Date: 4th March 2014

Contact: Jeremy Tigue
F&C Management Limited
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FOREIGN & COLONIAL INVESTMENT TRUST PLC
Audited Statement of Results
for the year ended 31 December 2013

Summary of Results
Annual Dividend per share up 5.9% to 9.0p
Share Price up 17.9% to 378.0p
Net Asset Value Total Return (debt at market value) 21.4%
Share Price Total Return 21.5%

The Chairman's Statement

Dear Shareholder,

2013 was a good year for your company. The net asset value per share with debt at market value rose 18.8% to 424.8 pence and the share price 17.9% to 378.0 pence. The net asset value total return was 21.4%. The total dividend for 2013 will be 9.00 pence, an increase of 5.9%.

Performance

There was a sharp divide between the performance of stock markets. Developed markets did well and emerging markets were weak. The UK surprised many by having the strongest economic growth followed by the US. Japan made several bold moves to stimulate its economy and there were no new crises in Europe. However, stronger growth led to concerns about higher interest rates which hit many emerging markets hard. Bond prices fell and the gold price was very weak. Company profits grew but not by as much as expected so the valuations of many markets rose to the highest level since the start of the financial crisis. The most striking feature of the year was the absence of any major crisis or market setback, in sharp contrast to the years since 2007.

The net asset value total return of 21.4% compares with 21.0% from our benchmark, the FTSE All World index. Our investment trust peer group was also up 21.0% and the size weighted open ended fund average 22.6%. The biggest contributor to our own performance came from gearing into the rising markets. We suffered from being underweight in the US but outperformed that market by a wide margin. Our private equity portfolio had an excellent year of cash generation. Over the course of the year the combination of higher markets and lower borrowings led to a reduction in gearing from 14.3% to 8.0%.

Dividend

Subject to shareholder approval at the Annual General Meeting, you will receive a final dividend of 2.70 pence per share on 1 May 2014. This will bring the total dividend for the year to 9.00 pence. That will be an increase of 5.9% over 2012 compared with an increase of 2.7% in the Retail Price

Index and continues our record of long-term growth ahead of the rate of inflation. Cash realisations from our private equity portfolio and the repayment of our expensive debenture at the end of this year will further strengthen our dividend paying ability. The Board is therefore planning another increase in dividends. The total dividend for 2014 can be expected to be at least 9.30 pence, an increase of 3.3% and the forty-fourth consecutive annual increase.

Fund Manager

After almost 17 years, Jeremy Tigue has indicated his intention to step down from his role as Fund Manager. The Board is fully engaged with our management company, F&C, in ensuring a smooth handover of Jeremy's responsibilities and we are pleased to announce that Paul Niven will become Fund Manager of your company with effect from 1 July 2014. Paul is Head of Multi-Asset Investment at F&C Asset Management and chairs their asset allocation committee. He has worked closely with Jeremy for almost a decade and has extensive experience of managing large diversified investment funds. He is therefore very well suited to the role.

Jeremy has made an important contribution in continuing the Company's strong record of delivering long-term growth in capital and income. At 31 December 2013 a £1,000 investment made at the time of Jeremy's appointment would now be worth £3,215, with dividends reinvested, which compares with £2,697 from the FTSE All World Index. The Company's dividend has risen every year and is now well over three times greater than the 2.51p paid in 1997, significantly outpacing inflation. We are confident that Paul Niven, supported by the wider investment resource available to F&C, will build on Jeremy's achievements and continue to deliver long-term outperformance for you as shareholders.

I would like to express our warmest thanks to Jeremy not only for his commitment and contribution to the Company, but also to the investment trust industry as a whole. Jeremy will as usual make his investment presentation to shareholders at the Annual General Meeting at which I also look forward to introducing Paul.

Manager reappointment and regulatory changes

The Board has reappointed F&C following its annual formal review of the management company. As your Company will be an Alternative Investment Fund under the Alternative Investment Fund Management Directive, F&C will also be appointed in the capacity of Alternative Investment Fund Manager. Arrangements for the Company to comply with the Directive are being put in place with F&C and with a depositary, also required under these changes, in order to meet the deadline in July 2014.

