Investors Capital Trust plc

Interim Report

For the six months to

30 September 2009

F&C Investments

Company Summary

The Company

The Company is an investment trust and its shares are listed on the London Stock Exchange. It is a member of the Association of Investment Companies ('AIC').

Objective and Policy

To provide an attractive return to shareholders each year in the form of dividends and/or capital returns, together with prospects for capital growth.

The Company's portfolio is managed in two parts. The first part comprises investments in UK equities and equity-related securities of large and mid-sized companies (the Equities Portfolio) and the second part comprises investments in fixed interest and other higher yielding stocks and securities (the Higher Yield Portfolio).

Investment manager

F&C Investment Business Limited – Rodger McNair / Gary Thomson

Total assets less current liabilities

£134.0 million at 30 September 2009

Equity shareholders' funds

£97.5 million at 30 September 2009

Capital structure

The Company's capital structure offers shareholders the opportunity to receive quarterly distributions in the form of either dividends, capital returns, or both, to suit their own particular circumstances. The Company has two classes of shares: A shares and B shares. The rights of each class are identical, save in respect of the right to participate in distributions of dividends and capital. The net asset value attributable to each class of shares is the same.

Only A shares are entitled to dividends paid by the Company. B shares, instead of receiving dividends, receive a capital distribution at the same time as, and in an amount equal to, each dividend paid on the A shares. Shares may be held and traded within units; each unit comprises three A shares and one B share.

In addition, the Company has a fixed rate bank loan of £33.5 million for a term to 28 September 2012.

Isa/Pep status

The Company's shares and units are eligible for Individual Savings Accounts (ISAs).

Website

The internet address for the Company is www.investorscapital.co.uk

aic
The Association of
Investment Companies

Financial Highlights and Performance Summary

- Net asset value per share total return for the six months of 31.6 per cent compared to the FTSE All-Share Capped 5% Index total return of 36.3 per cent
- Distribution yield of 6.9 and 6.7 per cent on A and B shares respectively at 30 September 2009
- Distributions paid quarterly

	Six months to 30 September 2009	Period from launch on 1 March 2007 to 30 September 2009
Total Return†		
Net asset value total return per A and B share and per Unit	**31.6%**	**(7.7)%**
FTSE All-Share Capped 5% Index	**36.3%**	**(8.6)%**

	30 September 2009	31 March 2009	% Change
Capital Values			
Net asset value per A share and B share	**76.4p**	60.5p	26.3%
Net asset value per Unit*	**305.6p**	241.8p	26.3%
FTSE All-Share Capped 5% Index	**2,702.3**	2,023.1	33.6%
Ordinary share price – A shares	**77.3p**	59.5p	29.9%
– B shares	**79.8p**	59.5p	34.1%
– Units*	**305.0p**	237.0p	28.7%
Premium/(discount)§ – A shares	**1.2%**	(1.6)%	–
– B shares	**4.5%**	(1.6)%	–
– Units*	**(0.2)%**	(2.0)%	–
Distribution yield – A shares	**6.9%**	9.0%	–
– B shares	**6.7%**	9.0%	–
– Units*	**7.0%**	9.0%	–
Gearing‡ – Potential	**137.4**	148.5	–
– Actual (Investment gearing)	**125.5**	115.2	–
– Actual (Equity gearing)	**84.8**	74.5	–

*A unit consists of three A shares and one B share.

†All total return calculations are on a yield basis with net dividends re-invested.

‡The gearing ratio indicates the extra amount by which shareholders' funds would rise or fall if total assets were to rise or fall. A figure of 100 means that the Company has a nil geared position.
Maximum potential ratio = the ratio of total assets (including fixed interest and net cash assets) to assets attributable to shareholders.

If securities held in the Company's Higher Yield Portfolio are included as fixed interest assets then the actual ratio will be as shown below.
Actual ratio (investment gearing) = the ratio of total assets (less cash assets) to assets attributable to shareholders.
Actual ratio (equity gearing) = the ratio of total assets (less fixed interest and cash assets) to assets attributable to shareholders.

§Premium/(discount) represents percentage difference between net asset value and Share/Unit price.

Sources: F&C Investment Business Limited and Datastream

Chairman's Statement

Introduction

A marked improvement in investor optimism over the prospects for global economic recovery has contributed to a sharp rally in equity markets and other risk assets during the last six months. It is against this background that I report on the Company's financial results for the six month period to 30 September 2009.

