Alliance Trust

INTERIM REPORT

for the six months ended 30 June 2013

ALLIANCE TRUST PLC

125

1888 - 2013

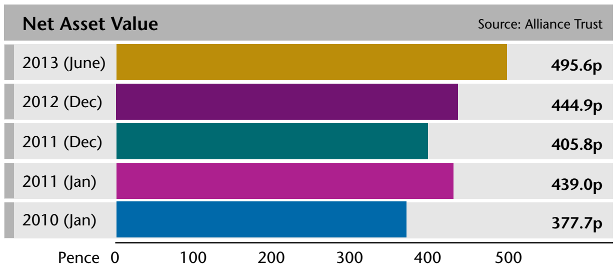
YEARS OF INVESTING

Key Performance Indicators

Net Asset Value

12.5%
Total Return

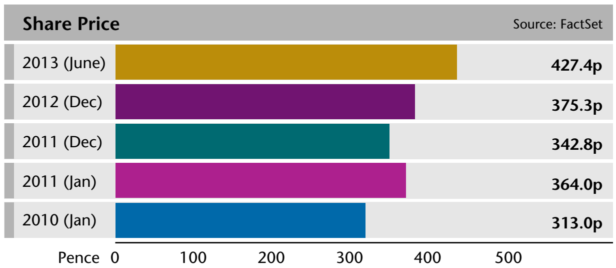
495.6p



Share Price

15.2%
Total Shareholder Return

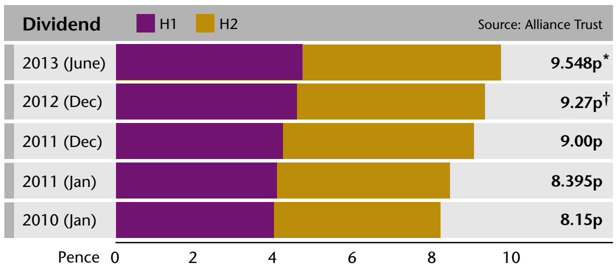
427.4p



Dividend

3.0%
Indicative

at least
9.548p*

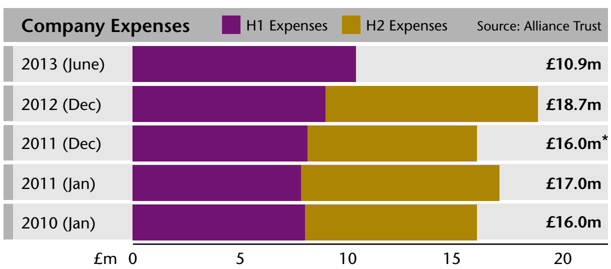


* Expected to be paid in the absence of any unforeseen developments
† Excludes special dividend of 0.36p

Company Expenses

18.5%
H1 on H1

£10.9m



* 11 months to 31 December 2011

Performance Summary

This interim report sets out the results of Alliance Trust PLC for the six months ended 30 June 2013.

Over the past six months the Total Shareholder Return (TSR) was 15.2%, outperforming the Global Growth Sector and ranking 11 out of 35 in our peer group.

The total return of the Company's Net Asset Value (NAV) per share over the same period was 12.5%, outperforming the Global Growth Sector and ranking 14 out of 35 trusts in our peer group. The equity portfolio return of 14.5% compares favourably with the MSCI All Country World Index which over the same period returned 14.0%.

Over the period we have increased the level of gross gearing from 8% to 12% and the total global equity exposure has risen from 89% to 95% of NAV. The exposure to fixed income has reduced slightly from 9.6% to 8.5%, mainly due to the outperformance of equities.

Company expenses grew from £9.2m to £10.9m for the half year reflecting the higher cost of fund management and increased expenditure required to meet regulatory change. We report in more detail on our investment performance and attribution below and overleaf and on the activities of our subsidiaries on page 7.