It has been announced that F&C's parent company, F&C Asset Management, has agreed to be taken over by the asset management arm of Bank of Montreal. This transaction is expected to conclude later in 2014 and we believe that it will bring some welcome ownership stability, which will be to the benefit of their clients and employees. The Board will, of course, continue to monitor developments very carefully.

The Board and corporate governance

We enlisted the support of an independent consultant for the appraisal of the Board's effectiveness in 2013. This has been useful not only for 2013 but also in assessing our progress since our first external consultation in 2010. The Board have set themselves a number of objectives in 2014. Our highest priorities will be to execute the Fund Manager succession plan and explore further the extensive investment resources available to F&C and ultimately to your Company. We will also continue to improve the marketing activities performed on behalf of the Company with a view to attracting new investment into the trust.

As part of our marketing focus, Francesca Ecsery was appointed as a non-executive Director of the Company on 1 August 2013. Francesca brings extensive marketing expertise to the Board and will stand for election at the forthcoming Annual General Meeting. All the other Directors will stand for re-election.

Shareholders will also be asked to approve the Directors' Remuneration Policy and to adopt new articles of association. These will reflect further changes in company and tax laws and relevant corporate governance rules and practices. The Company remains committed to the highest standards of corporate governance and has complied with the relevant guidance throughout the year.

The future

Global economic growth is accelerating, inflation is subdued and the major central banks are unlikely to increase interest rates this year. Companies remain in a strong financial position and are becoming more optimistic about future growth prospects. The recovery from the global financial crisis has been long and difficult but it is now becoming well established.

There are still areas of uncertainty including the longer term interest rate outlook and the high levels of government and consumer debt in many countries. After a doubling of many share prices over the last five years we do not expect another doubling in the next five years.

In 2014, we will continue to make the portfolio more global. We will reduce the UK weighting and will invest the proceeds in a selection of funds investing mostly outside the UK. We will benefit from cash realisations from our private equity portfolio. In 2015 and beyond we will get another boost from the repayment of our expensive debenture. Therefore we are optimistic we will continue to deliver long-term growth in income and capital. In a world where savers are increasingly having to make their own investment decisions, we believe the Company is well-positioned as a long-term core holding for investors.

Simon Fraser
Chairman
3 March 2014

Forward-looking statements

This document may contain forward-looking statements with respect to the financial condition, results of operations and business of the Company. Such statements involve risk and uncertainty because they relate to future events and circumstances that could cause actual results to differ materially from those expressed or implied by forward-looking statements. The forward looking statements are based on the Directors' current view and on information known to them at the date of this document. Nothing should be construed as a profit forecast.

PRINCIPAL RISKS

The principal risks and uncertainties faced by the Company, and the Board's mitigation approach, are described below:

Strategy

Risk description: Inappropriate strategy in relation to investor demands in a rapidly changing financial services and savings market, including the advent of clean share classes.

Mitigation: The Board regularly reviews the Company's position as a leading savings vehicle. Strategic issues, including its role as a global investment trust are considered annually.

Management resource, stability and controls

Risk description: The Manager is the main service provider and its failure to continue operating effectively could put in jeopardy the business of the Company. The loss of the Manager's key staff, or failure to manage the succession of such staff, could adversely affect investment returns.

Mitigation: The Board meets regularly with senior management of the Manager and its Internal Audit function, and has access to publicly available information indicative of the Manager's financial position and performance. The Board has contingency arrangements to facilitate the ongoing operation of the business in the event of any such failure. The management contract can be moved at short notice. The Manager structures its recruitment and remuneration packages in order to retain key staff and works closely with the Board on any significant management changes.

Private equity

Risk description: The majority of the underlying private equity investments are in unlisted companies. Such investments may prove difficult or impossible to realise.

Mitigation: Private equity risks are mitigated by investing in a spread of direct, secondary, venture capital, buyout and mezzanine fund of funds and by the wide spread of underlying private equity firms, which in turn have diversified investment portfolios and vintage years. The portfolio has recently moved to a net cash positive position.

