Finsbury Growth & Income Trust PLC

Half Year Report & Accounts for the six months ended 31 March 2012

Frostrow CAPITAL

LINDSELL TRAIN

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Company Summary
Key Statistics

	As at 31 March 2012	As at 30 September 2011	% Change
Share price	347.8p	308.1p	+12.9
Net asset value per share (including income)	347.9p	310.3p	+12.1
Net asset value per share (excluding income)	343.3p	305.5p	+12.4
Premium of share price to net asset value per share (excluding income)	1.3%	0.9%	–
Gearing†	6.4%	7.6%	–
Shareholders' funds	£219.2m	£177.6m	+23.4
Market capitalisation	£219.1m	£176.4m	+24.2
Number of shares in issue	63,017,165	57,237,423	+10.1

	Six months to 31 March 2012	One year to 30 September 2011
Share price (total return)#	+14.3%	+6.5%
Net asset value per share (total return)#	+14.4%	+5.8%
FTSE All-Share Index (total return) (Company benchmark)#	+15.0%	–4.4%

Dividends	Year ending 30 September 2012	Year ended 30 September 2011
First interim dividend	4.6p per share	4.4p per share
Second interim dividend	Yet to be declared	4.8p per share

#Source – Morningstar

†Calculated by dividing the drawn down amount from the loan facility by shareholders' funds.

Company Summary
Continued

Investment Objective
To achieve capital and income growth and to provide shareholders with a total return in excess of that of the FTSE All-Share Index.

Investment Policy
The Company invests principally in the securities of UK listed companies, although up to a maximum of 20% of the Company's portfolio, at the time of acquisition, can be invested in quoted companies worldwide. Where possible, a minimum position size of 1% of the Company's gross assets is held unless the holding concerned is being built or disposed of.

The portfolio is managed by Lindsell Train Limited and will normally comprise approximately 30 investments. Unless driven by market movements, FTSE 100 companies, including preference shares issued by such companies, and comparable companies listed on overseas stock exchanges, will normally represent between 50% and 100% of the portfolio; FTSE 350 companies, including preference shares issued by such companies, and comparable companies listed on overseas stock exchanges, will normally represent at least 70% of the portfolio.

Benchmark
Performance is measured against the FTSE All-Share Index (total return).

Dividends
A first interim dividend of 4.6p per share (2011: 4.4p) was paid on 4 May 2012 to shareholders registered at the close of business on 30 March 2012. The associated ex-dividend date was 28 March 2012.

It is expected that a second interim dividend will be declared in September 2012 and will be payable in November 2012.

Capital Structure
At 31 March 2012 the Company had 63,017,165 shares of 25p each in issue with no shares being held in treasury (31 March 2011: 53,487,423 (treasury shares: nil)). During the six months under review 5,779,742 new shares were issued. Since the end of the half-year a further 2,061,216 new shares have been issued. As at 9 May 2012, the Company had 65,078,381 shares in issue with no shares being held in treasury.

Gearing
As at 31 March 2012 the Company had a two year secured multicurrency revolving credit facility of £25 million with Scotiabank Europe PLC. As at this date a total of £14.05 million was drawn down from this facility (30 September 2011: £13.55 million).

Chairman's Statement

"The Company has continued its strong returns with a net asset value total return of 14.4% and a share price total return of 14.3%."

Performance

I am pleased to report that for the six months under review the Company has continued its strong returns with a net asset value per share total return of 14.4% and a share price total return of 14.3%. These results were broadly in line with the Company's benchmark, the FTSE All-Share Index, measured on a total return basis, which rose by 15.0% during the same period. The principal contribution to net asset value performance came from our holding in Diageo which posted strong results during the year, including an announcement that the proportion of its profits earned in emerging economies was now in excess of 40%. Other principal contributors included Rathbone Brothers, Schroders, Sage Group and London Stock Exchange. Further information on the Company's portfolio can be found in our Investment Manager's Review beginning on page 5.

During the period, the Company's shares have consistently traded close to it net asset value, beginning the period at a 0.9% premium to the Company's ex-income net asset value per share and moving to a 1.3% premium at the period end.

Share Capital

As I reported at the year-end, due to strong demand for your Company's shares, a General Meeting was held in December 2011 to obtain shareholder authority to issue a further 5,824,216 shares on a non-pre-emptive basis and a Prospectus was also published in order to obtain admission to the Official List maintained by the UK Listing Authority of any shares issued; the shareholder authority was renewed at the Company's Annual General Meeting held on 18 January 2012. It is particularly pleasing that this strong demand has continued over the last four months and the authority granted in January 2012 has been fully utilised. The Board has therefore convened a General Meeting, to be held on Friday, 11 May 2012, to seek shareholder authority to issue a further 6,507,838 shares. Any shares issued under this authority will continue to be issued at prices not less than the prevailing cum income net asset value per share and will be accretive to the net asset value per share.

