

Perpetual Income and Growth Investment Trust plc

Half-Yearly Financial Report for the Six Months to 30 September 2011

KEY FACTS

Perpetual Income and Growth Investment Trust plc ('the Company') is an investment trust company listed on The London Stock Exchange. The Company is managed by Invesco Asset Management Limited.

Investment Objective of the Company

The Company's investment objective is to provide shareholders with capital growth and real growth in dividends over the medium to longer term from a portfolio of securities listed mainly in the UK equity and fixed interest markets.

Full details of the Company's Investment Policy (incorporating the investment objective and risk and investment limits) can be found on pages 16 and 17 of the Company's 2011 annual financial report. The Investment Policy was updated at the 2011 AGM.

Performance Statistics

The Benchmark index of the Company is the FTSE All-Share Index.

	AT 30 SEPTEMBER 2011	AT 31 MARCH 2011	% CHANGE
Total return (all income reinvested):			
Diluted net assets*			-2.3
Benchmark*, the FTSE All-Share Index			-11.8
Diluted net asset value per ordinary share:			
– after charging proposed dividend	243.1p	252.8p	-3.8
– as balance sheet	245.5p	255.5p	-3.9
Shareholders' funds (£'000)	527,665	545,341	-3.2
Mid-market price:			
– ordinary shares	241.2p	252.8p	-4.6
– subscription shares	34.5p	40.0p	-13.8
Discount per ordinary share	1.8%	1.1%	
Capital return – Benchmark*, the FTSE All-Share Index			-13.5
Gross gearing	19.8%	19.0%	
Net gearing	19.8%	19.0%	

* Source: Thomson Reuters Datastream and Morningstar.

	SIX MONTHS ENDED		
	30 SEPTEMBER 2011	30 SEPTEMBER 2010	
Revenue			
Diluted revenue return per share	5.94p	5.46p	+8.8
Dividends – first interim	2.4p	2.2p	
– second interim	2.4p	2.2p	
– total	4.8p	4.4p	+9.1

INTERIM MANAGEMENT REPORT INCORPORATING CHAIRMAN'S STATEMENT

Chairman's Statement

Performance

During the six months to 30 September 2011, the Company's total return was -2.3% compared to the -11.8% return from the FTSE All-Share Index. The mid-market price per share decreased by 4.6% to 241.2p and the discount to NAV per ordinary share widened from 1.1% to 1.8%.

Dividend

The Board has declared a second interim dividend of 2.4p per share in respect of the three months to 30 September 2011. This dividend is payable on 28 December 2011 to shareholders registered at the close of business on 9 December 2011.

Subscription Share Exercise and Issued Share Capital

During the period under review, subscription shareholders had their sixth opportunity to exercise their right to subscribe for one ordinary share of the Company at a price of 218.94p. The subscription period ended on 31 August 2011. As a result, 491,203 ordinary shares were allotted on 13 September 2011. Subscription shareholders will have further opportunities to convert their holdings in the years 2012 and 2013.

During the period a further 1,694,073 ordinary shares were issued for cash and as a result of the above transactions, the issued share capital of your Company at the period end was 213,085,780 ordinary shares of 10p each and 16,987,622 subscription shares.

William Alexander

Chairman

18 November 2011

Investment Management Report

Market Review

The stock market's optimism of early 2011 faded over the six months as economic news flow deteriorated, reflecting a worsening outlook. In fact, by the summer months of 2011, market sentiment had become so poor that the FTSE All-Share Index recorded its largest fall since the third quarter of 2002. Macro-economic news flow, particularly the European sovereign debt and banking crisis, dominated investor sentiment for much of the period. Forecasts for slower economic growth led to reductions in profit forecasts for cyclical industries and to sharper falls in the share prices of those sectors.

The IMF cut its forecast for economic growth in 2011 for the UK from 1.5% to 1.1% as the Bank of England continued to keep interest rates on hold at 0.5% raising expectations for an extension of quantitative easing, which has since been confirmed. Meanwhile, the UK government's preferred measure of UK inflation, the Consumer Price Index (CPI), remained above its target of 2.0%, at 5%. The Bank of England still believes that the CPI will fall sharply in 2012. However, there continued to be areas of positive corporate news flow, with a number of large companies announcing share buy backs as well as continuing to deliver resilient operational performance.