Investment policy, gearing, currency and derivatives

Risk description: Inappropriate asset allocation, sector and stock selection, currency exposure, and use of gearing and derivatives leading to investment underperformance.

Mitigation: Investments are primarily in a diversified spread of international publicly listed equities with exposure to their underlying currencies. Investment policy and performance is reviewed with the Fund Manager at each Board meeting, along with the monitoring of cash and borrowing levels as well as options written for the purpose of income enhancement. The ability of the Company to gear up via long-term and short-term borrowings, in currencies matching those to which the portfolio is exposed, enables it to take a long-term view of the countries, markets and currencies in which it is invested, and ride out short-term volatility. The Board approves all borrowing facility agreements and has set a limit on gearing and option writing. Derivatives may also be used for the purpose of hedging foreign currencies, although to date none have.

Outsourced Service providers

Risk description: Administrative errors or control failures by or between service providers could be damaging to the interests of investors and the Company.

Mitigation: The Board receives annual reports from the Manager on its monitoring of service providers which, for the administration of the F&C savings plans, includes audit site visits; monthly technical compliance monitoring; monthly service delivery meetings; quarterly financial crime prevention forums; and the detailed review and investigation of breaches and complaints. Extremely high transaction volumes resulted in very poor service for a period in 2013. Arrangements are also in place to monitor and mitigate other service provider's risks, including those relating to the arrangements in place to protect against cyber-attacks and for the safe custody of assets.

Statement of Directors' Responsibilities in Respect of the Financial Statements

In accordance with Chapter 4 of the Disclosure and Transparency Rules the Directors confirm, in respect of the annual report for the year ended 31 December 2013 of which this statement of results is an extract, that to the best of their knowledge:

- the financial statements have been prepared in accordance with applicable UK generally accepted accounting standards, on a going concern basis, and give a true and fair view of the assets, liabilities, financial position and return of the Company;
- the Strategic Report includes a fair review of the development and performance of the Company and the important events that have occurred during the financial year and their impact on the financial statements, including a description of principal risks and uncertainties for the forthcoming financial year; and;
- the financial statements and the Directors' Report include details on related party transactions.

On behalf of the Board
Simon Fraser
Chairman
3 March 2014

FOREIGN & COLONIAL INVESTMENT TRUST PLC
Audited Statement of Results for the year ended 31 December 2013

INCOME STATEMENT

For the year ended 31 December	**Revenue £'000s**	**Capital £'000s**	**2013 Total £'000s**	Revenue £'000s	Capital £'000s	2012 Total £'000s
Gains on investments and derivatives	**-**	**386,631**	**386,631**	-	202,612	202,612
Exchange (losses)/gains	**(198)**	**9,004**	**8,806**	(146)	8,523	8,377
Income	**63,106**	**-**	**63,106**	59,403	-	59,403
Management fees	**(4,545)**	**(5,159)**	**(9,704)**	(3,858)	(4,461)	(8,319)
Other expenses	**(2,131)**	**(67)**	**(2,198)**	(2,944)	(51)	(2,995)
Net return before finance costs and taxation	**56,232**	**390,409**	**446,641**	52,455	206,623	259,078
Finance costs	**(8,685)**	**(8,685)**	**(17,370)**	(8,818)	(8,818)	(17,636)
Net return on ordinary activities before taxation	**47,547**	**381,724**	**429,271**	43,637	197,805	241,442
Taxation on ordinary activities	**(3,510)**	**-**	**(3,510)**	(2,796)	-	(2,796)
Net return attributable to shareholders	**44,037**	**381,724**	**425,761**	40,841	197,805	238,646
Net return per share – basic (pence)	**7.69**	**66.68**	**74.37**	7.02	33.98	41.00

The total 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.
A statement of total recognised gains and losses is not required as all gains and losses of the Company have been reflected in the above statement.