Return and Dividend

The Income Statement shows a total return per share of 41.9p (six months ended 31 March 2011: 28.9p) consisting of a revenue return per share of 3.0p (six months ended 31 March 2011: 2.8p) and a capital return per share of 38.9p (six months ended 31 March 2011: 26.1p). The Board has declared a first interim dividend of 4.6p per share, compared to last year's first interim dividend of 4.4p per share, an increase of 4.5%. The dividend was paid on 4 May 2012 to shareholders who were on the register on 30 March 2012. The associated ex dividend date was 28 March 2012.

Chairman's Statement
Continued

Borrowings
Your Company has a two-year fixed term committed secured revolving credit facility of £25 million which is subject to a variable rate of interest. As at 31 March 2012 a total of £14.05 million was drawn down under this facility (30 September 2011: £13.55 million).

Outlook
2012 began positively, the rally in share prices having been supported by good corporate earnings and strong balance sheets. However, despite improving prospects for the U.S., the UK market continues to be affected by uncertainty in Europe, still an important trading partner for the UK, and despite a continued reduction in inflation, UK growth is expected to be low for the year. Shareholders will be aware, however, that a number of the companies held in our portfolio have significant exposure to faster growing overseas markets and are among world leaders in their respective sectors. Your Board believes that our Investment Manager's strategy of investing for the long term in durable cash generative franchises capable of sustained dividend growth will continue to deliver superior investment returns to shareholders.

Anthony Townsend
Chairman

9 May 2012

Investment Manager's Review

"....we hope to earn competitive long-term returns by building and maintaining strategic holdings in a number of what we analyse to be exceptional companies."

Performance Commentary

We remind shareholders that we hope to earn competitive long-term returns by building and maintaining strategic holdings in a number of what we analyse to be exceptional companies. We commit client capital to these positions with the intention of sticking with them over the course of several economic and stock market cycles, in the full awareness that not all will perform well, as businesses or share prices, at the same time and that there will certainly be periods when some will stagnate, fall or otherwise underperform. This shouldn't matter – so long as other parts of the portfolio are doing well and, even more to the point, so long as we are correct about the likelihood of each company creating value for its owners eventually.

We reiterate this here, because it is so easy to describe the performance of the portfolio over the half year in terms of the state of the popular "risk-on/risk-off" trade, followed by many market commentators. Easy, but inappropriate. So, holdings that tactical investors regard as economically cyclical, or geared to the stock market cycle ("risky") have done exceptionally well – such as Burberry, London Stock Exchange, Rathbone and Schroders and so-called "defensive" stocks underperformed – like A.G. Barr, Pearson, Sage and Unilever . Nonetheless, we don't think about the portfolio in this way and certainly we don't try to second-guess other investors' appetite for risk quarter by quarter.

For us it is far more relevant to note that, for instance, both London Stock Exchange ("risk" asset) and Unilever ("risk-off" asset) increased their most recent dividends by c6% (despite the wildly divergent performance of their shares over the half year). We view these increases as the respective boards' best estimate of likely long term cash earnings growth for each company and, given that a 6% dividend growth rate is a "real" increase (ahead of UK inflation) we are satisfied that the qualities we see in the London Stock Exchange's market franchise and Unilever's collection of global consumer brands – that these qualities will help us to achieve shareholders' investment objectives.

In summary, a superficial analysis of performance over the period might say – the portfolio underperformed because of its exposure to low beta shares. We prefer to say – the portfolio generated a competitive return because, by and large, economic developments confirmed the strategic attractions of the companies in which we're invested and those long-term attractions were confirmed by immediate, cash-in-hand dividend increases.

Developments for Portfolio Companies

We have three main strategic ideas, all captured across the portfolio. In our view events over the period confirmed their validity. They are – equity is cheap in a globalising world; emerging market consumers are only just getting started; Apple/Amazon's tablet devices are driving a technology cycle of productivity gains and new industry creation.

Investment Manager's Review
Continued

We see the London Stock Exchange's strong share price performance as an indication that investors are increasingly bullish about equity as an asset class, after its poor returns not just in 2011, but the previous decade. We expect trusted asset managers or asset aggregators, such as Schroders and Hargreaves Lansdown to benefit further too.

Diageo has been a real driver of your Company's return in 2011/2, outperforming the benchmark, despite its reputation as a "defensive". The reason, we believe, was the company's announcement that the proportion of its profits earned in emerging economies has breached 40% for the first time and still growing strongly. Both Heineken and Unilever – important portfolio commitments – offer similar exposure, but with no recent rerating of their shares (hence our enthusiasm to build weightings further).

