not eligible for bonuses, pension benefits, share options, long term incentive schemes or other benefits in accordance with other long standing investment trusts.

Directors' emoluments for the year (audited)

The Directors who served in the year received the following emoluments in the form of fees:

	2008	2007
Peter A Smith (Chairman)	£43,874	£40,000
Sir Peter Burt	£30,000	£30,000
Peter C Godsoe OC (resigned 26 June 2008)	£30,000	£30,000
Neil A Collins	£30,000	£17,500
Peter O Harrison (Appointed 30 November 2007) ‡	£16,511	–
Christopher D Brady (Appointed 12 December 2007)	£11,643	–
Sir Ronald Hampel (Resigned 12 December 2007)	£30,833	£50,000
Andrew S B Knight (Resigned 25 February 2008)	£24,603	£30,000
Sam L Ginn (Resigned 28 September 2006)	–	£12,500
Gregory E Johnson (Appointed 12 December 2007)*	–	–
Charles B Johnson (Resigned 12 December 2007)†	–	–
Total	£217,464	£210,000

* Gregory Johnson is compensated in his capacity as President and Chief Executive Officer of Franklin Resources, Inc.

† Charles Johnson was compensated in his capacity as Chairman of Franklin Resources, Inc.

‡ Chairman of the Audit Committee.

Approval

The Directors' Remuneration Report on pages 34 and 35 was approved by the Board of Directors on 26 June 2008 and signed on its behalf by

By Order of the Board

Registered Office
5 Morrison Street
Edinburgh EH3 8BH
UK


Sara A MacIntosh

for and on behalf of

Franklin Templeton Investment Management Limited

Secretary

26 June 2008

REPORT OF THE INDEPENDENT AUDITOR

TO THE MEMBERS OF TEMPLETON EMERGING MARKETS INVESTMENT TRUST PLC

We have audited the financial statements of Templeton Emerging Markets Investment Trust PLC for the year ended 30 April 2008 which comprise the income statement, the balance sheet, the statement of changes in equity, the cash flow statement, the accounting policies and notes 1 to 18. These financial statements have been prepared under the accounting policies set out therein. We have also audited the information in the Directors' Remuneration Report 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 auditor's 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 Directors' Remuneration Report and the financial statements in accordance with United Kingdom law and International Financial Reporting Standards (IFRSs) as adopted by 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 Directors' Remuneration Report to be audited in accordance with relevant 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 and whether the financial statements and the part of the Directors' Remuneration Report to be audited have been properly prepared in accordance with the Companies Act 1985. We also 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 Chairman's Statement and the Manager's Report that is cross referred from the Performance section of the Directors' Report.

In addition we 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 2006 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 company's corporate governance procedures or its risk and control procedures.

We read other information contained in the Annual Report and consider whether it is consistent with the financial statements. The other information comprises only the Company Summary, Financial Summary, Ten Year Record, Directors' Report, the unaudited part of the Directors' Remuneration Report, the Chairman's Statement, Manager's Report and Portfolio Review, Portfolio Summary, Portfolio Holdings, and Ten Largest Investments. 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 other information.

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 Directors' Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the 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 Directors' Remuneration Report to be 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 Directors' Remuneration Report to be audited.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union as applied in accordance with the provisions of the Companies Act 1985, of the state of the company's affairs as at 30 April 2008 and its profit for the year then ended,
- the financial statements and the part of the Directors' Remuneration Report to be audited have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements


Grant Thornton UK LLP

Registered Auditor
Chartered Accountants

London

26 June 2008

INCOME STATEMENT

FOR THE YEAR ENDED 30 APRIL 2008

	Note	Revenue £'000	2008 Capital £'000	Total £'000	Revenue £'000	2007 Capital £'000	Total £'000
Gains on investments and exchange							
Gains on investments at fair value	6	–	607,057	607,057	–	52,513	52,513
Losses on foreign exchange		–	(581)	(581)	–	(739)	(739)
Revenue							
Dividends	1	57,578	–	57,578	52,883	–	52,883
Bank Interest	1	820	–	820	1,192	–	1,192
		<u>58,398</u>	<u>606,476</u>	<u>664,874</u>	<u>54,075</u>	<u>51,774</u>	<u>105,849</u>
Expenses							
Investment management fee	2	(22,602)	–	(22,602)	(17,328)	–	(17,328)
Other expenses	3	(8,228)	–	(8,228)	(5,715)	–	(5,715)
Profit before taxation		<u>27,568</u>	<u>606,476</u>	<u>634,044</u>	<u>31,032</u>	<u>51,774</u>	<u>82,806</u>
Tax expense	4	(7,728)	–	(7,728)	(8,727)	–	(8,727)
Profit for the financial year		<u>19,840</u>	<u>606,476</u>	<u>626,316</u>	<u>22,305</u>	<u>51,774</u>	<u>74,079</u>
Profit attributable to equity holders of the Company		<u>19,840</u>	<u>606,476</u>	<u>626,316</u>	<u>22,305</u>	<u>51,774</u>	<u>74,079</u>
Basic earnings per Ordinary Share	5	<u>4.07p</u>	<u>124.43p</u>	<u>128.50p</u>	<u>4.16p</u>	<u>9.66p</u>	<u>13.82p</u>
Annualised Expense Ratio				<u>1.33%</u>			<u>1.32%</u>

The Total column is the Income Statement of the Company

The supplementary revenue and capital return columns are both prepared under guidance published by the Association of Investment Companies