Portfolio Strategy & Review

The Company's net asset value, including reinvested dividends, fell by 2.7% during the six months to the end of September 2011. This compares to a fall of 11.8% from the FTSE All-Share Index (total return).

The performance of the Company over the period benefited from its positioning in areas of the market which exhibit reliable growth in revenues and cash flows. These have performed well against the recent background of increasing market uncertainty.

The portfolio's holdings in the tobacco sector performed strongly over the six months. Shares in Imperial Tobacco rose on news that the price war in Spain now appears to be over and were further boosted by speculation regarding a possible takeover bid. Shares in Reynolds American saw returns enhanced by the rise in the US dollar.

The Company is also heavily invested in the pharmaceutical sector. News flow over the period was generally supportive for the sector; for an industry that is priced for a much more difficult long term future, the market was surprised by a number of new drug approvals by the FDA, including Horizant for GlaxoSmithKline and Brilinta for AstraZeneca. The portfolio's holdings in Roche further benefited from the strength of the Swiss franc against sterling.

Weighing on performance were the holdings in BAE Systems, BG Group, Amlin, Balfour Beatty and Daily Mail & General Trust. These shares fell in nervous markets and, in the case of BAE Systems, on concerns over the outlook for defence spending.

In terms of portfolio activity, it is noteworthy that overall activity was limited as the Manger's views on the market and the wider economy were largely

unaltered. The Company reduced its exposure to holdings in Daily Mail & General Trust and Tate & Lyle and, following strong performance, sold its holdings in Altria and Bunzl during the period. The proceeds were used to make new investments in Doric Nimrod Air Two, Rolls Royce and TalkTalk Telecom and to add to existing holdings in BAE Systems and N.Brown.

Outlook

The recent news from the UK economy has provided strong evidence of the fragile condition of the domestic economic situation. Indeed, according to Sir Mervyn King, we are in the middle of the worst financial crisis since the 1930's. This level of economic weakness is not a big surprise and the Manager expects this challenging environment to persist for several years to come. This view has been instrumental in shaping the investment strategy for the past year or so. The strategy has been focused on taking advantage of the strength of large quoted companies. In sharp contrast to the household and government sectors, corporates look to be in a position of strength, not just in the UK but globally. Large companies in particular are mostly well managed and have flexibility in their use of capital and labour. This has allowed them to gradually reduce debt levels in recent years, to the extent that company balance sheets in general are now in excellent shape. This is in stark contrast to most sovereign balance sheets, which have been vastly expanded to provide the large stimulus packages that have characterised the post-crisis world and leave many sovereign credit ratings at risk of downgrades.

Many of the biggest holdings in the portfolio have delivered solid levels of earnings, cash flow and dividend growth over the last three years. This operational progress has been achieved despite the financial crisis and the deepest recession in post-war history. The management teams of the companies that the Company owns have clearly demonstrated their ability to grow on a per share basis over the recent past. This gives the Manager confidence that these businesses can continue in similar vein in the future notwithstanding the continued probable weakness of developed world economies.

One thing that is extraordinary about these businesses is the valuation at which their shares trade. Despite their dependability and their proven ability to grow through the most testing of economic circumstances, their valuations are low both in absolute terms and relative to other asset classes. Indeed, in many instances, the dividend yield on their equity is higher than their equivalent corporate bond yield. Whilst the equity asset class remains out of favour, the Manager believes that equities are lower risk now than for many years given the scale of the derating witnessed. Despite the continuing problems in the Eurozone and the associated volatility in the UK stock market, as an equity investor, the manager believes that the current environment offers an exceptional opportunity to invest in some of the biggest and best companies in the market at extremely attractive valuations.

Mark Barnett

Investment Manager

18 November 2011

Related Party

Invesco Asset Management Limited ('IAML'), a wholly owned subsidiary of Invesco Limited, acts as Manager and Company Secretary to the Company. Details of IAML's services and fee arrangements are given in the latest annual financial report, which is available on the Manager's website.