Finally, Pearson increased its final dividend by 9% in Q1 2012, the 20th consecutive year of dividend growth. This growing stream of distributable cash was generated in part by an increase in profit margin at Pearson's biggest division, US education, from 17 to 19%. The improved profitability results from the success Pearson has had in digitising its text book and teaching materials and, indeed, digitising the whole education process. Apple has confirmed its ambition to help change the way people learn – by online devices. Pearson content and software will populate any hardware offered by Apple or, indeed, any other. We were surprised Pearson's shares fell after its results – the company looks to us like one of the world's great growth companies of the next decade or two. We look to buy more and expect it and other technology/content companies in the portfolio – Daily Mail, Fidessa, Reed and Sage – to grow strongly in coming years.

Nick Train, Lindsell Train Limited
Investment Manager

9 May 2012

Portfolio
as at 31 March 2012

Investment	Sector	Fair Value £'000	% of Investments
Diageo	Beverages	26,106	11.3
Unilever	Food Producers	20,795	9.0
A.G. Barr	Beverages	17,030	7.3
Pearson	Media	16,997	7.3
Heineken Holdings (A Shares) *	Beverages	15,521	6.7
Rathbone Brothers	General Financials	11,475	5.0
Fidessa	Software & Computer Services	11,428	4.9
Sage Group	Software & Computer Services	11,399	4.9
Schroders	General Financials	10,531	4.5
Kraft Foods ^	Food Producers	8,660	3.7
Top 10 investments		**149,942**	**64.6**
Reed Elsevier	Media	8,548	3.7
London Stock Exchange	General Financials	8,225	3.5
Burberry Group	Personal Goods	7,628	3.3
Greene King	Travel & Leisure	7,324	3.2
Daily Mail & General Trust (A Shares)	Media	7,187	3.1
Euromoney Institutional Investor	Media	6,911	3.0
Hargreaves Landsdown	General Financials	6,861	3.0
Marston's	Travel & Leisure	6,126	2.6
Dr.Pepper Snapple ^	Beverages	5,451	2.4
Fuller Smith & Turner	Travel & Leisure	5,005	2.2
Top 20 investments		**219,208**	**94.6**
Young & Co's Brewery (non-voting)	Travel & Leisure	4,068	1.8
Thomson Reuters ~	Media	3,551	1.5
Lindsell Train Investment Trust	General Financials	2,200	0.9
Lloyds Banking Group 9.25% (non cum preference) **	Preference Shares (Banks)	1,842	0.8
Celtic	Travel & Leisure	508	0.2
Frostrow Capital +	General Financials	470	0.2
Celtic 6% (cum preference) **	Travel & Leisure	53	–
Total investments		**231,900**	**100.0**

All of the above investments are equities listed in the UK, unless otherwise stated.

* Listed in the Netherlands
^ Listed in the United States
~ Listed in Canada
** Non-equity - Preference Shares
+ Unquoted partnership interest

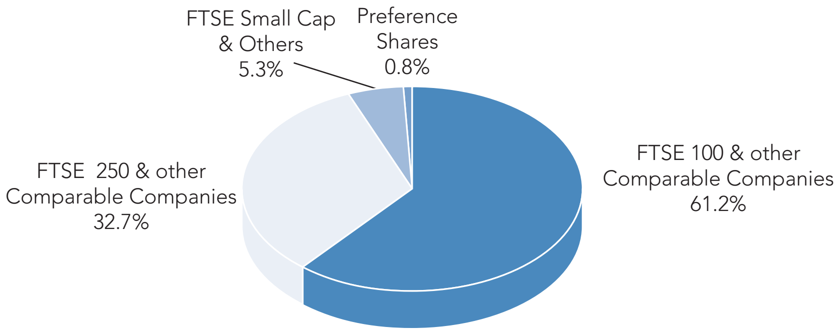
Comparison of Sector Weightings with the FTSE All-Share Index

as at 31 March 2012

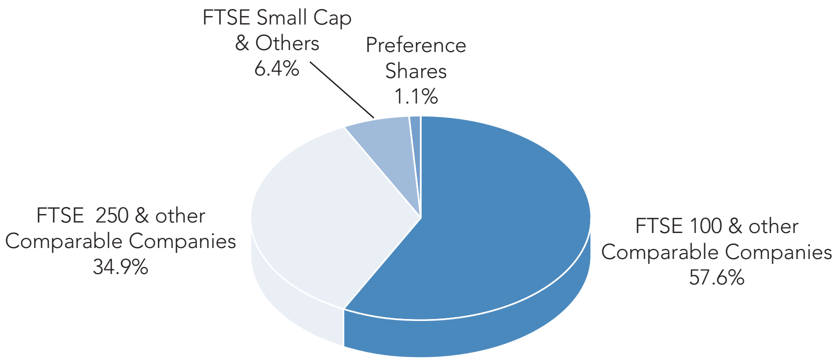
Sector	Finsbury Growth & Income %	FTSE All-Share Index %	Finsbury Growth & Income (under)/overweight %
Oil & Gas	–	17.7	(17.7)
Basic Materials	–	11.1	(11.1)
Industrials	–	8.6	(8.6)
Consumer Goods	43.6	13.5	30.1
Health care	–	7.2	(7.2)
Consumer Services	28.6	9.4	19.2
Telecommunications	–	6.2	(6.2)
Utilities	–	3.9	(3.9)
Financials	17.2	20.8	(3.6)
Technology	9.8	1.6	8.2
Total excluding Preference Shares	99.2	100.0	(0.8)
Preference Shares	0.8	–	0.8
Total including Preference Shares	100.0	100.0	–

