THE LINDSELL TRAIN INVESTMENT TRUST PLC

Interim Report for the six months

ended 30 September 2003

Directors

Rhoderick Swire (Chairman)
Donald Adamson
Michael Lindsell
Michael Mackenzie

Investment Manager

Lindsell Train Limited
35 Thurloe Street
London SW7 2LQ

Company Secretary and Registered Office

Phoenix Administration Services Limited
77a High Street
Brentwood Essex CM14 4RR

Registrars

Capita Registrars
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Registered Auditors

RSM Robson Rhodes LLP
186 City Road
London EC1V 2NU

The Lindsell Train Investment Trust plc

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The Lindsell Train Investment Trust plc

The Lindsell Train Investment Trust plc is an investment trust listed on the London Stock Exchange. The Company invests in equities, fixed interest, cash, Lindsell Train Limited and Lindsell Train Funds (up to a limit of 25% of NAV at cost).

Objective of the Company

To maximise long-term total returns subject to the avoidance of loss of absolute value and with a minimum objective to maintain the real purchasing power of Sterling capital, as measured by the annual average yield on the 2.5% Consolidated Loan Stock.

The Benchmark

The annual average yield on the 2.5% Consolidated Loan Stock.

Financial highlights

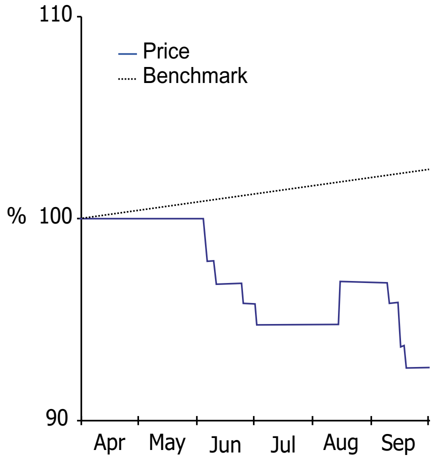
Performance comparisons in the current performance period (1 April 2003 - 30 September 2003)

Middle market share price per ordinary share	**-7.3%**
Net Asset Value per ordinary share	+6.2%
Benchmark*	+2.4%
MSCI World Index (Sterling)	+15.6%
UK RPI Inflation	+0.7%

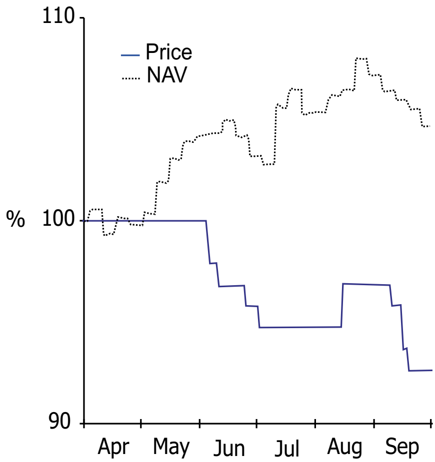
* The index of the annual average yield on the 2.5% Consolidated Loan Stock between the relevant dates.

Financial highlights continued

The Lindsell Train Investment Trust plc
Price performance relative to the Benchmark
from 1 April 2003 to 30 September 2003



The Lindsell Train Investment Trust plc
Price performance relative to NAV
from 1 April 2003 to 30 September 2003



Chairman's Statement

Although the net asset value ('NAV') of your company rose in value by 6.2% over the six months to the end of September the share price fell 7.3%. This divergent performance reflected a dull six months for your Company. This was especially so as during this period world equity markets advanced by 15.6% (MSCI World index in Sterling). Although the Company had significant holdings in equities the Managers did not judge that the values presented earlier in the year when markets were weak were sufficiently attractive to warrant a material further commitment to new positions. Almost all of the activity was restricted to adding to existing ones. Instead they have taken advantage of the recent fall in the value of bonds to add to positions in long-term fixed interest assets, which they believe provide as good a prospect for sustainable positive returns in the future as equities, in general.

Although the Company's holdings of long-term fixed interest declined in price following the rise in long-term interest rates in July the income earned almost made up for the loss in capital value. In aggregate the value of the long-term fixed interest holdings fell by £133,000 over the half-year. Equities were the major contributor to performance, rising in value by £1,599,000. As a result the weighting of equities rose to 46% from 40% six months earlier. Borrowings were increased, primarily to finance increased bond holdings, by £941,000 or 5% of NAV.

