

For immediate release

18 June 2007

To: City Editors

**Finsbury Growth & Income Trust PLC**  
**Announces Interim Results for the six months to 31 March 2007**

*Financial Highlights:*

	(Unaudited) 31 March 2007	(Audited) 30 September 2006	% change
Share price	331.5p	300.3p	+10.4
Net Asset Value per share	330.7p	302.6p	+9.3
Premium/(discount) of share price to Net Asset Value per share	0.2%	(0.8)%	
Shareholders' Funds	£170.5m	£149.0m	+14.4
Market capitalisation	£170.9m	£147.9m	+15.6
	<b>Six months to 31 March 2007</b>	<b>Six months to 31 March 2006</b>	<b>One year to 30 September 2006</b>
Share price (total return) #	+10.4%	+17.5%	+19.6%
Net Asset Value per share (total return) #	+9.6%	+16.6%	+21.2%
FTSE All-Share Index (total return)	+9.2%	+12.7%	+14.7%
Dividends	<b>Year ending 30 September 2007</b>	<b>Year ended 30 September 2006*</b>	
First interim dividend	4.2p per share	4.2p per share	
Second interim dividend	Yet to be declared	4.2p per share	

\*In addition, a special dividend of 2.3p per share was declared on 6 July 2006 and paid on 2 August 2006

# Source – Fundamental Data for the AIC (formerly known as the AITC)

For and on behalf of  
Frostrow Capital LLP, Secretary  
18 June 2007

- ENDS -

The following are attached:

- \* Chairman's Statement
- \* Income Statement
- \* Reconciliation of Movements in Shareholders' Funds
- \* Balance Sheet
- \* Cash Flow Statement
- \* Notes to the interim accounts

**For further information please contact:**

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# Finsbury Growth & Income Trust PLC

## Chairman's Statement

I am pleased to be able to report that in the six months to 31 March 2007 your Company has continued to achieve an increase in shareholder value as a result of good investment performance. The market price (measured on a total return basis) of your Company's shares increased by 10.4% compared to a rise of 9.2% in the Company's benchmark, the FTSE All Share Index measured on a total return basis. There was an increase of 4.7% in the number of shares in issue during the period under review, all of which were issued at a premium to the net asset value per share. The market capitalisation of your Company increased by 15.6% to £171m at the half-year end.

## Return and Dividend

The Income Statement shows a total return per share of 32.26p made up of a revenue return of 3.82p and a capital return of 28.44p.

Your board has declared an interim dividend of 4.2p per share (2006: 4.2p) which was paid on 14 June 2007 to shareholders on the register at the close of business on 25 May 2007.

## Investments

The investment portfolio continues to be a concentrated one comprising 23 stocks (excluding fixed interest securities) only three of which failed to contribute to returns. The major contributors/detractor in the rise of 9.6% in the Company's net asset value per share (measured on a total return basis) ("NAV") are set out in the following table:

Stock	Contribution to NAV (p)
Marstons (formerly Wolverhampton & Dudley Brewery)	+5.5
Cadbury Schweppes	+3.3
Fidessa Group (formerly Royalblue Group)	+3.3
Schroders	+3.2
Royal Dutch Shell	(0.6)

## Borrowings

Your Company has a fixed term committed revolving credit facility of £20m and a further uncommitted facility of £10m. These are subject to a variable rates of interest but can be fixed at any time. As at 31 March 2007, a total of £24.4m was drawn down under these facilities.

# Finsbury Growth & Income Trust PLC

## **Changes in Investment Management and Administrative Arrangements**

On 10 April 2007 your Company announced that Frostrow Capital LLP were to provide Management, Administration, Secretarial and Marketing services to the Company in place of Close Investments Limited. Frostrow is a new Limited Liability Partnership formed by Alastair Smith together with some of his former colleagues. Alastair Smith was previously Managing Director of Close Finsbury Asset Management Limited which provided such services to your Company. Your Company has agreed to acquire a 10% interest in Frostrow Capital LLP for £150,000 and to provide it with a £250,000 three year credit facility.

Lindsell Train Limited will continue to act as the Company's Investment Manager at an increased fee of 45 basis points (increased from 32.5 basis points) calculated as previously on the Company's market capitalisation.

Your Board estimates that under these new arrangements a saving of approximately £180,000 will be achieved in a full year.

## **Outlook**

Your Board continues to strive to achieve long term capital growth and an increasing revenue return. At the same time it intends to continue to issue new shares at a premium to net asset value per share as demand requires. The achievement of these objectives does depend inevitably on market conditions. The economic slow down in the United States, increasing interest rates in the UK and unresolved problems in the Middle East would seem to indicate that market conditions in the near term are likely to be volatile and uncertain.