Total Shareholder Return	6 months	1 year	2 years	3 years	4 years	5 years
Alliance Trust (%)	15.2	24.3	16.5	51.5	75.1	56.8
Global Growth Sector (%)	11.4	19.2	10.5	38.0	68.1	35.6
Ranking	11/35	12/34	13/32	10/32	15/32	11/32

NAV Total Return	6 months	1 year	2 years	3 years	4 years	5 years
Alliance Trust (%)	12.5	19.5	14.5	40.2	69.7	39.7
Global Growth Sector (%)	11.1	18.8	11.0	37.9	70.1	34.9
Ranking	14/35	18/34	13/32	15/32	19/32	15/32

Source: Morningstar/FactSet

Portfolio Performance Analysis

Performance

The equity investment portfolio, representing on average 92% of net assets, outperformed its index with a return of 14.5%. The attribution analysis table overleaf gives more information on how this performance was generated from a global sector perspective.

The total return of fixed income investments was affected by the weakness in bond markets in the latter part of the period. Income yield was marginally offset by falls in bond prices, to give an overall total return of -0.8%. The Trust's holding in the Alliance Trust Monthly Income Bond Fund, which accounted for the majority of the investment in fixed income, had a total return of -1.5%, slightly below that of the IBoxx Sterling Corporate Bond 5-15 year index which is the benchmark for that fund. The holdings in the Alliance Trust Dynamic Bond Fund returned +1.4%, showing the robustness of the investment approach during a period of weak markets. The total weight in fixed income started the period at 9.6% but fell as a proportion of total net assets due to the relative strength of equities.

Other Assets – which include Private Equity, Real Estate and Subsidiaries – made a small positive contribution to NAV growth. Cash balances made a negligible return due to the continuing very low level of interest rates.

The low interest rate environment allowed the Trust to borrow at 1.8%. Gearing was increased from £200m to £340m, with the additional funds being mainly invested in equities. The cost of borrowing was low in relation to the returns that were earned on the Trust's investments, leading to an Allocation gain (a contribution to relative performance) of 1.0%.

Expenses reduced NAV by 0.5% during the half-year.

Contribution Analysis (%)	Average Weight	Rate of Return	Contribution to Total Return
Equities	92.2	14.5	12.9
Fixed Income	8.8	-0.8	0.0
Other Assets, Cash & FX	9.9	2.6	0.2
Gearing (cost of borrowing)	-10.9	0.9	-0.1
Expenses			-0.5
Share Buy-backs			0.0
NAV Total Return			12.5
Effect of Discount Narrowing			2.7
Share Price Total Return			15.2
MSCI All Country World Index Total Return (Sterling)			14.0

Source: Alliance Trust/FactSet

Portfolio Performance Analysis

Attribution

The table below analyses the performance of the Trust by sector and the extent to which each part of the portfolio contributed to the Trust's overall return. We do not have a fixed benchmark as we believe that this would constrain our ability to shape the portfolio. However we recognise that many like to measure the Trust against an index and we show our performance relative to the chosen reference index, in this case the MSCI All Country World Index. The table shows the weighting of the assets in the portfolio and the index and the return of each sector or asset class in the portfolio and the index. The index has no exposure to cash, so no weight or return is shown.

The degree of out/underperformance is then attributed to:

- Sector/Asset Allocation – This measures the impact of over or underweighting each sector relative to the benchmark sector weightings. e.g. We had less in Materials than the index, and Materials did not perform as well as the index.
- Stock Selection – This measures the degree to which the stocks that we held in each sector did better or worse than the benchmark sector. e.g. Although we were overweight in Utilities which did not do very well relative to the index as a whole, we selected good stocks in that sector.

Our investment approach is based on stock selection rather than taking deliberate active positions on a sector basis, but this provides a useful insight into the structure of the portfolio.

From a sector allocation perspective, the biggest overweight this year has been in Health Care: this position contributed to relative performance due to the general strength of the sector, including the holdings in Pfizer and Roche.

Stock selection was strong in Utilities (e.g. Enterprise Product Partners) but was relatively weak in Financials (e.g. Standard Chartered, Mitsubishi UFJ and RSA Insurance) and Information Technology (e.g. Samsung Electronics). The largest overall contributor to relative performance was Materials where we had chosen not to invest in most of the weak mining stocks in the MSCI Index. Strong performers in the Consumer Discretionary sector included Kabel Deutschland, Walt Disney and Mattel, although overall results in the Consumer sectors were mixed.