One of the Manager's most important underlying aspirations has been to increase the dividend paying potential of your Company. This is being achieved in a number of ways. The Company invests in securities that grow their dividends. Some of the investments have done this consistently since they were first bought. A G Barr's annual dividend is up 12%, Glenmorangie's 6%, Cadbury's 9%, and Wolverhampton and Dudley's 10%. Others, Nintendo and Dow Jones, have elected to buy back shares, which if effected at prices at or below our purchase cost, increases our proportionate ownership of the future potential dividend flow at a more favourable price. Another is to ensure that there is a suitable positive spread or carry between the free cash-flow yield of the assets owned by the Company and its cost of capital, which for the sake of argument is the cost of its borrowings. All of the Company's long -term fixed interest yields more its borrowings and most equities have an even larger spread between their free-cash flows and the cost of capital. A third way is to ensure that the costs of running your Company are kept to a bare minimum. Here, I am glad to say that the Managers have had some success. The gross income of the Company is up 5% from last year while management and administrative costs fell by 24% while financing costs were up 5%. As a result the retained profits of the Company advanced by 31%. As yet, increasing the profits of the Company has had little influence on overall returns but as the Company matures so the compounding effect will prove to become an increasingly important contributor to performance either through additions to retained earnings or though increased dividend payments to shareholders.

The value of your 25% holding in Lindsell Train Ltd rose by £71,000, or 12% to £655,000 over the half year. Lindsell Train's funds under management rose by 33% to £133m. This was almost entirely attributable to the successful performance of the Long UK Strategy and the award of a significant new management contact, which was flagged in the 2003 annual report. It is pleasing to note that the performance of the Lindsell Train Global Media Fund has recovered substantially following its restructuring earlier in the year (its price advanced 10% over the six months). On the other hand the performance of the Lindsell Train Japan Fund has deteriorated (it fell in value by 7% over the six months) and at the time of writing has not recovered. Overall the two Funds fell in value by £248,000 over the half-year. These blemished performance records have and may continue to impact the ability of Lindsell Train Ltd. to grow or retain funds under management, a risk that may or may not be fully reflected in the Directors' valuation of the Company. At the end of September this valuation amounted to 3.4% of NAV.

Lindsell Train Ltd. has a common approach to investing in all its products that is long term and strategic. This approach has many advantages. It is tried and tested and has delivered good returns in the past. It is transparent, consistent over time and low cost. However it may, as is the case today, suffer when other investors take a contrary view to those embedded in the strategy. The Japan Fund is suffering from such a period just now in the same way as the Media Fund did earlier this year. The Managers will keep to their well rehearsed investment disciplines which may cause results to look disappointing in the short term, but on the assumption their views prevail in the end, should tend to reinforce their reputation for consistency and clarity of purpose.

Your investment in the Company is a claim on a growing income stream from a balanced portfolio of bonds and equities, an exposure to two long short Funds exploiting specific investment opportunities and part ownership of a young investment management company with a diverse range of products, which could materially contribute to the growing income stream if those products succeed.

R M Swire
Chairman
28 November 2003

Investment Manager's Report

We have some broad-brush comments to make about the past and likely future performance of the Trust. From the launch of the Trust, in late January 2001, to the trough of the recent bear market, on 12 March 2003, the MSCI World Index (in Sterling) declined by 48.0%. Since then, to the end of September, the index has rallied 24.0%. Meanwhile, the NAV of the Trust fell from £99.0 (after taking account of launch costs) to a low of fractionally below £90.0 on 11 March, then recovered to £95.1, making an initial fall of circa 9.0%, then a rally of 6.0%. The MSCI World Index remains 35.0% down over this period, while the Trust's NAV has slipped just under 4.0%.

What interests us about these returns is their consistency. The Trust's loss in value was around one fifth of that of the MSCI World Index (9.0% compared to 48.0%), but its recovery has been a quarter (6.0% against 24.0%). Over the period the Trust decline is approximately one tenth of the index (4.0% against 35.0%). And over the period, we suppose, the returns, if not as good as we might have wished, were understandable, given the asset allocation and the unexpected size of the market decline.

Although there were several decisions or non-decisions taken over the last two and a half years that we could have executed better, shareholders may view the decision not to materially increase the Trust's equity exposure through the last convulsions of the bear market as the worst. Everybody enjoys being a hero and it is true that we consciously and after extensive deliberation eschewed the hero's path – more fool us, perhaps. The reasons for that non-decision are explored below. On the other hand, we were quite active with the Trust over the last 6 to 9 months, certainly relative to the almost total inactivity of the previous period. We believe it is important for shareholders to be aware of the nature of this activity, because it is likely to remain typical of the way we run the Trust. The activity concerned the enhancement of the income generation and, hence, ultimately, the dividend paying potential of the Trust. Instances were the decision to switch our low-yielding inflation-linked US bond into a much higher yielding conventional one, or to switch out of HBOS ordinary shares after they had gone "XD" into Diageo shares before they went "XD", with the latter offering a higher starting dividend yield to boot, or to add to the holding in A.G. Barr on a historic dividend yield of 4.9%. The results of this activity, in terms growing the Trust's income, are detailed in the Chairman's report. In addition, we believe that such activity, though its effects are unspectacular in the short term, will assist us to achieve the longer-term objectives of the Trust. Sustainable growth in income should drive sustainable gains in value.