Investment Objective and Policy

The Company's investment objective is to provide an attractive return to shareholders each year in the form of dividends and/or capital distributions together with prospects for capital growth.

The Company's investment portfolio is managed in two parts. The first part comprises investments in UK equities and equity-related securities (the Equities Portfolio) and the second part investments in fixed interest and other higher yielding securities (the Higher Yield Portfolio). This allocation will vary as a result of market movements and investment strategy.

At 30 September 2009 the Company's total assets were £134.0m, 61.7 per cent of total assets was allocated to the Equities Portfolio, 29.6 per cent to the Higher Yield Portfolio and the remaining 8.7 per cent was held as cash.

Investment Performance

The Company's net asset value per A share and per B share at 30 September 2009 was 76.4p and per unit was 305.6p. The capital performance, together with dividends and capital distributions added back, resulted in a net asset value total return of 31.6 per cent for share and unit holders over the six month period to 30 September 2009. This compares to the total return from the FTSE All-Share Capped 5% Index of 36.3 per cent over the same period.

At the time of writing my last report to shareholders the outlook for the global economy and financial markets appeared highly uncertain. Governments around the world had committed enormous amounts of capital to bank rescue and economic stimulus packages, Central Banks had reduced interest rates to close to zero and, in the US and UK the need for further stimulus had prompted the Federal Reserve and Bank of England to embark on quantitative easing or ''printing money''. During the first quarter of 2009 the UK economy suffered its worst contraction for over thirty years while financial markets remained in turmoil.

As the Company's current year began in April 2009 financial markets stabilised as the worst fears of depression and deflation subsided. The speed and scale of the fiscal and monetary policy response to the financial crisis appeared to have given investors confidence that not only would the global economy avoid a protracted downturn but that it would, in fact, grow in 2010. This marked shift in investor sentiment against a background of attractive valuations and high levels of institutional cash fuelled an aggressive rally in both equity and credit markets, which continued almost unabated through the last six months.

During the reporting period, the Company's Equities Portfolio produced a total return of 27.9 per cent, which was less than the 36.3 per cent total return from the FTSE All-Share Capped 5% Index. The Equities Portfolio is biased towards companies which have strong balance sheets, above average visibility of earnings, strong cash flow and good dividend cover. This focus has served the Company well since launch. During the recent market rally interest rate sensitive cyclical shares performed best by a considerable margin, most notably in the financial and commodity sectors of the market. While the Equities Portfolio is well represented in the commodities sectors of oil and gas, and mining, it has only a modest exposure to financials, where dividend cuts have been more prevalent. This limited equity exposure is in part due to the more significant exposure of the Higher Yield Portfolio to financial issuers. The Company's Higher Yield Portfolio which comprises predominantly investment grade corporate bonds returned 22.0 per cent during the period. The returns from the Equities Portfolio and the Higher Yield Portfolio, combined with the effect of gearing, resulted in the net asset value total return of 31.6 per cent.

Earnings

The Company achieved total revenue income of £3.1m for the six month period to 30 September 2009. The yield on the Equities Portfolio was 4.2 per cent at 30 September 2009, equivalent to a yield relative to the FTSE All-Share Index of 125 per cent. The yield on the Higher Yield Portfolio was 6.2 per cent as at 30 September 2009.

In my last report I noted that the outlook for dividend income had deteriorated. Indeed, the Company's revenues for the period were lower than initially anticipated due to cuts in dividend payments from within the Company's Equities Portfolio. The Company also received a reduced level of interest income due to the combination of low interest rates on deposits and a lower than average cash balance than in the prior period. The Company's cash balance was reduced over the past six months principally in favour of equities. Income from the Higher Yield Portfolio, which comprised predominantly investment grade corporate bonds, was broadly at the level anticipated.

After providing for the second quarter dividend, the Company had revenue reserves of £0.8m at 30 September 2009.

Dividends and Capital Returns

Dividends to A shareholders and capital distributions to B shareholders are paid quarterly in August, November, February and May each year. In respect of the Company's first and second quarters, the dividends declared on the A shares and capital distributions on the B shares were 1.325p per share for each quarter.

