INTERNET GROWTH FUND, INC.

SEMI-ANNUAL REPORT
September 30, 2002

American Stock Exchange Symbol:

FND

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New York, NY 10005

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www.internetgrowthfund.com

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October 11, 2002

Dear Shareholders:

We are pleased to submit this Semi-Annual Report for the six months ended September 30, 2002 and to welcome our shareholders who have made their investment since the Fund's last Report. The Fund's fundamental investment objective is to seek capital appreciation by investing in a portfolio consisting primarily of equity securities issued by companies that the Fund's investment manager believes will benefit from growth of the Internet. Current dividend income is not an investment consideration. Under normal market conditions, the Fund will invest at least 65% of its total assets in the equity securities of companies that engage in Internet and Internet-related activities. The Board of Directors adopted a new non-fundamental investment policy, effective July 12, 2002, that so long as the word "internet" is included in its name, the Fund will under normal market conditions seek to achieve its investment objective by investing 80% of its total assets in companies that directly or indirectly support, utilize, deal or market over, connect through, benefit by, or are otherwise involved in the Internet ("Internet companies").

Changes Announced

With the approval of the Fund's Board of Directors and shareholders, CEF Advisers, Inc. became the new investment manager of the Fund effective at the close of business on July 12, 2002. CEF is a unit of Winmill & Co. Incorporated (Nasdaq: WNMLA), a New York based asset manager. In this connection, the Fund's name was changed to Internet Growth Fund, Inc. and its CUSIP number became 46062H 10 0. In that regard, shareholders are not required to turn in their share certificates or take any other action. The Fund's listing on the American Stock Exchange under the symbol FND remains unchanged.

On September 13, 2002, the Fund announced that the Board of Directors had determined to rescind and eliminate the intention, as described in the Fund's prospectus dated October 26, 1999, to consider from time to time repurchases of the Fund's common stock on the open market when the shares are trading at a discount from net asset value and to consider, from time to time, but not more frequently than once every two years, making an offer to each shareholder of record to purchase at net asset value shares of common stock owned by the shareholder. Thus, the Fund does not currently intend to repurchase shares and no assurance can be given that the Fund will decide to repurchase shares in the future. While the Fund does not currently intend to repurchase shares, its officers and directors and the investment manager and their affiliates may and have purchased shares from time to time.

The Fund also announced at that time that the Board of Directors had determined also to eliminate all current non-fundamental investment policies and restrictions of the Fund, except for the non-fundamental investment policy that so long as the word "internet" is included in its name, the Fund will under normal market conditions seek to achieve its investment objective by investing 80% of its total assets in Internet companies. Both actions of the Board will become effective after 30 days, or October 14, 2002. The non-fundamental policies and restrictions that were eliminated include restrictions on selling securities short, purchasing securities on margin, investing in illiquid securities, purchasing securities of other investment companies, engaging in futures or options on futures transactions, engaging in options transactions, and borrowing money.

Review and Outlook

The technology sector, already weak, is showing signs of further deterioration in some areas. For example, Hewlett-Packard announced new cuts of 1,800 jobs beyond the 15,000 previously announced due to weak demand. In addition to Worldcom, accounting scandals are breaking out at three other telecom companies who say they entered into arrangements with Qwest Communications which helped it improperly recognize millions of dollars in revenue during 2000 and 2001. Adding to investor malaise was the recent report that three former executives of Homestore Inc., a web-based real estate firm, pleaded guilty to civil and criminal charges of deceiving investors by artificially inflating the company's revenues.

Yet, looking ahead, we believe economic conditions generally will be positive for investing. In an effort to help continuing to revive the economy, the Federal Reserve and the U.S. Government appear to be taking definite steps to stimulate growth. Importantly, the Federal Reserve recently voted to hold the Federal Funds target interest rate steady at 1.75%, and the statement announcing the decision suggests the potential for lower rates in coming months. At the same time, some isolated signs of a recovery appear to be in place. For example, while incurring a large loss due to one time charges and inventory write-offs, MicronTechnology recently reported that net sales for the August 31, 2002 quarter had surged approximately 56% from year earlier results.

