



Investors Capital Trust plc

Interim Report

For the six months to

30 September 2011

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

£133.0 million at 30 September 2011

Equity shareholders' funds

£97.7 million at 30 September 2011

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. For certain shareholders, there may be tax or other advantages in receiving a capital distribution rather than a dividend. 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



Financial Highlights and Performance Summary

- Net asset value per share total return for the six months of –8.0 per cent, better than the FTSE All-Share Capped 5% Index total return of –11.8 per cent
- Distribution yield of 6.0 per cent and 5.3 per cent on A and B shares respectively at 30 September 2011, compared to the yield on the FTSE All-Share Capped 5% Index of 3.6 per cent
- Distributions paid quarterly

	Six months to 30 September 2011	Period from launch on 1 March 2007 to 30 September 2011	
Total Return†			
Net asset value total return per A and B share and per Unit	(8.0)%	4.1%	
FTSE All-Share Capped 5% Index total return	(11.8)%	(0.3)%	
	30 September 2011	31 March 2011	% Change
Capital Values¶			
Net asset value per A share and B share	76.80p	85.56p	–10.2%
Net asset value per Unit*	307.20p	342.24p	–10.2%
FTSE All-Share Capped 5% Index	2,763.63	3,191.40	–13.4%
Ordinary share price – A shares	71.0p	82.0p	–13.4%
– B shares	81.0p	91.5p	–11.5%
– Units*	319.0p	328.0p	–2.7%
Premium/(discount)§ – A shares	(7.6)%	(4.2)%	–
– B shares	5.5%	6.9%	–
– Units*	3.8%	(4.2)%	–
Distribution yield – A shares	6.0%	5.2%	–
– B shares	5.3%	4.7%	–
– Units*	5.4%	5.2%	–
Gearing‡ – Potential	135.8	132.6	–
– Actual (Investment gearing)	125.8	125.4	–
– Actual (Equity gearing)	99.5	96.1	–

*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.

¶Capital values are calculated after payment of distributions to shareholders.

‡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.

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

As the Company's current financial year began, the financial markets took encouragement from the steady improvement in economic data, particularly from the United States, together with continued strong growth in profits from the corporate sector. I highlighted in my last report that high levels of indebtedness and record fiscal deficits in developed economies were likely to constrain economic prospects for some time to come. Indeed this has proven to be the case. In recent months uncertainty over the strength and sustainability of the global economic recovery, together with a deepening of the Eurozone debt crisis, have once again conspired to undermine investor confidence. In recent weeks, acknowledging the heightened risk to both the UK economy and the banking system of current tensions in the global economy, the Bank of England announced a further £75 billion of monetary stimulus through expansion of its quantitative easing program. It is against this background that I report on the Company's financial results for the six month period to 30 September 2011.

Investment Objective and Policy

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

As at 30 September 2011, 73.3 per cent. of total assets was allocated to the Equities Portfolio and 19.4 per cent. to the Higher Yield Portfolio. The remaining 7.3 per cent. was held as cash and cash equivalents.

Investment Performance

Returns from the Equities Portfolio and the Higher Yield Portfolio, combined with the effect of gearing, resulted in the net asset value total return for the A and B shares of -8.0 per cent. over the six months to 30 September 2011. This return was better than the -11.8 per cent. total return for the benchmark FTSE All-Share Capped 5% Index. Since the Company's launch in March 2007, the net asset value total return for the A and B shares has been 4.1 per cent. which exceeds the -0.3 per cent. return from the benchmark index.

During the six months to 30 September 2011 the Company's Equities Portfolio produced a total return of -6.7 per cent. which exceeded the benchmark index return of -11.8 per cent. and reflected favourable stock selection. Covering the period since the Company's launch in March 2007, the Equities Portfolio is 7.4 per cent. ahead of the benchmark index in total return terms. The Higher Yield Portfolio is invested in predominantly investment grade corporate bonds and returned -1.2 per cent. in total return terms for the six months to 30 September 2011.

Earnings, Dividends and Capital Distributions

The Company achieved total revenue income of £3.2 million for the six months. The yield on the Equities Portfolio was 4.4 per cent. as at 30 September 2011, compared to the yield on the FTSE All-Share Capped 5% Index of 3.6 per cent.