Michael Reeve

**Chairman**

18 June 2007

# Finsbury Growth & Income Trust PLC

## Income Statement

For the six months ended 31 March 2007

	<b>(Unaudited)</b>			<b>(Unaudited)</b>			<b>(Audited)</b>		
	<b>Six months ended 31 March 2007</b>			<b>Six months ended 31 March 2006</b>			<b>Year ended 30 September 2006</b>		
	<b>Revenue return £'000</b>	<b>Capital return £'000</b>	<b>Total £'000</b>	<b>Revenue return £'000</b>	<b>Capital return £'000</b>	<b>Total £'000</b>	<b>Revenue return £'000</b>	<b>Capital return £'000</b>	<b>Total £'000</b>
Gains on investments held at fair value through profit or loss	-	15,253	15,253	-	18,699	18,699	-	21,943	21,943
Income from investments (note 2)	2,591	-	2,591	3,002	-	3,002	7,155	-	7,155
Management fee (note 3)	(203)	(412)	(615)	(164)	(331)	(495)	(341)	(691)	(1,032)
Other expenses	(244)	-	(244)	(237)	(80)	(317)	(526)	-	(526)
<b>Return on ordinary activities before finance charges and taxation</b>	<b>2,144</b>	<b>14,841</b>	<b>16,985</b>	<b>2,601</b>	<b>18,288</b>	<b>20,889</b>	<b>6,288</b>	<b>21,252</b>	<b>27,540</b>
Finance charges	(210)	(427)	(637)	(197)	(400)	(597)	(373)	(759)	(1,132)
<b>Return on ordinary activities before taxation</b>	<b>1,934</b>	<b>14,414</b>	<b>16,348</b>	<b>2,404</b>	<b>17,888</b>	<b>20,292</b>	<b>5,915</b>	<b>20,493</b>	<b>26,408</b>
Taxation on ordinary activities	-	-	-	-	-	-	(2)	-	(2)
<b>Return on ordinary activities after taxation</b>	<b>1,934</b>	<b>14,414</b>	<b>16,348</b>	<b>2,404</b>	<b>17,888</b>	<b>20,292</b>	<b>5,913</b>	<b>20,493</b>	<b>26,406</b>
<b>Return per Ordinary share (note 4)</b>	<b>3.82p</b>	<b>28.44p</b>	<b>32.26p</b>	<b>5.14p</b>	<b>38.21p</b>	<b>43.35p</b>	<b>12.37p</b>	<b>42.87p</b>	<b>55.24p</b>

The total column of this statement represents the Income Statement of the Company. The revenue and capital return columns are supplementary to this and are prepared under guidance published by the Association of Investment Companies (formerly known as the Association of Investment Trust Companies).

# Finsbury Growth & Income Trust PLC

## Reconciliation of Movements in Shareholders' Funds

### For the six months ended 31 March 2007

	Share Capital £'000	Share Premium £'000	Special Reserve £'000	Capital Redemption Reserve £'000	Other Capital Reserve £'000	Revenue Reserve £'000	Total £'000
At 30 September 2006	12,309	25,414	12,424	3,453	91,471	3,907	148,978
Net return from ordinary activities	-	-	-	-	14,414	1,934	16,348
Second interim dividend (4.2p per share) for the year ended 30 September 2006	-	-	-	-	-	(2,068)	(2,068)
Issue of Ordinary shares	578	6,658	-	-	-	-	7,236
<b>At 31 March 2007</b>	<b>12,887</b>	<b>32,072</b>	<b>12,424</b>	<b>3,453</b>	<b>105,885</b>	<b>3,773</b>	<b>170,494</b>

<b>Six months ended 31 March 2006</b>	Share Capital £'000	Share Premium £'000	Special Reserve £'000	Capital Redemption Reserve £'000	Other Capital Reserve £'000	Revenue Reserve £'000	Total £'000
At 30 September 2005	11,237	14,843	12,424	3,453	70,978	2,933	115,868
Net return from ordinary activities	-	-	-	-	17,888	2,404	20,292
Second interim dividend of 4.0p paid in respect of year ended 30 September 2005	-	-	-	-	-	(1,796)	(1,796)
Issue of Ordinary shares	835	8,190	-	-	-	-	9,025
<b>At 31 March 2006</b>	<b>12,072</b>	<b>23,033</b>	<b>12,424</b>	<b>3,453</b>	<b>88,866</b>	<b>3,541</b>	<b>143,389</b>

