

INDIA FUND INC
Form SC 13G/A
January 09, 2013

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

SCHEDULE 13G

UNDER THE SECURITIES EXCHANGE ACT OF 1934
(Amendment No. 1)*

The India Fund Inc.

(Name of Issuer)

Common Stock

(Title of Class of Securities)

454089103

(CUSIP Number)

December 31, 2012

(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

- Rule 13d-1(b)
- Rule 13d-1(c)
- Rule 13d-1(d)

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

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The information required in the remainder of this cover page shall not be deemed to be “filed” for the purpose of Section 18 of the Securities Exchange Act of 1934 (“Act”) or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

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1. NAME OF REPORTING PERSONS
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS

City of London Investment Group PLC, a company incorporated under the laws of England and Wales

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a)
(b)

3. SEC USE ONLY

4. CITIZENSHIP OR PLACE OF ORGANIZATION

England and Wales

5.	SOLE VOTING POWER	0
6.	SHARED VOTING POWER	3,845,757
7.	SOLE DISPOSITIVE POWER	0
8.	SHARED DISPOSITIVE POWER	3,845,757

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

3,845,757

10. CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES

11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

10.4%

12. TYPE OF REPORTING PERSON

HC

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1. NAME OF REPORTING PERSONS
 I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS

City of London Investment Management Company Limited, a company incorporated under the laws of England and Wales

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a)
 (b)

3. SEC USE ONLY

4. CITIZENSHIP OR PLACE OF ORGANIZATION

England and Wales

5.	SOLE VOTING POWER	0
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	6.	SHARED VOTING POWER 3,845,757
	7.	SOLE DISPOSITIVE POWER 0
	8.	SHARED DISPOSITIVE POWER 3,845,757

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

3,845,757

10. CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES

11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

10.4%

12. TYPE OF REPORTING PERSON

IA

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Item1(a).

Name of Issuer:

The India Fund Inc.

Item1(b).

Address of Issuer's Principal Executive Offices:

The principal executive offices of the Fund are located at:

The India Fund Inc.
345 Park Ave.
New York, NY 10154

Item2(a).

Name of Person Filing:

This statement is being filed by City of London Investment Group PLC ("CLIG") and City of London Investment Management Company Limited ("CLIM," and together with CLIG, the "Reporting Persons").

The principal business of CLIG is serving as the parent holding company for the City of London group of companies, including CLIM.

CLIM is primarily an emerging markets fund manager, which specializes in investing in closed-end investment companies and is a registered investment adviser under Section 203 of the Investment Advisers Act of 1940. CLIM is controlled by CLIG. CLIM is principally engaged in the business of providing investment advisory services to various public and private investment funds, including The Emerging World Fund ("EWF"), a Dublin, Ireland-listed open-ended investment company, Emerging Markets Country Fund ("GBL"), a private investment fund organized as a Delaware business trust, Investable Emerging Markets Country Fund ("IEM"), a private investment fund organized as a Delaware business trust, Emerging (BMI) Markets Country Fund ("BMI"), a private investment fund organized as a Delaware business trust, Emerging Free Markets Country Fund ("FREE"), a private investment fund organized as a Delaware business trust, Frontier Emerging Markets Fund ("FRONT"), a private investment fund organized as a Delaware business trust, The EM Plus CEF Fund ("PLUS"), a private investment fund organized as a Delaware business trust, International Equity CEF Fund ("PHX"), a private investment fund organized as a Delaware business trust, GFM (Institutional) Emerging Markets Country Fund ("GFM"), an open-ended fund organized under the laws of the Province of Ontario, Tradex Global Equity Fund ("Tradex"), an Ontario mutual fund, and unaffiliated third-party segregated accounts over which CLIM exercises discretionary voting and investment authority (the "Segregated Accounts").

EWF, GBL, IEM, BMI, FREE, FRONT, PLUS, PHX, GFM, and Tradex are collectively referred to herein as the "City of London Funds."

The Shares to which this Schedule 13G relates are owned directly by the City of London Funds and the Segregated Accounts.

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Item 2(b). Address of Principal Business Office or, if None, Residence:

Address for CLIG and CLIM:

77 Gracechurch Street
London, EC3V 0AS
England

Item 2(c). Citizenship:

CLIG - England and Wales

CLIM - England and Wales

Item 2(d). Title of Class of Securities:

Common Stock

Item 2(e). CUSIP Number:

454089103

Item 3. If This Statement is Filed Pursuant to §§240.13d-1(b), or 13d-2(b) or (c), Check Whether the Person Filing is a:

(a) Broker or dealer registered under Section 15 of the Act (15 U.S.C. 78o).