Given this extraordinary mix of economic, legal and accounting problems, technology doldrums, and internet disillusionment, the Fund adopted a defensive position and at September 30, 2002 was invested substantially in short term Treasury bills. Should conditions be perceived to be changing, however, the Fund may consider increasing its investment in equities, and in certain conditions possibly adopting an aggressive posture using leverage, options and/or futures.

Purchase Shares at an Attractive Discount

The Fund's current net asset value per share is $2.56. With a recent closing on the American Stock Exchange of $2.20 per share, we believe this represents an important opportunity to purchase additional shares at an attractive discount from their underlying value. An affiliate of the investment manager recently purchased 125,000 shares of the Fund and management shares your optimism about the Fund going forward. If you have a question, please call 1-800-278-4353 and an Investor Service Representative will be happy to assist you, as always, without any obligation on your part.

We appreciate your support and look forward to serving your investment needs in the months and years ahead.

Sincerely,

Thomas B. Winmill
President

Schedule of Portfolio Investments – September 30, 2002 (Unaudited)

Shares		Market Value
	Common Stocks (3.89%)	
	Computer Processing & Data Preparation (.32%)	
70,000	Tucows Inc.[2]	$ 21,700
	Computer Programming, Data Processing, etc. (.31%)	
24,400	Digital Fusion, Inc.[2]	20,740
	Miscellaneous Business Services (3.16%)	
75,000	Safety Intelligence Systems Corp.[1][2]	212,145
	Services-Prepackaged Software (.10%)	
28,100	GraphOn Corp.[2]	6,463
	Total Common Stocks (cost: $592,070)	261,048
Par Value		
	Short Term Investments (96.11%)	
$1,000,000	U.S. Treasury Bill, due 10/17/02	999,254
1,260,000	U.S. Treasury Bill, due 10/24/02	1,258,667
4,000,000	U.S. Treasury Bill, due 10/31/02	3,994,832
193,027	Repurchase Agreement with State Street Bank & Trust , 0.65%, due 10/1/02 (collateralized by U.S. Treasury Bonds)	193,027
	Total Short Term Investments (cost: $6,445,532)	6,445,780
	Total Investments (cost: $7,037,602)	**$6,706,828**

[1] Security is not publicly traded.
[2] Non-income producing security.

STATEMENT OF ASSETS AND LIABILITIES

September 30, 2002 (Unaudited)

ASSETS:	
Investments at market value (cost: $7,037,602) (Note 2)	$ 6,706,828
Cash	13,023
Total assets	6,719,851
LIABILITIES:	
Accrued expenses	39,262
Accrued management fees (Note 4)	5,497
Total liabilities	44,759
NET ASSETS: (applicable to 2,602,847 shares outstanding: 500 million shares of $.01par value authorized)	$ 6,675,092
NET ASSET VALUE PER SHARE ($6,675,092 ÷ 2,602,847 shares outstanding)	$2.56

At September 30, 2002, net assets consisted of:

Paid-in capital	$23,919,906
Net unrealized depreciation on investments	(330,774)
Accumulated net realized loss on investments	(16,765,867)
Accumulated deficit in net investment income	(148,173)
	$ 6,675,092

STATEMENT OF OPERATIONS

Six Months Ended September 30, 2002 (Unaudited)

INVESTMENT INCOME:	
Interest	$ 31,840
Dividends	149
Total investment income	31,989
EXPENSES:	
Investment management (Note 4)	34,734
Professional (Note 4)	22,647
Transfer agent	18,002
Directors	13,586
Administration	13,052
Other	4,110
Printing	3,051
Custodian	2,366
Registration (Note 4)	1,378
Total expenses	112,926
Net investment loss	(80,937)
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS AND FOREIGN CURRENCIES:	
Net realized loss on investments	(4,215,029)
Unrealized appreciation on investments during the period	2,468,154
Net realized and unrealized loss on investments	(1,746,875)
Net decrease in net assets resulting from operations	$(1,827,812)

STATEMENTS OF CHANGES IN NET ASSETS

Six Months Ended September 30, 2002 (Unaudited) and Year Ended March 31, 2002.

