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**SCHRODER  
INCOME  
GROWTH  
FUND plc**

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**Interim Report  
28 February 2007**



**Schrodgers**



#### **INVESTMENT OBJECTIVE**

**The Company's principal investment objectives are to provide real growth of income, being growth of income in excess of the rate of inflation, and capital growth as a consequence of the rising income.**

## Directors

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**Sir Paul Judge (Chairman)**  
**Peregrine Banbury**  
**Ian Barby**  
**Keith Niven**  
**Peter Readman**

## Advisers

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### **Investment Manager**

Schroder Investment Management Limited  
31 Gresham Street  
London EC2V 7QA

### **Secretary and Registered Office**

31 Gresham Street  
London EC2V 7QA  
Telephone: 020 7658 6501

### **Registrar**

Lloyds TSB Registrars Scotland  
PO Box 28448  
Finance House  
Orchard Brae  
Edinburgh EH4 1WQ  
Shareholder Helpline: 0870 601 5366  
Website: [www.shareview.co.uk](http://www.shareview.co.uk)

### **Custodian**

JPMorgan Chase Bank  
1 Chaseside  
Bournemouth  
Dorset BH7 7DA

### **Auditors**

Deloitte & Touche LLP  
Stonecutter Court  
1 Stonecutter Street  
London EC4A 4TR

### **Bankers**

Schroder & Co. Limited  
31 Gresham Street  
London EC2V 7QA

### **Solicitors**

Slaughter and May  
One Bunhill Row  
London EC1Y 8YY

### **Stockbrokers**

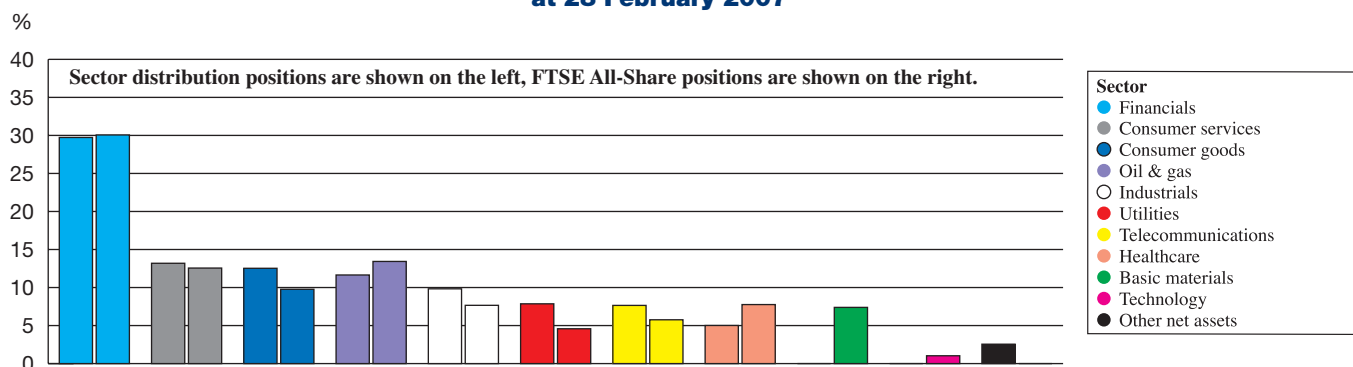
Teather and Greenwood  
Beaufort House  
15 St Botolph Street  
London EC3A 7QR