Principal Risks and Uncertainties

The principal risk factors relating to the Company can be summarised as follows:

- Investment policy and process - the adopted investment policy and process may not achieve the returns sought by the Company;
- Market movements and portfolio performance - a fall in the stock markets and/or a prolonged period of decline in the stock markets relative to other forms of investments will affect the performance of the portfolio, as well as the performance of individual portfolio investments;
- Ordinary shares –share prices are affected by market sentiment, supply and demand for the shares, and dividends declared as well as portfolio performance;
- Gearing - the use of borrowings will amplify the effect on shareholders' funds of portfolio gains and losses;
- Regulatory - consequences of a serious breach of regulatory rules could include, but are not limited to, the Company being subject to capital gains on its investments; suspension from the London Stock Exchange; fines; a qualified audit report, reputational problems and a loss of assets through fraud; and
- Reliance on Third Party Service Providers - failure by any service provider to carry out its obligations to the Company could have a materially detrimental impact on the operation of the Company and affect the ability of the Company to successfully pursue its investment policy.

A detailed explanation of these principal risks and uncertainties can be found on pages 21 and 22 of the Company's 2011 annual financial report, which is available on the Manager's website

www.invescoperpetual.co.uk/investmenttrusts

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

Going Concern

The financial statements have been prepared on a going concern basis. The Directors consider this is the appropriate basis as they have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. In reaching this conclusion, the Directors took into account the Company's investment objective, its risk management policies, the diversified portfolio of readily realisable securities which can be used to meet funding commitments, the overdraft which can be used for both long-term and short-term funding requirements, the liquidity of the investments which could be used to repay the overdraft in the event that the facility could not be renewed or replaced, and the ability of the Company to meet all of its liabilities, including the £30 million debenture, and ongoing expenses.

DIRECTORS' RESPONSIBILITY STATEMENT

in respect of the preparation of the half-yearly financial report

The Directors are responsible for preparing the half-yearly financial report using accounting policies consistent with applicable law and UK Accounting Standards.

The Directors confirm that to the best of their knowledge:

- the condensed set of financial statements contained within the half-yearly financial report have been prepared in accordance with the Accounting Standards Board's Statement "Half-Yearly Financial Report";
- the interim management report includes a fair review of the information required by DTR 4.2.7R and DTR 4.2.8R of the FSA's Disclosure and Transparency Rules; and
- the interim management report includes a fair review of the information required on related party transactions.

The half-yearly financial report has not been audited or reviewed by the Company's auditors.

Signed on behalf of the Board of Directors.