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

For the year ended 31 December 2013	Share Capital £'000s	Capital Redemption Reserve £'000s	Capital Reserves £'000s	Revenue Reserve £'000s	Total Shareholders' Funds £'000s
Balance brought forward 31 December 2012	144,298	118,464	1,711,696	104,538	2,078,996
Dividends paid	-	-	-	(49,862)	(49,862)
Shares repurchased by the Company	(1,708)	1,708	(24,573)	-	(24,573)
Return attributable to shareholders	-	-	381,724	44,037	425,761
Balance carried forward 31 December 2013	**142,590**	**120,172**	**2,068,847**	**98,713**	**2,430,322**

For the year ended 31 December 2012	Share Capital £'000s	Capital Redemption Reserve £'000s	Capital Reserves £'000s	Revenue Reserve £'000s	Total Shareholders' Funds £'000s
Balance brought forward 31 December 2011	147,584	115,178	1,554,305	110,825	1,927,892
Dividends paid	-	-	-	(47,128)	(47,128)
Shares repurchased by the Company	(3,286)	3,286	(40,414)	-	(40,414)
Return attributable to shareholders	-	-	197,805	40,841	238,646
Balance carried forward 31 December 2012	**144,298**	**118,464**	**1,711,696**	**104,538**	**2,078,996**

BALANCE SHEET

At 31 December		**2013**		2012
	£'000s	**£'000s**	£'000s	£'000s
Fixed assets				
Investments		**2,623,202**		2,374,431
Current assets				
Debtors	**5,280**		3,831	
Cash at Bank and short term deposits	**32,477**		25,999	
	37,757		29,830	
Creditors: amounts falling due within one year				
Derivative Financial Investments	**(19)**		(34)	
Loans	**(30,000)**		(115,000)	
Debentures	**(110,000)**		-	
Other	**(3,827)**		(3,481)	
	(143,846)		(118,515)	
Net current liabilities		**(106,089)**		(88,685)
Total assets less current liabilities		**2,517,113**		2,285,746
Creditors: amounts falling due after more than one year				
Loans	**(86,216)**		(96,175)	
Debentures	**(575)**		(110,575)	
		(86,791)		(206,750)
Net assets		**2,430,322**		2,078,996
Capital and Reserves				
Share capital		**142,590**		144,298
Capital redemption reserve		**120,172**		118,464
Capital reserves		**2,068,847**		1,711,696
Revenue reserve		**98,713**		104,538
Total shareholders' funds		**2,430,322**		2,078,996
Net asset value per share – prior charges at nominal value (pence)		**426.10**		360.19

CASH FLOW STATEMENT

For the year ended 31 December		**2013**		2012
	£'000s	**£'000s**	£'000s	£'000s
Operating activities				
Investment income	**58,739**		**57,352**	
Interest received	**32**		**97**	
Stock lending fees received	**3**		**274**	
Premium from option writing	**439**		**1,025**	
Other revenue	**70**		**369**	
Management fees paid	**(9,556)**		**(8,248)**	
Fees paid to directors	**(321)**		**(322)**	
Other cash payments	**(2,067)**		**(2,610)**	
Net cash inflow from operating activities		**47,339**		47,937
Servicing of finance				
Interest paid	**(17,262)**		**(17,780)**	
Cash outflow from servicing of finance		**(17,262)**		(17,780)
Financial investment				
Purchases of investments and derivatives	**(865,197)**		**(499,960)**	
Sales of investments and derivatives	**1,002,646**		**556,528**	
Other capital charges and credits	**(67)**		**(49)**	
Net cash inflow from financial investment		**137,382**		56,519
Equity dividends paid		**(49,862)**		(47,128)
Net cash inflow before use of liquid resources and financing		**117,597**		39,548
Management of liquid resources				
Increase in short term deposits		**(9,432)**		(16,416)
Financing				
Net loans (repaid)/ raised	**(85,000)**		**42,939**	
Cost of shares repurchased	**(25,164)**		**(39,830)**	
Net cash (outflow)/inflow from financing		**(110,164)**		3,109
(Decrease)/increase in cash		**(1,999)**		26,241

Notes

1 NET RETURN PER SHARE

	2013 Pence	**2013 £'000s**	2012 Pence	2012 £'000s
Total return	**74.37**	**425,761**	41.00	238,646
Revenue return	**7.69**	**44,037**	7.02	40,841
Capital return	**66.68**	**381,724**	33.98	197,805
Weighted average ordinary shares in issue		**572,445,619**		582,126,715

2 DIVIDENDS

The Directors have proposed a final dividend in respect of the year ended 31 December 2013 of 2.70p per share payable on 1 May 2014 to all shareholders on the register at close of business on 28 March 2014.