(b) Bank as defined in Section 3(a)(6) of the Act (15 U.S.C. 78c).

(c) Insurance company as defined in Section 3(a)(19) of the Act (15 U.S.C. 78c).

(d) Investment company registered under Section 8 of the Investment Company Act of 1940 (15 U.S.C. 80a-8).

(e) An investment adviser in accordance with §240.13d-1(b)(1)(ii)(E) (for CLIM);

(f) An employee benefit plan or endowment fund in accordance with §240.13d-1(b)(1)(ii)(F);

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- (g) A parent holding company or control person in accordance with §240.13d-1(b)(1)(ii)(G) (for CLIG);
- (h) A savings association as defined in Section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813);
- (i) A church plan that is excluded from the definition of an investment company under Section 3(c)(14) of the Investment Company Act (15 U.S.C. 80a-3);
- (j) Group, in accordance with §240.13d-1(b)(1)(ii)(J).

Item 4. Ownership.

For CLIG and CLIM:

(a) Amount beneficially owned:

3,845,757

(b) Percent of class:

10.4%

(c) Number of shares as to which such person has:

(i) Sole power to vote or to direct the vote: 0

(ii) Shared power to vote or to direct the vote: 3,845,757

(iii) Sole power to dispose or to direct the disposition of: 0

(iv) Shared power to dispose or to direct the disposition of: 3,845,757

Item 5. Ownership of Five Percent or Less of a Class.

If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than five percent of the class of securities, check the following o.

Item 6. Ownership of More than Five Percent on Behalf of Another Person.

CLIG, as the parent holding company of CLIM, and CLIM, as investment advisers to the Funds, have the power to direct the dividends from, or the proceeds of the sale of the shares owned by the Funds. Each of the Funds owns less than 5% of the shares.

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Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on by the Parent Holding Company.

CLIG is the parent holding company of CLIM. See also Item 3.

Item 8. Identification and Classification of Members of the Group.

Not applicable.

Item 9. Notice of Dissolution of Group.

Not applicable.

Item 10. Certification.

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were acquired and are held in the ordinary course of business and were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

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SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

The reporting persons agree that this statement is filed on behalf of each of them.

CITY OF LONDON INVESTMENT GROUP PLC

Date: January 9, 2013

By: /s/ Barry M. Olliff
Name: Barry M. Olliff
Title: Director

CITY OF LONDON INVESTMENT MANAGEMENT
COMPANY LIMITED

By: /s/ Barry M. Olliff
Name: Barry M. Olliff
Title: Director

E mail: USCorporateGovernance@citlon.com

= "Times New Roman" SIZE="2">

22,115

26,489

15,311 252,721

226,942

155,879

Michael A. Summers⁽⁶⁾

Former Chief Financial Officer

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2006
2005
2004 204,722
160,890
54,578

99,449

25,000

13,571
19,509
1,135 317,742
205,399
55,713

-
- (1) Represents the compensation expense recognized by the Company in fiscal 2006 relating to stock options awards under the requirements of Statement of Financial Accounting Standards No. 123(R). For valuation assumptions used for the FAS 123(R) fair value of the awards, refer to our Form 10-K for the fiscal year ended December 31, 2006, Part II, Item 8, Section B – Summary of Significant Accounting Policies, Stock Based Compensation .
- (2) These amounts consist of accrued vacation to be taken in the future or paid in cash upon termination of employment, 401(k) Company matching contributions, reimbursed moving expenses and auto allowances, as applicable. Mr. Tuttle received reimbursement for moving expenses and an auto allowance as agreed to in his employment agreement. Mr. Summers was paid his accrued vacation in December 2006.
- (3) Mr. Tuttle joined the Company as President and Chief Executive Officer on July 12, 2006.
- (4) Ms. Schneider joined the Company as Chief Financial Officer on December 4, 2006.
- (5) Mr. D Silva resigned his position as President and Chief Executive Officer on April 3, 2006. He continued to be employed by the Company throughout 2006, and his entire 2006 compensation is reflected in the table.
- (6) Mr. Summers joined the Company as Chief Financial Officer on July 31, 2004. Mr. Summers resigned from the Company effective September 20, 2006. Mr. Summers continued to be employed by the Company through November 14, 2006, and his entire 2006 compensation is reflected in the table.