	Six Months Ended September 30, 2002 (Unaudited)	Year Ended March 31, 2002
OPERATIONS:		
Net investment loss	$ (80,937)	$ (221,933)
Net realized gain (loss) on:		
Long transactions	(4,215,029)	(1,624,953)
Options contracts expired or closed	–	172,850
Change in unrealized appreciation on investments	2,468,154	1,023,187
Net decrease in net assets resulting from operations	(1,827,812)	(650,849)
DISTRIBUTIONS TO SHAREHOLDERS:		
Net realized gains ($0.26 per share)	–	(663,137)
Total distributions	–	(663,137)
CAPITAL SHARE TRANSACTIONS:		
Increase in net assets resulting from reinvestment of distributions (23,964 shares)	–	81,842
Total change in net assets	(1,827,812)	(1,232,144)
NET ASSETS:		
Beginning of period	8,502,904	9,735,048
End of period	$ 6,675,092	$ 8,502,904

Notes to Financial Statements (Unaudited)

(1) Internet Growth Fund, Inc. (the "Fund") was incorporated under the laws of the state of Maryland on August 24, 1998 and is registered under the Investment Company Act of 1940 as a non-diversified, closed-end management investment company. The Fund commenced operations on October 29, 1999. Under normal market conditions, the Fund will invest at least 65% of its total assets in the equity securities of companies that engage in Internet and Internet-related activities and, so long as the word "internet" is included in its name, the Fund will under normal market conditions seek to achieve its investment objective by investing 80% of its total assets in companies that directly or indirectly support, utilize, deal or market over, connect through, benefit by, or are otherwise involved in the Internet.

(2) The following is a summary of significant accounting policies consistently followed by the Fund in the preparation of its financial statements. With respect to security valuation, securities traded on a national securities exchange or the Nasdaq National Market System ("NMS") are valued at the last reported sales price on the day the valuations are made. Such securities that are not traded on a particular day and securities traded in the over-the-counter market that are not on NMS are valued at the mean between the current bid and asked prices. Certain of the securities in which the Fund invests are priced through pricing services which may utilize a matrix pricing system which takes into consideration factors such as yields, prices, maturities, call features and ratings on comparable securities. Bonds may be valued according to prices quoted by a dealer in bonds which offers pricing services. Debt obligations with remaining maturities of 60 days or less are valued at cost adjusted for amortization of premiums and accretion of discounts. Securities of foreign issuers denominated in foreign currencies are translated into U.S. dollars at prevailing exchange rates. Forward contracts are marked to market and the change in market value is recorded by the Fund as an unrealized gain or loss. When a contract is closed, the Fund records a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed. The Fund could be exposed to risk if the counterparties are unable to meet the terms of the contracts or if the value of the currency changes unfavorably. Investment transactions are accounted for on the trade date (the date the order to buy or sell is executed). Interest income is recorded on the accrual basis. Discounts and premiums on securities purchased are amortized over the life of the respective securities. Dividends and distributions to shareholders are recorded on the ex-dividend date. In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management makes estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, as well as the reported amounts.

(3) It is the Fund's policy to meet the requirements of the Internal Revenue Code applicable to regulated investment companies and to distribute all of its taxable net income to its shareholders. In addition, the Fund intends to pay distributions as required to avoid imposition of excise tax. Therefore, no federal income tax provision is required. At October 31, 2001, the tax year end of the Fund, the Fund had a capital loss carryforward of approximately $10,509,510 which expires in 2009 available to offset future gains if any. On July 24, 2001, a distribution of $.257 per share was declared. The dividend was paid on August 9, 2001, to shareholders of record on July 26, 2001. The tax character of distributions paid were as follows:

	Year Ended March 31, 2002
Distributions paid from:	
Ordinary income	$663,137
	$663,137

As of March 31, 2002, the components of distributable earnings on a tax basis were as follows:

Accumulated net investment loss	$ —
Capital loss carryforward	(10,509,510)
Unrealized appreciation	(4,907,492)
	$(15,417,002)

(4) Effective July 12, 2002, the Fund retained CEF Advisers, Inc. as its Investment Manager. Previously, LCM Capital Management, Inc. ("LCM") was the manager. Under the terms of the Investment Management Agreement, the Fund pays the Investment Manager a fee for its services at the annual rate of 1.00% of the Fund's average daily net assets. The fee is accrued each calendar day and the sum of the daily fee accruals is paid monthly. The daily fee accrual is computed by multiplying 1/365 by the annual rate and multiplying the product by the net asset value of the Fund as of the close of business on the previous day. LCM's fee was substantially similar. Certain officers and directors of the Fund are officers and directors of the Investment Manager. The Fund reimbursed the Investment Manager $6,077 for providing certain administrative and accounting services beginning on July 12, 2002 at cost during the six months ended September 30, 2002.

(5) The Fund has an arrangement with its custodian and transfer agent whereby interest earned on uninvested cash balances was used to offset a portion of the Fund's expenses. Purchases and sales of investment securities (excluding short-term investments, options and short positions) aggregated $225,000 and $4,074,251, respectively, for the six months ended September 30, 2002. At September 30, 2002, gross unrealized appreciation and depreciation of investments for tax purposes were as follows:

Appreciation	$ 249
Depreciation	(331,023)
Net depreciation on investments	$ (330,774)

At September 30, 2002, the cost of investments for federal income tax purposes was $7,037,602.

(6) The Fund may engage in transactions in futures contracts. Upon entering into a futures contract, the Fund is required to deposit with the broker an amount of cash or cash equivalents equal to a certain percentage of the contract amount. This is known as the "initial margin." Subsequent payments ("variation margin") are made or received by the Fund each day, depending on the daily fluctuation of the value of the contract. The daily change in the contract is included in unrealized appreciation/depreciation on investments and futures contracts. The Fund recognizes a realized gain or loss when the contract is closed. There are several risks in connection with the use of futures contracts. The change in value of futures contracts primarily corresponds with the value of their underlying instruments, which may not correlate with the change in value of the hedged investments. In addition, there is the risk the Fund may not be able to enter a closing transaction because of an illiquid secondary market. There were no open futures contracts at September 30, 2002.

FINANCIAL HIGHLIGHTS

	Six Months Ended September 30, 2002	Year Ended March 31, 2002	Year Ended March 31, 2001	Period Ended March 31, 2000[a]
PER SHARE DATA*				
Net asset value at beginning of period	$3.27	$3.77	$14.81	$9.35
Income from investment operations:				
Net investment income (loss)	(.03)	(0.08)	(0.09)	(0.05)
Net realized and unrealized gain (loss) on investments	(.68)	(0.16)	(10.45)[d]	5.51
Total from investment operations	(.71)	(0.24)	(10.54)	5.46
Less distributions:				
Distributions to shareholders.	–	(0.26)	(0.50)	–
Net asset value at end of period	$2.56	$3.27	$3.77	$14.81
TOTAL RETURN ON NET ASSET VALUE BASIS(b)	(21.71)%	(6.65)%	(73.46)%	58.40%[b]
TOTAL RETURN ON MARKET VALUE BASIS (b)	(27.67)%	(2.06)%	(71.89)%	24.38%[b]
RATIOS/SUPPLEMENTAL DATA				
Net assets at end of period (000's omitted)	$6,675	$8,503	$9,735	$39,105
Ratio of expenses to average net assets	3.25%[c]	3.17%	2.19%	1.78%[c]
Ratio of net investment income (loss) to average net assets	(2.33)%[c]	(2.41)%	(0.93)%	(0.94)%[c]
Portfolio turnover rate	194.25%	89.31%	550.56%	168.62%

(a) From commencement of operations on October 29, 1999.
(b) Not annualized.
(c) Annualized.
(d) Includes $0.06 of gains resulting from the buy back of treasury shares at a discount from the net asset value.