The combination of aggressive cost cutting from the corporate sector together with evidence of global economic recovery suggests that the near-term prospects for corporate earnings have improved. The outlook for dividends is less clear, particularly looking into 2010, as the need for companies to strengthen balance sheets and rebuild working capital in the aftermath of recession can put strain on dividend payments even after corporate earnings have begun to recover. The Board will continue to monitor closely market developments in this regard. However it still envisages, barring unforeseen circumstances, that the Company will pay, through the partial use of revenue reserves, dividends to A shareholders and capital distributions to B shareholders of 1.325p per share for the third quarter and 1.375p per share in respect of the fourth quarter, totalling 5.35p per share for the year.

The distribution yields for A and B shareholders were 6.9 per cent and 6.7 per cent respectively based on the share prices as at 30 September 2009 and this compares favourably with the

Chairman's Statement

yield on the FTSE All-Share Index of 3.3 per cent at that date. For shareholders that hold units, the distribution yield was 7.0 per cent based on a unit price of 305.0p as at 30 September 2009.

The Company operates a distribution reinvestment scheme to enable B shareholders to reinvest their capital distributions in further B shares if they wish; details are available from the Company's Registrars.

Discount and buy backs

The share price of the Company's A shares and B shares traded over the six month period at an average discount to net asset value per A share of 0.8 per cent and an average premium per B share of 0.4 per cent. The Company has a stated buyback policy and, in accordance with this policy the Company bought back 0.2m A shares and 0.1m B shares to be held in treasury during the period at an average discount of five per cent to net asset value, thereby adding value for remaining shareholders.

During the period the Company resold 2.1m B shares from treasury, reflecting strong investor demand. These shares were sold at net asset value or above, enhancing returns for existing shareholders.

Directors

During the period the Board appointed Mr James Williams as a non executive director. He retired from Barings in 2002, where he was Chief Investment Officer and Head of Global Strategy. He is a director of other investment companies and his extensive involvement in the investment management industry for many years will, I am sure, contribute significantly to the deliberations of the Board.

Outlook

The worst of the financial crisis may now be behind us. Nevertheless there remain some major challenges to the sustainability of the economic recovery beyond the current year. These include the timing and pace at which the unprecedented policy stimulus is withdrawn, the ongoing reduction of leverage from the credit boom, and the extent to which consumer spending is impacted by rising unemployment, the need for higher taxes and perhaps a greater propensity to save. As a result, the Company's Equities Portfolio continues to favour businesses that have strong balance sheets and offer dividend resilience, and the Higher Yield Portfolio retains a bias to investment grade corporate bonds.

J. Martin Haldane

Chairman

11 November 2009

Classification of Investments

At 30 September 2009

Total Portfolio Summary

	2009 Market Value £'000	% of Total Assets (less current liabilities)	% of Total Portfolio Income	% Yield
Equities Portfolio	**82,712**	61.7	57.2	4.2
Higher Yield Portfolio	**39,656**	29.6	41.6	6.2
Net Current Assets	**11,644**	8.7	1.2	
Total Assets (less Current Liabilities)	**134,012**	100.0	100.0	
Bank Term Loan and Interest Rate Swap	**(36,472)**	(27.2)		
Net Assets Attributable to Shareholders	**97,540**	72.8		

Equities Portfolio

Sector	2009 % Equities Portfolio	2009 FTSE All-Share Capped 5% Index
Oil & Gas	**12.8**	14.6
Basic Materials	**8.8**	11.2
Industrials	**9.2**	7.6
Consumer Goods	**14.7**	12.7
Healthcare	**10.4**	8.6
Consumer Services	**15.7**	10.5
Telecommunications	**7.1**	6.3
Utilities	**8.5**	3.8
Financials	**12.8**	23.1
Technology	**–**	1.6
Total	**100.0**	100.0

Higher Yield Portfolio

Security Ratings	2009 Higher Yield Portfolio Weighting %
AAA	**1.4**
AA	**15.4**
A	**38.6**
BBB	**27.3**
BB	**4.9**
B	**8.5**
CCC or lower	**3.9**
	100.0

