

Perpetual Income and Growth Investment Trust plc

Half-Yearly Financial Report for the Six Months to 30 September 2013

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 can be found on page 14 of the Company's 2013 annual financial report.

Performance Statistics

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

	AT 30 SEPTEMBER 2013	AT 31 MARCH 2013	% CHANGE
Total return (all income reinvested):			
Net assets ^{(1),(2)}			+7.7
Share price ⁽¹⁾			+11.8
Benchmark ⁽¹⁾			+3.8
Net asset value per ordinary share⁽²⁾:			
– after charging dividend	349.3p	328.8p	+6.2
– as balance sheet	352.0p	332.3p	+5.9
Shareholders' funds (£'000)	818,536	743,106	+10.2
Mid-market price:			
– ordinary shares	353.5p	322.0p	+9.8
(Premium)/discount per ordinary share	(0.4)%	3.1%	
Capital return – Benchmark⁽¹⁾			+1.9
Gearing:			
– gross gearing ⁽³⁾	10.8%	14.1%	
– net gearing ⁽⁴⁾	10.8%	14.1%	

(1) Source: Thomson Reuters Datastream.

(2) Following the final exercise of the subscription shares, the diluted NAV is the equivalent of the undiluted (basic) NAV.

(3) Gross gearing: borrowings ÷ shareholders' funds.

(4) Net gearing: borrowing less cash and UK government bond holdings ÷ shareholders' funds.

	SIX MONTHS ENDED		%
	30 SEPTEMBER 2013	30 SEPTEMBER 2012	CHANGE
Revenue			
Basic revenue return per share	7.14p	6.50p	
Diluted revenue return per share	n/a	6.41p	
Dividends – first interim	2.70p	2.55p	
– second interim	2.70p	2.55p	
– total	5.40p	5.10p	+5.9

INTERIM MANAGEMENT REPORT INCORPORATING THE CHAIRMAN'S STATEMENT

Chairman's Statement

Performance

I am pleased to report to shareholders that your Investment Manager has generated continued good performance from the portfolio during the period, delivering a return of more than twice that of your Company's benchmark, the FTSE All-Share Index, on a total return basis. During the six months to 30 September 2013, your Company's total return

was 7.7% compared to the 3.8% return from the Index. The mid-market price per ordinary share increased by 9.8% to 353.5p, with the discount to NAV per ordinary share narrowing from 3.1% at the end of the previous financial year, to a premium of 0.4% as at 30 September 2013.

Dividend

The Board is pleased to declare a second interim dividend of 2.70p per ordinary share in respect of the three months to 30 September 2013. This dividend will be paid on 27 December 2013 to shareholders on the register on 6 December 2013. The shares will go ex-dividend on 4 December 2013. Your Board continues to recognise the importance of dividends to shareholders and is seeking to maintain its policy of real dividend growth over the medium to longer term.

Subscription Share Exercise and Issued Share Capital

On 31 August 2013, subscription shareholders had their final opportunity to exercise their right to subscribe for one ordinary share of your Company at a price of 218.94p per share. Following the final exercise, a total of 12,914,737 new ordinary shares of 10p each were issued and allotted on 10 September 2013.

During the period 421,499 ordinary shares were issued for 338p and as a result your Company ended the period with 232,564,296 shares in issue. Subsequent to the period end a further 983,247 shares were issued at an average price of 351.7p, of which 283,247 were issued through dividend reinvestment and 700,000 as a result of demand in the market.

Investment Management Arrangements

The Board is delighted that your Investment Manager, Mark Barnett, will continue to manage the Company's investments on your behalf following the announcement by Invesco Perpetual of his promotion to Head of UK Equities.

Bill Alexander

Chairman

25 November 2013

Investment Management Report

Market Review

The UK stock market continued its upward progress over the period under review, albeit with some significant volatility. A run of 12 consecutive months of positive returns ended with a sharp sell-off in June, providing proof that the continued positive sentiment towards equities had mainly been driven by stimulative monetary policy. The weakness followed comments from Ben Bernanke, Chairman of the US Federal Reserve, that "it would be appropriate to moderate the pace of purchases later this year". Stock market volatility then remained high, against a backdrop of rising government bond yields and conflicting economic and political newsflow, including the Syrian crisis and concerns over slowing economic growth in China and other emerging markets.