William Alexander

Chairman

18 November 2011

INVESTMENT PORTFOLIO STATEMENT AT 30 SEPTEMBER 2011

UK ordinary shares unless stated otherwise

COMPANY	SECTOR	MARKET VALUE £'000	% OF PORTFOLIO	COMPANY	SECTOR	MARKET VALUE £'000	% OF PORTFOLIO
Equity investments							
Reynolds American (US Common Stock)	Tobacco	32,970	5.2	Altus Resources	Equity Investment Instruments	3,764	0.6
Imperial Tobacco	Tobacco	32,091	5.1	Impax Environmental Markets	Equity Investment Instruments	3,734	0.6
GlaxoSmithKline	Pharmaceuticals & Biotechnology	31,230	4.9	Impax Asian Environmental Markets – ordinary & subscription shares	Equity Investment Instruments	3,696	0.6
British American Tobacco	Tobacco	29,484	4.7	N. Brown	General Retailers	3,640	0.6
Vodafone	Mobile Communications	28,167	4.5	Damille Investment	Equity Investment Instruments	3,188	0.5
AstraZeneca	Pharmaceuticals & Biotechnology	27,185	4.3	Macau Property	Real Estate Investment & Services	2,401	0.4
BG	Oil & Gas Producers	25,615	4.1	UK Coal	Mining	2,297	0.4
BT	Fixed Line Telecommunications	25,585	4.0	Rolls Royce	Aerospace & Defence	1,838	0.3
BAE Systems	Aeropace & Defence	19,968	3.2	Imperial Innovations – ordinary & – preference ^{UQ} shares	Financial Services	1,159 } 592 }	0.3
Roche (Swiss stock)	Pharmaceuticals & Biotechnology	19,095	3.0	Trading Emissions	Financial Services	1,701	0.3
Top ten holdings		271,390	43.0	Top fifty holdings		619,649	98.2
Babcock International	Support Services	18,656	3.0	Halosource	Chemicals	1,517	0.2
Reckitt Benckiser	Household Goods & Home Construction	18,502	2.9	Landkom International	Food Producers	1,370	0.2
Capita	Support Services	17,743	2.8	Xcounter	Healthcare Equipment & Services	1,110	0.2
Centrica	Gas, Water & Multiutilities	16,812	2.7	Fusion	Financial Services	863	0.1
Tesco	Food & Drug Retailers	16,696	2.6	Workspace	Real Estate Investment & Services	720	0.1
Provident Financial	Financial Services	14,878	2.4	Yell	Media	562	0.1
Compass	Travel & Leisure	13,770	2.2	PuriCore	Healthcare Equipment & Services	530	0.1
Hiscox	Non-life Insurance	12,891	2.0	Renovo	Pharmaceuticals & Biotechnology	476	0.1
Pennon	Gas, Water & Multiutilities	12,311	1.9	Walton & Co ^{UQ}	Banks	453	0.1
SSE (formerly Scottish & Southern Energy)	Electricity	12,093	1.9	XTL Biopharmaceutical (US ADR)	Pharmaceuticals & Biotechnology	157	—
Top twenty holdings		425,742	67.4	Top sixty holdings		627,407	99.4
BTG	Pharmaceuticals & Biotechnology	12,076	1.9	Helphire	Financial Services	123	—
Napo Pharmaceuticals (US Common stock) ^{UQ}	Pharmaceuticals & Biotechnology	11,065	1.7	Mirada	Media	15	—
Drax	Electricity	10,953	1.7	Ecofin Water & Power – subscription shares	Equity Investment Instruments	1	—
International Power	Gas, Water & Multiutilities	10,820	1.7	Total equity investments (63)		627,546	99.4
Balfour Beatty	Construction & Materials	10,713	1.7	Other investments			
KCOM	Fixed Line Telecommunications	10,030	1.6	Barclays Bank – Nuclear Power Notes			
Homeserve	Support Services	9,480	1.5	28 February 2019	Electricity	1,678	0.3
Morrison (W) Supermarket	Food & Drug Retailers	8,977	1.4	PuriCore Convertible Notes ^{UQ}	Healthcare Equipment & Services	1,500	0.2
Beazley	Non-life Insurance	8,600	1.4	Ecofin Water & Power 6% July 31 2016	Equity Investment Instruments	475	0.1
Serco	Support Services	8,472	1.3	Total other interest investments (3)		3,653	0.6
Top thirty holdings		526,928	83.3	Total investments (66)		631,199	100.0
Rentokil Initial	Support Services	8,311	1.3				
Amlin	Non-life Insurance	8,298	1.3				
Chemring	Aerospace & Defence	8,139	1.3				
Tate & Lyle	Food Producers	7,090	1.1				
Daily Mail 'A'	Media	6,675	1.1				
Ladbrokes	Travel & Leisure	6,595	1.0				
Talk Talk Telecom	Fixed Line Telecommunications	5,973	1.0				
Doric Nimrod Air Two	Equity Investment Instruments	4,773	0.8				
Vectura	Pharmaceuticals & Biotechnology	4,463	0.7				
Lombard Medical Technologies	Healthcare Equipment & Services	4,394	0.7				
Top forty holdings		591,639	93.6				

^{UQ} Unquoted

CONDENSED INCOME STATEMENT

	SIX MONTHS TO 30 SEPTEMBER 2011			SIX MONTHS TO 30 SEPTEMBER 2010			YEAR TO 31 MARCH 2011	
	REVENUE £'000	CAPITAL £'000	TOTAL £'000	REVENUE £'000	CAPITAL £'000	TOTAL £'000	TOTAL £'000	
(Losses)/gains on investments at fair value	—	(19,434)	(19,434)	—	20,711	20,711	54,819	
Foreign exchange gains/(losses)	—	5	5	—	(1,128)	(1,128)	(1,064)	
Income								
UK dividends	13,136	—	13,136	11,891	—	11,891	21,165	
Overseas dividends	977	—	977	1,124	—	1,124	2,807	
Unfranked investment income	245	—	245	14	—	14	94	
Scrip dividends	—	—	—	83	—	83	83	
Gross return	14,358	(19,429)	(5,071)	13,112	19,583	32,695	77,904	
Investment management fee – note 2	(744)	(1,736)	(2,480)	(653)	(1,524)	(2,177)	(4,590)	
Performance fee – note 2	—	(2,737)	(2,737)	—	—	—	—	
Other expenses – note 3	(293)	(1)	(294)	(389)	—	(389)	(677)	
Net return before finance costs and taxation	13,321	(23,903)	(10,582)	12,070	18,059	30,129	72,637	
Finance costs – note 2	(453)	(1,057)	(1,510)	(414)	(965)	(1,379)	(2,842)	
Return on ordinary activities before taxation	12,868	(24,960)	(12,092)	11,656	17,094	28,750	69,795	
Tax on ordinary activities	(146)	—	(146)	(167)	—	(167)	(421)	
Return on ordinary activities after taxation for the financial period	12,722	(24,960)	(12,238)	11,489	17,094	28,583	69,374	
Return per ordinary share – note 4								
Basic	6.01p	(11.80p)	(5.79p)	5.47p	8.14p	13.61p	32.99p	
Diluted	5.94p	(11.65p)	(5.71p)	5.46p	8.13p	13.59p	32.80p	