From a regional perspective, the equity portfolio benefited in absolute terms from a high weighting (over 45%) in North America and a low weighting in Emerging Markets (both Latin America and EMEA (Europe, the Middle East and Africa)). The performance of UK stocks lagged behind that of the MSCI in sterling terms, mainly due to the weakness of sterling, but this was partly offset by currency hedging. The portfolio had little investment in Japan, which was a very strong (albeit volatile) market.

Index futures were used to reduce our exposure to Europe during the Cypriot banking crisis to protect the portfolio against the impact of potential contagion and removed when the threat had passed. The table also highlights the negative effect of the allocation to fixed income and other non-equity asset classes and cash. The fixed income effect was approximately compensated for by the benefits of gearing.

	Alliance Trust		MSCI All Country World Index				
Attribution Analysis (%)	**Average Weight**	**Total Return**	**Average Weight**	**Total Return**	**Sector/Asset Allocation Effect**	**Stock Selection Effect**	**Total Relative Effect**
Consumer Discretionary	7.6	23.2	10.9	23.1	-0.2	0.0	-0.2
Consumer Staples	9.6	14.3	10.7	17.3	0.0	-0.3	-0.3
Energy	7.3	8.7	10.3	7.3	0.2	0.1	0.3
Financials	19.3	11.5	21.5	14.2	0.0	-0.5	-0.5
Health Care	13.2	23.6	9.7	26.0	0.3	-0.2	0.1
Industrials	10.1	15.4	10.4	15.5	0.0	0.0	0.0
Information Technology	13.0	9.0	11.9	12.3	0.0	-0.4	-0.4
Materials	5.2	-2.6	6.9	-8.5	0.3	0.4	0.7
Telecommunication Services	2.3	17.0	4.3	14.8	0.0	0.1	0.1
Utilities	5.0	27.1	3.4	12.2	0.0	0.6	0.6
Index Futures	-0.4	2.0	-	-	0.0	0.0	0.0
Equities	**92.2**	**14.5**	**100.0**	**14.0**	**0.6**	**-0.2**	**0.4**
Fixed Income	8.8	-0.8	-	-0.6	-1.2	0.0	-1.2
Other Assets, Cash & FX	9.9	2.6	-	-	-1.0	-	-1.0
Gearing	-10.9	0.9	-	-	1.0	-	1.0
Total	**100.0**	**13.0**	**100.0**	**14.0**	**-0.6**	**-0.2**	**-0.8**

Source: Alliance Trust/FactSet

Investment themes

Portfolio Activity

Demographics

The population of the world is now over 7bn and rising. Life expectancy is also rising at the same time and the standard of living, particularly in Asia, is increasing.

These three factors will combine to have a significant impact on the global economy. More mouths to feed will drive up food prices and encourage producers to increase productivity.

As standards of living rise, so the level of disposable income increases. This leads to increased demand for branded/luxury goods and financial services.

We built a stake in **Intuitive Surgical**, a pioneer in robotic surgery; its technologies are providing highly efficient, minimal invasive surgical solutions in both the US and key international markets such as Europe, Japan and South Korea.

In Japan, we created a new holding in **Mitsubishi UFJ**, a leading bank that we expect to benefit from the structural reforms that will be introduced to cope with the country's demographic and political challenges. We have seen some consolidation in the share price since we invested but we remain convinced that there is the potential for a positive revaluation resulting from improved profit margins and more efficient capital management.

Environment

The rising cost of living and wage rates in China has led some US companies to "on-shore" production for example; bringing production back to the US as the cost differential is reduced. In response, Chinese firms are increasing levels of investment in automated systems.

We are also investigating the implications of a drive for more fuel efficient production and transport processes which industry is going to require to implement to meet the increasingly stringent targets on emissions being set by regulators all over the world.

We maintained our investment in **Fanuc**, a global leader in robotics and factory automation.