The accompanying notes are an integral part of this statement

All items in the above statement derive from continuing operations

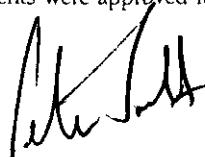
BALANCE SHEET

AS AT 30 APRIL 2008

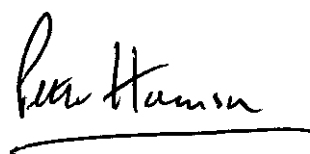
	Note	2008 £'000	2007 £'000
ASSETS			
Non current assets			
Investments	6	2,264,926	1,903,046
Current assets			
Trade and other receivables	7	18,961	9,010
Cash		22,605	25,915
		<u>41,566</u>	<u>34,925</u>
LIABILITIES			
Current liabilities			
Trade and other payables	8	(11,082)	(7,853)
Current tax payable		(2,778)	(2,248)
		<u>(13,860)</u>	<u>(10,101)</u>
Non-current liabilities			
Deferred tax	9	(1,237)	(2,386)
NET ASSETS		<u>2,291,395</u>	<u>1,925,484</u>
ISSUED SHARE CAPITAL AND RESERVES			
ATTRIBUTABLE TO EQUITY SHAREHOLDERS			
Equity Share Capital	10	118,170	133,995
Share Premium Account		375,327	375,327
Capital Redemption Reserve		22,718	6,893
Capital Reserve – Realised		1,719,870	414,900
Capital Reserve – Unrealised		–	943,605
Revenue Reserve		55,310	50,764
SHAREHOLDERS' FUNDS		<u>2,291,395</u>	<u>1,925,484</u>
Net Asset Value per Ordinary Share (in pence)	11	484.77	359.24

These Financial Statements were approved for issue by the Board and signed on 26 June 2008

Peter Smith
Chairman



Peter Harrison
Director



STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 APRIL 2008

	Share Capital £,000	Share Premium £,000	Capital Redemption Reserve £,000	Capital Reserve Realised £,000	Capital Reserve Unrealised £,000	Revenue Reserve £,000	Total £,000
Balance at 30 April 2006	133,995	375,327	6,893	271,724	1,035,007	43,253	1,866,199
Profit for the period				143,176	(91,402)	22,305	74,079
Equity dividends						(14,794)	(14,794)
Balance at 30 April 2007	133,995	375,327	6,893	414,900	943,605	50,764	1,925,484
Transfer to capital reserves*				943,605	(943,605)		
Profit for the period				606,476		19,840	626,316
Equity dividends						(15,294)	(15,294)
Purchase and cancellation of own shares (note 10)	(15,825)		15,825	(245,111)			(245,111)
Balance at 30 April 2008	118,170	375,327	22,718	1,719,870		55,310	2,291,395

*With effect 1 May 2007 changes in fair value of investments which are readily convertible to cash without accepting adverse terms at the balance sheet date are included in realised rather than unrealised capital reserves. The balance on both capital reserves at 1 May 2007 has been amended by a reserve transfer to reflect this change.

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 APRIL 2008

	As at 30 April 2008 £'000	As at 30 April 2007 £'000
Cash flows from operating activities		
Profit before taxation	634,044	82,806
Adjustments for		
Gains on investments at fair value	(607,057)	(52,513)
Losses on foreign exchange	581	739
Increase in debtors	(2,934)	(439)
(Increase)/decrease in accrued income	20	(56)
(Increase)/decrease in creditors	3,827	(203)
Cash generated from operations	28,481	30,334
Taxation paid	(8,160)	(8,878)
Net cash inflow from operating activities	20,321	21,456
Cash flows from investing activities		
Purchases of non current financial assets	(146,864)	(371,610)
Net proceeds from the sale of non current financial assets	383,616	364,806
	236,752	(6,804)
Cash flows from financing activities		
Equity dividends paid	(15,294)	(14,793)
Purchase of shares for cancellation	(245,111)	–
	(260,405)	(14,793)
Net decrease in cash and cash equivalents	(3,332)	(141)
Cash and cash equivalents at start of year	25,915	25,764
Exchange gains on cash	22	292
Cash and cash equivalents at end of year	22,605	25,915

ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") and where appropriate, International Accounting Standards ("IAS"), which comprise standards and interpretations approved by the International Accounting Standards Board ("IASB"), and International Accounting Standards and Standing Interpretations Committee ("IASC") that remain in effect, and to the extent that they have been adopted by the European Union

At the date of authorisation of these financial statements, the following standards and interpretations have not been applied in these financial statements since they were in issue but not yet effective

	Effective date for accounting periods beginning on or after
International Accounting Standards (IAS/IFRS)	
IAS 1 (revised) Presentation of Financial Statements Comprehensive revision including requiring a statement of comprehensive income	1 January 2009
IFRS 8 Operating Segments	1 January 2009
IAS 23 Borrowing Costs (revised March 2007)	1 January 2009
International Financial Reporting Interpretations Committee (IFRIC)	
IFRIC 12 Service Concession Arrangements	1 January 2008
IFRIC 13 Customer Loyalty Programmes	1 July 2008
IFRIC 14 IAS 19 – The Limit on a Defined Benefit Asset, minimum funding requirements and their interaction	1 January 2008

The Directors have chosen not to early adopt these standards and interpretations as they do not anticipate that they would have a material impact on the Company's financial statements in the period of initial application

The financial statements have been prepared on the historical cost basis, except for the measurement at fair value of certain financial instruments. The principal accounting policies adopted are set out below. Where presentational guidance set out in the Statement of Recommended Practice ("SORP") for investment trusts issued by the Association of Investment Trusts ("AIC") in January 2003, revised December 2005, is consistent with the requirements of IFRS, the Directors have sought to prepare the financial statements on a basis compliant with the recommendations of the SORP.

All financial assets and financial liabilities are recognised (or de recognised) on the date of the transaction by the use of "trade date accounting".