Portfolio Distribution

as at 31 March 2012

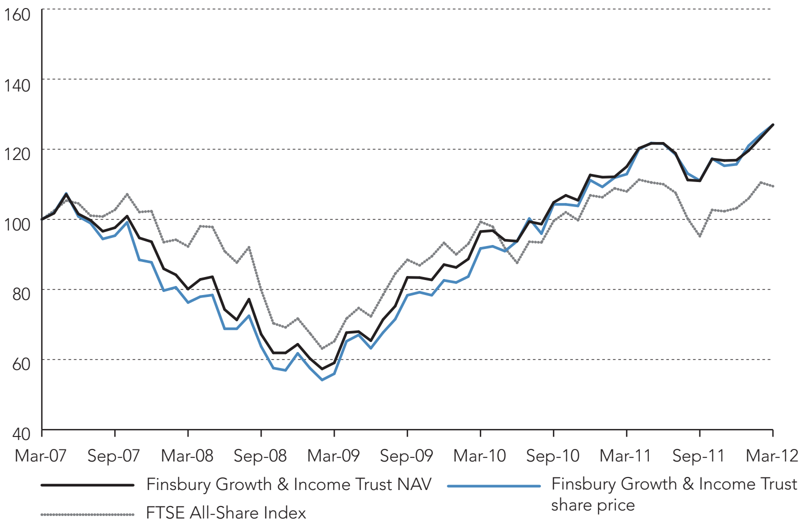


as at 30 September 2011



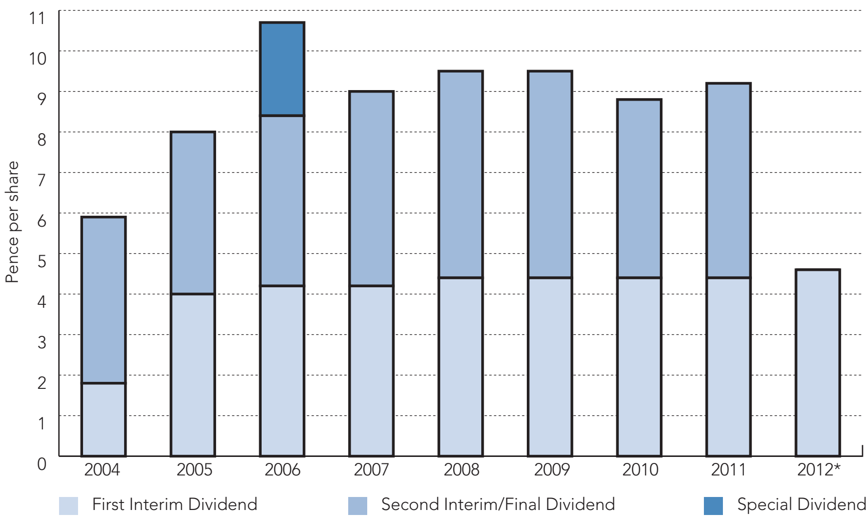
Performance

Five year total return performance to 31 March 2012



Rebased to 100 at 31 March 2007
Source: Morningstar

Dividend record



* Second Interim Dividend yet to be declared.

Source: Frostrow Capital LLP

Income Statement

For the six months ended 31 March 2012

	(Unaudited) Six months ended 31 March 2012			(Unaudited) Six months ended 31 March 2011			(Audited) Year ended 30 September 2011		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains on investments held at fair value through profit or loss	–	23,708	23,708	–	14,364	14,364	–	4,344	4,344
Exchange differences	–	(30)	(30)	–	–	–	–	(1)	(1)
Income (note 2)	2,390	–	2,390	1,952	–	1,952	6,299	–	6,299
Investment management and management fees (note 3)	(220)	(448)	(668)	(184)	(374)	(558)	(390)	(793)	(1,183)
Other expenses	(256)	(5)	(261)	(208)	(4)	(212)	(458)	(4)	(462)
Return on ordinary activities before finance charges and taxation	1,914	23,225	25,139	1,560	13,986	15,546	5,451	3,546	8,997
Finance charges	(63)	(128)	(191)	(53)	(107)	(160)	(98)	(200)	(298)
Return on ordinary activities before taxation	1,851	23,097	24,948	1,507	13,879	15,386	5,353	3,346	8,699
Taxation on ordinary activities	(50)	–	(50)	(48)	–	(48)	(100)	–	(100)
Return on ordinary activities after taxation	1,801	23,097	24,898	1,459	13,879	15,338	5,253	3,346	8,599
Return per share (note 4)	3.0p	38.9p	41.9p	2.8p	26.1p	28.9p	9.7p	6.1p	15.8p

The "Total" column of this statement represents the Income Statement of the Company. The "Revenue" and "Capital" columns are supplementary to this and are prepared under guidance published by the Association of Investment Companies (AIC).