The Company's revenues were slightly ahead of the level achieved during the comparable six month period last year. The level of dividends received from investee companies has been encouraging and generally ahead of investors' expectations. During the period there was a reduction in assets allocated to the Higher Yield Portfolio in favour of both the Equities Portfolio and cash. This asset allocation has been broadly neutral from a revenue perspective.

The dividend for the year ending 31 March 2012 is estimated, barring unforeseen circumstances, to be 4.28p per share (2011: 4.28p). The first three quarterly dividends will be paid in equal instalments of 1.06p per share and a fourth quarterly dividend of 1.1p will be paid to A shareholders. B Shareholders will receive capital distributions of the same amount per share at the same time as A shareholders.

The annual distribution level represents a yield for A shareholders of 6.0 per cent. and for B shareholders of 5.3 per cent. based on the A share price of 71.0p per share and B share price of 81.0p as at 30 September 2011. For those shareholders that hold units (each comprising 3 A shares and one B share) the distribution yield on this unit holding was 5.4 per cent. based on a unit price of 319.0p as at 30 September 2011. These yields compare favourably with the yield on the FTSE All-Share Capped 5% Index of 3.6 per cent. at that date.

After providing for the second quarter dividend, the Company had revenue reserves of £1.9 million at 30 September 2011.

Dividends to A shareholders and capital distributions to B shareholders are paid quarterly in August, November, February and May each year. The Company operates a distribution reinvestment scheme, details of which are available from the Company's Registrars, to enable B shareholders to reinvest their capital distributions in further B shares if they wish.

Discount and buy backs

The Company's A share price was at a discount to net asset value of 7.6 per cent. at 30 September 2011. The Company's B shares were at a premium to net asset value of 5.5 per cent. at the same date. Over the six month period, the price of the Company's A shares traded at an average discount to net asset value per share of 4.7 per cent. and the Company's B shares traded at an average premium of 4.7 per cent. No shares were bought back, issued, or re-sold from treasury by the Company during the six month period.

Duration

As the Company is intended as a long-term investment vehicle, it does not have a fixed life. However, in the event that the net asset value total return performance of the Company is less than the benchmark index over the relevant period from launch to 31 March 2012, then shareholders will be given the opportunity at the 2012 Annual General Meeting to vote on whether the Company should continue. As noted above, at 30 September 2011 the Company had outperformed the benchmark index since launch.

Chairman's Statement

Outlook

At the time of writing, markets are focused on the financial and political crisis within the European Union. Elsewhere signs are more encouraging that the outlook for the global economy has at least stabilised. However, developed economies will remain burdened by high levels of indebtedness and record fiscal deficits for many years to come.

Notwithstanding the current economic challenges, UK equity market fundamentals are broadly supportive. The UK corporate sector remains in good financial health while valuation measures continue to be undemanding, particularly when viewed against government bonds and cash. The Company's Equities

Portfolio continues to focus on companies which offer international diversification, strong balance sheets and cash flows, attractive dividend yields and good dividend cover. Against an uncertain economic backdrop we believe a portfolio of companies with these characteristics will continue to serve investors well. The Higher Yield Portfolio retains a bias to shorter-dated, investment grade corporate bonds.

Iain McLaren

Chairman

11 November 2011

Classification of Investments

At 30 September 2011

Total Portfolio Summary	2011 Market Value £'000	% of Total Assets	% of Total Portfolio Income	% Yield
Equities Portfolio	97,228	73.3	71.4	4.4
Higher Yield Portfolio	25,740	19.4	27.6	7.2*
Net Current Assets (excluding Bank Term Loan)	9,730	7.3	1.0	
Total Assets (less Current Liabilities excluding Bank Term Loan)	132,698	100.0	100.0	
Bank Term Loan and Interest Rate Swap	(34,986)	(26.4)		
Net Assets Attributable to Shareholders	97,712	73.6		