We created three new positions in the energy sector – Noble Energy, Technip and Schlumberger. **Noble Energy** is one of the leaders in the exploration and production of shale gas, which is revolutionising the energy landscape in the US. **Technip** and **Schlumberger** are world-class energy services providers that facilitate the exploration and production activities of their customers in difficult operating environments, such as deepwater and ultra-deepwater installations.

Innovation

The rise of the smartphone has spawned a whole raft of innovations that will drive commerce in the future. The pace of change is relentless and is not restricted to technology in its purest sense.

We are also closely following developments in personalised medicine which relies on the analysis of an individual patient's DNA to tailor drug programmes to their particular needs, something that has only become possible as the cost of DNA analysis has shrunk from $10m to $10,000 over the past 12 years.

Constant evolution in the technology and media sector have offered the opportunity to introduce Liberty Global and Walt Disney to the portfolio. **Liberty Global** is an American company focused on creating a "quadruple play" footprint (telephony, mobile, broadband and TV) in Europe – having recently acquired Virgin Media in the UK. **Walt Disney** is one of the long-term winners in the contest between superior content providers and mere technology enablers.

We continue to invest in **Roche**, the research focused healthcare company based in Switzerland.

Global Realignment

We are seeing a shift in power from West to East. Coupled with this is the development of new consumer markets in Asia. Opportunities are developing for companies used to operating in ex-growth markets to expand in these more vibrant economic environments. These opportunities are not without risk and we look here for companies that have a strategy and the capability to execute in these new markets.

At the same time we are looking for companies in these new markets which are able to grow alongside their home markets.

Two new consumer staples holdings will benefit from the significant structural growth associated with expansion in the emerging markets – Kraft Foods and Reckitt Benckiser. **Kraft** is undertaking a deep restructuring that will free up resources for international expansion. **Reckitt Benckiser** will continue its long term process of transition toward a global consumer powerhouse focusing on brands in the three brand areas of health, hygiene and home.

We continue to invest in **Perusahaan Gas Negara**, the dominant natural gas transmission and distribution company in Indonesia.

Income

The Trust aims to generate at least £54 million of income after tax in order to cover the cost of the annual dividend paid to shareholders. Most parts of the investment portfolio contribute to this. The bulk of this income is derived from our equity portfolio however our investment in the Alliance Trust Monthly Income Bond Fund, which has a running yield of 5.7%, contributes around £9m.

When investing in this area, we focus on the sustainability of income in a variety of ways – one of which is to ensure that the balance sheets are strong with good dividend cover and a positive cash flow.

We have continued to build our positions in key income holdings such as **ENI** (Italian oil & gas), **Charoen Pokphand Foods** (Thai integrated food producer) and **Bangkok Bank**. We have also introduced a new income holding – **Resolution**, a UK insurance company extracting significant value from closed life funds.