## Financial Highlights

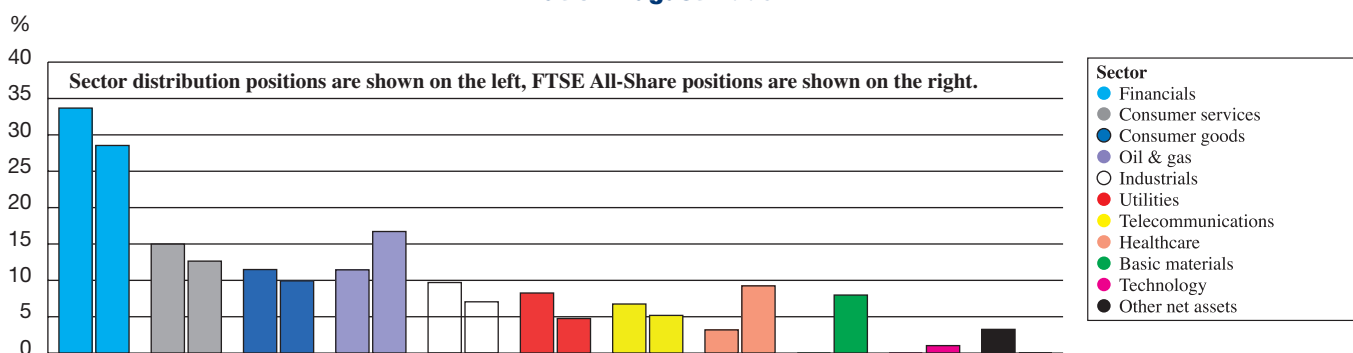
	28 February 2007	31 August 2006	Change %
Net asset value ("NAV") per ordinary share	<b>230.92p</b>	220.39p	4.8
Share price	<b>216.00p</b>	203.75p	6.0
Share price premium/(discount)	<b>(6.5)%</b>	(7.6)%	
FTSE All-Share total return Index*	<b>3,723.70</b>	3,467.94	7.4
Shareholders' funds (£'000)	<b>165,541</b>	160,195	3.3
Shares in issue (£'000)	<b>71,687</b>	72,687	
	Six months ended 28 February 2007	Six months ended 28 February 2006	Change %
Dividends per share declared in respect of the period	<b>3.00p</b>	2.80p	7.1
Revenue return per ordinary share	<b>2.03p</b>	2.00p	1.5
Total return per ordinary share	<b>14.62p</b>	19.47p	(24.9)
NAV total return*	<b>7.7%</b>	10.2%	
Share price total return*	<b>8.1%</b>	10.5%	

\*Source: Fundamental Data

**Comparison of Portfolio Sector Distribution with the FTSE All-Share Index  
at 28 February 2007**



**Comparison of Portfolio Sector Distribution with the FTSE All-Share Index  
at 31 August 2006**



## Chairman's Statement

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### **Investment Performance**

During the six month period ended 28 February 2007, the Company's total return was 7.7% (source: Fundamental Data), comparing favourably to a total return of 7.4% for the FTSE All-Share Index over the same period. Net assets per share increased by 4.8%, reaching 230.9 pence at the period end.

The share price total return for the six months under review was 8.1%. The share price discount to net asset value narrowed during the period, falling from 7.6% to 6.5% at 28 February 2007. Since the period end, the discount has widened to 8.0% as at 13 April 2007.

The key underlying contributors to performance during the period are discussed in the Investment Manager's Review.

### **Dividends**

The Company paid a first interim dividend for the year ended 31 August 2007 of 1.50 pence per ordinary share on 31 January 2007. The Board has since declared the payment of a second interim dividend for the year of 1.50 pence per ordinary share, which will be paid on 30 April 2007 to shareholders who were on the register at the close of business on 10 April 2007. This compares with first and second interim dividends of 1.40 pence per ordinary share for the previous financial year.

### **Share Purchases**

The Company has continued its share buy-back programme during the period under review, purchasing a total of 1,000,000 ordinary shares for cancellation at a cost of £2,172,502. Your Board will continue the buy-back programme as a way of managing the volatility of the discount.

**Sir Paul Judge**

Chairman

19 April 2007

## Investment Manager's Review

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### Market Background

Equity markets continued to make progress, with the FTSE All-Share Index recording a total return of 7.4% over the reporting period. Conditions continued to favour equities. Global economic growth has slowed, but this has been confined primarily to the United States and Japan in contrast to most of Europe and the emerging markets. Interest rates continued to rise in Europe and the Bank of England increased rates twice over the reporting period, to 5.25%.

Performance across sectors was broadly spread with Industrials, Consumer Services, Telecoms and Utilities taking the lead due to greater corporate activity and the presence of private equity funds. However the Materials sector suffered from a fall in resource prices caused by a general fear of a global economic slowdown.

### Performance and Portfolio Activity

The Company's performance has been strong in absolute terms and above that of the market. This was largely due to being overweight Telecom companies and Utilities, offset partly by conservative stock selection in the strongly-rising Consumer Services and Industrial sectors. The underweight position in Energy stocks also made a positive contribution to relative performance.

The heaviest sector exposures remain in the Financials and Consumer sectors. Most of our changes were to increase exposure towards more defensive areas with stable earnings and high dividends. The average dividend yield on the fund is now 3.7%.