<b>Year ended 30 September 2006</b>	Share Capital £'000	Share Premium £'000	Special Reserve £'000	Capital Redemption Reserve £'000	Other Capital Reserve £'000	Revenue Reserve £'000	Total £'000
At 30 September 2005	11,237	14,843	12,424	3,453	70,978	2,933	115,868
Net return from ordinary activities	-	-	-	-	20,493	5,913	26,406
Second interim dividend (4.0p per share) for the year ended 30 September 2005	-	-	-	-	-	(1,796)	(1,796)
First interim dividend (4.2p per share) for the year ended 30 September 2006	-	-	-	-	-	(2,020)	(2,020)
Special dividend (2.3p per share) for the year ended 30 September 2006	-	-	-	-	-	(1,123)	(1,123)
Issue of Ordinary shares	1,072	10,571	-	-	-	-	11,643
<b>At 30 September 2006</b>	<b>12,309</b>	<b>25,414</b>	<b>12,424</b>	<b>3,453</b>	<b>91,471</b>	<b>3,907</b>	<b>148,978</b>

# Finsbury Growth & Income Trust PLC

## Balance Sheet

As at 31 March 2007

	(Unaudited) 31 March 2007 £'000	(Unaudited) 31 March 2006 £'000	(Audited) 30 September 2006 £'000
<b>Fixed assets</b>			
Investments held at fair value through profit or loss	<b>193,127</b>	161,848	166,347
<b>Current assets</b>			
Debtors	<b>1,789</b>	1,919	1,346
Bank balances and short term deposits	<b>140</b>	226	2,099
	<b>1,929</b>	2,145	3,445
<b>Current liabilities</b>			
Other creditors	<b>(212)</b>	(604)	(814)
Bank loans	<b>(24,350)</b>	(20,000)	(20,000)
<b>Net current liabilities</b>	<b>(22,633)</b>	(18,459)	(17,369)
<b>Total net assets</b>	<b>170,494</b>	143,389	148,978
<b>Capital and reserves</b>			
Called up share capital	<b>12,887</b>	12,072	12,309
Share premium	<b>32,072</b>	23,033	25,414
Special reserve	<b>12,424</b>	12,424	12,424
Capital redemption reserve	<b>3,453</b>	3,453	3,453
Capital reserve - realised	<b>44,810</b>	45,119	45,644
Capital reserve - unrealised	<b>61,075</b>	43,747	45,827
Revenue reserve	<b>3,773</b>	3,541	3,907
<b>Equity shareholders' funds</b>	<b>170,494</b>	143,389	148,978
<b>Net asset value per Ordinary share (note 5)</b>	<b>330.7p</b>	296.9p	302.6p

# Finsbury Growth & Income Trust PLC

## Cash Flow Statement

For the six months ended 31 March 2007

	(Unaudited) 31 March 2007 £'000	(Unaudited) 31 March 2006 £'000	(Audited) 30 September 2006 £'000
<b>Net cash inflow from operating activities (note 7)</b>	<b>1,319</b>	1,142	4,735
<b>Servicing of finance</b>			
Loan and bank overdraft interest paid	(714)	(571)	(1,101)
<b>Financial investment</b>			
Purchase of investments	(12,153)	(9,486)	(17,227)
Sale of investments	71	-	6,741
<b>Net cash outflow from financial investment</b>	<b>(12,082)</b>	(9,486)	(10,486)
<b>Equity dividends paid</b>	<b>(2,068)</b>	(1,796)	(4,939)
<b>Net cash outflow before financing</b>	<b>(13,545)</b>	(10,711)	(11,791)
<b>Financing</b>			
Issue of new shares	7,236	8,819	11,772
Drawdown of loans	4,350	1,900	1,900
<b>Net cash inflow from financing</b>	<b>11,586</b>	10,719	13,672
<b>(Decrease)/increase in cash</b>	<b>(1,959)</b>	8	1,881
<b>Reconciliation of net cash flow to movement in net debt</b>			
(Decrease)/increase in cash resulting from cashflows	(1,959)	8	1,881
Increase in debt	(4,350)	(1,900)	(1,900)
Movement in debt	(6,309)	(1,892)	(19)
Net debt at start of period/year	(17,901)	(17,882)	(17,882)
<b>Net debt at end of period/year</b>	<b>(24,210)</b>	(19,774)	(17,901)

# Finsbury Growth & Income Trust PLC

## Notes to the interim accounts

### 1. Basis of Preparation

The financial statements have been prepared under the historical cost convention except for the measurement of investments which are valued at fair value, and in accordance with applicable accounting standards and with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies' dated December 2005.