The total column of this statement represents the Company's income statement. The supplementary revenue and capital columns are presented for information purposes in accordance with the Statement of Recommended Practice issued by the Association of Investment Companies. All items in the above statement derive from continuing operations and the Company has no other gains or losses. No operations were acquired or discontinued in the period.

CONDENSED BALANCE SHEET

Registered number 3156676

	AT 30 SEPTEMBER 2011 £'000	AT 30 SEPTEMBER 2010 £'000	AT 31 MARCH 2011 £'000
Fixed assets			
Investments held at fair value through profit or loss	631,199	606,662	645,324
Current assets			
Amounts due from brokers	1,491	—	3,052
Proceeds due from issue of new shares	1,008	—	—
Prepayments and accrued income	2,751	2,767	3,596
	5,250	2,767	6,648
Creditors: amounts falling due within one year			
Bank overdraft	(74,428)	(64,834)	(73,956)
Amounts due to brokers	(67)	(941)	(1,079)
Accruals and deferred income	(1,719)	(1,743)	(1,791)
	(76,214)	(67,518)	(76,826)
Net current liabilities	(70,964)	(64,751)	(70,178)
Total assets less current liabilities	560,235	541,911	575,146
Creditors: amounts falling due after more than one year			
Debenture 2014	(29,833)	(29,777)	(29,805)
Provision for performance fee	(2,737)	—	—
Net assets	527,665	512,134	545,341
Capital and reserves			
Share capital – note 6	21,308	21,025	21,090
Share premium	192,955	186,116	187,732
Capital reserve	292,845	286,347	317,805
Revenue reserve	20,557	18,646	18,714
Shareholders' funds	527,665	512,134	545,341
Net asset value per ordinary share – note 5			
Basic	247.6p	243.6p	258.6p
Diluted	245.5p	241.7p	255.5p

CONDENSED CASH FLOW STATEMENT

	SIX MONTHS TO 30 SEPTEMBER 2011 £'000	SIX MONTHS TO 30 SEPTEMBER 2010 £'000	YEAR TO 31 MARCH 2011 £'000
Net return before finance costs and taxation	(10,582)	30,129	72,637
Losses/(gains) on investments	19,434	(20,711)	(54,819)
Foreign exchange (gains)/losses	(5)	1,128	1,064
Scrip dividends	—	(83)	(83)
Decrease/(increase) in debtors	845	16	(1,258)
Increase in creditors and provisions	2,665	13	135
Tax on overseas income	(146)	(167)	(421)
Net cash flow from operating activities	12,211	10,325	17,255
Servicing of finance	(1,482)	(1,282)	(2,789)
Capital expenditure and financial investment			
Purchase of investments	(59,096)	(53,273)	(139,365)
Sale of investments	54,335	55,051	133,674
Net equity dividends paid	(10,879)	(4,621)	(13,886)
Net cash (outflow)/inflow before management of liquid resources and financing	(4,911)	6,200	(5,111)
Financing	4,434	—	2,126
(Decrease)/increase in cash in the period	(477)	6,200	(2,985)
Exchange movements	5	(1,128)	(1,064)
Debenture stock non-cash movement	(28)	(24)	(53)
Movement in net debt in the period	(500)	5,048	(4,102)
Net debt at beginning of period	(103,761)	(99,659)	(99,659)
Net debt at end of period	(104,261)	(94,611)	(103,761)
Analysis of changes in net debt:			
Brought forward:			
Bank overdraft	(73,956)	(69,907)	(69,907)
Debenture 2014	(29,805)	(29,752)	(29,752)
Net debt brought forward	(103,761)	(99,659)	(99,659)
Movements in the period:			
Cash (outflow)/inflow from bank	(477)	6,200	(2,985)
Exchange movements	5	(1,128)	(1,064)
Debenture non-cash movement	(28)	(24)	(53)
Net debt at end of period	(104,261)	(94,611)	(103,761)