### Investment Approach

We seek to invest in companies that offer an attractive income combined with a promising business model. In choosing companies, we emphasise a balance between their dividend payout and reinvestment as we believe that a disciplined use of capital should boost their long-term operational results. This process matches the objectives of the Company.

### Outlook

The end of the Company's half year has coincided with increased market volatility prompted by increased concerns over the US sub-prime mortgage market and the possible impact on both consumer sentiment and spending. Global equity markets suffered from a series of weak economic data that raised fears of slower growth and potentially higher inflation.

Despite the recent volatility in global equity markets, we believe the US economy will slow but not fall into recession. We also believe that UK equities can still produce attractive returns supported not only by conditions in the US but by more domestic influences which include, in particular, ample liquidity in the hands of corporate managers and private equity funds.

We continue to see plenty of opportunity to invest in soundly-managed, well-financed and growing companies that offer adequately-covered dividends. Nevertheless, our more defensive stock selection recognises potentially tougher economic conditions. We acknowledge the potential headwinds from weaker economic data and have integrated our expectation into the stock selection process.

### Schroder Investment Management Limited

19 April 2007

## Twenty Largest Investments

As at 28 February 2007

Company	Market Value of Holding £'000	% of Shareholders' Funds
Royal Dutch Shell "B"	9,556	5.77%
Royal Bank of Scotland	8,323	5.03%
GlaxoSmithKline	8,296	5.01%
Vodafone	7,899	4.77%
HSBC Holdings	7,549	4.56%
Lloyds TSB	6,185	3.74%
BP	6,183	3.73%
Barclays	5,272	3.18%
BT	4,776	2.89%
Centrica	4,721	2.85%
Old Mutual	4,459	2.69%
Reuters	4,214	2.55%
Kingfisher	4,138	2.50%
BAE Systems	4,054	2.45%
Aviva	3,888	2.35%
National Grid	3,872	2.34%
GKN	3,817	2.31%
Rentokil Initial	3,588	2.17%
Bunzl	3,566	2.15%
HBOS	3,551	2.14%
<b>Total</b>	<b>107,907</b>	<b>65.18%</b>

The value of the twenty largest investments represents 65.18% (28.2.06: 63.66% and 31.8.06: 64.62%) of shareholders' funds.

## Income Statement

	Note	Six months ended 28 February 2007 (unaudited)			Six months ended 28 February 2006 (unaudited)			Year ended 31 August 2006 (audited)		
		Revenue Return £'000	Capital Return £'000	Total Return £'000	Revenue Return £'000	Capital Return £'000	Total Return £'000	Revenue Return £'000	Capital Return £'000	Total Return £'000
Gains on investments held at fair value		–	9,215	9,215	–	12,285	12,285	–	13,208	13,208
Income	2	1,901	41	1,942	1,921	900	2,821	6,381	1,857	8,238
Investment management fee	3	(337)	(337)	(674)	(312)	(312)	(624)	(650)	(650)	(1,300)
Performance fee rebate	4	–	170	170	–	156	156	–	163	163
Administrative expenses		(97)	–	(97)	(118)	–	(118)	(210)	–	(210)
<b>Net return before finance costs and taxation</b>		<b>1,467</b>	<b>9,089</b>	<b>10,556</b>	<b>1,491</b>	<b>13,029</b>	<b>14,520</b>	<b>5,521</b>	<b>14,578</b>	<b>20,099</b>
Interest payable and similar charges		–	–	–	–	–	–	–	–	–
<b>Net return on ordinary activities before taxation</b>		<b>1,467</b>	<b>9,089</b>	<b>10,556</b>	<b>1,491</b>	<b>13,029</b>	<b>14,520</b>	<b>5,521</b>	<b>14,578</b>	<b>20,099</b>
Taxation on ordinary activities		–	–	–	–	–	–	–	–	–
<b>Net return on ordinary activities after taxation attributable to equity shareholders</b>		<b>1,467</b>	<b>9,089</b>	<b>10,556</b>	<b>1,491</b>	<b>13,029</b>	<b>14,520</b>	<b>5,521</b>	<b>14,578</b>	<b>20,099</b>
<b>Net return per Ordinary Share</b>	<b>6</b>	<b>2.03p</b>	<b>12.59p</b>	<b>14.62p</b>	<b>2.00p</b>	<b>17.47p</b>	<b>19.47p</b>	<b>7.44p</b>	<b>19.64p</b>	<b>27.08p</b>

All revenue and capital items in the above statement derive from continuing operations.