As the Company is a UK investment trust, whose share capital is issued in the UK and denominated in Pounds Sterling, the Directors consider that the functional currency of the Company is Pounds Sterling.

(b) Presentation of income statement

In order to reflect better the activities of an investment trust company and in accordance with guidance issued by the AIC, supplementary information which analyses the income statement between items of a revenue and capital nature has been presented within the income statement. In accordance with the Company's status as an investment trust, net capital profits may not be distributed by way of dividend. Additionally the net revenue is the measure the Directors believe appropriate in assessing the Company's compliance with certain requirements set out in Section 842 of the Income and Corporation Taxes Act 1988.

(c) Revenue

Dividends receivable on equity shares are treated as revenue for the year on an ex dividend basis. Where no ex dividend date is available dividends are recognised on their due date. Provision is made for any dividends not expected to be received.

Where the Company has elected to receive its dividends in the form of additional shares rather than in cash, the amount of the cash dividend is recognised in the income section of the Income Statement. Any excess in the value of the shares received over the amount of the cash dividend is recognised in the capital section of the Income Statement.

Interest receivable on bank deposits is recognised on an accruals basis.

(d) Expenses

Transaction costs arising on the purchase of investments are included in the capital section of the Income Statement. They are also included in the transfer to "Capital Reserve – Realised", in the Statement of Changes in Equity.

All other operating expenses are accounted for on an accruals basis and are charged through the revenue section of the Income Statement except as follows:

- (i) expenses relating to the disposal of an investment are deducted from the sales proceeds. Details of transaction costs on purchases and sales of investments are disclosed in note 6 on page 48.
- (ii) expenses are treated as capital where a connection with the maintenance or enhancement of the value of the investments can be demonstrated.

(e) Taxation

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

The tax currently payable is based on taxable profit for the period. Taxable profit differs from profit before tax 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 Company'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 taxation is recognised in respect of all taxable temporary differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or right to pay less tax in the future have occurred at the Balance Sheet date. This is subject to deferred tax assets only being recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. Deferred tax assets and liabilities are measured at the rates applicable to the legal jurisdictions in which they arise.

Due to the Company's status as an investment trust company, 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.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

ACCOUNTING POLICIES

CONTINUED

(f) Investments held at fair value through profit or loss

The Company's business is investing in financial assets with a view to profiting from their total return in the form of income and capital growth. This portfolio of financial assets is managed and its performance evaluated on a fair value basis in accordance with a documented investment strategy and information about the portfolio is provided internally on that basis to the Company's Directors and other key management personnel. Accordingly, upon initial recognition all of the Company's non current asset investments are designated on initial recognition as being 'at fair value through profit or loss'. They are included initially at fair value, which is taken to be their cost including expenses incidental to the acquisition.

Subsequently, the investments are valued at "fair value" which is measured as follows:

- (i) The fair value of financial instruments is based on their quoted bid price at US market close on the balance sheet date, without deduction for any of the estimated future selling costs.
- (ii) Unquoted investments where there is not an active market are valued using an appropriate valuation technique so as to establish what the transaction price would have been at the balance sheet date.

Gains and losses arising from changes in fair value are included in the net profit or loss for the period as a capital item in the Income Statement.

(g) Foreign currencies

Transactions involving foreign currencies are translated to Sterling (the Company's functional currency) at the spot exchange rate ruling on the date of the transaction. Assets and liabilities in foreign currencies are translated at the rate of exchange at the balance sheet date. Foreign currency gains and losses are included in the Income Statement and allocated as capital or income depending on the nature of the transaction giving rise to the gain or loss. Foreign currency gains and losses allocated as capital are included in the transfer to 'Capital reserve – realised' in the Statement of Changes in Equity.

(h) 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 that are subject to an insignificant risk of changes in value.

(i) Reserves

Share Premium Account – represents the amount paid on the Share Capital in excess of the shares' nominal value.

Capital Redemption Reserve – represents the nominal value of shares repurchased.

Capital reserves – the Company's Articles of Association preclude it from making any distribution of capital profits.

Capital Reserve Realised – gains and losses on realisation of investments, changes in fair value of investments which are readily convertible to cash, without accepting adverse terms, and realised exchange differences of a capital nature are dealt with in this reserve. Purchases of the Company's own shares for cancellation are also funded from this reserve.

Capital Reserve Unrealised – changes in the fair value of investments that are not readily convertible to cash, without accepting adverse terms, and the amounts by which other assets and liabilities valued at fair value differ from their book value are dealt with in this reserve.

Revenue Reserve – represents net income earned that has not been distributed to shareholders.

Income recognised in the Income Statement is allocated to applicable reserves in the Statement of Changes in Equity.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2008

1 Income	2008 £'000	2007 £'000
Income from investments		
UK dividends	482	176
Other EU dividends	2,817	2,649
Other overseas dividends	54,279	49,614
Share dividends	—	444
	<u>57,578</u>	<u>52,883</u>
Other income		
Deposit interest	820	1,192
Total income	<u>58,398</u>	<u>54,075</u>
Total income comprises		
Dividends	57,578	52,883
Interest	820	1,192
	<u>58,398</u>	<u>54,075</u>
Income from investments		
Listed overseas	<u>57,096</u>	<u>52,707</u>

2 Investment management fee	2008 £'000	2007 £'000
Variable Expense		
Investment management fee	<u>22,602</u>	<u>17,328</u>

The Company's Investment Manager is Templeton Asset Management Ltd ('TAML')

The contract between the Company and TAML may be terminated at any date by either party giving one year's notice of termination. TAML receives a fee paid monthly in arrears, at an annual rate of 1.00% of the monthly total net assets of the Company. As at 30 April 2008, £3.5 million (30 April 2007: £3.2 million) in fees were payable and outstanding to TAML. In addition to the investment management fee above, the Company obtains secretarial and administration services from FTIML pursuant to a secretarial and administration agreement (which is terminable by either party giving one year's notice to the other). The fee in respect of secretarial and administration services is recorded within other expenses (note 3).