CONDENSED RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	SHARE CAPITAL £'000	SHARE PREMIUM £'000	CAPITAL RESERVE £'000	REVENUE RESERVE £'000	TOTAL £'000
For the six months ended 30 September 2010					
At 1 April 2010	21,005	185,691	269,253	11,778	487,727
Net return from ordinary activities	—	—	17,094	11,489	28,583
Dividends paid – note 7	—	—	—	(4,621)	(4,621)
Exercise of subscription shares	20	425	—	—	445
At 30 September 2010	21,025	186,116	286,347	18,646	512,134
For the year ended 31 March 2011					
At 1 April 2010	21,005	185,691	269,253	11,778	487,727
Net return from ordinary activities	—	—	48,552	20,822	69,374
Dividends paid – note 7	—	—	—	(13,886)	(13,886)
Ordinary shares issued	65	1,616	—	—	1,681
Exercise of subscription shares	20	425	—	—	445
At 31 March 2011	21,090	187,732	317,805	18,714	545,341
For the six months ended 30 September 2011					
At 1 April 2011	21,090	187,732	317,805	18,714	545,341
Net return from ordinary activities	—	—	(24,960)	12,722	(12,238)
Dividends paid – note 7	—	—	—	(10,892)	(10,892)
Unclaimed dividends	—	—	—	13	13
Ordinary shares issued	169	4,197	—	—	4,366
Exercise of subscription shares	49	1,026	—	—	1,075
At 30 September 2011	21,308	192,955	292,845	20,557	527,665

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

1. Basis of Preparation

The condensed financial statements of the Company have been prepared using the same accounting policies as those adopted in the 2011 annual financial report, which are consistent with applicable United Kingdom Accounting Standards and with the Statement of Recommended Practice: 'Financial Statements of Investment Trust Companies and Venture Capital Trusts'.

2. Investment Management Fees and Finance Costs

Investment management fees and finance costs are allocated 70% to capital and 30% to revenue. A provision for a performance-related fee is recognised if the Company's performance exceeds the FTSE All-Share Index and is wholly allocated to capital. A performance fee of £2,737,000 has been provided for the six months under review (2010: nil).

3. Other Expenses

Other expenses included one-off costs for the Placing and Offer for B shares of £100,000 in the six months to 30 September 2010 and the year ended 31 March 2011.

4. Basis of Return per Ordinary Share

	SIX MONTHS TO 30 SEPTEMBER 2011 (UNAUDITED) £'000	SIX MONTHS TO 30 SEPTEMBER 2010 (UNAUDITED) £'000	YEAR TO 31 MARCH 2011 (AUDITED) £'000
Returns after tax:			
Revenue	12,722	11,489	20,822
Capital	(24,960)	17,094	48,552
Total	(12,238)	28,583	69,374
Weighted average number of ordinary shares in issue during the period:			
– basic	211,512,685	210,069,931	210,315,382
– diluted	214,197,720	210,279,581	211,498,088

The subscription shares are dilutive for the purposes of return per share when they would result in the issue of ordinary shares. This occurs when the average market price of the ordinary shares during the period is greater than the exercise price of 218.94p. The average market price for the six months ended 30 September 2011 was 258.80p (six months ended 30 September 2010: 221.54p; year ended 31 March 2011: 234.74p) and thus was dilutive.

5. Basis of Net Asset Value ('NAV') per Ordinary Share

	AT 30 SEPTEMBER 2011 (UNAUDITED) £'000	AT 30 SEPTEMBER 2010 (UNAUDITED) £'000	AT 31 MARCH 2011 (AUDITED) £'000
Shareholders' funds :			
– basic	527,665	512,134	545,341
– diluted	564,858	550,402	583,609
Ordinary shares in issue at period end:			
– basic	213,085,780	210,254,624	210,900,504
– diluted	230,073,402	227,733,449	228,379,329

When the basic NAV is greater than the exercise price of 218.94p, the subscription shares are dilutive. However, subscription shareholders are not likely to exercise their option unless the market price is greater than the exercise price as this would dilute their holding.