The period saw the commencement of Mark Carney's tenure as Governor of the Bank of England. GDP growth for Q2 was confirmed at 0.7%, its fastest rate for three years, and an upward revision to the IMF's forecasts for UK economic growth to 1.4% this year and 1.9% next. September concluded with a stalemate over the size of the US spending budget – although the market remained fairly relaxed about the likelihood of a deal. After the period end, a deal was finalised, temporarily resolving the on-going issues of budget reform and the debt ceiling.

This year's rise in the stock market has been noteworthy for its breadth. While previous rallies have been driven by a relatively small number of sectors, notably mining and banks, this year has seen strong performances from a wide spread of sectors, which is a positive sign of widespread demand for the asset class.

Portfolio Strategy & Review

The Company's net asset value, including reinvested dividends, rose by 7.7% during the six months to the end of September 2013. This compares to a rise of 3.8% in the FTSE All-Share index (total returns).

The portfolio's performance over the 6 months benefited from strong contributions from a broad spread of its investments. Amongst these, the most significant individual positive impact again came from the holding in Thomas Cook. The stock market has become further persuaded by the strategy that new management have announced to turn around this previously ailing business, which retains a strong brand, customer loyalty and pan European distribution. The company announced a fund raising via a rights issue during the period, which was well received by the market and puts the company on a sounder financial footing.

At an individual stock level, the portfolio's holding in BT also continued to deliver a strongly positive impact – despite the company announcing that Ian Livingston was stepping down from his role as Chief Executive to take up the role of Minister of State for Trade for the UK Government. It is testimony to the job that Ian has done at BT that the stock market took the news relatively well, focusing instead on the company's on-going scope for cost cutting and for rolling out its broadband and fibre offering – bolstered by its new TV sports channel.

BAE Systems provided a major positive impact on the portfolio's performance. The company's operational performance since it halted the merger talks with EADS has confirmed its ability to thrive as an independent entity. This a company whose stock market perception is shifting from negative growth, exposed to a challenging US defence spending environment, towards a combination of slow growth in mature markets and faster growth in the emerging world.

Brown (N) was another holding to continue to perform strongly. Despite a highly competitive retail environment and pressure on consumers' disposable income, the company reported a strong rise in quarterly revenue, driven by growth in menswear and footwear. The company is benefiting from a growing internet presence and is a retailer for whom the growth in on-line shopping represents an opportunity rather than a threat, as the business is transitioned from largely printed catalogues to an online retailer, both in the domestic UK market and increasingly in the US too.

The holdings in the UK tobacco companies, however, weighed on the Company's performance. The UK government delayed the proposed introduction of plain packaging but the European parliament was due to vote on new regulations to limit packaging design and the packet sizes. More significantly, these higher yielding shares were impacted by rising bond yields on the expectation of a tapering of Quantitative Easing (QE) – the printing of money – in the US.

The holding in Ladbrokes fell in value as the company saw a decline in first half profits as it migrates its online business to the Playtech platform and due to the lack of a major football tournament this summer. Furthermore, a slowdown in betting machine growth was also worse than expected.

In terms of trading activity within the portfolio, new investments were made in Betfair Group, Bunzl, Doric Nimrod Air Three and NewRiver Retail.

Outlook

The main unanswered question that governs the short term outlook for the UK stock market relates to the transition from a market driven by QE to one driven by the strength of the underlying economy. The strong performance of the market over the previous 12 months has created a sense of optimism towards a self-sustaining economic recovery and a growing expectation of a multi-year equity bull market.

However, this market rise has been notable for significant increases in monetary stimulus and liquidity from the US and Japanese central banks and broadly flat corporate profits. The principal driver of the market performance has been a re-rating of the equity asset class to a level which now anticipates upgrades to earnings expectations for 2014 and beyond. The market rise has been accompanied by an underlying improvement in economic growth, although the strength and momentum of the economic outlook remains uncertain. Much of the improvement in the UK economic data has been driven by the housing market, which has been the beneficiary of government measures and by a fall in the savings rate. Bank lending remains subdued, with banks still reluctant to lend to SMEs, and real wage growth remains stubbornly negative. The performance of the US economy is also improving, but the underlying momentum is not positive across all indicators.