Looking ahead to the achievement of those long-term objectives, we reproduce below a table which outlines our, we hope conservative, expectations for the various assets held within the Trust. As shareholders can see, we think that the aggregate, total return from this portfolio mix should generate a return after all costs in excess of our current hurdle, roughly a 5.0%pa return in Sterling.

There are a number of important considerations we think shareholders should note from this table. First, the analysis shows that we are serious about seeking to achieve our stated investment objective, with a minimal amount of risk and no more. It may be that the investment objective is not sufficiently aggressive for some investors, although the fact that equity markets are little changed from their 1996/7 levels is a salutary reminder that making even this apparently modest target cannot be taken for granted.

Second, we want to be clear that our current holding in bonds and bond proxies does not signal that we are necessarily bearish about equities. We are not, although we are somewhat taken aback at investors' renewed relish for highly speculative equity – as though the chastisement of the last three years had never been administered. The bond weightings in your Trust reflect our judgement that they will enable us achieve the stated investment objective with lower risk than a pure equity strategy would entail.

Third, the expectations embedded in the table are in some cases controversial. In particular, our view that bond prices may appreciate gradually over the next few years, as inflation continues modest. We try to be as clear as we can about such strategic expectations because that is what they are and we have no current intention of modifying them.

Finally, therefore, the reason that we did not switch aggressively out of bonds into equities in March 2003 is because we believe that in the aftermath of a capital market bubble, prior to the probable bursting of a consumer credit bubble, that growth may disappoint and inflation may fall further. In such an environment a balanced portfolio of secure, high yielding bonds, selected equities, most with measurably high dividend yields and hedge funds, which enable us to diversify away equity market risk if appropriate, is our best shot at delivering acceptable real returns. We thought this in January 2001, in March 2003 and we still think it today.

We own some exceptionally undervalued assets within the Trust. In all candour, we believe that Barr, Glenmorangie, Cadbury Schweppes, Nintendo, Reuters and Instinet could double in value over the next few years – representing, today, 30.0% of trust assets. We do not understand why our preference shares offer net yields of nearly 7.0%, when comparable assets are valued up to 30.0% more highly. The Lindsell Train Media Fund, as this report is written, has risen 16.0%, in Dollar terms, since its low point earlier this year – just the start of a multi-year bull market in media properties, in our view. The Lindsell Train Japan Fund, too, has very significant latent value in both its long and short books. We do not know when that value will be realised, but given the portfolio exposures, the rewards, when they come, could have a marked impact on the NAV.

Asset	**Per Annum Total Return Estimate**		**% Trust (Approx)**	**% Contribution**
US Treasuries	7.0%.	Being 5.5% yield, 1.5pa capital gain.	20.0	1.4
UK Gilts	6.0%.	Being 5.0% yield, 1.0pa capital gain.	15.0	0.9
UK Preference	8.0%.	Being 6.5% yield, 1.5pa capital gain.	12.5	1.0
Equities	8.0%.	Being a 1.0% premium to expected return on the asset class.	45.0	3.6
Lindsell Train Funds	8.0%.	Similar return to equities, but with lower volatility.	25.0	2.0
Interest Costs	4.5%.		(17.5)	(0.8)
Running Costs			-	(1.1)
				7.0

Nick Train
Investment Manager
Lindsell Train Limited
28 November 2003

Statement of Total Return

	Six months to 30 September 2003 Unaudited		
	Revenue £'000	Capital £'000	Total £'000
Gains/(losses) on investments	—	901	901
Exchange differences	—	6	6
(Losses)/gains on forward currency contracts	—	(4)	(4)
Income	388	—	388
Investment management fee	(45)	—	(45)
Other expenses	(65)	(2)	(67)
Net return/(deficit) before finance costs and taxation	**278**	**901**	**1,179**
Interest payable and similar charges	(66)	—	(66)
Return/(deficit) on ordinary activities before tax	**212**	**901**	**1,113**
Tax on ordinary activities	(6)	—	(6)
Return/(deficit) on ordinary activities after tax for the period	**206**	**901**	**1,107**
Dividends in respect of equity shares	—	—	—
Transfer to/(from) reserves	**206**	**901**	**1,107**
Return/(loss) per ordinary share:	**£1.03**	**£4.51**	**£5.54**

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

All revenue and capital items in the above statement derive from continuing operations.