Our business	Objectives for 2013	Progress to date
Alliance Trust PLC		
We are an investment and savings business with a 125 year history of building investor wealth. We are the UK's largest generalist investment trust by market value listed on the London Stock Exchange. As at 30 June 2013 we had net assets of nearly £2.8bn. Our focus is investment in global equities and fixed income, which we believe will provide good long term growth and income. We also hold other investments where we see that value can be achieved over a longer period.	• **We will embed the changes resulting from our portfolio restructuring and continue to streamline the Company.** • **Our focus will remain on investment performance as the most sustainable way of delivering an increasing Total Shareholder Return.**	• We are now seeing the benefits of the structural improvements we have made over recent years. • NAV total return is 12.5%, ranking 14/35 of the peer group of Global Growth investment trusts. Total Shareholder Return is 15.2% ranking 11/35 against the same peer group. We outperformed the Global Growth Sector on both measures. • The discount has been below 15% on every trading day since the year end and ended the period at 13.8%. • We have now established the global equity portfolio and stock turnover has reduced. • Revenue generation is on track to ensure that the proposed dividend increase will be covered from current year earnings.
Alliance Trust Investments		
We are a specialist fund management business which launched our first fund in 2009 and which offers a broad selection of open ended funds and investment solutions. As at 30 June 2013 the value of investments under management was £1.9bn. Our purpose is to utilise the experience and skills of our investment managers to provide a flexible and bespoke service which aims to attract third party assets. This is raising the Trust's profile and, through the management fee income earned as the level of investments grows, will provide an additional revenue stream.	• **We will complete the transition of the funds from Aviva and relaunch them as Alliance Trust Investments' funds.** • **We will focus on building a profitable business which will create genuine value for the Trust over the longer term.**	• The first objective was achieved in January 2013 when we completed the integration of the Sustainable and Responsible Investments (SRI) funds and rebranded them as funds in the Alliance Trust Investments offering. • In May, we took the decision to close the North American and European equity funds in order to concentrate on our core product areas – SRI, Fixed Income and Global Equities. • We have seen third party assets under management grow to £1.5bn, coming from a combination of rising markets and new third party mandates.
Alliance Trust Savings		
Since 1986 we have been providing a convenient way for shareholders to hold shares in Alliance Trust. Today we provide high quality financial products to private investors, financial advisers and discretionary fund managers. Over the last three years we have restructured the business and it is now an established, award winning, investment platform providing access to a wide range of shares and investment funds. The focus is to have a business which both adds value and increases the visibility of the Trust to potential investors.	• **We are well positioned to perform profitably throughout 2013.** • **We will grow our adviser site offering as the Retail Distribution Review (RDR) drives IFAs to look at how to minimise platform costs to their clients.**	• We generated an operating profit on continuing operations of £0.2m by increasing revenue and controlling costs. • The sale of the Full SIPP business was completed, realising a gain of £5.2m. • Our adviser site offering has been improved and we have increased the numbers of clean share class funds to over 1,500. The majority have no initial charge and competitive annual management charges.

Alliance Trust Investments

During the period, Third Party Assets under Management have increased from £1.4bn to £1.5bn. Our loss for the period reduced to £1.7m from a loss of £2.7m for the same period last year reflecting the changes in the business that have taken place over the last 12 months. These changes, outlined below, will allow us to focus on growing the business more effectively.

At the end of January 2013, we completed the transition of the Sustainable Future funds into the Alliance Trust ICVC, renaming them all under the Alliance Trust Investments brand.

Following a strategic review of the funds that we offer, we took the decision to close the North American Equity Fund and the European Equity Fund as we concluded that neither fund fitted our overall long-term strategic aim of focussing our business on core areas of competitive strength, namely Fixed Income, Global Equities and Sustainable & Responsible Investment.

We now have a range of 11 funds, seven of which are ranked above median in their peer group for the period. Nine of our funds have a three year track record and of these five are ranked above median in their peer group over that period.

We have entered into two investment management agreements with institutional investors for almost £50m of assets since the end of last year. We look forward to further successes as more of our funds build the three year track record that is usually a prerequisite to be included in a selection process.

The fair value of the business remains as stated in our Annual Report and Accounts as £10.1m.

Third Party Assets Under Management

Third Party Net Revenue

Alliance Trust Savings

We have continued the good progress from last year into 2013. We have seen assets under administration rise in the period by 15% to £4.7bn. We have focussed on the intermediaries market with our new sales team and increased marketing and we have generated a fourfold increase in the number of accounts opened through intermediaries during the period compared to the whole of 2012.

We have reported an operating profit of £0.2m for the period for our continuing operations. This excludes a gain of £5.2m relating to the sale of our Full SIPP business and non-recurring expenditure of £1.0m which we have incurred to promote the RDR readiness of our business.

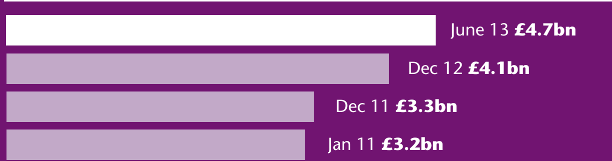
Our charging structure is now fully embedded and provides us with greater confidence as to the ability of the business to generate sustainable revenue.