See accompanying notes to financial statements.

The annual meeting of shareholders of the Fund was held at 223 W. Lake Street, Chicago, Illinois 60606, on Tuesday, July 9, 2002 for the following purposes:

1. To consider and vote upon the approval of a new investment management agreement between the Fund and CEF Advisers, Inc.

Votes For	Votes Against	Abstentions
2,344,477	101,605	25,441

2. To elect four directors.

Director	Class	Term	Expiring	Votes For	Votes Abstained
George B. Langa	I	1 year	2003	2,370,647	100,876
David R. Stack	II	2 years	2004	2,370,647	100,876
Peter K. Werner	III	3 years	2005	2,370,647	100,876
Thomas B. Winmill	IV	4 years	2006	2,369,914	100,609

3. To approve an ammendment to the Fund's Articles of Incorporation.

Votes For	Votes Against	Abstentions
824,838	172,280	30,900

Thus, proposals 1 and 2, but not 3, were approved by shareholders .

DIVIDEND REINVESTMENT PLAN

The Fund has adopted a Dividend Reinvestment Plan (the "Plan"). Under the Plan, each dividend and capital gain distribution, if any, declared by the Fund on outstanding shares will, unless elected otherwise by each shareholder by notifying the Fund in writing at any time prior to the record date for a particular dividend or distribution, be paid on the payment date fixed by the Board of Directors or a committee thereof in additional shares. If the Market Price (as defined below) per share is equal to or exceeds the net asset value per share at the time shares are valued for the purpose of determining the number of shares equivalent to the cash dividend or capital gain distribution (the “Valuation Date”), participants will be issued additional shares equal to the amount of such dividend divided by the Fund's net asset value per share. If the Market Price per share is less than such net asset value on the Valuation Date, participants will be issued additional shares equal to the amount of such dividend divided by the Market Price. The Valuation Date is the day before the dividend or distribution payment date or, if that day is not an American Stock Exchange trading day, the next trading day. For all purposes of the Plan: (a) the Market Price of the shares on a particular date shall be the average closing market price on the five trading days the shares traded ex-dividend on the Exchange prior to such date or, if no sale occurred on any of these days, then the mean between the closing bid and asked quotations, for the shares on the Exchange on such day, and (b) net asset value per share on a particular date shall be as determined by or on behalf of the Fund.

PRIVACY POLICY

The Fund recognizes the importance of protecting the personal and financial information of its shareholders. We consider each shareholder's personal information to be private and confidential. This describes the practices followed by us to protect our shareholders' privacy. We may obtain information about you from the following sources: (1) information we receive from you on forms and other information you provide to us whether in writing, by telephone, electronically or by any other means; (2) information regarding your transactions with us, our corporate affiliates, or others. We do not sell shareholder personal information to third parties. We will collect and use shareholder personal information only to service shareholder accounts. This information may be used by us in connection with providing services or financial products requested by shareholders. We will not disclose shareholder personal information to any nonaffiliated third party except as permitted by law. We take steps to safeguard shareholder information. We restrict access to nonpublic personal information about you to those employees and service providers who need to know that information to provide products or services to you. With our service providers we maintain physical, electronic, and procedural safeguards to guard your nonpublic personal information. Even if you are no longer a shareholder, our Privacy Policy will continue to apply to you. We reserve the right to modify, remove or add portions of this Privacy Policy at any time.

OFFICERS AND DIRECTORS

DIRECTORS

THOMAS B. WINMILL
Chairman

GEORGE B. LANGA [1]

DAVID R. STACK [1]

PETER K. WERNER [1]

[1]Member, Audit Committee

OFFICERS

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MARION E. MORRIS
Senior Vice President

WILLIAM G. VOHRER
Treasurer

MONICA PELAEZ, Esq.
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