Therefore, it is anticipated that the market performance will remain volatile in light of adjustments to expectations for the withdrawal of extraordinary monetary stimulus in the United States. It is the investment manager's view that this process may be longer and more protracted than previously believed.

Despite these factors, equities remain attractive. The key to navigating the near term is to remain highly vigilant about the strength of corporate performance, given the economic backdrop, and to remain selective given the increase in valuations in the market. Therefore, the strong performance of the market over the past year may not be repeated over the coming 12 months. Consequently, the Investment Manager has reduced the Company's level of gearing to reflect this.

The Company's strategy, therefore, remains largely unchanged from the recent past, with a strong preference for companies that have proven ability to grow revenues, profits and free cash flow in this low growth world, coupled with management teams that are fully cognisant of the need to deliver sustainable, long term, dividend growth. It is this type of investment opportunity that forms the majority of the portfolio and that we believe offers the potential to deliver good risk adjusted returns over the long term.

Mark Barnett

Investment Manager

25 November 2013

Related Parties and Transactions with the Manager

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, and Directors' fees and interests, are given in the latest annual financial report, which is available on the Manager's website at www.invescopetual.co.uk/investmenttrusts.

Principal Risks and Uncertainties

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

- Investment objective – there can be no guarantee that the Company will meet its investment objective.
- Market risk – 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.
- Investment risk – is the risk of poor performance of individual investments. This is mitigated by diversification and ongoing monitoring of investment guidelines.
- Foreign exchange risk – movements in exchange rates can have an unfavourable effect on returns for those assets that are non-sterling denominated.
- Shares – share prices are affected by market sentiment, supply and demand for the shares, and dividends declared as well as portfolio performance.
- Gearing risk – the use of borrowings will amplify the effect on shareholders' funds of portfolio gains and losses.
- Regulatory risk – 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.
- 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 16 to 18 of the Company's 2013 annual financial report, which is available on the Manager's website. 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 considering this, the Directors took into account the diversified portfolio of readily realisable securities which can be used to meet funding commitments, and the ability of the Company to meet all of its liabilities (including maturity of the debenture stock in 2014) and ongoing expenses from its assets. The Directors also considered the revenue forecasts for the year and future dividend payments.

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 auditor.

Signed on behalf of the Board of Directors.