All items in the above statement derive from continuing operations. The Company had no recognised gains or losses other than those declared in the Income Statement.

Reconciliation of Movements in Shareholders' Funds

(Unaudited) Six months ended 31 March 2012	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Special reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
At 30 September 2011	14,309	50,253	3,453	12,424	92,285	4,894	177,618
Net return from ordinary activities	–	–	–	–	23,097	1,801	24,898
Second interim dividend (4.8p per share)							
for the year ended 30 September 2011	–	–	–	–	–	(2,740)	(2,740)
Issue of shares	1,445	18,127	–	–	–	–	19,572
Cost of share issuance	–	(116)	–	–	–	–	(116)
At 31 March 2012	15,754	68,264	3,453	12,424	115,382	3,955	219,232

(Unaudited) Six months ended 31 March 2011							
At 30 September 2010	13,237	37,213	3,453	12,424	88,939	4,324	159,590
Net return from ordinary activities	–	–	–	–	13,879	1,459	15,338
Second interim dividend (4.4p per share)							
for the year ended 30 September 2010	–	–	–	–	–	(2,330)	(2,330)
Issue of shares	135	1,612	–	–	–	–	1,747
At 31 March 2011	13,372	38,825	3,453	12,424	102,818	3,453	174,345

(Audited) Year ended 30 September 2011							
At 30 September 2010	13,237	37,213	3,453	12,424	88,939	4,324	159,590
Net return from ordinary activities	–	–	–	–	3,346	5,253	8,599
Second interim dividend (4.4p per share)							
for the year ended 30 September 2010	–	–	–	–	–	(2,330)	(2,330)
First interim dividend (4.4p per share)							
for the year ended 30 September 2011	–	–	–	–	–	(2,353)	(2,353)
Issue of shares	1,072	13,040	–	–	–	–	14,112
Year ended 30 September 2011	14,309	50,253	3,453	12,424	92,285	4,894	177,618

Balance Sheet

as at 31 March 2012

	(Unaudited) 31 March 2012 £'000	(Unaudited) 31 March 2011 £'000	(Audited) 30 September 2011 £'000
Fixed assets			
Investments designated at fair value through profit or loss	231,900	185,653	188,247
Current assets			
Debtors	655	527	1,145
Cash at bank	925	670	2,466
	1,580	1,197	3,611
Current liabilities			
Creditors	(198)	(155)	(690)
Bank loan	(14,050)	(12,350)	(13,550)
	(14,248)	(12,505)	(14,240)
Net current liabilities	**(12,668)**	(11,308)	(10,629)
Total net assets	**219,232**	174,345	177,618
Capital and reserves			
Share capital	15,754	13,372	14,309
Share premium account	68,264	38,825	50,253
Capital redemption reserve	3,453	3,453	3,453
Special reserve	12,424	12,424	12,424
Capital reserve	115,382	102,818	92,285
Revenue reserve	3,955	3,453	4,894
Equity shareholders' funds	**219,232**	174,345	177,618
Net asset value per share (note 5)	**347.9p**	326.0p	310.3p

Cash Flow Statement
for the six months ended 31 March 2012

	(Unaudited) 31 March 2012 £'000	(Unaudited) 31 March 2011 £'000	(Audited) 30 September 2011 £'000
Net cash inflow from operating activities (note 7)	**1,915**	1,202	4,034
Net cash outflow from servicing of finance	**(190)**	(212)	(350)
Financial investment			
Purchase of investments	(21,455)	(5,470)	(17,588)
Sale of investments	1,003	2,696	2,705
Net cash outflow from financial investment	**(20,452)**	(2,774)	(14,883)
Equity dividends paid	**(2,740)**	(2,330)	(4,683)
Net cash outflow before financing	**(21,467)**	(4,114)	(15,882)
Financing			
Shares issued net of issue expenses	19,572	1,747	14,112
Cost of share issuance	(116)	–	–
Drawdown of loan	500	1,650	2,850
Net cash inflow from financing	**19,956**	3,397	16,962
(Decrease)/increase in cash	**(1,511)**	(717)	1,080
Reconciliation of net cash flow to movement in net debt			
(Decrease)/increase in cash resulting from cashflows	(1,511)	(717)	1,080
Increase in debt	(500)	(1,650)	(2,850)
Exchange movements	(30)	–	(1)
Movement in net debt	(2,041)	(2,367)	(1,771)
Net debt at start of period/year	(11,084)	(9,313)	(9,313)
Net debt at end of period/year	**(13,125)**	(11,680)	(11,084)

Notes to the Accounts

1. Basis of preparation

The condensed financial statements have been prepared under the historical cost convention, except for the measurement at fair value of investments, and in accordance with UK Generally Accepted Accounting Practice (GAAP) and the Statement of Recommended Practice (SORP) for 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' issued by the Association of Investment Companies dated January 2009.