Equities Portfolio

At 30 September 2009

Company	Sector	Market Value £'000	% of Equities Portfolio
HSBC Holdings	Banks	5,599	6.8
Vodafone Group	Mobile Telecoms	5,178	6.3
GlaxoSmithKline	Pharmaceuticals & Biotech	5,108	6.2
BP	Oil & Gas Producers	4,590	5.5
British American Tobacco	Tobacco	4,284	5.2
Royal Dutch Shell	Oil & Gas Producers	3,982	4.8
AstraZeneca	Pharmaceuticals & Biotech	3,478	4.2
Rio Tinto	Mining	2,894	3.5
BHP Billiton	Mining	2,473	3.0
National Grid	Gas, Water & MultiUtilities	2,434	2.9
Ten largest equity investments		**40,020**	**48.4**
Scottish & Southern Energy	Electricity	2,278	2.8
Tesco	Food Retailers	2,209	2.7
Diageo	Beverages	2,061	2.5
Compass Group	Travel & Leisure	2,045	2.5
Unilever	Food Producers	2,015	2.4
Anglo American	Mining	1,945	2.3
BAE Systems	Aerospace & Defence	1,649	2.0
BG Group	Oil & Gas Producers	1,636	2.0
Reckitt Benckiser Group	Household Goods	1,600	1.9
Bunzl	Support Services	1,438	1.7
Twenty largest equity investments		**58,896**	**71.2**
Imperial Tobacco Group	Tobacco	1,348	1.6
Aviva	Life Insurance	1,293	1.6
Marks & Spencer Group	General Retailers	1,280	1.5
Home Retail Group	General Retailers	1,150	1.4
Cobham	Aerospace & Defence	998	1.2
Whitbread	Travel & Leisure	966	1.2
Land Securities Group	Real Estate	958	1.2
Barclays	Banks	936	1.1
FirstGroup	Travel & Leisure	931	1.1
Rexam	General Industrial	919	1.1
Thirty largest equity investments		**69,675**	**84.2**
Other equity investments (20)		**13,037**	**15.8**
Total equity investments		**82,712**	**100.0**

Higher Yield Portfolio*

At 30 September 2009

Security	Sector	Market Value £'000	% of Higher Yield Portfolio
Iron Mountain 7.25% 15/04/14	Support Services	884	2.2
Irish Nationwide Building Society FRN 16/11/09	Mortgage Banks & Thrifts	798	2.0
Virgin Media 8.75% 15/04/14	Media – Cable	675	1.7
Canandaigua Brand 8.5% 15/11/09	Beverage	653	1.7
Land Securities 4.625% 03/02/13	Commercial Mortgage Backed	652	1.6
RWE Finance 6.375% 03/06/13	Electricity – Integrated	622	1.6
Segro 7.125% 17/02/10	Real Estate Investment Trust	601	1.5
Johnsondiversey 9.625% 15/05/12	Support Services	505	1.3
GlaxoSmithKline 4.85% 15/05/13	Pharmaceuticals	462	1.2
Society of Lloyds 6.875% 17/11/25	Multi-Line Insurance	452	1.2
Ten largest higher yield investments		**6,304**	**16.0**
Merrill Lynch FRN 08/02/10	Brokerage	450	1.1
Sutton Bridge 8.625% 30/06/22	Electricity – Generation	446	1.1
Kraft Foods 5.75% 20/03/12	Food – Wholesale	434	1.1
France Telecom 6% 29/03/12	Telecom – Integrated/Services	410	1.0
National Australia 3.875% 04/06/15	Banking	409	1.0
UBS 6.375% 20/07/16	Banking	385	1.0
Yorkshire Water 6.5876% 21/02/23	Non-Electric Utilities	381	1.0
Altria Group 8.5% 10/11/13	Tobacco	371	0.9
Fiat Finance & Trade 6.625% 15/02/13	Automotive	370	0.9
Marks & Spencer 5.875% 29/05/12	Non-Food & Drug Retailers	363	0.9
Twenty largest higher yield investments		**10,323**	**26.0**
Santander 6.5325% 24/10/17	Banking	361	0.9
GE Capital 6% 11/04/13	Cons/Comm/Lease Financing	353	0.9
Macquarie Bank FRN 06/12/16	Banking	350	0.9
BL Superstore Finance FRN 04/10/15	Real Estate	346	0.9
Casino 6.375% 04/04/13	Food & Drug Retailers	345	0.9
Sherwood Castle 5% 15/11/10	ABS Credit Cards	344	0.9
Bupa Finance 7.5% 04/07/16	Life/Health Insurance	334	0.8
Dr Pepper 6.12% 01/05/13	Beverage	331	0.8
Old Mutual 5% 21/01/16	Life/Health Insurance	326	0.8
Southern Gas FRN 21/10/15	Gas Distribution	322	0.8
Thirty largest higher yield investments		**13,735**	**34.6**
Other higher yield investments (166)		**25,921**	**65.4**
Total higher yield investments		**39,656**	**100.0**