3 FINANCIAL RISK MANAGEMENT

The Company is an investment company, listed on the London Stock Exchange, and conducts its affairs so as to qualify in the United Kingdom (UK) as an investment trust under the provisions of Section 1158 of the Corporation Tax Act 2010. In so qualifying, the Company is exempted in the UK from corporation tax on capital gains on its portfolio of investments.

The Company's investment objective is to secure long-term growth in capital and income through a policy of investing primarily in an internationally diversified portfolio of public listed equities, as well as unlisted securities and private equity, with the use of gearing. In pursuing the objective, the Company is exposed to financial risks which could result in a reduction of either or both of the value of the net assets and the profits available for distribution by way of dividend. These financial risks are principally related to the market (currency movements, interest rate changes and security price movements), liquidity and credit. The Board of Directors, together with F&C Management Limited ("the Manager"), is responsible for the Company's risk management. The Directors' policies and processes for managing the financial risks are set out in (a), (b) and (c) below.

The accounting policies which govern the reported Balance Sheet carrying values of the underlying financial assets and liabilities, as well as the related income and expenditure, are in compliance with UK Accounting Standards and best practice, and include the valuation of financial assets and liabilities at fair value except as noted in (d) below in respect of debenture stocks. The Company does not make use of hedge accounting rules.

(a) Market risks

The fair value of equity and other financial securities including derivatives held in the Company's portfolio fluctuates with changes in market prices. Prices are themselves affected by movements in currencies and interest rates and by other financial issues, including the market perception of future risks. The Board's policies for managing these risks within the Company's objective include: risk diversification – no more than 5% of the portfolio may be invested in unlisted securities, excluding private equity investments, and no single investment maybe made which exceeds 10% of the value of the portfolio at the time of acquisition; currency exposure borrowings are limited to amounts and currencies commensurate with the portfolio's exposure to those currencies; and gearing – borrowings including the debentures' valued at market value - should not normally exceed 20% of shareholders funds. Options may only be written on quoted stocks and the total nominal exposure is limited to a maximum of 5% of the UK portfolio at the time of investment for both put and call options. The Board meets regularly to review full, timely and relevant information on investment performance and financial results. The Manager assesses exposure to market risks when making each investment decision and monitors ongoing market risk within the portfolio.

The Company's other assets and liabilities may be denominated in currencies other than Sterling and may also be exposed to interest rate risks. The Manager and the Board regularly monitor these risks. The Company does not normally hold significant cash balances. Borrowings are limited to amounts and currencies commensurate with the portfolio's exposure to those currencies, thereby limiting the Company's exposure to future changes in foreign exchange rates. Debenture stocks were issued as part of the Company's planned gearing. All contracts and compliance with them, including the Debentures trust deeds, are agreed and monitored by the Board. Gearing may be short or long-term in Sterling and foreign currencies, and enables the Company to take a long-term view of the countries and markets in which it is invested without having to be concerned about short-term volatility.

(b) Liquidity risk exposure

The Company is required to raise funds to meet commitments associated with financial instruments, private equity investments and share buybacks. These funds may be raised either through the realisation of assets or through increased borrowing. 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 Company's portfolio (over 600 at 31 December 2013); the liquid nature of the portfolio of investments; the industrial and geographical diversity of the portfolio; and the existence of ongoing overdraft and loan facility agreements. Cash balances are held with approved banks, usually on overnight deposit. The manager reviews liquidity at the time of making each investment decision. The Board reviews liquidity exposure at each meeting.