The Total Return column of this statement is the profit and loss account of the Company.

The notes on pages 10 and 11 form an integral part of these financial statements.

## Reconciliation of Movements in Shareholders' Funds

	Share Capital £'000	Capital Redemption Reserve £'000	Share Premium Account £'000	Share Purchase Reserve £'000	Warrant Exercise Reserve £'000	Capital Reserves £'000	Revenue Reserve* £'000	Total £'000
Balance at 31 August 2005	7,481	1,399	7,404	47,333	1,596	79,568	2,794	147,575
Valuation adjustment from mid to bid	–	–	–	–	–	(6)	–	(6)
Add back accrued dividend	–	–	–	–	–	–	2,057	2,057
Balance at 31 August 2005 (restated)	7,481	1,399	7,404	47,333	1,596	79,562	4,851	149,626
Dividends paid in respect of 31 August 2005	–	–	–	–	–	–	(2,057)	(2,057)
First interim dividend of 1.40p per ordinary share paid 31 January 2006	–	–	–	–	–	–	(1,048)	(1,048)
Gains on investments	–	–	–	–	–	12,285	–	12,285
Capitalised dividend	–	–	–	–	–	900	–	900
Other transfer to reserves	(35)	35	–	(686)	–	(156)	1,491	649
<b>Balance at 28 February 2006 (unaudited)</b>	<b>7,446</b>	<b>1,434</b>	<b>7,404</b>	<b>46,647</b>	<b>1,596</b>	<b>92,591</b>	<b>3,237</b>	<b>160,355</b>
Balance at 31 August 2005	7,481	1,399	7,404	47,333	1,596	79,568	2,794	147,575
Valuation adjustment from mid to bid	–	–	–	–	–	(6)	–	(6)
Add back accrued dividend	–	–	–	–	–	–	2,057	2,057
Balance at 31 August 2005 (restated)	7,481	1,399	7,404	47,333	1,596	79,562	4,851	149,626
Dividends paid in respect of 31 August 2005	–	–	–	–	–	–	(2,057)	(2,057)
First interim dividend of 1.40p per ordinary share paid 31 January 2006	–	–	–	–	–	–	(1,048)	(1,048)
Second interim dividend of 1.40p per ordinary share paid 30 April 2006	–	–	–	–	–	–	(1,043)	(1,043)
Third interim dividend of 1.40p per ordinary share paid 31 July 2006	–	–	–	–	–	–	(1,028)	(1,028)
Gains on investments	–	–	–	–	–	13,208	–	13,208
Capitalised dividend	–	–	–	–	–	1,857	–	1,857
Other transfer to reserves	(212)	212	–	(4,354)	–	(487)	5,521	680
<b>Balance at 31 August 2006 (audited)</b>	<b>7,269</b>	<b>1,611</b>	<b>7,404</b>	<b>42,979</b>	<b>1,596</b>	<b>94,140</b>	<b>5,196</b>	<b>160,195</b>
Dividends paid in respect of 31 August 2006	–	–	–	–	–	–	(1,963)	(1,963)
First interim dividend of 1.50p per ordinary share paid 31 January 2007	–	–	–	–	–	–	(1,075)	(1,075)
Gains on investments	–	–	–	–	–	9,215	–	9,215
Capitalised dividend	–	–	–	–	–	41	–	41
Other transfer to reserves	(100)	100	–	(2,172)	–	(167)	1,467	(872)
<b>Balance at 28 February 2007 (unaudited)</b>	<b>7,169</b>	<b>1,711</b>	<b>7,404</b>	<b>40,807</b>	<b>1,596</b>	<b>103,229</b>	<b>3,625</b>	<b>165,541</b>

\*The Revenue Reserve is the distributable reserve.

The notes on pages 10 and 11 form an integral part of these financial statements.