Bill Alexander

Chairman

25 November 2013

INVESTMENT PORTFOLIO STATEMENT AT 30 SEPTEMBER 2013

UK ordinary shares unless stated otherwise

ISSUER	SECTOR	MARKET VALUE £'000	% OF PORTFOLIO	ISSUER	SECTOR	MARKET VALUE £'000	% OF PORTFOLIO
Equity investments							
BT	Fixed Line Telecommunications	53,575	5.9	Rolls-Royce	Aerospace & Defence	11,979	1.3
British American Tobacco	Tobacco	41,043	4.5	Napo Pharmaceuticals ^{uQ} –	Pharmaceuticals & Biotechnology	10,879	1.2
Novartis –	Pharmaceuticals & Biotechnology	40,278	4.4	<i>US common stock</i>			
<i>Swiss common stock</i>				London Stock Exchange	Financial Services	9,944	1.1
AstraZeneca	Pharmaceuticals & Biotechnology	38,982	4.3	NewRiver Retail	Real Estate Investment Trusts	9,397	1.0
Roche –	Pharmaceuticals & Biotechnology	37,840	4.2	HomeServe	Support Services	7,611	0.8
<i>Swiss common stock</i>				Carnival	Travel & Leisure	7,312	0.8
Reynolds American –	Tobacco	37,672	4.2	Top forty holdings			
<i>US common stock</i>				Vectura	Pharmaceuticals & Biotechnology	6,534	0.7
Imperial Tobacco	Tobacco	36,908	4.1	Fusion IP	Financial Services	5,760	0.6
Thomas Cook	Travel & Leisure	36,647	4.0	Doric Nimrod Air Two –	Investment Instruments	5,354	0.6
BAE Systems	Aerospace & Defence	36,576	4.0	<i>Preference Shares</i>			
GlaxoSmithKline	Pharmaceuticals & Biotechnology	28,797	3.2	Chemring	Aerospace & Defence	5,212	0.6
Top ten holdings				Doric Nimrod Air Three –	Financial Services	5,098	0.6
Reckitt Benckiser	Household Goods & Home Construction	23,371	2.6	<i>Preference Shares</i>			
Provident Financial	Financial Services	21,160	2.3	Sherborne Investors	Financial Services	4,896	0.5
Hiscox	Non-life Insurance	20,885	2.3	<i>Guernsey B – A Shares</i>			
TalkTalk Telecom	Fixed Line Telecommunications	20,428	2.2	Imperial Innovations	Financial Services	4,405	0.5
Legal & General	Life Insurance	20,307	2.2	Damille Investments II	Investment Instruments	3,679	0.4
Babcock International	Support Services	19,918	2.2	Betfair	Travel & Leisure	3,180	0.4
Reed Elsevier	Media	19,486	2.1	Macau Property	Real Estate Investment & Services	3,154	0.4
Rentokil Initial	Support Services	19,342	2.1	<i>Opportunities Fund</i>			
Drax	Electricity	18,972	2.1	Top fifty holdings			
Beazley	Non-life Insurance	17,547	2.0	PuriCore	Health Care Equipment & Services	2,955	0.3
Top twenty holdings				HaloSource	Chemicals	1,425	0.2
Compass	Travel & Leisure	17,231	1.9	Coalfield Resources	Mining	1,068	0.1
Capita	Support Services	16,797	1.9	Altus Resource Capital	Investment Instruments	845	0.1
Amlin	Non-life Insurance	16,105	1.8	XCounter ^{uQ} –	Health Care Equipment & Services	575	0.1
KCOM	Fixed Line Telecommunications	15,869	1.8	<i>Swedish common stock</i>			
Ladbrokes	Travel & Leisure	15,424	1.7	XTL Biopharmaceuticals –	Pharmaceuticals & Biotechnology	326	—
BTG	Pharmaceuticals & Biotechnology	15,202	1.7	<i>ADR</i>			
Lancashire	Non-life Insurance	14,592	1.6	W&G Investments	Financial Services	93	—
Bunzl	Support Services	14,360	1.6	Mirada	Media	12	—
SSE	Electricity	13,939	1.5	Total equity investments (58)			
Workspace	Real Estate Investment Trusts	13,776	1.5				
Top thirty holdings				Other investments			
Brown (N)	General Retailers	13,435	1.5	ISSUER	SECTOR (MOODY RATING)		
Serco	Support Services	12,930	1.4	Barclays Bank –	Electricity	1,007	0.1
Centrica	Gas, Water & Multiutilities	12,775	1.4	Nuclear Power Notes NR			
Lombard Medical Technologies	Health Care Equipment & Services	12,539	1.4	28 Feb 2019			
				Total investments (59)			
				907,408			
				100.0			