NOTES TO THE FINANCIAL STATEMENTS

CONTINUED

3 Other expenses	2008 £'000	2008 £'000	2007 £'000	2007 £'000
Variable expenses				
Secretarial and administration expenses	4 520		3,466	
Custody fees	1,688		1,215	
		6,208		4,681
Fixed expenses				
Directors' emoluments	254		223	
Auditors' remuneration				
Fees payable to the Company's auditor for the audit of the annual financial statements	28		28	
Fees payable to the Company's auditor and its associates for other services				
– Other services pursuant to legislation half yearly financial report	4		4	
– Other services relating to taxation	–		3	
– Services relating to corporate finance transactions assistance with the capital restructuring proposals	31		–	
Registrar fees	169		219	
Bank overdraft interest	198		7	
Other administration expenses	1 336		550	
		2,020		1,034
Total other expenses		8,228		5,715

Included within the other administration expenses are the costs associated with the reorganisation proposals brought by the Company in July 2007

Fees in respect of services as Directors are paid by the Company only to those Directors who are independent of Franklin Templeton Investments

As at 30 April 2008, £702,000 (30 April 2007 £635,000) in fees were payable and outstanding to FTIML

Following the outcome in a recent European Court of Justice Case, HM Revenue and Customs (HMRC) has now accepted that management fees charged to Investment Trusts can be treated as exempt for Value Added Tax (VAT) purposes. The Company has also lodged protective claims with HMRC to recover VAT previously overpaid by it. However, it is generally acknowledged that the resolution of retrospective claims is likely to be complex and may not occur for some time. HMRC has recently issued some guidance in principle on how it views such claims should be settled but also reaffirms that claims will be considered on a case by case basis. As such, the eventual outcome of the claims cannot be accurately predicted at this time. No credit has been taken into these accounts for any amounts that may be recoverable.

4 Tax on ordinary activities	2008	2007
	£'000	£'000
Corporation tax charged at 30%	7,650	7,540
Double taxation relief	(3,791)	(2,984)
Prior year adjustments	–	4
	3,859	4,560
Overseas tax	5,073	3,427
Adjustment in respect of prior periods	(55)	54
	8,877	8,041
Current tax	8,877	8,041
Deferred tax – current year	(1,149)	789
– prior year	–	(103)
	7,728	8,727

Taxation

The current taxation charge for the year is different from the standard rate of corporation tax in the UK. With effect from 1 April 2008 the standard rate of corporation tax in the UK became 28%. Prior to 1 April 2008 the rate was 30% (2007: 30%). The differences are explained below:

	2008	2007
	£'000	£'000
Profit on ordinary activities before taxation	27,568	31,032
Theoretical tax at UK corporation tax rate	8,225	9,310
Effects of:		
– Prior year adjustments to Corporation Tax	–	4
– Prior year adjustments to irrecoverable overseas tax	(55)	54
– Non taxable income	(12)	–
– Stock dividends	–	(133)
– Non Deductible expenses	170	–
– UK dividends not subject to Corporation Tax	(144)	(53)
– Other EU dividends not subject to Corporation Tax	(840)	(795)
– Irrecoverable overseas tax	528	443
– Income taxable in different periods	(144)	–
– Prior year deferred tax adjustment	–	(103)
Actual tax charge	7,728	8,727

The Company is exempt from UK corporation tax on capital gains because it is an Investment Trust and has excluded the capital return of £606,476,000 (2007: £51,774,000) from this reconciliation.

Due to recent favourable decisions in the European Court of Justice, the taxation of overseas dividends in the UK has been subject to review. In response to decisions from the courts, the Government has issued a consultation paper on the future taxation of overseas dividends. In light of this uncertainty, the Company has not recognised the potential refund of UK corporation tax from treating this income as non taxable.

NOTES TO THE FINANCIAL STATEMENTS

CONTINUED

5 Earnings per Ordinary Share

Earnings per Ordinary Share has been calculated on the following earnings

	2008 Revenue £'000	2008 Capital £'000	2008 Total £'000	2007 Revenue £'000	2007 Capital £'000	2007 Total £'000
Basic	19,840	606,476	626,316	22,305	51,774	74,079

Earnings per Ordinary Share

	2008 Revenue p	2008 Capital p	2008 Total p	2007 Revenue p	2007 Capital p	2007 Total p
Basic	4.07	124.43	128.50	4.16	9.66	13.82

The earnings per Ordinary Shares is based on the profit on ordinary activities after tax and on the weighted average number of Ordinary Shares in issue during the year 487,398,572 (2007: 535,981,593)

At the EGM on 13 June 2008 shareholders approved the proposals for a tender offer to purchase up to 30% of the issued share capital. Since this event took place after the year end there is no impact on the numbers presented here.