The same accounting policies used for the year ended 30 September 2011 have been applied.

2. Income

	(Unaudited) Six months ended 31 March 2012 £'000	(Unaudited) Six months ended 31 March 2011 £'000	(Audited) Year ended 30 September 2011 £'000
Income from investments			
Franked investment income			
– dividends	2,085	1,679	5,628
Unfranked investment income			
– limited liability partnership profit-share	–	–	105
– overseas dividends	305	273	566
Total	2,390	1,952	6,299

3. Investment management and management fees

	(Unaudited) Six months ended 31 March 2012 £'000	(Unaudited) Six months ended 31 March 2011 £'000	(Audited) Year ended 30 September 2011 £'000
Investment management fee	448	370	786
Management fee	184	158	332
VAT thereon*	36	30	65
Total	668	558	1,183

* VAT on management fee

Notes to the Accounts
Continued

4. Return per share
The total return per share is based on the total return attributable to equity shareholders of £24,898,000 (six months ended 31 March 2011: return of £15,338,000; year ended 30 September 2011: return of £8,599,000) and on 59,455,798 shares (six months ended 31 March 2011: 53,062,424; year ended 30 September 2011: 54,352,887), being the weighted average number of shares in issue.

The revenue return per share is calculated by dividing the net revenue return of £1,801,000 (six months ended 31 March 2011: return of £1,459,000; year ended 30 September 2011: return of £5,253,000) by the weighted average number of shares in issue as above.

The capital return per share is calculated by dividing the net capital return attributable to shareholders of £23,097,000, (six months ended 31 March 2011: return of £13,879,000; year ended 30 September 2011: return of £3,346,000) by the weighted average number of shares in issue as above.

5. Net asset value per share
The net asset value per share is based on net assets attributable to shares of £219,232,000 (31 March 2011: £174,345,000 and 30 September 2011: £177,618,000) and on 63,017,165 shares in issue (31 March 2011: 53,487,423 and 30 September 2011: 57,237,423) (excluding treasury shares).

6. Transaction costs
Purchase transaction costs for the six months ended 31 March 2012 were £84,000 (six months ended 31 March 2011: £39,000; year ended 30 September 2011: £116,000).

Sales transaction costs for the six months ended 31 March 2012 were nil (six months ended 31 March 2011: £4,000; year ended 30 September 2011: £4,000).

Notes to the Accounts
Continued

7. Reconciliation of net total return before finance costs and taxation to net cash inflow from operating activities

	(Unaudited) Six months ended 31 March 2012 £'000	(Unaudited) Six months ended 31 March 2011 £'000	(Audited) Year ended 30 September 2011 £'000
Total return before finance charges and taxation	25,139	15,546	8,997
Less capital return before finance charges and taxation	(23,225)	(13,986)	(3,546)
Net revenue before finance costs and taxation	1,914	1,560	5,451
Decrease/(increase) in accrued income and prepayments	39	85	(83)
Decrease/(increase) in debtors	451	1	(451)
Increase/(decrease) in creditors	14	(17)	12
Taxation – irrecoverable overseas tax paid	(50)	(49)	(98)
Investment management and management fees charged to capital	(448)	(374)	(793)
Other expenses charged to capital	(5)	(4)	(4)
Net cash inflow from operating activities	1,915	1,202	4,034

8. 2011 accounts

The figures and financial information for the year to 30 September 2011 are extracted from the latest published accounts of the Company and do not constitute statutory accounts for the year.

Those accounts have been delivered to the Registrar of Companies and included the Report of the Auditors which was unqualified and did not contain a reference to any matters to which the auditors drew attention by way of emphasis without qualifying the report, and did not contain a statement under section 498 of the Companies Act 2006.