The prospects for the business are further enhanced by the changes in the industry landscape that are being brought about by the Retail Distribution Review (RDR). The forthcoming introduction of RDR2 in April 2014 will benefit customers, and also Alliance Trust Savings, as the charges that are made on direct platforms will be transparent and make the benefit of our proposition clearer to customers. For this reason, in anticipation of these changes, we have incurred a significant non-recurring expense during the period in order to promote our readiness for RDR.

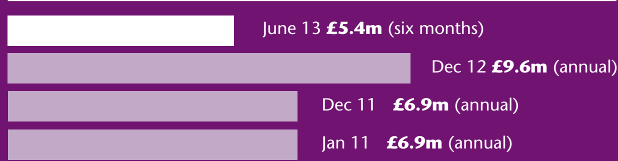
The outlook is positive with platforms being the preferred method of accessing the market for clients and intermediaries. We believe that our flat rate pricing structure will enable us to capture an increasing market share of the growing platform market and we are confident that the business will deliver an operating profit for the full year.

The fair value of the business remains as stated in our Annual Report and Accounts as £24.7m.

Assets under Administration



Revenue



Discounts and Share Buybacks

The discount narrowed from 15.6% at the end of 2012 ending the period at 13.8%.

We have seen demand drive the discount in, but remain committed to the ongoing flexible use of buybacks.

Dividends

The Company's policy is that we will aim to pay a sustainably rising dividend, paying out all of each year's net revenue earnings under normal circumstances. Where our current year's earnings exceed our previously published guidance we may pay a special dividend from those earnings. We have also decided that, unless there are exceptional circumstances, we will not pay dividends out of our realised capital reserves as we believe that, in the longer term, this is not sustainable.

The Company paid an interim dividend of 2.387p on 1 July 2013. A second interim dividend of 2.387p will be paid on 30 September 2013 to shareholders on the register on 30 August 2013. In the absence of any unforeseen developments we expect to be able to recommend a further quarterly interim dividend of 2.387p payable on or around 31 December 2013 and a fourth interim dividend of at least 2.387p, payable on or around 31 March 2014. The total ordinary dividend for 2013 is therefore expected to be at least 9.548p, an increase of at least 3%.

Outlook

At we predicted in our Annual Report the rally in equity markets was unsustainable. In the event, the S&P 500 is down around 5% from its peak in May and the Nikkei 225 is down 14% although it is still ahead by 32% this year. In the UK we have seen equities fall by 10% reducing the advance in the six months to 30 June 2013 to 5%.

This volatility highlights the problem in trying to second-guess macroeconomic conditions which, despite being shaped by very long term trends, are characterised by short term sentiment and political factors. If we focus too closely on these factors we run the risk of increasing the turnover of the portfolio and the resultant costs, as well as being at the mercy of political and economic mismanagement.

The correlation between local stock markets and regional economies is low, particularly when looking at developed markets over meaningful time horizons. The global reach of the largest companies that make up the regional indices is one of the main reasons for this as they are able to adapt their strategies and target higher growth areas. This is why we remain committed to our rigorous and thematic bottom up approach to focus on finding high quality companies with strong fundamentals.

This thematic approach is forward looking and targets the key drivers of long-term stock specific returns. These are consistency of earnings, strong cash flows, sound management teams and compelling business models that ensure these companies are best placed to weather changes to the environment in which they operate. However, not all high quality companies make high quality investments for us as sometimes their valuations can be stretched. This is why our formal investment process is made up of idea generation, idea validation, portfolio construction and risk management; these interconnecting elements ensure that the equity portfolio, which targets around 100 stocks, is best placed to deliver above market returns over the long term whilst sufficiently diversifying the stock specific risks.

As we look forward through the second half of 2013 and beyond, our assessment is that equities remain good value over the medium to long term. This is true both on an absolute and a relative basis when compared to other asset classes, particularly government bonds. We will continue to add to holdings where we see value, take profits in stocks that have reached their potential and initiate new holdings in companies with sustainable long term prospects. We continue to see significant stock specific opportunities which give grounds for optimism for the long term investor.