Grants of Plan-Based Awards

The Compensation Committee may grant either qualified or non-qualified stock options to the officers and employees of the Company and non-qualified stock options to non-employee directors and advisors under our stock option plan. In addition, the Company has an annual non-equity incentive plan in place with both of the executive officers of the Company. The following table shows the options granted during 2006 to those executive officers of the Company and also shows the detail around the executive officers who have equity incentive plan awards and whose compensation is reported in the Summary Compensation Table.

GRANTS OF PLAN-BASED AWARDS

The following table sets forth information concerning each grant of a plan-based award made to the executive officers whose compensation is reported in the Summary Compensation Table during 2006.

Name	Grant Date	Compensation Committee Approval Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares of Stock (#)	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards (\$/Sh)
			Threshold (\$)	Target (\$)	Maximum (\$)			
Craig J. Tuttle		6/19/2006	0	25,000 ⁽¹⁾	25,000			
Craig J. Tuttle	9/1/2006	9/1/2006					200,000	0.69
Debra A. Schneider	12/4/2006	11/13/2006					100,000	0.42

⁽¹⁾ Annual Incentive Plan to be paid annually based on successful completion of specific criteria established each year by the Compensation Committee

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR END

The following table sets forth certain information concerning outstanding option awards held by the executive officers of the Company whose compensation is reported in the Summary Compensation Table.

Name	Option Awards ⁽¹⁾				Stock Awards			
	Number of Securities Underlying Unexercised Options (#)	Number of Securities Underlying Unexercised Options (#)	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Market Value of Shares or Units of Stock That Have Not Vested (\$)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$)
Craig J. Tuttle	0	200,000		0.69	9/1/2016			
Debra A. Schneider	0	100,000		0.42	12/14/2016			
Collin J. D. Silva	250,000	250,000		1.03	7/1/2007			
Michael A. Summers	100,000	100,000		1.09	1/14/2015 ⁽²⁾			
Michael A. Summers	150,000	100,000		1.03	8/12/2015 ⁽²⁾			

⁽¹⁾ These option awards are also disclosed in the Summary Compensation Table.

(2) The terms of Mr. Summers' options were amended so that his options would continue to be exercisable for the full ten-year period notwithstanding his resignation from the Company.

Option Exercises and Stock Vested

No stock options, SARs or similar instruments were exercised by any executive officer named in the Summary Compensation Table during 2006. Furthermore, no shares of restricted stock, restricted stock units or

similar instruments vested with respect to any executive officer named in the Summary Compensation Table during 2006. Accordingly, no tabular disclosure is being provided under this heading.

Pension Benefits

The Company does not provide for any defined benefit and actuarial pension plans for its executive officers. Accordingly, no tabular disclosure is being provided under this heading.

Non-Qualified Deferred Compensation

The Company does not provide for any deferred compensation arrangements for its executive officers. Accordingly, no tabular disclosure is being provided under this heading.

Equity Incentive Plan and Other Compensation Plans

2006 Equity Incentive Plan. The Company's 2006 Equity Incentive Plan (the "Plan") allows the Company to make awards of various types of equity-based compensation, including stock options, dividend equivalent rights ("DERs"), stock appreciation rights ("SARs"), restricted stock, restricted stock units, performance units, performance shares and other awards, to employees and directors of the Company. The Plan was adopted in 2006 as a modification of the Company's 1997 Stock Option Plan (the "Prior Plan"). In addition to providing for additional types of equity-based awards, the Plan increases the total number of shares of common stock that the Company may issue from 7,000,000 under the Prior Plan to 10,000,000 shares under the Plan; provided, that no more than 5,000,000 of such shares may be used for grants of restricted stock, restricted stock units, performance units, performance shares and other awards. Outstanding options for a total of 5,667,664 shares of our common stock are outstanding at the Record Date, of which 5,127,664 may be exercised at this time. Outstanding options have exercise prices ranging from \$0.42 to \$13.00 per share.

The Plan is administered by the Compensation Committee of the Board of Directors (the "Committee") which has the authority to set the number, exercise price, term and vesting provisions of the awards granted under the Plan, subject to the terms thereof. Either incentive or non-qualified stock options may be granted to employees of the Company, but only non-qualified stock options may be granted to non-employee directors and advisors. However, in either case, the Plan requires that stock options must be granted at exercise prices not less than the fair market value of the common stock on the date of the grant. Options issued under the plan vest over periods as determined by the Compensation Committee and expire ten years after the date the option was granted. The Company has elected to record expense on a straight-line basis. If the option holder ceases to be employed by the Company, the Company will have the right to terminate any outstanding but unexercised options. To date, the only awards made under the Plan (and the Prior Plan) have been non-incentive stock options.