6. Share Capital

(a) Ordinary shares of 10p each

	SIX MONTHS TO 30 SEPTEMBER 2011 (UNAUDITED)	SIX MONTHS TO 30 SEPTEMBER 2010 (UNAUDITED)	YEAR TO 31 MARCH 2011 (AUDITED)
Number of ordinary shares:			
Brought forward	210,900,504	210,051,017	210,051,017
Ordinary shares issued for cash	1,694,073	—	645,880
Subscription shares exercised	491,203	203,607	203,607
Carried forward	213,085,780	210,254,624	210,900,504

During the period 1,694,073 new ordinary shares were issued for an average 239.02 pence per share.

(b) Subscription Shares

The subscription shares carry the right to subscribe for one ordinary share at a price of 218.94p on 31 August in each of the years 2010 to 2013. During the period 491,203 subscription shares were exercised leaving 16,987,622 subscription shares remaining at the period end.

7. Dividends per Ordinary Share

The first interim dividend of 2.4p was paid on 30 September 2011 to shareholders registered on 9 September 2011. The Directors have declared a second interim dividend of 2.4p payable on 28 December 2011 to shareholders registered on 9 December 2011.

	SIX MONTHS TO 30 SEPTEMBER 2011 (UNAUDITED)	SIX MONTHS TO 30 SEPTEMBER 2010 (UNAUDITED)	YEAR TO 31 MARCH 2011 (AUDITED)
Dividends paid (pence):			
First interim 2011	—	2.20	2.20
Second interim 2011	—	—	2.20
Third interim 2011	—	—	2.20
Fourth interim 2011	2.75	—	—
First interim 2012	2.40	—	—
Total	5.15	2.20	6.60
£'000 equivalent	10,892	4,621	13,886

8. Investment Trust Status

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 1158 of the Corporation Tax Act 2010.

9. Status of Half-Yearly Financial Report

The financial information contained in this half-yearly report, which has not been audited or reviewed by the independent auditors, does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. The financial information for the half years ended 30 September 2011 and 30 September 2010 has not been audited. The figures and financial information for the year ended 31 March 2011 are extracted and abridged from the latest published accounts and do not constitute the statutory accounts for that year. Those accounts have been delivered to the Registrar of Companies and included the Report of the Independent Auditors, which was unqualified and did not include a statement under section 498 of the Companies Act 2006.

By order of the Board
Invesco Asset Management Limited
Company Secretary

18 November 2011

DIRECTORS, ADVISERS AND PRINCIPAL SERVICE PROVIDERS

Directors

William Alexander, Chairman
Sir Martyn Arbib
Vivian Bazalgette
Antony Hardy, Audit Committee Chairman
Robert Yerbury

Manager, Company Secretary and Registered Office

Invesco Asset Management Limited
30 Finsbury Square
London EC2A 1AG
☎ 020 7065 4000

Company Secretarial contact: Karina Bryant and Kelly Nice

Company Number

Registered in England and Wales: No. 3156676

Registrars

Capita Registrars
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU

If you hold your shares directly rather than through an ISA or Savings Scheme, and have any queries relating to your shareholding you should contact the Registrars on: ☎ 0871 664 0300. Calls cost 10p per minute plus network extras. Lines are open from 8.30 a.m. to 5.30 p.m., Monday to Friday (excluding Bank Holidays).

Shareholders holding shares directly, can also access their holding details via Capita's website www.capitaregistrars.com or www.capitashareportal.com

Capita Registrars provide on-line and telephone share dealing services to existing shareholders who are not seeking advice on buying or selling. This service is available at www.capitadeal.com or ☎ 0871 664 0364. Calls cost 10p per minute plus network extras. (From outside the UK: +44 (0)203 367 2686). Lines are open from 8.00 a.m. to 4.30 p.m., Monday to Friday (excluding Bank Holidays).

Invesco Perpetual Investor Services

Invesco Perpetual has an Investor Services Team available to assist you from 8.30 a.m. to 6.30 p.m. every working day on: ☎ 0800 085 8677.

The Invesco Perpetual investment trust website is:
🌐 www.invescoperpetual.co.uk/investmenttrusts

The contents of websites referred to in this document, or accessible from links within those websites, are not incorporated into, nor do they form part of, this document.



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30 Finsbury Square
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Invesco Asset Management Limited is a wholly owned subsidiary of Invesco Limited and is authorised and regulated by the Financial Services Authority