Equities Portfolio	2011 % Equities Portfolio	2011 FTSE All- Share Capped 5% Index
Sector		
Oil & Gas	13.0	14.9
Basic Materials	8.9	11.2
Industrials	8.8	7.8
Consumer Goods	15.9	14.0
Healthcare	10.4	8.4
Consumer Services	13.9	10.2
Telecommunications	6.8	6.6
Utilities	11.4	4.6
Financials	9.6	20.3
Technology	1.3	2.0
Total	100.0	100.0

Higher Yield Portfolio	2011 Higher Yield Portfolio Weighting %
Security Ratings	
AAA	2.2
AA	8.4
A	31.6
BBB	39.2
BB	9.9
B	3.0
CCC or lower	1.6
Not rated	4.1
	100.0

*The yield quoted on the Higher Yield Portfolio is the average weighted yield of all holdings calculated to their respective call dates. If the holdings in the portfolio are not called on those dates, then the yield will differ from that stated.

Equities Portfolio

At 30 September 2011

Company	Sector	Market Value £'000	% of Equities Portfolio
GlaxoSmithKline	Pharmaceuticals & Biotech	6,279	6.5
Vodafone	Mobile Telecoms	5,889	6.1
Royal Dutch Shell	Oil & Gas Producers	5,317	5.5
British American Tobacco	Tobacco	5,245	5.4
HSBC	Banks	4,009	4.1
Rio Tinto	Mining	3,603	3.7
BP	Oil & Gas Producers	3,502	3.6
AstraZeneca	Pharmaceuticals & Biotech	3,156	3.2
BG Group	Oil & Gas Producers	3,147	3.2
National Grid	Gas, Water & Multi-Utilities	3,124	3.2
Ten largest equity investments		43,271	44.5
Scottish & Southern Energy	Electricity	3,024	3.1
BHP Billiton	Mining	3,006	3.1
Diageo	Beverages	2,784	2.9
Tesco	Food Retailers	2,405	2.5
Unilever	Food Producers	2,320	2.4
Anglo American	Mining	2,094	2.1
Compass Group	Travel & Leisure	1,940	2.0
Bunzl	Support Services	1,899	1.9
Reckitt Benckiser	Household Goods	1,704	1.7
International Power	Electricity	1,612	1.7
Twenty largest equity investments		66,059	67.9
Severn Trent	Gas, Water & Multi-Utilities	1,443	1.5
Centrica	Gas, Water & Multi-Utilities	1,376	1.4
Imperial Tobacco	Tobacco	1,349	1.4
BAE Systems	Aerospace & Defence	1,318	1.4
Sage Group	Software & Computer Services	1,243	1.3
SABMiller	Beverages	1,224	1.3
Whitbread	Travel & Leisure	1,210	1.2
Reed Elsevier	Media	1,149	1.2
Rexam	General Industrial	1,094	1.1
Marks & Spencer	General Retailers	1,011	1.0
Thirty largest equity investments		78,476	80.7
Other equity investments (28)		18,752	19.3
Total equity investments		97,228	100.0