Six months to 30 September 2002 Unaudited			Year ended 31 March 2003 Audited		
Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
—	(1,998)	(1,998)	—	(3,151)	(3,151)
—	(1)	(1)	—	3	3
—	18	18	—	9	9
372	—	372	731	—	731
(48)	—	(48)	(82)	—	(82)
(97)	(1)	(98)	(146)	(1)	(147)
227	(1,982)	(1,755)	503	(3,140)	(2,637)
(63)	—	(63)	(128)	—	(128)
164	(1,982)	(1,818)	375	(3,140)	(2,765)
(7)	—	(7)	(9)	—	(9)
157	(1,982)	(1,825)	366	(3,140)	(2,774)
—	—	—	(260)	—	(260)
157	(1,982)	(1,825)	106	(3,140)	(3,034)
£0.79	£(9.91)	£(9.12)	£1.83	£(15.70)	£(13.87)

Balance Sheet

	30 September 2003 Unaudited £'000	30 September 2002 Unaudited £'000	31 March 2003 Audited £'000
Fixed assets			
Investments	**22,709**	21,785	20,661
Current assets			
Debtors	**1,267**	939	1,295
Cash at bank and short-term deposits	**8**	10	11
	1,275	949	1,306
Creditors: amounts falling due within one year	**(4,963)**	(3,611)	(4,053)
Net current liabilities	**(3,688)**	(2,662)	(2,747)
Total assets less current liabilities	**19,021**	19,123	17,914
Capital and reserves			
Called up share capital	**150**	50	150
Share premium	**—**	100	—
Special reserve	**19,850**	19,850	19,850
Capital reserve - realised	**351**	129	211
Capital reserve - unrealised	**(1,692)**	(1,213)	(2,453)
Revenue reserve	**362**	207	156
Equity shareholders' funds	**19,021**	19,123	17,914
Net asset value per Ordinary Share:	**£95.11**	£95.62	£89.57

Cash Flow Statement

	Six months to 30 September 2003 Unaudited £'000	Six months to 30 September 2002 Unaudited £'000	Year ended 31 March 2003 Audited £'000
Net cash inflow from operating activities	**316**	234	465
Returns on investment and servicing of finance	**(63)**	(60)	(126)
Taxation	**(6)**	(2)	(9)
Financial investment	**(1,103)**	(704)	(678)
	(856)	(532)	(348)
Equity dividends paid	**(260)**	—	—
Decrease in cash	**(1,116)**	(532)	(348)
Reconciliation of net cash flow to movement in net debt			
Decrease in cash in the period	**(1,116)**	(532)	(348)
Exchange movements	**6**	(1)	3
Opening net debt	**(2,656)**	(2,311)	(2,311)
Closing net debt	**(3,766)**	(2,844)	(2,656)
Represented by:			
Cash at bank	**8**	10	11
Overdrafts	**(3,774)**	(2,854)	(2,667)
	(3,766)	(2,844)	(2,656)

Reconciliation of Movements in Shareholders' Funds

	Six months to 30 September 2003 Unaudited £'000	Six months to 30 September 2002 Unaudited £'000	Year ended 31 March 2003 Audited £'000
Opening shareholders' funds	**17,914**	20,948	20,948
Net revenue for the period	**206**	157	366
Dividend	**—**	—	(260)
Capital surplus/(deficit) for the period	**901**	(1,982)	(3,140)
Closing shareholders' funds	**19,021**	19,123	17,914

Notes to the Interim Accounts

1. The financial information for the year ended 31 March 2003 included in this half-year report has been taken from the Company's full accounts, which for the year to 31 March 2003 carry an unqualified audit report and did not include statements under Section 237(2) or (3) of the Companies Act 1985 and which have been filed with the Registrar of Companies.

2. The financial statements for the period to 30 September 2003 have been prepared on a basis consistent with the accounting policies adopted by the Company in its statutory accounts for the year ended 31 March 2003.

3. The Statement of Total Return for the six months to 30 September 2003, six months to 30 September 2002 and year to 31 March 2003 have been prepared in accordance with the Statement of Recommended Practice January 2003 "Financial Statements of Investment Trust Companies" which have been adopted by the Company.