Employee Savings Plan. We have established an employee savings plan that is intended to qualify as a tax-qualified plan under Section 401(k) of the Internal Revenue Code. This plan allows for voluntary contributions up to statutory maximums by eligible employees. We match a specific proportion of these contributions, subject to limitations imposed by law. We may make additional contributions to the savings plan on behalf of our employees if our Board of Directors decides to do so. For the years ended December 31, 2006, 2005 and 2004, Company contributions to the 401(k) plan were \$164,000, \$172,000 and \$279,000, respectively.

Employment Agreements

We have entered into employment agreements with Craig J. Tuttle, our President and Chief Executive Officer, and Debra A. Schneider, our Chief Financial Officer, Vice President, Secretary and Treasurer. Mr. Tuttle's employment agreement has an initial term of two years ending on July 12, 2008. Ms. Schneider's employment agreement has an initial term of one year ending on December 4, 2007. The employment agreements with our executive officers include customary confidentiality, non-competition, and non-solicitation

provisions. The other material terms of the employment agreements with Mr. Tuttle and Ms. Schneider are described under the heading Executive Compensation-Compensation Discussion and Analysis .

The Company had entered into an employment agreement with former Chief Executive Officer, Collin J. D. Silva. The employment agreement with Mr. D. Silva had a term of 22 months that expired in December 2006. On January 12, 2007, the Company entered into a Separation Agreement with Mr. D. Silva (the Separation Agreement). Pursuant to the Separation Agreement, effective January 19, 2007, Mr. D. Silva resigned his position as the Company's Secretary. Mr. D. Silva served as the Company's Director of Mergers and Acquisitions through March 31, 2007. The Company paid Mr. D. Silva's base salary through March 31, 2007, and shall pay the cost of Mr. D. Silva's continued group health insurance coverage for a period of eighteen (18) months. The agreement also contains customary confidentiality, non-competition, non-solicitation, and release of claims provisions.

Report of the Compensation Committee on Executive Compensation

The Compensation Committee has reviewed and discussed with management the Compensation Discussion and Analysis contained in this Proxy Statement. Based on our Committee's review of and the discussions with management with respect to the Compensation Discussion and Analysis, our Committee recommended to our Board of Directors that the Compensation Discussion and Analysis be included in this Proxy Statement and in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2006 for filing with the Securities and Exchange Commission.

Jeffrey L. Sklar, M.D., Ph.D.

Gregory J. Duman

Rodney S. Markin, M.D., Ph.D.

Compensation Committee Interlocks and Insider Participation

There are no Compensation Committee interlocks and no insider participation in compensation decisions that are required to be reported under the rules and regulations of the Securities Exchange Act of 1934.

Report of the Audit Committee

The Audit Committee is comprised of Gregory T. Sloma, Gregory J. Duman and Rodney S. Markin, M.D., Ph.D., each of which is an independent director of the Company under the rules adopted by the Securities and Exchange Commission.

The Company's management is responsible for the preparation of the Company's financial statements and for maintaining an adequate system of internal controls and processes for that purpose. Deloitte & Touche LLP acts as the Company's independent auditors and they are responsible for conducting an independent audit of the Company's annual financial statements in accordance with auditing standards generally accepted in the United States of America and issuing a report on the results of their audit. The Audit Committee is responsible for providing independent, objective oversight of both of these processes.

The Audit Committee has reviewed and discussed the audited financial statements for the year ended December 31, 2006 with management of the Company and with representatives of Deloitte & Touche LLP. As a result of these discussions, the Audit Committee believes that the Company maintains an effective system of accounting controls that allow it to prepare financial statements that fairly present the Company's financial position, results of its operations and cash flows. Our discussions with Deloitte & Touche LLP also included the matters required by Statement on Auditing Standard No. 61 (Communications with Audit Committees), as amended.

In addition, the Audit Committee reviewed the independence of Deloitte & Touche LLP. We received written disclosures and a letter from Deloitte & Touche LLP regarding its independence as required by Independent Standards Board Standard No. 1 and this information was discussed with Deloitte & Touche LLP.