Higher Yield Portfolio*

At 30 September 2011

Security	Sector	Market Value £'000	% of Higher Yield Portfolio
Paragon Group 7% 20/04/17	Mortgage Banks & Thrifts	553	2.1
Marstons FRN 15/07/20	Restaurants & Bars	405	1.6
Kraft Food 5.75% 20/03/12	Food – Wholesale	394	1.5
France Telecom 6% 29/03/12	Telecom – Integrated/Services	393	1.5
Permanent Master 15/07/42	Mortgage Backed	393	1.5
UBS 6.375% 20/07/16	Banking	384	1.5
Altria Group 8.5% 10/11/13	Tobacco	374	1.5
Sutton Bridge 8.625% 30/06/22	Electric – Generation	357	1.4
Marks & Spencer 5.875% 29/05/12	Specialty Retail	357	1.4
GE Capital 6% 11/04/13	Financial Services	355	1.4
Ten largest higher yield investments		3,965	15.4
SLM 4.875% 17/12/12	Financial Services	342	1.3
BP Capital 3.875% 10/03/15	Integrated Energy	340	1.3
Southern Gas FRN 21/10/15	Gas Distribution	338	1.3
Bupa Finance 7.5% 04/07/16	Life Insurance	335	1.3
Dr Pepper 6.12% 01/05/13	Beverage	333	1.3
Society of Lloyds 6.875% 17/11/25	Multi-Line Insurance	330	1.3
Santander 6.5325% 24/10/17	Banking	317	1.3
Casino 6.375% 04/04/13	Food & Drug Retailers	315	1.2
Rexam 4.375% 15/03/13	Packaging	308	1.2
Royal Bank of Scotland 6.375% 29/04/14	Banking	308	1.2
Twenty largest higher yield investments		7,231	28.1
Standard Chartered 6% 25/01/18	Banking	301	1.2
Ineos 7.875% 15/02/16	Chemicals	295	1.2
Xstrata Canada Finance 6.25% 27/05/15	Metals/Mining Excluding Steel	289	1.1
Smurfit Kappa Acquisition 7.75% 15/11/19	Forestry/Paper	288	1.1
Skandinaviska Enskilda 6.625% 09/07/14	Banking	270	1.1
Pearson 5.5% 06/05/13	Media – Diversified	257	1.0
International Endesa 6.125% 05/07/12	Electric – Integrated	255	1.0
QBE Insurance Group 10% 14/03/14	P&C	253	1.0
ANZ 6.54% 15/06/12 Perpetual	Banking	243	0.9
Iron Mountain 7.25% 15/04/14	Support Services	242	0.9
Thirty largest higher yield investments		9,924	38.6
Other higher yield investments (128)		15,816	61.4
Total higher yield investments		25,740	100.0

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

Condensed Unaudited Consolidated Statement of Comprehensive Income

Six months to 30 September 2011

		Revenue Return £'000	Capital Return £'000	Total £'000
(Losses)/gains on investments held at fair value		–	(10,800)	(10,800)
Exchange differences		–	126	126
Investment income	2	3,190	203	3,393
Investment management fee	3	(120)	(361)	(481)
Other expenses		(178)	–	(178)
Profit/(loss) before finance costs and taxation		2,892	(10,832)	(7,940)
Net finance costs				
Interest on bank loan and interest rate swap		(295)	(689)	(984)
Total finance costs		(295)	(689)	(984)
Profit/(loss) before tax		2,597	(11,521)	(8,924)
Tax on ordinary activities		(95)	95	–
Profit/(loss) for the period		2,502	(11,426)	(8,924)
Other comprehensive income:				
Gain on cashflow hedge		–	524	524
Total comprehensive income for the period		2,502	(10,902)	(8,400)
Earnings/(losses) per share	4	2.0p	(9.0p)	(7.0p)

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 2010			Year to 31 March 2011*		
Revenue Return £'000	Capital Return £'000	Total £'000	Revenue Return £'000	Capital Return £'000	Total £'000
–	(938)	(938)	–	4,195	4,195
–	453	453	–	358	358
3,115	–	3,115	6,498	–	6,498
(112)	(338)	(450)	(234)	(545)	(779)
(220)	–	(220)	(461)	–	(461)
2,783	(823)	1,960	5,803	4,008	9,811
(297)	(693)	(990)	(592)	(1,380)	(1,972)
(297)	(693)	(990)	(592)	(1,380)	(1,972)
2,486	(1,516)	970	5,211	2,628	7,839
(169)	169	–	(305)	284	(21)
2,317	(1,347)	970	4,906	2,912	7,818
–	202	202	–	1,141	1,141
2,317	(1,145)	1,172	4,906	4,053	8,959
1.8p	(1.0p)	0.8p	3.8p	2.3p	6.1p

* these figures are audited.