The Company has loan facilities of £300 million. The facilities limit the amount which the Company may borrow at any one time as a proportion of the relevant portfolio of investments and cash. At 31 December 2013 the most onerous financial covenant limits total borrowings to 33.3% of the Company's adjusted net asset value, which at 31 December 2013 was £2,088m. Actual borrowings at market value at 31 December 2013 were £116 million in loans and £118 million debentures at market value. The 11.25% debenture stock is governed by a trust deed and is redeemable in 2014 or at an earlier date or dates at the Company's behest. The perpetual debenture stock is also governed by a trust deed and is redeemable at par only on the security becoming enforceable. The Board does not therefore consider the repayment of these debenture stocks as a liquidity issue.

At 31 December 2013 the company had £78.1 million of outstanding commitments to private equity investments, payable over more than one year.

(c) Credit risk and counterparty exposure

The Company is exposed to potential failure by counterparties to deliver securities for which the Company has paid, or to pay for securities which the Company has delivered. The Board approves all counterparties used in such transactions, which must be settled on the basis of delivery against payment (except where local market conditions do not permit).

A list of pre-approved counterparties is maintained by the Manager and regularly reviewed by the Board. Broker counterparties are selected based on a combination of criteria, including credit rating, balance sheet strength and membership of a relevant regulatory body. The rate of default in the past has been negligible. Payments in respect of private equity investments are made only to counterparties with whom a contracted commitment exists. Cash and deposits are held with approved banks.

The Company has an ongoing contract with the Custodian for the provision of custody services. The contract was reviewed and updated in 2010. Details of securities held in custody on behalf of the Company are received and reconciled monthly.

To the extent that F&C carries out management and administrative duties (or causes similar duties to be carried out by third parties) on the Company's behalf, the Company is exposed to counterparty risk. The Board assesses this risk continuously through regular meetings with the management of F&C (including the Fund Manager) and with F&C's Internal Audit function. In reaching its conclusions, the Board also reviews F&C's parent group's annual Audit and Assurance Faculty Report, Group Accounts and other public information indicative of its financial position and performance.

The Company had no credit-rated bonds or similar securities in its portfolio at the year end (2012: none) and does not normally invest in them. None of the Company's financial assets are past their due date or impaired.

(d) Fair Values of financial assets and liabilities

The assets and liabilities of the Company are, in the opinion of the Directors, reflected in the balance sheet at fair value, or at a reasonable approximation thereof, except for the debentures which are carried at par value in accordance with Accounting Standards. The fair value of the debentures, derived from their quoted market price at 31 December 2013, was £117,997,000 (2012: £125,548,000). Borrowings under overdraft and loan facilities are short-term in nature and hence do not have a value materially different from their capital repayment amount. Borrowings in foreign currencies are converted into Sterling at exchange rates ruling at each valuation date.

The fair value of investments quoted on active markets is determined directly by reference to published price quotations in these markets.

Unquoted investments, including private equity investments, are valued based on professional advice and assumptions that are not wholly supported by prices from current market transactions or by observable market data. The Directors make use of recognised valuation techniques and may take account of recent arm's length transactions in the same or similar investments. With respect specifically to investments in private equity funds or partnerships, the underlying managers provide regular valuations to the Directors, based on the latest information available to the managers and not necessarily co-terminous with the reporting dates of the Company. The Directors review the valuations for consistency with the Company's accounting policies and with fair value principles.

(e) Capital Risk Management

The objective of the Company is stated as being to provide shareholders with long-term growth in capital and income. In pursuing this long-term objective, the Board has a responsibility for ensuring the Company's ability to continue as a going concern. It must therefore maintain an optimal capital structure through varying market conditions. This involves the ability to:

- issue and buy back share capital within limits set by the shareholders in general meeting;
- borrow monies in the short and long-term; and
- pay dividends to shareholders out of current year revenue earnings as well as out of brought forward revenue reserves.

4 REPORT AND ACCOUNTS

The Report and Accounts will be posted to shareholders on or around 18 March 2014 and copies may be obtained thereafter during normal business hours from the Company's Registered Office, Exchange House, Primrose Street, London EC2A 2NY. Copies are available on the internet at www.foreignandcolonial.com from 4 March 2014.

By order of the Board
F&C Management Limited, Secretary, Exchange House, Primrose Street, London EC2A 2NY
3 March 2014