## Balance Sheet

	At 28 February 2007 (unaudited) £'000	At 28 February 2006 (unaudited) £'000	At 31 August 2006 (audited) £'000
Note			
<b>Fixed assets</b>			
Investments held at fair value through profit or loss	161,323	156,131	155,214
<b>Current assets</b>			
Debtors	585	834	2,170
Cash at bank	4,033	4,551	4,014
	<b>4,618</b>	<b>5,385</b>	<b>6,184</b>
<b>Creditors: amounts falling due within one year</b>	<b>(400)</b>	<b>(1,161)</b>	<b>(1,203)</b>
<b>Net current assets</b>	<b>4,218</b>	<b>4,224</b>	<b>4,981</b>
<b>Net assets attributable to shareholders</b>	<b>165,541</b>	<b>160,355</b>	<b>160,195</b>
<b>Capital and reserves</b>			
Called up share capital	7,169	7,446	7,269
Capital redemption reserve	1,711	1,434	1,611
Share premium account	7,404	7,404	7,404
Share purchase reserve	40,807	46,647	42,979
Warrant exercise reserve	1,596	1,596	1,596
Capital reserves	103,229	92,591	94,140
Revenue reserve	3,625	3,237	5,196
<b>Total equity shareholders' funds</b>	<b>165,541</b>	<b>160,355</b>	<b>160,195</b>
<b>Net asset value per Ordinary Share</b>	<b>8</b>	<b>230.92p</b>	<b>215.35p</b> <b>220.39p</b>

The notes on pages 10 and 11 form an integral part of these financial statements.

## Cash Flow Statement

	Six months ended 28 February 2007 (unaudited)		Six months ended 28 February 2006 (unaudited)		Year ended 31 August 2006 (audited)	
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Operating activities</b>						
Income from investments	2,518		2,216		7,606	
Interest received	166		110		244	
Administrative expenses	(111)		(127)		(184)	
Performance fee rebate/(charge)	163		(149)		(149)	
Investment management fee	(691)		(650)		(1,295)	
<b>Net cash inflow from operating activities</b>		<b>2,045</b>		<b>1,400</b>		<b>6,222</b>
<b>Returns on investments and servicing of finance</b>						
Interest paid	-		-		-	
<b>Net cash outflow from returns on investments and servicing of finance</b>		<b>-</b>		<b>-</b>		<b>-</b>
<b>Financial investment</b>						
Purchase of investments	(34,760)		(15,957)		(64,932)	
Sale of investments	37,933		19,373		68,738	
<b>Net cash inflow from financial investment</b>		<b>3,173</b>		<b>3,416</b>		<b>3,806</b>
<b>Equity dividends paid</b>		<b>(3,038)</b>		<b>(3,105)</b>		<b>(5,176)</b>
<b>Net cash inflow before financing</b>		<b>2,180</b>		<b>1,711</b>		<b>4,852</b>
<b>Financing</b>						
Purchase of shares for cancellation	(2,161)		(686)		(4,364)	
<b>Net cash outflow from financing</b>		<b>(2,161)</b>		<b>(686)</b>		<b>(4,364)</b>
<b>Net cash inflow</b>		<b>19</b>		<b>1,025</b>		<b>488</b>

## Reconciliation of net cash inflow to movement in net funds

	Six months ended 28 February 2007 (unaudited)		Six months ended 28 February 2006 (unaudited)		Year ended 31 August 2006 (audited)	
	£'000	£'000	£'000	£'000	£'000	£'000
Movement in cash in the period		19		1,025		488
Net funds brought forward		4,014		3,526		3,526
<b>Net funds carried forward</b>		<b>4,033</b>		<b>4,551</b>		<b>4,014</b>

The notes on pages 10 and 11 form an integral part of these financial statements.

## Notes to the Accounts

### 1 Accounting policies

The interim financial statements have been prepared under the historical cost convention, modified to include the revaluation of investments and in accordance with the Companies Act 1985 and Generally Accepted Accounting Practice (UK GAAP) issued by the Accounting Standards Board (ASB) and the Statement of Recommended Practice "Financial Statements of Investment Trust Companies" ("SORP") issued in January 2003 and revised in December 2005. The same accounting policies used for the year ended 31 August 2006 have been applied.

### 2 Income

	Six months ended 28 February 2007 (unaudited) £'000	Six months ended 28 February 2006 (unaudited) £'000	Year ended 31 August 2006 (audited) £'000
UK dividend income	1,731	1,792	6,091
Convertible bond interest	–	24	36
Capitalised dividend	41	900	1,857
Interest receivable and similar income	170	105	254
<b>Total</b>	<b>1,942</b>	<b>2,821</b>	<b>8,238</b>

### 3 Investment management fee

The Investment Manager was entitled to a fee at a rate of 10 per cent. of the net revenue return for the year after taxation plus 0.375 per cent. on assets up to and including £75 million, 0.35 per cent. on the next £50 million and 0.325 per cent. on assets in excess of £125 million. These fees are apportioned on a 50:50 basis between the capital and revenue accounts respectively.