6 Financial Assets – Investments

	2008 £'000	2007 £'000
Opening investments as at 1 May	1,903,045	1,851,594
Movements in year		
Additions	149,761	364,226
Sales	(394,751)	(365,145)
Realised profits	192,071	143,922
Net (depreciation)/appreciation	414,800	(91,551)
Closing investments	2,264,926	1,903,046

All investments have been recognised at fair value through the Income Statement

Transaction costs for the year on purchases were £594,000 (2007: £925,000) and transaction costs for the year on sales were £877,000 (2007: £744,000). The aggregate transaction costs for the year were £1,471,000 (2007: £1,669,000)

	2008 £'000	2007 £'000
Realised and unrealised gains on investments comprise of		
Realised gain based on carrying value at 30 April 2007	192,071	143,922
Net movement in unrealised (depreciation)/appreciation	414,800	(91,551)
Indian Capital Gains Tax	186	142
Realised and unrealised gains on investments	607,057	52,513

7 Trade and other receivables	2008	2007
	£'000	£'000
Sale of investments for future settlement	11,347	817
Dividends receivable	7 110	7,953
Other debtors	357	142
Accrued income	78	98
Overseas tax recoverable	69	–
	18,961	9,010

8 Trade and other payables	2008	2007
	£'000	£'000
Purchase of Investments for Future Settlement	6,207	3,311
Accrued expenses	4,875	4,540
Net losses on Forward Foreign Exchange Contracts	–	2
	11,082	7,853

9 Deferred tax	2008	2007
	£'000	£'000
Deferred tax provided		
Accrued income taxable on receipt	1,237	2,386
	£'000	£'000
The movement in the provision is as follows		
Provision at start of year	2 386	1,700
Prior year adjustment	–	(103)
Deferred tax in Income Statement	(1,149)	789
	1,237	2,386

Deferred tax has been provided at 28% (2007 30%) because of uncertainty as to the average rate of tax that will apply when the underlying timing differences will reverse

Any changes in the provision for deferred tax have been recognised in the Income Statement under Tax Expense (see Note 4)

NOTES TO THE FINANCIAL STATEMENTS

CONTINUED

10 Called up share capital

	Authorised		Allotted, issued & fully paid	
	£'000	Number	£'000	Number
Ordinary Shares of 25p each				
Balance as at 1 May 2007	340,605	1,362,419,566	133,995	535,981,593
Shares repurchased during the year	—	—	(15,825)	(63,300,377)
Balance as at 30 April 2008	340,605	1,362,419,566	118,170	472,681,216

The Company's Ordinary Shares have unrestricted voting rights at all general meetings, are entitled to all of the profits available for distribution by way of dividend, and are entitled to repayments of all of the Company's capital on winding up.

During the year, 63,300,377 shares were bought back for cancellation at a cost of £245.1 million. No shares were bought back and cancelled between 1 May 2008 and 18 June 2008. The amount of the proposed dividend for the year ended 30 April 2008 takes account of the reduced amount of shares in issue after the tender offer in June 2008.

11 Net asset value per share

The net asset value per share and the net asset value attributable to the Ordinary Shares at the year end were as follows:

	Net asset value per share		Net asset value attributable	
	2008	2007	2008	2007
	p	p	£'000	£'000
Ordinary Shares	484.77	359.24	2,291,395	1,925,484

12 Dividend

	Rate (p)	2008 £'000	Rate (p)	2007 £'000
Declared and paid in the year				
Equity dividend on Ordinary Shares				
Final dividend for year ended 30 April 2007 (2006: 2.76p)	3.13	15,294	2.76	14,793
		<u>15,294</u>		<u>14,793</u>
Proposed for approval at the Company's AGM				
Equity dividend on Ordinary Shares				
Final dividend for year ended 30 April 2008 (2007: 3.13p)	3.50	12,408		
		<u>12,408</u>		

Dividends are recognised when the shareholders' rights to receive payment is established. In the case of the final dividend, this means that they are not recognised until approval is received by shareholders at the Annual General Meeting. The amount of the proposed dividend for the year ended 30 April 2008 takes account of the reduced amount of shares in issue after the tender offer in June 2008.

13 Related party transactions

The following are considered to be related parties

Templeton Asset Management Ltd ("TAML")

Franklin Templeton Investment Management Limited ("FTIML")

All material related party transactions, as set out in International Accounting Standard 24 Related Party Disclosures, have been disclosed in Note 2 and Note 3

14 Risk management

In pursuing the investment objectives set out on the pages 21 and 22 of this Report the Company holds a number of financial instruments which are exposed to a variety of risks that could result in either a reduction in the Company's net assets or a reduction of the profits available for dividends

The main risks arising from the Company's financial instruments are market risk, foreign currency risk, interest rate risk, other price risk, liquidity risk and credit risk

The objectives, policies and processes for managing these risks, and the methods used to measure the risk, are set out below. These policies have remained unchanged since the beginning of the year to which these financial statements relate

Market price risk

Market risk arises mainly from uncertainties about future prices of financial instruments held. It represents the potential loss the Company might suffer through holding market positions in the face of price movements

The Directors meet quarterly to consider the asset allocation of the portfolio in order to minimise the risk associated with particular countries or industry sectors whilst continuing to follow the investment objectives. The Investment Manager has responsibility for monitoring the existing portfolio selected in accordance with the overall asset allocation parameters described above and seeks to ensure that individual stocks also meet the risk/reward profile on an ongoing basis

The Investment Manager does not use derivative instruments to hedge the investment portfolio against market risk, as in its opinion, the cost of such a process would result in an unacceptable reduction in the potential for capital growth

NOTES TO THE FINANCIAL STATEMENTS

CONTINUED

14 Risk management (continued)

Foreign currency risk

Currency translation movements can significantly affect the income and capital value of the Company's investments as the majority of the Company's assets and income are denominated in currencies other than sterling, which is the Company's functional currency

The Investment Manager has identified three principal areas where foreign currency risk could affect the Company

- movements in rates affect the value of investments
- movements in rates affect short term timing differences, and
- movements in rates affect the income received

The Company does not hedge the sterling value of investments that are priced in other currencies

The Company may be subject to short term exposure to exchange rate movements, for instance where there is a difference between the date an investment purchase or sale is entered into and the date on which it is settled