Based on the foregoing, the Audit Committee has recommended that the audited financial statements of the Company for the year ended December 31, 2006, be included in the Company's Annual Report on Form 10-K to be filed with the Securities and Exchange Commission.

Gregory T. Sloma

Gregory J. Duman

Rodney S. Markin, M.D., Ph.D.

Accounting Fees and Services

The following fees were billed by Deloitte & Touche LLP to us for professional services provided during 2006 and 2005:

Audit Fees. Deloitte & Touche LLP billed us a total of \$344,000 and \$343,000 in 2006 and 2005, respectively, for professional services rendered for the audit of our annual financial statements for those fiscal years and to review our interim financial statements included in Quarterly Reports on Form 10-Q filed by us with the SEC during those years.

Audit-Related Fees. Deloitte & Touche LLP billed us a total of \$74,000 and \$7,000 in 2006 and 2005, respectively, for audit-related services. Audit-related services generally include fees for the audits of our employee benefit plans and fees incurred in connection with services associated with SEC registration statements, periodic reports and other documents filed with the SEC or other documents issued in connection with securities offerings and research consultation on proposed transactions.

Tax Fees. Deloitte & Touche LLP billed us a total of \$80,000 and \$34,000 in 2006 and 2005, respectively, for tax services. Tax services consisted primarily of planning, advice and compliance, or return preparation, for U.S. federal, state and local, as well as international jurisdictions.

All Other Fees. Deloitte & Touche LLP did not render any services other than the services described under the above captions in 2006 and 2005.

The Audit Committee approved all services provided by Deloitte during fiscal year 2006 and has determined that the provision of these services did not adversely affect Deloitte's independence. It is currently the policy of the Audit Committee to review and pre-approve all services provided by the independent auditor to the Company in order to assure that the provision of such services does not impair the auditor's independence. Unless a type of service to be provided by the independent auditor has received general pre-approval, it will require specific pre-approval by the Audit Committee. Any proposed services exceeding pre-approved cost levels will require specific pre-approval by the Audit Committee. The term of any pre-approval is 12 months from the date of pre-approval, unless the Audit Committee specifically provides for a different period.

SUBMISSION OF STOCKHOLDER PROPOSALS

Pursuant to our Bylaws, stockholder proposals submitted for presentation at the Annual Meeting, including nominations for directors, must be received by our corporate Secretary at the address of our home office no later than 35 days prior to the date of the Annual Meeting. If less than 35 days notice of the Annual Meeting is given, then stockholder proposals must be received by our corporate Secretary no later than 7 days after the mailing date of the notice of the Annual Meeting to stockholders. Any stockholder nomination for director must set forth the name, age, address and principal occupation of the person nominated, the number of shares of our common stock owned by the nominee and the nominating stockholder and other information required to be disclosed about the nominee under federal proxy solicitation rules.

In order to be included in our Proxy Statement relating to next year's annual meeting, stockholder proposals must be submitted in writing by January 2, 2008 to our corporate Secretary at the address of our home office. The inclusion of any such proposal in our proxy materials will be subject to the requirements of the proxy rules adopted under the Securities Exchange Act of 1934, as amended.

OTHER MATTERS

Management does not currently intend to bring any matter before the Annual Meeting other than those disclosed in the Notice of Annual Meeting of Stockholders, and it does not know of any business which persons, other than the management, intend to present at the meeting. The enclosed proxy for the Annual Meeting confers discretionary authority on the Board of Directors to vote on any matter proposed by stockholders for consideration at the Annual Meeting.

We will bear the cost of soliciting proxies for the Annual Meeting. To the extent necessary, proxies may be solicited by our directors, officers and employees, but these persons will not receive any additional compensation for such solicitation. We will reimburse brokerage firms, banks and other custodians, nominees and fiduciaries for reasonable expenses incurred by them in sending proxy materials to the beneficial owners of our common stock. In addition to solicitation by mail, we will supply banks, brokers, dealers and other custodian nominees and fiduciaries with proxy materials to enable them to send a copy of such materials by mail to each beneficial owner of our common stock that they hold of record and will, upon request, reimburse them for their reasonable expenses in so doing.

Stockholders may communicate with any director, including the Chairman of the Board and the chairman of any committee of the Board, by sending a letter to the attention of the appropriate person (which may be marked as confidential) addressed to our corporate Secretary at our home office. All communications received by the corporate Secretary will be forwarded to the appropriate directors. In addition, it is the policy of our Board of Directors that whenever possible directors attend, and be available to discuss stockholder concerns at, the Annual Meeting. Collin J. D Silva attended last year's Annual Meeting.