Condensed Unaudited Consolidated Balance Sheet

	Notes	As at 30 September 2011 £'000	As at 30 September 2010 £'000	As at 31 March 2011* £'000
Non-current assets				
Investments held at fair value through profit or loss		122,968	134,512	136,524
		122,968	134,512	136,524
Current assets				
Other receivables		1,059	1,386	1,422
Cash and cash equivalents		8,993	7,830	8,306
		10,052	9,216	9,728
Total assets		133,020	143,728	146,252
Current liabilities				
Other payables		(322)	(3,177)	(1,883)
Bank loan		(33,491)	–	–
Interest rate swap on bank loan		(1,495)	–	–
		(35,308)	(3,177)	(1,883)
Non-current liabilities				
Bank loan		–	(33,485)	(33,490)
Interest rate swap on bank loan		–	(2,958)	(2,019)
		–	(36,443)	(35,509)
Total liabilities		(35,308)	(39,620)	(37,392)
Net assets		97,712	104,108	108,860
Capital and reserves				
Called-up share capital	8	134	134	134
Share premium	8	22	22	22
Capital redemption reserve	8	5	5	5
Buy back reserve	8	90,662	90,990	90,662
Special capital reserve		27,362	28,734	28,054
Capital reserves		(23,399)	(17,695)	(12,497)
Revenue reserve		2,926	1,918	2,480
Shareholders' funds		97,712	104,108	108,860
Net asset value per A share	9	76.8p	81.6p	85.6p
Net asset value per B share	9	76.8p	81.6p	85.6p

Approved by the Board, and authorised for issue, on 11 November 2011 and signed on its behalf by:

Iain McLaren, Director

*these figures are audited.

Condensed Unaudited Consolidated Statement of Changes in Equity

		Six months to 30 September 2011 £'000	Six months to 30 September 2010 £'000	Year to 31 March 2011* £'000
	Notes			
Opening equity shareholders' funds		108,860	106,043	106,043
Net (loss)/profit for the period		(8,924)	970	7,818
Unrealised gain on revaluation of interest rate swap		524	202	1,141
Shares bought back for treasury	8	-	-	(328)
Dividends paid on A shares	7	(2,056)	(2,327)	(4,354)
Capital distributions paid on B shares	7	(692)	(780)	(1,460)
Closing equity shareholders' funds		97,712	104,108	108,860

*these figures are audited.

Condensed Unaudited Consolidated Cash Flow Statement

		Six months to 30 September 2011 £'000	Six months to 30 September 2010 £'000	Year to 31 March 2011* £'000
Net cash flow from operating activities		4,542	1,714	6,343
Net cash flow from financing activities		(3,731)	(4,094)	(8,106)
Net increase/(decrease) in cash and cash equivalents		811	(2,380)	(1,763)
Currency (losses)/gains		(124)	932	791
Cash and cash equivalents at beginning of period		8,306	9,278	9,278
Cash and cash equivalents at end of period		8,993	7,830	8,306

*these figures are audited.

Notes to the Condensed 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 2011. 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 2011, which were prepared under full IFRS requirements to the extent that they have been adopted by the European Union.

In assessing the going concern basis of accounting the Directors have had regard to the guidance issued by the Financial Reporting Council in October 2009. After making enquiries, and bearing in mind the nature of the Company's business and assets, the Directors consider that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

2. Income for the period is derived from:

	30 September 2011	30 September 2010	31 March 2011
	£'000	£'000	£'000
Equity investments	2,228	1,882	4,175
Fixed interest investments	935	1,183	2,247
Special dividends credited to capital	203	–	–
Deposit interest	27	22	44
Premium on written call options	–	21	24
Other income	–	7	8
	3,393	3,115	6,498

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 2011, will, subject to achieving stated performance criteria, be payable every five years.

There was no performance fee accrued at 30 September 2011, 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 2010 – £nil; 31 March 2011 – £nil).

- The returns per share are based on the net profit/(loss) for the period and on 127,229,847 shares (period to 30 September 2010 – 127,629,847; year to 31 March 2011 – 127,594,779), being the weighted average shares in issue during the period.
- Earnings for the six months to 30 September 2011 should not be taken as a guide to the results of the full year.
- 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 2011 £'000	Six months to 30 September 2010 £'000	Year to 31 March 2011 £'000
In respect of the previous period:			
Fourth interim dividend paid at 1.1p per A share (prior year: 1.375p)	1,047	1,314	1,314
Fourth capital distribution paid at 1.1p per B share (prior year: 1.375p)	353	441	441
In respect of the period under review:			
First interim dividend paid at 1.06p per A share	1,009	1,013	1,014
First capital distribution paid at 1.06p per B share	339	339	340
Second interim dividend paid at 1.06p per A share	–	–	1,013
Second capital distribution paid at 1.06p per B share	–	–	340
Third interim dividend paid at 1.06p per A share	–	–	1,013
Third capital distribution paid at 1.06p per B share	–	–	339
	2,748	3,107	5,814