The Company receives income in currencies other than sterling and the sterling values of this income can be affected by movements in exchange rates. The Company converts all receipts of income into sterling on or near the date of receipt, it, however, does not hedge or otherwise seek to avoid rate movement risk on income accrued but not received

The fair value of the Company's monetary items that have foreign currency exposure at 30 April 2008 are shown below

2008	Trade and other receivables	Cash at bank	Trade and other payables	Total net foreign currency exposure	Investments at fair value through profit or loss
Currency	£'000	£'000	£'000	£'000	£'000
US\$	5,455	4,758	–	10,213	841,085
Hong Kong \$	308	–	–	308	333,831
Indonesia rupee	–	–	(5,235)	(5,235)	134,963
Korean won	–	–	–	–	236,801
Thai bhat	1,896	–	–	1,896	204,639
Turkish lira	103	–	–	103	178,931
Other	15,020	2,938	(971)	16,987	334,676
2007	Trade and other receivables	Cash at bank	Trade and other payables	Total net foreign currency exposure	Investments at fair value through profit or loss
Currency	£'000	£'000	£'000	£'000	£'000
US\$	3,773	–	–	3,773	555,800
Hong Kong \$	1,882	–	–	1,882	284,032
Indonesia rupee	–	–	(119)	(119)	66,171
Korean won	–	–	–	–	239,037
Thai bhat	2,604	–	–	2,604	144,098
Turkish lira	–	–	(3,192)	(3,192)	161,593
Other	3,939	44	–	3,983	452,315

14 Risk management (continued)

Sensitivity

The following table illustrates the sensitivity of the profit after taxation for the year and the equity with regard to the Company's monetary financial assets and liabilities

If the pound had strengthened by 10% relative to all currencies on the reporting date, with all other variables held constant, the impact would have been

	2008		2007	
	Revenue £'000	Capital £'000	Revenue £'000	Capital £'000
US\$	1	28	—	29
Hong Kong \$	—	15	—	13
Indonesia rupee	(1)	9	—	6
Thai bhat	—	8	—	8
Turkish lira	—	9	—	8
Other	2	22	—	32
	<u>2</u>	<u>91</u>	<u>—</u>	<u>96</u>

A 10% weakening of the pound against the above currencies would have resulted in an equal and opposite effect on the above amounts

Interest rate risk

The Company is permitted to invest in fixed rate securities. Any change to the interest rates relevant to particular securities may result in either income increasing or decreasing, or the Investment Manager being unable to secure similar returns on the expiry of contracts or the sale of securities. In addition, changes to prevailing rates or changes in expectations of future rates may result in an increase or decrease in the value of the securities held.

In general, if interest rates rise the income potential of the Company also rises, but the value of fixed rate securities will decline. A decline in interest rates will have the opposite effect.

Interest rate risk profile

The majority of the Company's financial assets are non interest bearing equity investments.

The carrying amount, by the earlier of contractual re pricing or maturity date of the Company's financial instruments was as follows:

	Within one year 2008 £'000	Within one year 2007 £'000
Cash flow interest rate risk		
<i>Loans and receivables</i>		
Cash	22,605	25,915
Maximum in year	109,366	60,236
Minimum in year	28	3,932

Exposures vary throughout the year as a consequence of changes in the make up of the net assets of the Company arising from out of the investment and risk management process.

Cash balances are held on call deposit and earn interest at the bank's daily rate.

There were no exposure to fixed interest investment securities during the year or at the year end.

NOTES TO THE FINANCIAL STATEMENTS

CONTINUED

14 Risk management (continued)

Liquidity risk

The Company's assets comprise mainly of securities listed on the stock exchanges of emerging economies. Liquidity can vary from market to market and some securities may take longer to sell. As a closed ended investment trust, liquidity risks attributable to the Company are less significant than for an open ended fund.

The risk of the Company not having sufficient liquidity at any time is not considered by the Board to be significant, given the large number of quoted investments held in the portfolio and the liquid nature of the portfolio of investments.

The portfolio manager reviews liquidity at the time of making each investment decision and monitors the evolving liquidity profile of the portfolio regularly.

Securities held by the Company are valued at Bid price. Other financial assets and liabilities of the Company are included in the balance sheet at fair value.

Credit risk

Certain transactions in securities that the Company enters into expose it to the risk that the counter party will not deliver the investment (purchase) or cash (in relation to sale or declared dividend) after the Company has fulfilled its responsibilities. The Company only buys and sells through brokers which have been approved by the Investment Manager as an acceptable counter party. In addition, limits are set as to the maximum exposure to any individual broker that may exist at any time. These limits and the credit standing of all counterparties are reviewed regularly.

The amount of credit risk that the Company is exposed to is disclosed under Interest Rate Risk Profile.

The Company has an ongoing contract with its custodian for the provision of custody services. Details of securities held in custody on behalf of the Company are received and reconciled monthly.

To the extent that JPMorgan Chase Bank (JPMorgan) carries out management and administrative duties on the Company's behalf, the Company is exposed to counterparty risk. The Board assesses this risk continuously through regular meetings with management of JPMorgan and with the JPMorgan internal audit function, which function carries out annual audits of JPMorgan appointed sub managers.

Capital management

The Company's capital comprises shareholders' funds which is managed on a basis consistent with its investment objective and policies, as disclosed in the Directors' Report on pages 21 and 22. The principal risks and their management are disclosed above.

Fair value

Fair values are derived as follows:

- Where assets are denominated in a foreign currency, they are converted into the Sterling amount using year end rates of exchange.
- Non current financial assets – on the basis set out in the accounting policies.
- Cash – at the face value of the account.