*The Higher Yield Portfolio consisted solely of Corporate Bonds and Government Stocks throughout the period.

Unaudited Consolidated Income Statement

	Notes	Six months to 30 September 2009 Revenue Return £'000	Capital Return £'000	Total £'000
Gains/(losses) on investments held at fair value		–	21,144	21,144
Exchange differences		–	507	507
Investment income	2	3,148	–	3,148
Investment management fee	3	(102)	(307)	(409)
Other expenses		(187)	–	(187)
Profit/(loss) before finance costs and taxation		2,859	21,344	24,203
Net finance costs				
Interest on bank loan and interest rate swap		(297)	(693)	(990)
Total finance costs		(297)	(693)	(990)
Return before taxation		2,562	20,651	23,213
Tax on ordinary activities		(179)	179	–
Net profit/(loss) for the period		2,383	20,830	23,213
Other comprehensive income:				
Net gain/(loss) on revaluation of interest rate swap		–	418	418
Total comprehensive income for the period, net of tax		2,383	21,248	23,631
Earnings per share	4	1.9p	16.5p	18.4p

All of the profit/(loss) and comprehensive income for the period is attributable to the owners of the Company.

All items in the above statement derive from continuing operations.

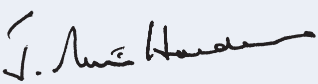
Six months to 30 September 2008			Year to 31 March 2009*		
Revenue Return £'000	Capital Return £'000	Total £'000	Revenue Return £'000	Capital Return £'000	Total £'000
–	(13,348)	(13,348)	–	(28,951)	(28,951)
–	(200)	(200)	–	(2,440)	(2,440)
3,718	–	3,718	6,960	–	6,960
(119)	(356)	(475)	(211)	(491)	(702)
(206)	–	(206)	(383)	–	(383)
3,393	(13,904)	(10,511)	6,366	(31,882)	(25,516)
(297)	(692)	(989)	(592)	(1,381)	(1,973)
(297)	(692)	(989)	(592)	(1,381)	(1,973)
3,096	(14,596)	(11,500)	5,774	(33,263)	(27,489)
(340)	293	(47)	(620)	524	(96)
2,756	(14,303)	(11,547)	5,154	(32,739)	(27,585)
–	264	264	–	(2,668)	(2,668)
2,756	(14,039)	(11,283)	5,154	(35,407)	(30,253)
2.1p	(11.2p)	(9.1p)	4.1p	(25.9p)	(21.8p)

* these figures are audited.

Condensed Unaudited Consolidated Balance Sheet

	Notes	**As at 30 September 2009 £'000**	As at 30 September 2008 £'000	As at 31 March 2009* £'000
Non-current assets				
Investments held at fair value through profit or loss		**122,368**	105,742	87,661
		122,368	105,742	87,661
Current assets				
Other receivables		**1,437**	1,276	1,599
Cash and cash equivalents		**11,939**	27,301	24,403
		13,376	28,577	26,002
Total assets		**135,744**	134,319	113,663
Current liabilities				
Other payables		**(1,732)**	(1,306)	(689)
		(1,732)	(1,306)	(689)
Non-current liabilities				
Bank loan		**(33,478)**	(33,472)	(33,476)
Interest rate swap on bank loan		**(2,994)**	(480)	(3,412)
		(36,472)	(33,952)	(36,888)
Total liabilities		**(38,204)**	(35,258)	(37,577)
Net assets		**97,540**	99,061	76,086
Capital and reserves				
Called-up share capital	8	**134**	138	134
Share premium	8	**22**	22	22
Capital redemption reserve	8	**5**	1	5
Buy back reserve	8	**90,990**	89,851	89,227
Special capital reserve		**30,363**	31,986	31,189
Capital reserves		**(26,007)**	(25,323)	(46,725)
Revenue reserve		**2,033**	2,386	2,234
Shareholders' funds		**97,540**	99,061	76,086
Net asset value per A share	9	**76.4p**	78.1p	60.5p
Net asset value per B share	9	**76.4p**	78.1p	60.5p

Approved by the Board, and authorised for issue, on 11 November 2009 and signed on its behalf by:



J Martin Haldane, Director

*these figures are audited.