4 The Statement of Total Return includes the results of the Company and together with the Balance Sheet and Cash Flow Statement at 30 September 2003, are unaudited and do not constitute full statutory accounts within the meaning of Section 240 of the Companies Act 1985.

5. The net asset value per Ordinary Share is based on net assets at 30 September 2003 of £19,021,000 (31 March 2003: £ 17,914,000 and 30 September 2002: 19,123,000) and on 200,000 Ordinary Shares in issue at 30 September 2003 (31 March 2003 and 30 September 2002: 200,000).

6. Returns per Ordinary Share:

   The calculation of the revenue return per Ordinary Share is based on net revenue on ordinary activities after taxation of £206,000 for the six months to 30 September 2003 (31 March 2003: £366,000 and 30 September 2002: £157,000) divided by 200,000 (31 March 2003 and 30 September 2002: 200,000) being the weighted average number of Ordinary Shares in issue during the period.

   The calculation of the capital return per Ordinary Share is based on net capital profit of £901,000 for the six months to 30 September 2003 (31 March 2003: loss £3,140,000 and 30 September 2002: loss £1,982,000) divided by 200,000 (31 March 2003 and 30 September 2002: 200,000) being the weighted average number of Ordinary Shares in issue during the period.

7. Following the publication of the Investment Entities (Listing Rules and Conduct of Business) Instrument 2003 on 29 October 2003 the Company announced that it is the Company's policy to invest no more than 15% of its gross assets in other UK listed investment companies (including UK listed investment trusts) as defined in chapter 21 of the Listing Rules.

8. It is the intention of the Directors to conduct the affairs of the Company so that it satisfies the conditions for approval as an Investment Trust Company set out in Section 842 of the Income and Corporation Taxes Act 1988.

By order of the Board

Phoenix Administration Services Limited
Secretary
28 November 2003

Portfolio Holdings at 30 September 2003

(All Ordinary Shares unless otherwise stated)

Holding	*Company*	*Market value £'000*	*% of Total Assets*
US$5,739,000	US Treasury 6.25% 15/05/2030	4,101	21.56
35,094	Lindsell Train Japan (Distributor) Inc	2,149	11.30
36,000	Lindsell Train Global Media (Distributor) Inc	2,073	10.90
1,263,000	HBOS 9.25% Non - Cumulative Preferred	1,759	9.25
£3,350,000	2.5% Consolidated Loan Stock	1,692	8.90
262,500	Barr (AG)	1,596	8.39
£2,500,000	UK Treasury 2.5%	1,298	6.82
293,654	Cadbury Schweppes	1,086	5.71
115,000	Glenmorangie 'A' (Limited Voting)	983	5.17
1,013,126	Halifax 6.125% Non - Cumulative Preferred	940	4.94
127,118	Wolverhampton & Dudley Breweries	912	4.79
17,500	Nintendo	882	4.64
28,500	Dow Jones & Co	812	4.27
666	Lindsell Train Limited *	655	3.44
258,000	Reuters Group	548	2.88
47,084	Wolters Kluwer	407	2.14
56,500	Diageo	367	1.93
29,880	Glenmorangie 'B'	303	1.59
51,300	Instinet Group	146	0.77
	Total Investments	22,709	119.39
	Net current liabilities	(3,688)	(19.39)
	Total assets less current liabilities	19,021	100.00

* Unlisted investment

The Lindsell Train Investment Trust plc

Investment Portfolio at 30 September 2003

Breakdown by Industry Sector		
Long Term Fixed Interest		
Bonds	37.28%	
Preference Stock*	14.19%	
		51.47%
Equities		
Lindsell Train Funds	22.20%	
Beverages	17.08%	
Media	14.70%	
Consumer Products	5.71%	
Breweries	4.79%	
Investment Management	3.44%	
		67.92%
Cash		(19.39)%
		100.00%

Breakdown by Geography		
Long Term Fixed Interest		
UK*	29.91%	
USA	21.56%	
		51.47%
Equities		
UK	33.90%	
Japan	15.94%	
World-wide	10.90%	
USA	5.04%	
Europe	2.14%	
		67.92%
Cash		
USA	2.42%	
Europe	(1.94)%	
Japan	(3.69)%	
UK	(16.18)%	
		(19.39)%
		100.00%

Breakdown by Currency	
US$	51.22%
£	47.63%
Yen	0.95%
Euro	0.20%
	100.00%

* Includes Halifax 6.125% Non - Cumulative Preferred and HBOS 9.25% Non - Cumulative Preferred although strictly speaking, these are equity investments.

Company Secretary and Registered Office

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The Lindsell Train Investment Trust plc
Registered in England 4119429