Interim Management Report

Principal Risks and Uncertainties

A review of the half year, including reference to the risks and uncertainties that existed during the period, and the outlook for the Company can be found in the Chairman's Statement beginning on page 3 and in the Investment Manager's Review beginning on page 5. The principal risks faced by the Company fall into the following broad categories: market price risk; interest rate risk; portfolio performance; operational and regulatory risk; credit risk; liquidity risk; investment management key person risk; availability of bank finance; inability to maintain a progressive dividend policy. Information on each of these areas, with the exception of the availability of bank finance and the Board's ability to maintain a progressive dividend policy, is given in the Business Review within the Annual Report and Accounts for the year ended 30 September 2011. The risk associated with the availability of bank finance is that the provider or any other lender may no longer be prepared to lend to the Company. Copies of the monthly loan covenant compliance certificates, provided for the lender, are circulated to the Board and both the Board and the Investment Manager are kept fully informed of any likelihood of the withdrawal of the loan facility so that repayment can be effected in an orderly fashion if necessary. With regard to the Company's dividend policy, the Board regularly reviews the Company's portfolio and also income forecasts prepared by the Manager; regular reports on the Company's income position are also made by the Company's Investment Manager at each Board meeting. The Company also maintains a distributable revenue reserve which can be used to help make up any shortfall in income received by the Company.

In the view of the Board these principal risks and uncertainties are applicable to the remaining six months of the financial year as they were to the six months under review.

Related Party Transactions

During the first six months of the current financial year no transactions with related parties have taken place which have materially affected the financial position or the performance of the Company.

Directors' Responsibilities

The Board of Directors confirms that, to the best of its knowledge:

(i) the condensed set of financial statements contained within the Half Year Report has been prepared in accordance with applicable accounting standards; and

(ii) the interim management report includes a fair review of the information required by 4.2.7R and 4.2.8R of the UK Listing Authority and Transparency Rules.

The Half Year Report has not been reviewed or audited by the Company's auditors.

The Half Year Report was approved by the Board on 9 May 2012 and the above responsibility statement was signed on its behalf by:

Anthony Townsend
Chairman

Glossary of Terms

Discount or Premium

A description of the difference between the share price and the net asset value per share. The size of the discount or premium is calculated by subtracting the share price from the net asset value per share and is usually expressed as a percentage (%) of the net asset value per share. If the share price is higher than the net asset value per share the result is a premium. If the share price is lower than the net asset value per share, the shares are trading at a discount.

Gearing

The term used to describe the process of borrowing money for investment purposes. The expectation is that the returns on the investments purchased will exceed the finance costs associated with those borrowings.

There are several methods of calculating gearing and the following has been selected:

The amount drawn down from the Company's loan facility divided by shareholders' funds expressed as a percentage.

Net Asset Value (NAV)

The value of the Company's assets, principally investments made in other companies and cash being held, minus any liabilities. The NAV is also described as 'shareholders' funds' per share. The NAV is often expressed in pence per share after being divided by the number of shares which have been issued. The NAV per share is unlikely to be the same as the share price which is the price at which the Company's shares can be bought or sold by an investor. The share price is determined by the relationship between the demand and supply of the shares.

Net Asset Value Total Return

The theoretical total return on an investment over a specified period assuming dividends paid to shareholders were reinvested at net asset value per share at the time the shares were quoted ex-dividend. This is a way of measuring investment management performance of investment trusts which is not affected by movements in discounts or premiums.

Share Price Total Return

The change in capital value of a company's shares over a given period, plus dividends received, expressed as a percentage of the opening value.

Treasury Shares

Shares previously issued by a company that have been bought back from shareholders to be held by the company for potential sale or cancellation at a later date. Such shares are not capable of being voted and carry no rights to dividends.

How to Invest

Alliance Trust Savings Limited

The Company's shares are available through savings plans (including Investment Dealing Accounts, ISAs, Junior ISAs and SIPPs) operated by Alliance Trust Savings Limited, which facilitates both regular monthly investments and lump sum investments in the Company's shares. Shareholders who would like information on the savings plans should call Alliance Trust Savings Limited on 01382 573737 or log on to www.alliancetrustsavings.co.uk or email contact@alliancetrust.co.uk. Calls to this number may be recorded for monitoring purposes.

An Individual Savings Account ('ISA') and Junior ISA are tax efficient methods of investment for an individual which give the opportunity to invest in the Company up to £11,280 for an ISA and £3,600 for a Junior ISA in the tax year 2012/2013 and also in subsequent tax years.

The preceding two paragraphs have been issued and approved by Alliance Trust Savings Limited. Alliance Trust Savings Limited of PO Box 164, 8 West Marketgait, Dundee DD1 9YP is registered in Scotland with number SC98767. Alliance Trust Savings Limited provides investment products and services and is authorised and regulated by the Finance Services Authority. It does not provide investment advice.

Capita Registrars – Share Dealing Service

A quick and easy share dealing service is available to existing shareholders through the Company's Registrar, Capita Registrars, to either buy or sell shares. An online and telephone dealing facility provides an easy to access and simple to use service.

Type of trade	Online	Telephone
Share certificates	1% of the value of the deal (Minimum £20.00, max £75.00)	1.5% of the value of the deal (Minimum £25.00, max £102.50)

There is no need to pre-register and there are no complicated forms to fill in. The online and telephone dealing service allows you to trade 'real time' at a known price which will be given to you at the time you give your instruction.