^{uQ} Unquoted ^{NR} Non-rated

CONDENSED INCOME STATEMENT

	SIX MONTHS TO 30 SEPTEMBER 2013 (UNAUDITED)			SIX MONTHS TO 30 SEPTEMBER 2012 (UNAUDITED)			YEAR TO 31 MARCH 2013 AUDITED
	REVENUE £'000	CAPITAL £'000	TOTAL £'000	REVENUE £'000	CAPITAL £'000	TOTAL £'000	TOTAL £'000
Gains on investments at fair value	—	50,718	50,718	—	25,348	25,348	158,828
Foreign exchange gains	—	71	71	—	39	39	45
Income							
UK dividends	16,234	—	16,234	14,246	—	14,246	25,097
Overseas dividends	1,299	—	1,299	1,168	—	1,168	6,039
Unfranked investment income	30	—	30	143	—	143	197
Scrip dividends	122	—	122	49	—	49	97
Gross return	17,685	50,789	68,474	15,606	25,387	40,993	190,303
Investment management fee – note 2	(991)	(2,312)	(3,303)	(793)	(1,850)	(2,643)	(5,627)
Performance fee – note 2	—	(3,716)	(3,716)	—	(2,456)	(2,456)	(6,407)
Other expenses	(281)	(1)	(282)	(269)	(1)	(270)	(542)
Net return before finance costs and taxation	16,413	44,760	61,173	14,544	21,080	35,624	177,727
Finance costs – note 2	(467)	(1,090)	(1,557)	(454)	(1,059)	(1,513)	(3,000)
Return on ordinary activities before taxation	15,946	43,670	59,616	14,090	20,021	34,111	174,727
Tax on ordinary activities – note 3	(158)	—	(158)	(144)	—	(144)	(698)
Return on ordinary activities after taxation for the financial period	15,788	43,670	59,458	13,946	20,021	33,967	174,029
Return per ordinary share – note 4							
Basic	7.14p	19.74p	26.88p	6.50p	9.34p	15.84p	80.29p
Diluted	n/a	n/a	n/a	6.41p	9.20p	15.61p	79.08p

The total column of this statement represents the Company's profit and loss account, prepared in accordance with UK Accounting Standards. 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, therefore no statement of total recognised gains or loss is presented. No operations were acquired or discontinued in the period.

CONDENSED BALANCE SHEET

Registered number 3156676

	AT 30 SEPTEMBER 2013 UNAUDITED £'000	AT 30 SEPTEMBER 2012 UNAUDITED £'000	AT 31 MARCH 2013 AUDITED £'000
Fixed assets			
Investments at fair value	907,408	713,334	847,301
Current assets			
Amount due from brokers	2,933	459	4,863
Tax recoverable	607	456	1,120
Prepayments and accrued income	2,138	2,606	4,749
	5,678	3,521	10,732
Creditors: amounts falling due within one year			
Bank overdraft	(58,193)	(70,608)	(74,833)
Debenture 2014	(29,951)	—	—
Amounts due to brokers	(457)	—	(1,594)
Accruals and deferred income	(2,233)	(1,893)	(2,178)
Performance fee accrued	—	—	(6,407)
	(90,834)	(72,501)	(85,012)
Net current liabilities	(85,156)	(68,980)	(74,280)
Total assets less current liabilities	822,252	644,354	773,021
Creditors: amounts falling due after more than one year			
Debenture 2014	—	(29,888)	(29,915)
Provision for performance fee	(3,716)	(2,456)	—
Net assets	818,536	612,010	743,106
Capital and reserves			
Share capital – note 6	23,256	21,846	21,923
Share premium	235,271	204,793	206,921
Capital reserve	532,858	362,784	489,188
Revenue reserve	27,151	22,587	25,074
Shareholders' funds	818,536	612,010	743,106
Net asset value per ordinary share – note 5			
Basic	352.0p	280.2p	339.0p
Diluted	n/a	276.7p	332.3p