15 Significant holdings in investee undertakings

As at 30 April 2008 the Company held 3% or more in the issued share capital of the following companies

<i>Name</i>	<i>% of issued share capital 2008</i>	<i>% of issued share capital 2007</i>
Brilliance China Automotive Holdings Ltd	5.68	1.33
Hyundai Development Co	4.92	4.92
Tainan Enterprises Co Ltd	4.91	4.36
Faysal Bank Ltd	4.65	3.99
Kaitnakin Bank Public Co Ltd, fgn	4.19	4.09

16 Contingent liabilities

No contingent liabilities existed as at 30 April 2008 or 30 April 2007

17 Financial commitments

There were no financial commitments at 30 April 2008 or 30 April 2007

18 Post balance sheet events

The Company has proposed a dividend of 3.50 pence per Ordinary Share. Details of this are disclosed in note 12.

At the EGM on 13 June 2008, shareholders approved proposals for a tender offer to purchase up to 30% of the issued share capital of the Company. Accordingly, the proposals set out in the circular to shareholders dated 20 May 2008, are currently being implemented.

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Templeton Emerging Markets Investment Trust PLC will be held at Stationer's Hall, Ave Maria Lane, London EC4M 7DD on 25 September 2008 at 12 noon to transact the following business

To consider and, if thought fit, to pass the following resolutions

Ordinary Business

Resolution No

- 1 To receive and adopt the Directors' and Auditors' Reports and Financial Statements for the year ended 30 April 2008
- 2 To declare a dividend
- 3 To re elect Christopher D Brady as a Director
- 4 To re elect Hamish N Buchan as a Director
- 5 To re elect Sir Peter Burt as a Director
- 6 To re elect Peter O Harrison as a Director
- 7 To re-elect Gregory E Johnson as a Director
- 8 To approve the Directors' Remuneration Report for the year ended 30 April 2008
- 9 To re appoint Grant Thornton UK LLP as Auditors
- 10 To authorise the Directors to determine the Auditors' remuneration

Special Business

- 11 That new Articles of Association of the Company be adopted in the form produced to the Annual General Meeting and initialed by the Chairman for the purposes of identification
- 12 That, subject to confirmation of the Court of Session in Scotland, the share premium account of the Company and the capital redemption reserve of the Company as at 5 00 p m on 25 September 2008 be cancelled

By Order of the Board

Registered Office
5 Morrison Street
Edinburgh EH3 8BH

Sara A MacIntosh

for and on behalf of

Franklin Templeton Investment Management Limited

Secretary

26 June 2008

Please ensure that you read the notes to this Notice on pages 57 and 58

TEMPLETON EMERGING MARKETS INVESTMENT TRUST PLC

Notes

- 1 A member of the Company entitled to attend and vote at the Meeting may appoint a proxy or proxies to attend and on a poll vote thereat instead of him. A proxy need not be a member of the Company.
- 2 A proxy form is enclosed.
- 3 A proxy form must be returned to the Company's registrar Equiniti Aspect House, Lancing, West Sussex BN99 6ZN to arrive not later than 12 noon on 23 September 2008.
- 4 The Report and Financial Statements are circulated to Shareholders. Shareholders are entitled to attend and vote at the Meeting.
- 5 Copies of the letters of appointment of the Directors, the current Articles of Association of the Company and the full terms of the proposed amendments to the Articles of Association are available for inspection at the Company's registered office at 5 Morrison Street, Edinburgh, EH3 8BH at Franklin Templeton Investment Management Limited, The Adelphi, 1-11 John Adam Street, London WC2N 6HT and at the Annual General Meeting (for 15 minutes prior to the meeting and during the meeting).

6 *Electronic proxy appointment for CREST members (for UK only)*

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Annual General Meeting to be held on 25 September 2008 and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s) who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with CRESTCo's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or to an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID7RA01) by the latest time(s) for receipt of proxy appointments specified in the notice of meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that CRESTCo does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

7 *Electronic proxy appointment for non CREST members (for UK only)*

Shareholders who prefer to register the appointment of their proxy electronically via the Internet can do so through the Lloyds TSB Registrar's website at www.sharevote.co.uk where full instructions on the procedure are given. The personal reference number, card ID and account number printed in the voting pack will be required to use this electronic proxy appointment system.

Alternatively, shareholders who have already registered with Lloyds TSB Registrar's on line portfolio service Shareview can appoint their proxy electronically by logging on to their portfolio at www.shareview.co.uk and clicking on 'Company Meetings'. A proxy appointment made electronically will not be valid if sent to any address other than those provided or if received after 12 noon on 23 September 2008. Please note that any electronic communication found to contain a computer virus will not be accepted.

NOTICE OF MEETING

(CONTINUED)

8 *Electronic proxy appointment for New Zealand registered shareholders*

New Zealand registered investors who prefer to register the appointment of their proxy electronically via the Internet can do so through the Computershare website at www.computershare.co.nz/investorcentre click on Proxy voting choose the company where full instructions on the procedure are given. Your CSN (Common Shareholder Number) and personal FIN Number will be required to use this electronic proxy appointment system. A proxy appointment made electronically will not be valid if sent to any address other than that provided or if received after 12 noon (UK time) on 23 September 2008. Please note that any electronic communication found and contain a computer virus will not be accepted. New Zealand registered investors cannot appoint more than one proxy when registering the appointment of their proxy electronically.

APPENDIX TO NOTICE OF ANNUAL GENERAL MEETING

Adoption of new Articles of Association

The proposed new Articles of Association (the New Articles) have been prepared to take account of developments in the law and practice applicable to the Company. The following summary highlights the key changes from the current Articles of Association (the Current Articles).