To deal online or by telephone all you need is your surname, shareholder reference number, full postcode and your date of birth. Your shareholder reference number can be found on your latest statement or certificate where it will appear as either a 'folio number' or 'investor code'. Please have the appropriate documents to hand when you log on or call, as this information will be needed before you can buy or sell shares.

For further information on this service please contact:

www.capitadeal.com (online dealing) or 0871 664 0364† (telephone dealing)

If calling from outside of the UK please dial +44 (0) 203 367 2686

† Calls cost 10p per minute plus network extras and may be recorded for training purposes. Lines are open from 8.30 a.m. to 4.30 p.m. Monday to Friday.

The Share Dealing Service is provided by Capita IRG Trustees Limited which has issued and approved the preceding paragraphs. Capita IRG Trustees Limited, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU is registered in England and Wales with number 2729260. Capita IRG Trustees Limited is authorised and regulated by the Financial Services Authority and is also authorised to conduct cross-border business in the EEA under the provisions of the EU Markets in Financial Investments Directive.

How to Invest

Continued

Risk Warnings

- Past performance is no guarantee of future performance.
- The value of your investment and any income from it may go down as well as up and you may not get back the amount invested. This is because the share price is determined by the changing conditions in the relevant stockmarkets in which the Company invests and by the supply and demand for the Company's shares.
- As the shares in an investment trust are traded on a stockmarket, the share price will fluctuate in accordance with supply and demand and may not reflect the underlying net asset value of the shares; where the share price is less than the underlying value of the assets, the difference is known as the 'discount'. For these reasons, investors may not get back the original amount invested.
- Although the Company's financial statements are denominated in sterling, it may invest in stocks and shares that are denominated in currencies other than sterling and to the extent they do so, they may be affected by movements in exchange rates. As a result, the value of your investment may rise or fall with movements in exchange rates.
- Investors should note that tax rates and reliefs may change at any time in the future.
- The value of ISA and Junior ISA tax advantages will depend on personal circumstances. The favourable tax treatment of ISAs and Junior ISAs may not be maintained.

Information about the Company

Directors
Anthony Townsend, (Chairman)
John Allard
Neil Collins
David Hunt, FCA
Vanessa Renwick
Giles Warman

Registered Office
50 Lothian Road, Festival Square,
Edinburgh EH3 9WJ

Website
www.finsburygt.com

Company Registration Number
13958 (Registered in Scotland)

The Company is an investment company as defined under Section 833 of the Companies Act 2006.

Investment Manager
Lindsell Train Limited
Cayzer House
30 Buckingham Gate,
London SW1E 6NN
Telephone: 0207 802 4700
Website: www.lindselltrain.com

Authorised and regulated by the Financial Services Authority.

Manager, Administrator and Company Secretary
Frostrow Capital LLP
25 Southampton Buildings,
London WC2A 1AL
Telephone: 0203 008 4910
E-Mail: info@frostrow.com
Website: www.frostrow.com

Authorised and regulated by the Financial Services Authority.

If you have an enquiry about the Company or if you would like to receive a copy of the Company's monthly fact sheet by e-mail, please contact Frostrow Capital using the above e-mail address.

Stockbrokers
Winterflood Investment Trusts
The Atrium Building, Cannon Bridge,
25 Dowgate Hill, London EC4R 2GA

Registrars
Capita Registrars
The Registry,
34 Beckenham Road,
Beckenham,
Kent BR3 4TU
Telephone (in UK): 0871 664 0300†
Telephone (from overseas): +44 208 639 3399
Facsimile: + 44 (0) 1484 600911
E-Mail: ssd@capitaregistrars.com
Website: www.capitaregistrars.com

Please contact the Registrars if you have a query about a certificated holding in the Company's shares.

†Calls cost 10p per minute plus network charges and may be recorded for training purposes.Lines are open from 8.30 a.m. to 5.30 p.m. Monday to Friday.

Custodian and Banker
Bank of New York Mellon
The Bank of New York Mellon Centre
160 Queen Victoria Street,
London EC4V 4LA

Lending Banker
Scotiabank Europe PLC
201 Bishopsgate, 6th Floor
London EC2M 3NS

Auditors
Grant Thornton UK LLP
30 Finsbury Square, London EC2P 2YU

Share Price Listings
The price of your shares can be found in various publications including the Financial Times, The Daily Telegraph, The Times and The Scotsman. The Company's net asset value per share is announced daily on the TrustNet website at www.trustnet.com.

Identification Codes

Shares:	SEDOL:	0781606
	ISIN:	GB0007816068
	BLOOMBERG:	FGT LN
	EPIC:	FGT

London Stock Exchange
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Finsbury Growth & Income Trust PLC
25 Southampton Buildings, London WC2A 1AL
www.finsburygt.com