A second interim dividend for the year to 31 March 2012, of 1.06p per A share, was paid on 4 November 2011 to A shareholders on the register on 7 October 2011. A second quarter capital distribution of 1.06p per B share was paid on 4 November 2011 to B shareholders on the register on 7 October 2011. Although these payments relate to the period ended 30 September 2011, under IFRS they will be accounted for in the six months to 31 March 2012, being the period during which they are paid.

8. Over the period the Company did not buy back to hold in treasury any A shares (period to 30 September 2010 – nil A shares; year to 31 March 2011 – 400,000 A shares) or any B shares (period to 30 September 2010 – nil B shares; year to 31 March 2011 – nil B shares). The Company did not resell any shares from treasury (period to 30 September 2010 – nil; year to 31 March 2011 – nil).

At 30 September 2011 the Company held 6,889,000 A shares and 25,000 B shares in treasury (30 September 2010 – 6,489,000 A shares and 25,000 B shares; 31 March 2011 – 6,889,000 A shares and 25,000 B shares).

The Company did not issue any new shares during the period (period to 30 September 2010 – nil; year to 31 March 2011 – nil).

9. The net asset value per share is based on shareholders' funds at the period end and on 95,178,144 A shares and 32,051,703 B shares, being the number of shares in issue at the period end (30 September 2010 – 95,578,144 A shares and 32,051,703 B shares; 31 March 2011 – 95,178,144 A shares and 32,051,703 B shares).
10. The Group results consolidate those of Investors Securities Company Limited, a wholly owned subsidiary which deals in securities.
11. The Company's auditors, Ernst & Young LLP, have not audited or reviewed the Interim Report to 30 September 2011 pursuant to the Auditing Practices Board guidance on 'Review of Interim Financial Information'. 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 2011, 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 2011 have been reported on by the Company's auditors or delivered to the Registrar of Companies.

Statement of Principal Risks and Uncertainties

The Company's assets consist mainly of listed securities and its principal risks are therefore market related. The most important types of risk associated with financial instruments are credit risk, market price risk, liquidity risk, interest rate risk and foreign currency risk. 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 2011. 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 remainder 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 has 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

Iain McLaren

Director

11 November 2011

Shareholder Information

Dividends

Dividends on A shares and capital distributions on B shares are paid quarterly in August, November, February and May each year. Shareholders who wish to have distributions paid directly into a bank account rather than by cheque to their registered address can complete a mandate form for the purpose. Mandates may be obtained from Equiniti Limited (see Corporate Information page for contact details) on request. The Company operates the BACS system for the payment of distributions. Where distributions are paid directly into shareholders' bank accounts, dividend and capital distribution tax vouchers are sent directly to shareholders' registered addresses.

Share Prices and Daily Net Asset Value

The Company's securities are listed on the London Stock Exchange under 'Investment Trusts'. Prices are given daily in the *Financial Times* and other newspapers. The net asset value of the Company's shares can be obtained by contacting F&C Asset Management Investment Services on 0845 600 3030.

Change of Address

Communications with shareholders are mailed to the address held on the share register. In the event of a change of address or other amendment this should be notified to Equiniti Limited, under the signature of the registered holder.

Financial Calendar 2011/12

4 November 2011	Second quarter's distribution paid (XD Date 5 October 2011)
3 February 2012	Third quarter's distribution paid (XD Date 4 January 2012)
February 2012	Interim Management Statement for quarter to 31 December 2011
4 May 2012	Fourth quarter's distribution paid (XD Date 4 April 2012)
May 2012	Announcement of Annual Results and Posting of Annual Report
June 2012	Annual General Meeting

Warning to shareholders – Boiler Room Scams

In recent years, many companies have become aware that their shareholders have been targeted by unauthorised overseas-based brokers selling what turn out to be non-existent or high risk shares, or expressing a wish to buy their shares. If you receive unsolicited investment advice or requests:

- Make sure you get the correct name of the person or organisation
- Check that they are properly authorised by the FSA before getting involved by visiting www.fsa.gov.uk/pages/register/
- Report the matter to the FSA by calling 0845 606 1234
- If the calls persist, hang up.