CONDENSED CASH FLOW STATEMENT

	SIX MONTHS TO 30 SEPTEMBER 2013 UNAUDITED £'000	SIX MONTHS TO 30 SEPTEMBER 2012 UNAUDITED £'000	YEAR TO 31 MARCH 2013 AUDITED £'000
Net return before finance costs and taxation	61,173	35,624	177,727
Gains on investments	(50,718)	(25,348)	(158,828)
Scrip dividends	(122)	(49)	(97)
Decrease/(increase) in debtors	3,124	425	(2,382)
(Decrease)/increase in creditors and provisions	(2,626)	1,617	5,844
Tax on overseas income	(158)	(144)	(698)
Net cash flow from operating activities	10,673	12,125	21,566
Servicing of finance	(1,531)	(1,485)	(2,936)
Capital expenditure and financial investment			
Purchase of investments	(99,839)	(77,499)	(173,320)
Sale of investments	91,365	71,525	164,097
Net equity dividends paid	(13,711)	(12,306)	(23,477)
Net cash outflow before management of liquid resources and financing	(13,043)	(7,640)	(14,070)
Financing	29,683	11,334	13,539
Increase/(decrease) in cash in the period	16,640	3,694	(531)
Debenture stock non-cash movement	(36)	(28)	(55)
Movement in net debt in the period	16,604	3,666	(586)
Net debt at beginning of period	(104,748)	(104,162)	(104,162)
Net debt at end of period	(88,144)	(100,496)	(104,748)
Analysis of changes in net debt:			
Brought forward:			
Bank overdraft	(74,833)	(74,302)	(74,302)
Debenture 2014	(29,915)	(29,860)	(29,860)
Net debt brought forward	(104,748)	(104,162)	(104,162)
Movements in the period:			
Cash inflow/(outflow) from bank	16,640	3,654	(531)
Exchange movements	—	40	—
Debenture stock non-cash movement	(36)	(28)	(55)
Net debt at end of period	(88,144)	(100,496)	(104,748)

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 2012 (UNAUDITED)					
At 31 March 2012	21,382	194,816	342,763	20,947	579,908
Net return from ordinary activities	—	—	20,021	13,946	33,967
Dividends paid – note 7	—	—	—	(12,309)	(12,309)
Unclaimed dividends	—	—	—	3	3
Net proceeds from issue of new shares	57	1,467	—	—	1,524
Exercise of subscription shares	407	8,510	—	—	8,917
At 30 September 2012	21,846	204,793	362,784	22,587	612,010
FOR THE YEAR ENDED 31 MARCH 2013 (AUDITED)					
At 31 March 2012	21,382	194,816	342,763	20,947	579,908
Net return on ordinary activities	—	—	146,425	27,604	174,029
Dividends paid – note 7	—	—	—	(23,480)	(23,480)
Unclaimed dividends	—	—	—	3	3
Net proceeds from issue of new shares	134	3,595	—	—	3,729
Exercise of subscription shares	407	8,510	—	—	8,917
At 31 March 2013	21,923	206,921	489,188	25,074	743,106
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2013 (UNAUDITED)					
At 31 March 2013	21,923	206,921	489,188	25,074	743,106
Net return on ordinary activities	—	—	43,670	15,788	59,458
Dividends paid – note 7	—	—	—	(13,713)	(13,713)
Unclaimed dividends	—	—	—	2	2
Net proceeds from issue of new shares	42	1,370	—	—	1,412
Exercise of subscription shares	1,291	26,980	—	—	28,271
At 30 September 2013	23,256	235,271	532,858	27,151	818,536

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 2013 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 £3,716,000 has been provided for the six months under review (30 September 2012: £2,456,000). A performance fee of £6,407,000 was accrued and later paid for the year ended 31 March 2013.

3. Investment Trust Status and Tax

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. As such, no tax liability arises on capital gains. The tax charge represents withholding tax suffered on overseas income.

4. Basis of Return per Ordinary Share

	SIX MONTHS TO 30 SEPT 2013 (UNAUDITED)	SIX MONTHS TO 30 SEPT 2012 (UNAUDITED)	YEAR TO 31 MAR 2013 (AUDITED)
Returns after tax (£'000):			
Revenue	15,788	13,946	27,604
Capital	43,670	20,021	146,425
Total	59,458	33,967	174,029
Weighted average number of ordinary shares in issue during the period:			
– basic	221,201,967	214,451,329	216,743,446
– diluted	n/a	217,551,933	220,059,895

All subscription shares were converted at 31 August 2013 as explained in note 6. Prior to 31 August 2013, the subscription shares were dilutive for the purposes of return per share when they would result in the issue of ordinary shares. This occurred when the average market price of the ordinary shares during the period was greater than the exercise price of 218.94p. For the six months ended 30 September 2012 the average price was 269.11p and for the year ended 31 March 2013 it was 282.29p.