Condensed Unaudited Consolidated Statement of Changes in Equity

	Notes	**Six months to 30 September 2009 £'000**	Six months to 30 September 2008 £'000	Year to 31 March 2009* £'000
Opening equity shareholders' funds		**76,086**	115,255	115,255
Net profit/(loss) for the period		**23,213**	(11,547)	(27,585)
Unrealised gain/(loss) on revaluation of interest rate swap		**418**	264	(2,668)
Shares sold from treasury		**1,427**	–	60
Shares bought back for cancellation		**–**	(365)	(544)
Shares bought back for treasury	8	**(194)**	(1,090)	(1,629)
Dividends paid on A shares	7	**(2,584)**	(2,633)	(5,183)
Capital distributions paid on B shares	7	**(826)**	(823)	(1,620)
Closing equity shareholders' funds		**97,540**	99,061	76,086

*these figures are audited.

Condensed Unaudited Consolidated Cash Flow Statement

	Six months to 30 September 2009 £'000	Six months to 30 September 2008 £'000	Year to 31 March 2009* £'000
Net cash flow from operating activities	**(9,673)**	3,872	7,870
Net cash flow from financing activities	**(3,649)**	(5,897)	(10,398)
Net decrease in cash and cash equivalents	**(13,322)**	(2,025)	(2,528)
Currency gains/(losses)	**858**	(297)	(2,692)
Cash and cash equivalents at beginning of period	**24,403**	29,623	29,623
Cash and cash equivalents at end of period	**11,939**	27,301	24,403

*these figures are audited.

Notes to the Accounts (unaudited)

1. Accounting Policies

The condensed unaudited consolidated financial statements have been prepared in accordance with *IAS 34 Interim Financial Reporting* and the accounting policies set out in the statutory accounts of the Group for the year ended 31 March 2009, apart from presentational changes required by IAS 1 'Presentation of Financial Statements (Amendment)' and disclosures as provided in note 6 required by IFRS 8 'Operating Segments'. Both IAS 1 (Amendment) and IFRS 8 became effective for accounting periods commencing 1 January 2009. The condensed consolidated financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 March 2009, which were prepared under full IFRS requirements, to the extent that they have been adopted by the European Union.

IAS 1 'Presentation of Financial Statements (Amendment)'

The revised standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with non-owner changes, if any, disclosed in a single line.

In addition the standard introduces the Statement of Comprehensive Income. It presents all items of recognised income and expense either in a single statement, or in two linked statements. The Company has elected to present one single statement, entitled the Unaudited Consolidated Income Statement.

2. Income for the period is derived from:

	30 September 2009 £'000	30 September 2008 £'000	31 March 2009 £'000
Equity investments	**1,923**	1,883	3,559
Fixed interest investments	**1,158**	1,150	2,452
Deposit interest	**45**	685	939
Other income	**22**	–	10
	3,148	3,718	6,960

3. The Company's investment manager is F&C Investment Business Limited. F&C Investment Business Limited receives an investment management fee comprising a base fee and a performance fee.

The base fee is a management fee at 0.9 per cent per annum of the net asset value of the Company payable quarterly in arrears, subject to being reduced to 0.75 per cent if the net asset value at the end of the financial year is less than £1 per share. The performance fee, full details of which are contained in the Annual Report for the period ended 31 March 2009, will, subject to achieving stated performance criteria, be payable every five years.

There was no performance fee accrued at 30 September 2009, or that would have been accrued had the Company's net asset value per share been in excess of £1, all else being equal (30 September 2008 – £906,000, or 0.71p per share; 31 March 2009 – £456,000, or 0.36p per share, would have been recognised had the Company's net asset value per share been excess of £1).

4. The returns per share are based on the net profit/(loss) for the period and on 126,472,333 shares (period to 30 September 2008 – 127,475,339; year to 31 March 2009 – 126,696,847), being the weighted average shares in issue during the period.