More detailed information on this can be found on the CFEB website www.moneymadeclear.fsa.gov.uk

How to Invest

As well as investing in Investors Capital Trust plc directly through a stockbroker, there are some additional benefits of investing through one of the savings plans run by F&C Management Limited ('F&C').

You can enjoy the convenience of making regular savings by Direct Debit, take advantage of our tax-efficient ISA wrapper, 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. You can also make additional lump sum top-ups at anytime from £250.

F&C Investment Trust ISA

Use your ISA allowance to invest up to £10,680 tax efficiently each year with a lump sum from £500 or regular savings from £50 a month. You can also make additional lump sum top-ups at anytime from £250 and transfer any existing ISAs to us whilst maintaining all the tax benefits.

F&C Child Trust Fund ('CTF')

F&C is a leading provider of CTFs which can be opened for all children born between 1 September 2002 and 31 December 2010, using the government's CTF voucher. The maximum that can be invested annually is £3,600 and, with an investment trust CTF, investments can start from as little as £25 a month.

F&C Children's Investment Plan

Aimed at 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. You can also make additional lump sum top-ups at anytime from £100.

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 individual.

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 per cent. Government stamp duty of 0.5 per cent 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 CTF has no initial charges, dealing charges or annual management fee.

How to Invest

You can invest in all our savings plans online, except for the CTF. It's simple to register and invest using your debit card. Alternatively, please contact us for application forms.

New Customers:

Contact our Investor Services Team:

Call: **0800 136 420**

Email: **info@fandc.com**

Investing online: **www.fandc.com**

Existing Plan Holders:

Contact our Investor Services Team:

Call: **0845 600 3030**

Email: **investor.enquiries@fandc.com**

By post: F&C Plan Administration Centre
Block C, Western House
Lynch Wood Business Park
Peterborough, PE2 6BP

Calls may be recorded.

If you have trouble reading small print, please let us know. We can provide literature in alternative formats, for example large print or on audiotape. Please call 0845 600 3030.

The above 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.

Corporate Information

Directors

I A McLaren (Chairman)
J Le Blan*
H Post
K D Shand
J P Williams

Investment Managers

F&C Investment Business Limited
80 George Street
Edinburgh EH2 3BU

Registered Office

80 George Street
Edinburgh EH2 3BU
Tel: 0207 628 8000
Fax: 0131 225 2375

Registrars and Transfer Office

Equiniti
Aspect House
Spencer Road
Lancing
West Sussex BN99 6DA
Registrars' Shareholder Helpline: 0871 384 2470†
Registrars' Broker Helpline: 0906 559 6025‡
Registrars' Overseas Helpline: +44 121 415 7047**

Secretary

F&C Investment Business Limited

Brokers

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6.7.8 Tokenhouse Yard
London EC2R 7AS

Auditors

Ernst & Young LLP
1 More London Place
London SE1 2AF

Bankers

JPMorgan Chase Bank
125 London Wall
London EC2Y 5AJ

Solicitors

Dickson Minto W.S.
16 Charlotte Square
Edinburgh EH2 4DF

Company Number

SC314671

Website

www.investorscapital.co.uk

For further information contact F&C's Investor Services Team on 0800 136 420

*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. Lines open 8.30 am to 5.30 pm, Monday to Friday.

‡Calls to this number are charged at £1 per minute from a BT landline. Other telephone providers' cost may vary. Lines open 8.30 am to 5.30 pm, Monday to Friday.

**Local overseas call rates will apply.

**Registered Office**

80 George Street
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Tel: 0207 628 8000
Fax: 0131 225 2375

Registrars and Transfer Office

Equiniti
Aspect House
Spencer Road
Lancing
West Sussex BN99 6DA

Registrars' Shareholder Helpline: 0871 384 2470*

Registrars' Broker Helpline: 0906 559 6025†

Registrars' Overseas Helpline: +44 121 415 7047‡

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