	Six months ended 28 February 2007 (unaudited) £'000	Six months ended 28 February 2006 (unaudited) £'000	Year ended 31 August 2006 (audited) £'000
Investment management fee:			
– allocated to revenue	287	266	553
– allocated to capital	287	266	553
– irrecoverable VAT	100	92	194
<b>Total</b>	<b>674</b>	<b>624</b>	<b>1,300</b>

### 4 Performance fee rebate/charge

With effect from 1 September 2000, an annual performance fee was introduced. The fee is symmetrical in nature, so that the Manager is rewarded for out-performance but penalised for under-performance. The performance fee or rebate is based on the Company's net asset value total return compared with the total return on the FTSE All-Share Index over a rolling three-year period and is subject to a cap of 25 per cent. of the asset-based management fee (plus VAT) for the year then ended. The performance fee or rebate is calculated and paid annually. The fee, or rebate, in respect of any period will be calculated as 5 per cent. of the value (based on opening net assets for the relevant period) of the out-performance or under performance of the Company's net asset value over the return of the FTSE All-Share Index, with performance measured in terms of total return.

	Six months ended 28 February 2007 (unaudited) £'000	Six months ended 28 February 2006 (unaudited) £'000	Year ended 31 August 2006 (audited) £'000
Performance fee:			
– rebate to capital	145	133	139
– irrecoverable VAT	25	23	24
<b>Total</b>	<b>170</b>	<b>156</b>	<b>163</b>

## Notes to the Accounts (continued)

### 5 Transaction costs

Transaction costs have been included with gains and losses on investments. Purchase transaction costs including stamp duty amounted to £209,000 for the period to 28 February 2007 (28 February 2006: £98,000 and 31 August 2006: £415,000) and sales transaction costs amounted to £50,000 for the period to 28 February 2007 (28 February 2006: £26,000 and 31 August 2006: £97,000).

### 6 Return per Ordinary Share

	Six months ended 28 February 2007 (unaudited)	Six months ended 28 February 2006 (unaudited)	Year ended 31 August 2006 (audited)
Revenue return (£'000)	1,467	1,491	5,521
Capital return (£'000)	9,089	13,029	14,578
Total return (£'000)	10,556	14,520	20,099
Weighted average number of Ordinary Shares in issue	72,187,343	74,594,672	74,221,932
Revenue return per Ordinary Share	2.03p	2.00p	7.44p
Capital return per Ordinary Share	12.59p	17.47p	19.64p
Total return per Ordinary Share	14.62p	19.47p	27.08p

### 7 Dividends

The second interim dividend of 1.50 pence per Ordinary Share will be paid on 30 April 2007 to shareholders on the register at 10 April 2007. A first interim dividend of 1.50 pence per Ordinary Share was paid on 31 January 2007. In total dividends of 3.00 pence per share have been declared for the six months ended 28 February 2007.

### 8 Net Asset Value per Ordinary Share

	Six months ended 28 February 2007 (unaudited)	Six months ended 28 February 2006 (unaudited)	Year ended 31 August 2006 (audited)
Net asset value per Ordinary Share	230.92p	215.35p	220.39p
Ordinary Shares in issue at the end of the period	71,687,343	74,462,343	72,687,343

### 9 Results

The results for the six months to 28 February 2007 and 28 February 2006, which are unaudited, constitute non-statutory accounts within the meaning of Section 240 of the Companies Act 1985. The latest published accounts which have been delivered to the Registrar of Companies are for the year ended 31 August 2006; the report of the auditors thereon was unqualified and did not contain a statement under Section 237 of the Companies Act 1985. The abridged financial statements shown above for the year ended 31 August 2006 are an extract from those accounts.

## Company Summary and Shareholder Information

### The Company

Schroder Income Growth Fund plc was established in March 1995 and is an independent investment trust whose Ordinary Shares are listed on the London Stock Exchange. It is one of a number of investment trusts managed and administered by Schroders.

### Duration

It is not intended that the Company should have a limited life, but the Directors consider it desirable that shareholders should have the opportunity to review the future of the Company at appropriate intervals. Accordingly, the Articles of Association of the Company contain provisions requiring the Directors to put forward a proposal for the continuation of the Company to shareholders at five yearly intervals. The next proposal will be put forward at the Annual General Meeting in 2010.