Articles which duplicate statutory provisions

Provisions in the Current Articles which replicate provisions contained in the Companies Act 2006 are in the main amended to bring them into line with the Companies Act 2006. Certain examples of such provisions include provisions as to the form of resolutions, the variation of class rights, the requirement to keep accounting records and provisions regarding the period of notice to convene general meetings. The main changes to reflect this approach are detailed below. Where a particular article is referred to below, this is the principal article where the changes will be effected; however consequential changes will be made, where appropriate, throughout the New Articles to ensure consistency with these changes.

Extraordinary Resolutions and Meetings

Any reference to extraordinary resolutions and extraordinary meetings will be deleted as the concept of extraordinary resolutions and extraordinary meetings have not been retained under the Companies Act 2006. The provisions have been amended in the New Articles to reflect that a special resolution (not an extraordinary resolution) will be required to vary any class rights.

Quorum Requirements (Article 53)

The Companies Act 2006 provides in general terms that the quorum for a general meeting be calculated by reference to the numbers of "qualifying persons" who are present at the meeting, which includes an individual who is a member of the Company, a person authorised to act as the representative of a corporation and a person appointed as proxy of a member. As before, it is proposed that the quorum for a general meeting will be two but, in line with the Companies Act 2006, the New Articles make clear that there will be no double counting for qualifying persons who are representatives of the same corporation or proxies of the same member.

APPENDIX TO NOTICE OF ANNUAL GENERAL MEETING

(CONTINUED)

Corporate Representatives (Article 74)

Multiple corporate representatives may be appointed (but if they purport to exercise their rights in different ways, then the power is treated as not being exercised) The New Articles will reflect this

Age of Directors (Article 85)

The Current Articles contain provisions requiring a Director to retire and offer himself for re election at the next AGM after he attains the age of seventy years or more Such provision has been removed to avoid any breach of the Employment Equality (Age) Regulations 2006

Conflicts of interest (Article 95A)

The Companies Act 2006 set out directors' general duties The provisions largely codify the existing law, but with some changes Under the Companies Act 2006, from 1 October 2008 a Director must avoid a situation where he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict with the Company's interests The requirement is very broad and could apply, for example if a Director becomes a director of another company or a trustee of another organisation The Companies Act 2006 allows directors of public companies to authorise conflicts and potential conflicts, where appropriate, where the articles of association contain a provision to this effect The Companies Act 2006 also allows the articles of association to contain other provisions for dealing with directors' conflicts of interest to avoid a breach of duty The New Articles give the Directors authority to approve such situations and to include other provisions to allow conflicts of interest to be dealt with in a similar way to the current position

There are safeguards which will apply when Directors decide whether to authorise a conflict or potential conflict Firstly, only Directors who have no interest in the matter being considered will be able to make the relevant decision, and secondly in taking the decision the Directors must act in a way they consider, in good faith, will be most likely to promote the Company's success The Directors will be able to impose limits or conditions when giving authorisation if they think this is appropriate

It is also proposed that the New Articles should contain provisions relating to confidential information, attendance at Board meetings and availability of Board papers to protect a Directors being in breach of duty if a conflict of interest or potential conflict of interest arises These provisions will only apply where the position giving rise to the potential conflict has previously been authorised by Directors It is the Board's intention to report annually on the Company's procedures for ensuring that the Board's powers to authorise conflicts are operated effectively

KEY DATES

2008

The Company's nineteenth Annual General Meeting will be held on Thursday 25 September 2008. Notice of this meeting is given on page 56.

Significant events in the Company's year are expected normally to occur as follows:

September 2008

Annual General Meeting held

October 2008

Dividend paid

December 2008

Half Yearly results announced

Half Yearly Report for the period to 31 October 2008 published

The Company pays no interim dividend

GENERAL INFORMATION

TEMPLETON EMERGING MARKETS INVESTMENT TRUST PLC

REGISTERED OFFICE

5 Morrison Street
EDINBURGH
EH3 8BH
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(Registered No SC118022)

INVESTMENT MANAGER

Templeton Asset Management Ltd
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SINGAPORE 038987

FINANCIAL ADVISERS AND STOCKBROKERS

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UK

SOLICITORS

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EDINBURGH
EH1 2EN
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REGISTRAR – UK

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Finance House
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SECRETARY AND ADMINISTRATOR

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Management Limited
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WC2N 6HF
UK

AUDITORS

Grant Thornton UK LLP
Chartered Accountants
30 Finsbury Square
LONDON
EC2P 2YU
UK

GLOBAL CUSTODIAN

JPMorgan Chase Bank
125 London Wall
LONDON
EC2Y 5AJ
UK

REGISTRAR – NEW ZEALAND

Computershare Investor Services Limited
Private Bag 92119 Auckland 1142
Level 2 159 Hurstmere Road
Takapuna North Shore City
NEW ZEALAND

SHAREHOLDER INFORMATION

CONTACT DETAILS

SECRETARY/ADMINISTRATOR

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Management Limited
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REGISTRAR

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Finance House
Orchard Brae
EDINBURGH EH4 17X
UK
www.equiniti.com

SHAREHOLDERS' HELPDESK

Phone 0871 384 2781
Fax 0871 384 2780

HOW TO INVEST

For information on investing in TEMIT with a lump sum, regular savings plan and gifts, see page 2

Other Sources of Information

Please consult the *Financial Times* for further information on TEMIT or the Company's website (www.temit.co.uk)

Stock Exchange Codes and Net Asset Value Publication

The Stock Exchange Code for TEMIT's listed securities is TEM. The net asset value per share is published in the *Financial Times*.

Frequency of Net Asset Value publication

The NAV is released every day through the London Stock Exchange.

FRANKLIN TEMPLETON INVESTMENTS

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Authorised and regulated by the Financial Services Authority

TEMIT AR RGB 04/08