Our Form 10-K, as filed by the Company with the Securities and Exchange Commission, is included in our Annual Report that is being delivered to our stockholders together with this Proxy Statement. The Form 10-K is not, however, to be considered part of this proxy solicitation material.

None of the information set forth in this Proxy Statement under the heading "Report of the Audit Committee" is deemed to be "soliciting material" or to be "filed" with the SEC or subject to the SEC's proxy rules or to the liabilities of Section 18 of the Securities Exchange Act of 1934 (the "1934 Act"), and this information will not be deemed to be incorporated by reference into any prior or subsequent filing by the Company under the Securities Act of 1933 or the 1934 Act.

By Order of the Board of Directors

Debra A. Schneider, Chief Financial Officer,

Vice President, Secretary and Treasurer

Omaha, Nebraska

May 2, 2007

TRANSGENOMIC, INC.

ANNUAL MEETING OF STOCKHOLDERS

Wednesday, May 23, 2007

9:30 A.M., Central Daylight Time

Kutak Rock LLP

222 South 15th Street

14th Floor

Omaha, Nebraska

TRANSGENOMIC, INC.

revocable proxy

n

ANNUAL MEETING OF STOCKHOLDERS

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS OF TRANSGENOMIC, INC. FOR USE ONLY AT THE ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON WEDNESDAY, MAY 23, 2007 AND AT ANY ADJOURNMENT THEREOF.

The undersigned hereby authorizes the Board of Directors and Chief Executive Officer of Transgenomic, Inc. (the Company), or any successors in their respective positions, as proxy, with full powers of substitution, to represent the undersigned at the Annual Meeting of Stockholders of the Company to be held at the offices of Kutak Rock LLP, 222 South 15th Street, 14th Floor, Omaha, Nebraska on Wednesday, May 23, 2007, at 9:30 a.m., Central Daylight Time, and at any adjournment of said meeting, and thereat to act with respect to all votes that the undersigned would be entitled to cast, if then personally present, in accordance with the instructions below and on the reverse side hereof.

THIS PROXY, WHEN PROPERLY EXECUTED, WILL BE VOTED IN THE MANNER DIRECTED HEREIN BY THE UNDERSIGNED STOCKHOLDER. IF NO DIRECTION IS MADE, THIS PROXY WILL BE VOTED FOR THE ELECTION OF EACH OF THE LISTED NOMINEES FOR DIRECTOR.

This proxy is revocable and the undersigned may revoke it at any time prior to the Annual Meeting by giving written notice of such revocation to the Secretary of the Company. Should the undersigned be present and want to vote in person at the Annual Meeting, or at any adjournment thereof, the undersigned may revoke this proxy by giving written notice of such revocation to the Secretary of the Company on a form provided at the meeting. The undersigned hereby acknowledges receipt of a Notice of Annual Meeting of Stockholders of the Company called for May 23, 2007, and the Proxy Statement for the Annual Meeting and the Company's 2006 Annual Report to Stockholders prior to the signing of

this proxy.

(Continued and to be signed on the reverse hereof.)

PLEASE MARK, SIGN, DATE AND RETURN THE PROXY CARD USING THE ENCLOSED ENVELOPE.

Ò Please detach here Ò

1. ELECTION OF DIRECTORS:

· **VOTE FOR ALL** · **WITHHOLD AUTHORITY**

nominees listed to the left (except as

to vote for all nominees

NOMINEES FOR CLASS I (term to expire in 2010):

marked to the

01 Craig J. Tuttle

contrary below)

02 Frank R. Witney

NOMINEE FOR CLASS III (term to expire in 2009):

03 Rodney S. Markin

Instructions: To withhold authority to vote for any individual nominee, check the **VOTE FOR ALL** box to the right, but write the number of the nominee for whom authority is being withheld in the box provided to the right.

2. To vote, in its discretion, upon any other business that may properly come before the Annual Meeting or any adjournment thereof. Management is not aware of any other matters which should come before the Annual Meeting.

· MARK HERE FOR ADDRESS CHANGE AND NOTE BELOW

Dated: _____, 2007

Signature(s) in Box

Please date and sign exactly as your name(s) appear(s) on this proxy. When shares are held by joint tenants, both should sign. When signing as attorney, executor, administrator, trustee or guardian, please give your full title. If a corporation, please sign in full corporate name by authorized officer. If a partnership, please sign in partnership name by authorized person.