### Share Price and Net Asset Value Information

The Company's shares are listed on the London Stock Exchange under the Code SCF. The price of the shares is quoted daily in The Financial Times, The Daily Telegraph and The Times.

Share price information, subject to a twenty minute delay, is also available on the Schroders website at:

<http://www.schroders.co.uk>

The Company releases its net asset value per share to the market weekly.

### Shares in Issue and Voting Rights

As at 2 May 2007, the Company had 71,687,343 Ordinary Shares of 10p each in issue. Each share carries one voting right.

### Financial Calendar

31 January	First interim dividend payable
March	Interim Results announced
	Second interim dividend announced
30 April	Second interim dividend payable
June	Third interim dividend announced
31 July	Third interim dividend payable
31 August	Company's year end
September	Fourth interim dividend announced
31 October	Fourth interim dividend payable
November	Preliminary Results announced
	Annual Report and Accounts published
December	Annual General Meeting
	First interim dividend announced

## Investing in Schroder Income Growth Fund plc

### Schroder Investment Trust Dealing Service

The Schroder Investment Trust Dealing Service provides a convenient and cost effective means of investing in the ordinary shares of the Company. The Service offers investors:

- a regular investment option from a minimum of £50 per month;
- a lump sum investment option from a minimum of £1,000;
- daily dealing;
- competitive charges; and
- the option to reinvest income.

Other investment trusts which are available through this service are Schroder AsiaPacific Fund plc, Schroder Japan Growth Fund plc, Schroder Oriental Income Fund Limited, Schroder Split Investment Fund plc, Schroder Split ZDP plc, Schroder UK Growth Fund plc, Schroder UK Mid & Small Cap Fund plc, SVG Capital plc and International Biotechnology Trust plc.

### Individual Savings Account – Schroder Maxi ISA Plan

Schroders are providing a non CAT standard investment trust ISA, which includes Schroder Income Growth Fund plc. The investment trust ISA is designed as a maxi account, made up entirely of a stocks and shares component; a cash or insurance component is not offered.

The Schroder ISA offers investors:

- lump sum investments in the ordinary shares of the Company from a minimum of £1,000 to a maximum of £7,000 in the current tax year
- a regular investment option from a minimum of £50 per month
- competitive charges
- the option to reinvest income
- the option to include other trusts.

If you would like further information about the Schroder Investment Trust Dealing Service or the Schroder Maxi ISA, please contact the Secretary of the Company at 31 Gresham Street, London EC2V 7QA or call Schroder Investor Services on freephone 0800 718 777.

### Capital Gains Tax Information

For the benefit of those shareholders who acquired their holdings in the Offer for Subscription, acquisition costs of the shares for capital gains tax purposes based upon initial dealings on 24 April 1995 are as follows:

Each ordinary share of 10p each	94.78p
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For the 2007/2008 tax year, the annual capital gains (after adjusting for indexation and taper relief) of private individuals in excess of £9,200 (2006/2007: £8,800) are assessed for capital gains tax.

Capital gains on shares disposed of by individuals may be eligible for taper relief. The taper reduces the amount of a chargeable gain according to how long the asset has been held for periods after 5 April 1998. Where shares were acquired before 6 April 1998, the gain will also be reduced by indexation allowance for the period up to April 1998, but not thereafter.

## Investing in Schroder Income Growth Fund plc (continued)

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### **Registrar Services**

Communications with shareholders are mailed to the address held on the register. Any notifications and enquiries relating to registered shareholdings, including a change of address or other amendment should be directed to Lloyds TSB Registrars Scotland at PO Box 28448, Finance House, Orchard Brae, Edinburgh EH4 1WQ. The telephone number of Lloyds TSB Registrars is 0870 601 5366.

Lloyds TSB Registrars Scotland maintain a web-based enquiry service for shareholders. Currently the “Shareview” site (address below) contains information available on public registers. Shareholders will be invited to enter their name, shareholder reference (account number) and post code and will be able to view information on their own holding.

Visit [www.shareview.co.uk](http://www.shareview.co.uk) for more details.







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We are a global asset management company with £132.3 billion under management as at 31 March 2007. Our clients are major financial institutions including pension funds, banks and insurance companies, local and public authorities, governments, charities, high net worth individuals and retail investors.

Our involvement in investment management began in 1922 and our clients benefit from an extensive range of products and services. We manage funds across all asset classes, with specialist capabilities in equities, fixed income, private equity, property, hedge funds and structured products.

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