5. Earnings for the six months to 30 September 2009 should not be taken as a guide to the results of the full year.

6. The Board has considered the requirements of IFRS 8 'Operating Segments'. The Board is of the view that the Company is engaged in a single segment of business, of investing in equity and higher yielding securities, and that therefore the Company has only a single operating segment. The Board of Directors, as a whole, has been identified as constituting the chief operating decision maker of the Company. The key measure of performance used by the Board to assess the Company's performance is the total return on the Company's net asset value, as calculated under IFRS, and therefore no reconciliation is required between the measure of profit or loss used by the Board and that contained in the condensed consolidated financial statements.

7. Dividends

	Six months to 30 September 2009 £'000	Six months to 30 September 2008 £'000	Year to 31 March 2009 £'000
In respect of the previous period:			
Fourth interim dividend paid at 1.375p per A share	**1,317**	1,347	1,347
Fourth capital distribution paid at 1.375p per B share	**413**	421	421
In respect of the period under review:			
First interim dividend paid at 1.325p per A share	**1,267**	1,286	1,286
First capital distribution paid at 1.325p per B share	**413**	402	402
Second interim dividend paid at 1.325p per A share	**–**	–	1,281
Second capital distribution paid at 1.325p per B share	**–**	–	400
Third interim dividend paid at 1.325p per A share	**–**	–	1,269
Third capital distribution paid at 1.325p per B share	**–**	–	397
	3,410	3,456	6,803

A second interim dividend for the year to 31 March 2010, of 1.325p per A share, was paid on 6 November 2009 to A shareholders on the register on 9 October 2009. A second quarter capital distribution of 1.325p per B share was paid on the same date to B shareholders on the register on 9 October 2009. Although these payments relate to the period ended 30 September 2009, under IFRS they will be accounted for in the six months to 31 March 2010, being the period during which they are paid.

8. Over the period the Company bought back to hold in treasury 240,000 A shares at a cost of £145,000 (period to 30 September 2008 – 1,305,000 A shares; year to 31 March 2009 – 2,145,000 A shares) and 80,000 B shares at a cost of £49,000 (period to 30 September 2008 – nil B shares; year to 31 March 2008 – nil B shares). The Company bought back nil B shares for cancellation (period to 30 September 2008 – 435,000 B shares; year to 31 March 2009 – 715,000 B shares). The Company did not resell any A shares from treasury. The Company resold 2,105,000 B shares from treasury, receiving net proceeds of £1,427,000 (period to 30 September 2008 – nil B shares; year to 31 March 2009 – 100,000 B shares).

At 30 September 2009 the Company held 6,489,000 A shares and 25,000 B shares in treasury (30 September 2008 – 7,466,296 A shares and 3,238,432 B shares; 31 March 2009 – 6,249,000 A shares and 2,050,000 B shares).

The Company did not issue any new shares during the period (period to 30 September 2008 – nil; year to 31 March 2009 – nil).

9. The net asset value per share is based on shareholders' funds at the period end and on 95,578,144 A shares and 32,051,703 B shares, being the number of shares in issue at the period end (30 September 2008 – 96,658,144 A shares and 30,206,703 B shares; 31 March 2009 – 95,818,144 A shares and 30,026,703 B shares).

10. The Group results consolidate those of Investors Securities Company Limited, a wholly owned subsidiary which deals in securities.

11. These are not full statutory accounts in terms of Section 434 of the Companies Act 2006 and are unaudited. Statutory accounts for the year ended 31 March 2009, which received an unqualified audit report and which did not contain a statement under Section 498 of the Companies Act 2006, have been lodged with the Registrar of Companies. No full statutory accounts in respect of any period after 31 March 2009 have been reported on by the Company's auditors or delivered to the Registrar of Companies.

Independent Review Report to Investors Capital Trust plc

Introduction

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2009 which comprises the Unaudited Consolidated Income Statement, Condensed Unaudited Consolidated Balance Sheet, Condensed Unaudited Consolidated Statement of Changes in Equity, Condensed Unaudited Consolidated Cash Flow Statement and the Notes to the Accounts (unaudited). We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the Company in accordance with guidance contained in ISRE 2410 (UK and Ireland) ''Review of Interim Financial Information Performed by the Independent Auditor of the Entity'' issued by the Auditing Practices Board. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our work, for this report, or for the conclusions we have formed.