The same accounting policies used for the year ended 30 September 2006 have been applied.

### 2. Income

	<b>(Unaudited)</b> <b>Six months ended</b> <b>31 March 2007</b> <b>£'000</b>	(Unaudited) Six months ended 31 March 2006 £'000	(Audited) Year ended 30 September 2006 £'000
Investment income	2,579	2,320	6,467
Dividend paid from subsidiary	-	645	645
Bank interest	12	37	43
Total	<u>2,591</u>	<u>3,002</u>	<u>7,155</u>

During the financial year ending 30 September 2006, an application was made to have the Company's subsidiary undertaking, Tynepower Limited, struck off. The company was subsequently dissolved on 30 January 2007.

### 3. Management fees

	<b>(Unaudited)</b> <b>Six months</b> <b>ended</b> <b>31 March 2007</b> <b>£'000</b>	(Unaudited) Six months ended 31 March 2006 £'000	(Audited) Year ended 30 September 2006 £'000
Investment management fee	523	421	878
Unrecovered VAT thereon	92	74	154
Total	<u>615</u>	<u>495</u>	<u>1,032</u>

### 4. Return per Ordinary share

The total return per Ordinary share is based on the total return attributable to equity shareholders of £16,348,000 (six months ended 31 March 2006: return of £20,292,000; year ended 30 September 2006: return of £26,406,000) by 50,677,895 (six months ended 31 March 2006: 46,805,418; year ended 30 September 2006: 47,801,791), being the weighted average number of Ordinary shares in issue.

The revenue return per Ordinary share is calculated by dividing the net revenue return of £1,934,000 (six months ended 31 March 2006: return of £2,404,000; year ended 30 September 2006: return of £5,913,000) by 50,677,895 (six months ended 31 March 2006: 46,805,418; year ended 30 September 2006: 47,801,791), being the weighted average number of Ordinary shares in issue.

## Finsbury Growth & Income Trust PLC

The capital return per Ordinary share is calculated by dividing the net capital gains attributable to Ordinary shareholders of £14,414,000 (six months ended 31 March 2006: £17,888,000; year ended 30 September 2006: gain of £20,493,000) by the weighted average number of Ordinary shares in issue as above.

For the six months ended 31 March 2007, using the actual number of shares in issue of 51,547,423 as at 31 March 2007, the total return per Ordinary share is 31.71p, split between revenue 3.75p and capital 27.96p.

### 5. Net asset value per share

The net asset value per Ordinary share is based on net assets attributable to Ordinary shares of £170,494,000 (31 March 2006: £143,389,000 and 30 September 2006: £148,978,000) and on 51,547,423 Ordinary shares in issue (31 March 2006: 48,286,573 and 30 September 2006: 49,236,573).

### 6. Transaction costs

Purchase transaction costs for the six months ended 31 March 2007 were £80,000 (six months ended 31 March 2006: £66,000; year ended 30 September 2006: £87,000).

Sales transaction costs for the six months ended 31 March 2007 were £nil (six months ended 31 March 2006: £nil; year ended 30 September 2006: £nil).

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

	<b>Six months ended 31 March 2007</b>	Six months ended 31 March 2006	Year ended 30 September 2006
	<b>£'000</b>	£'000	£'000
Total return before finance charges and taxation	<b>16,985</b>	20,889	27,540
Less: capital return before finance charges and taxation	<b>(14,841)</b>	(18,288)	(21,252)
Net revenue before finance costs and taxation	<b>2,144</b>	2,601	6,288
Increase in accrued income and prepayments	<b>(433)</b>	(432)	(164)
Increase in debtors	<b>(10)</b>	(3)	-
Increase/(decrease) in creditors	<b>30</b>	(48)	(53)
Distribution from subsidiary	<b>-</b>	(645)	(645)
Expenses charged to capital	<b>(412)</b>	(331)	(691)
<b>Net cash inflow from operating activities</b>	<b>1,319</b>	1,142	4,735

# **Finsbury Growth & Income Trust PLC**

## **8. 2006 Accounts**

The figures and financial information for the year ended 30 September 2006 are extracted from the latest published accounts of the Company and do not constitute statutory accounts for the year.

Those accounts have been delivered to the Registrar of Companies and included the Report of the Auditors which was unqualified and did not contain a reference to any matters to which the auditors drew attention by way of emphasis without qualifying the report, and did not contain a statement under either Section 237(2) or 237(3) of the Companies Act 1985.