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

	AT 30 SEPT 2013 (UNAUDITED)	AT 30 SEPT 2012 (UNAUDITED)	AT 31 MAR 2013 (AUDITED)
Shareholders' funds (£'000):			
– basic	818,536	612,010	743,106
– diluted	n/a	640,286	771,382
Number of ordinary shares in issue at period end:			
– basic	232,564,296	218,455,774	219,228,060
– diluted	n/a	231,370,511	232,142,797

6. Share Capital

(a) Ordinary shares of 10p each

	SIX MONTHS TO 30 SEPT 2013 (UNAUDITED)	SIX MONTHS TO 30 SEPT 2012 (UNAUDITED)	YEAR TO 31 MAR 2013 (AUDITED)
Number of ordinary shares:			
Brought forward	219,228,060	213,816,850	213,816,850
Ordinary shares issued for cash	421,499	566,039	4,072,885
Exercise of subscription shares	12,914,737	4,072,885	1,338,325
Carried forward	232,564,296	218,455,774	219,228,060
Net proceeds from:			
– issue of new shares	1,412	1,524	4,622
– exercise of subscription shares	28,271	8,917	8,917
	29,683	10,441	13,539

During the period 421,499 ordinary shares were issued for 334.9p per share, including issue costs.

Since the period end a further 983,247 ordinary shares have been issued at an average price of 351.7p per share.

(b) Subscription Shares

The final opportunity to exercise subscription shares occurred on 31 August 2013. At that date, the remaining 12,914,737 subscription shares were converted into the same number of ordinary shares at a price of 218.94 pence per share.

7. Dividends per Ordinary Share

The first interim dividend of 2.70p was paid on 30 September 2013 to shareholders registered on 6 September 2013. The Directors have declared a second interim dividend of 2.70p payable on 27 December 2013 to shareholders registered on 6 December 2013.

	SIX MONTHS TO 30 SEPT 2013 (UNAUDITED)	SIX MONTHS TO 30 SEPT 2012 (UNAUDITED)	YEAR TO 31 MAR 2013 (AUDITED)
Interim dividends paid (pence):			
Fourth 2012	—	3.20	3.20
First 2013	—	2.55	2.55
Second 2013	—	—	2.55
Third 2013	—	—	2.55
Fourth 2013	3.55	—	—
First 2014	2.70	—	—
Total	6.25	5.75	10.85
£'000 equivalent	13,713	12,309	23,480

8. 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 2013 and 30 September 2012 has not been audited. The figures and financial information for the year ended 31 March 2013 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 Auditor, 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
 25 November 2013

DIRECTORS, ADVISERS AND PRINCIPAL SERVICE PROVIDERS

Directors

Bill Alexander, Chairman
Sir Martyn Arbib
Vivian Bazalgette
Richard Laing
Antony Hardy, Audit Committee Chairman and Senior Independent Director
Bob Yerbury

Manager, Company Secretary and Registered Office

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

Company Secretarial contact: Kelly Nice

Company Number

Registered in England and Wales: No. 3156676

Registrars

Capita Asset Services
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 9 am to 5.30 pm, Monday to Friday (excluding Bank Holidays).

From outside the UK: +44 (0)208 639 3399.

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

The 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 0454. Calls cost 10p per minute plus network extras.

Lines are open from 8.00 am to 4.30 pm, Monday to Friday (excluding Bank Holidays).

From outside the UK: +44 (0)203 367 2699.

Invesco Perpetual Investor Services

Invesco Perpetual has an Investor Services Team available from 8.30 am to 6 pm Monday to Friday (excluding Bank Holidays) on: ☎ 0800 085 8677.

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

Invesco Perpetual Investment Trust Savings Scheme and ISA Administrators

For both the Invesco Perpetual Investment Trust Savings Scheme & ISA:

Invesco Perpetual
PO Box 11150
Chelmsford
CM99 2DL
☎ 0800 085 8677

Manager's Website

Information relating to the Company can be found on the Manager's website at 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.

The Company's ordinary shares qualify to be considered a mainstream investment product suitable for ordinary retail investors.



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

Invesco Asset Management Limited is a wholly owned subsidiary of Invesco Limited and is authorised and regulated by the Financial Conduct Authority
Invesco Perpetual is a business name of Invesco Asset Management Limited