Directors' Responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

As disclosed in note 1, the annual financial statements of the Group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, ''Interim Financial Reporting'', as adopted by the European Union.

Our Responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, ''Review of Interim Financial Information Performed by the Independent Auditor of the Entity'' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2009 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

Ernst & Young LLP
London

12 November 2009

Statement of Principal Risks and Uncertainties

The Company's assets consist mainly of listed securities and its principal risks are therefore market related. Other risks faced by the Company include external, investment and strategic, regulatory, operational and financial risks. These risks, and the way in which they are managed, are described under the heading Principal Risks and Risk Management within the Report of the Directors in the Group's Annual Report for the year ended 31 March 2009. The Company's principal risks and uncertainties have not changed materially since the date of that report and are not expected to change materially for the remaining six months of the Group's financial year.

Statement of Directors' Responsibilities in Respect of the Interim Report

We confirm that to the best of our knowledge:

- the condensed set of consolidated financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting';
- the Chairman's Statement (constituting the Interim Management Report) together with the Statement of Principal Risks and Uncertainties include a fair review of the information required by the Disclosure and Transparency Rules ('DTR') 4.2.7R, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of consolidated financial statements; and
- the Chairman's Statement together with the condensed set of consolidated financial statements include a fair review of the information required by DTR 4.2.8R, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the Company during that period, and any changes in the related party transactions described in the last Annual Report that could do so.

On behalf of the Board

J Martin Haldane
Director
11 November 2009

How to Invest

As well as investing in Investors Capital Trust plc directly through a stockbroker, you can enjoy some additional benefits by investing through one of the savings plans run by F&C Management Limited.

You can enjoy the convenience of making regular savings by Direct Debit, take advantage of our tax-efficient ISA wrappers, receive a simple statement every six months and let us automatically reinvest your dividends for you.

- **F&C Private Investor Plan**
  A flexible, low cost way to invest with a lump sum from £500 or regular savings from £50 a month.

- **F&C Investment Trust ISA**
  Invest up to £7,200 tax efficiently each year with a lump sum from £500 or regular savings from £50 a month. You can also transfer any existing ISAs. ISA contribution limits are to be increased to £10,200 with effect from 6 April 2010 (and were increased on 6 October 2009 for individuals aged over 50).

- **F&C Child Trust Fund ('CTF')**
  F&C is a leading provider of children's investment plans. Suitable for children born after 1 September 2002.

- **F&C Children's Investment Plan**
  Suitable for older children ineligible for a CTF, or if you need access to the funds before the child is 18. This flexible plan can easily be written under trust to help reduce inheritance tax liability. Investments can be made from a £250 lump sum or £25 a month.

Potential investors are reminded that the value of investments and the income from them may go down as well as up and you may not receive back the full amount originally invested. Tax rates and reliefs depend on the circumstances of the original investor.

Low charges

All the plans are low cost and flexible. When you buy or sell shares in these plans the dealing fee is only 0.2%. Government stamp duty of 0.5% also applies on purchases (where applicable). There are no initial or exit charges. The only annual management fee is on the ISA, which is £60+VAT (no matter how many ISAs you take out annually with F&C, or how many ISAs you transfer).

The F&C Child Trust Fund has no initial charges, dealing charges or annual management fee.

How to invest

For more information on any of these products, please contact F&C's Investor Services Team:

Call us on **0800 136 420**

email at **info@fandc.com**

invest online at **www.fandc.co.uk**

Existing plan holders' enquiry line
0845 600 3030

Calls may be recorded.

Or write to:

F&C
Freepost RLRY-LYSR-KYBU
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The information on this page has been approved by F&C Management Limited which is a member of the F&C Asset Management Group and is authorised and regulated by the Financial Services Authority ('FSA').

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J P Williams

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MLG Edinburgh 3565

*Chairman of the Audit Committee

†Calls to this number are charged at 8p per minute from a BT landline. Other telephone providers' cost may vary.

‡Calls to this number are charged at £1 per minute from a BT landline. Other telephone providers' cost may vary.

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†Calls to this number are charged at £1 per minute from a BT landline. Other telephone providers' cost may vary.