Central bankers across the world are treading a very fine line between stimulating growth and trying to reduce the overall level of debt in their respective economies, which is having a knock-on effect on global liquidity. Every statement by the Chairman of the US Federal Reserve and the newly appointed Governor of the Bank of England is dissected. Markets are looking for an early indication of a change of policy particularly in relation to forward guidance for the unwinding of Quantitative Easing.

This is going to shape monetary policy across the globe for many years to come and we expect sentiment in equity markets to be correspondingly fragile. As a consequence, markets are jittery and are liable to remain so for the foreseeable future. The resulting repatriation of capital and reduced global liquidity is acting as a block on economic growth across the world. Increasing levels of liquidity would be a signal of a return to higher levels of economic growth which will help balance budgets.

In a period of continuing volatility, we feel confident that the current holdings in the portfolio are well placed to drive sustainable returns, irrespective of the economic and political backdrop, and are consistent with our long term investment approach.

Risks and Uncertainties

The Company invests in both quoted and unquoted securities, fixed income securities, its subsidiary businesses, other asset classes and financial instruments for the long term in order to achieve its investment objectives. Its principal risks and uncertainties are therefore:

- Strategic
- Market
- Operational
- Legal, Regulatory and Disclosure

These risks, and the way in which they are managed, are described in more detail within the Risk Factors section on pages 24 and 25 of the Company's Annual Report and Accounts for the year ended 31 December 2012, which is available on the Company's website at www.alliancetrust.co.uk.

The Directors do not consider that the nature of the Company's principal risks and uncertainties has changed materially since the year end. In reaching that assessment they have had regard to the forecasts for the economies of the Eurozone area and have in place plans to mitigate the Company's exposure by reducing investment in the geographical areas most susceptible to economic failure. We have in place business continuity and damage limitation plans to minimise the impact on the Company should any country leave the Euro common currency.

We do not expect our principal risks to change for the remainder of the financial year.

Related Party Transactions

The nature of related party transactions has not changed significantly from those described in the Company's Report and Accounts for the year ended 31 December 2012. There were no transactions with related parties during the six months ended 30 June 2013 which have a material effect on the results or the financial position of the Company or of the Group.

Going Concern Statement

The factors impacting Going Concern are set out in detail in the Accounting and Audit section of the Company's Report and Accounts for the year ended 31 December 2012.

As at 30 June 2013 there have been no significant changes to these factors. The Directors, who have reviewed budgets, forecasts and sensitivities, consider that the Group has adequate financial resources to enable it to continue in operational existence for the foreseeable future. Accordingly the Directors believe it is appropriate to continue to adopt the going concern basis for preparing the financial statements.

Responsibility Statement

We confirm that to the best of our knowledge:

- The financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU;
- The interim management report includes a fair review of the information required by:
  (a) DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the year; and
  (b) DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period, and any changes in the related party transactions described in the last annual report that could do so.

Signed on behalf of the Board

Karin Forseke
Chair
24 July 2013

Katherine Garrett-Cox
Chief Executive
24 July 2013

All quoted equity holdings as at 30 June 2013

Stock	Country of listing	Sector	Value £m	% of quoted equities
Pfizer	United States	Pharmaceuticals	73.1	3.0%
Walt Disney	United States	Media	58.0	2.4%
United Technologies	United States	Aerospace & Defense	57.8	2.4%
QUALCOMM	United States	Communications Equipment	56.0	2.3%
Enterprise Products Partners	United States	Gas Utilities	53.7	2.2%
Samsung Electronics	South Korea	Semiconductors & Semiconductor Equipment	49.1	2.0%
HSBC	United Kingdom	Commercial Banks	45.2	1.9%
Express Scripts	United States	Health Care Providers & Services	43.1	1.8%
Prudential	United Kingdom	Insurance	42.2	1.7%
CVS Caremark	United States	Food & Staples Retailing	41.9	1.7%
Diageo	United Kingdom	Beverages	38.8	1.6%
Kraft Foods	United States	Food Products	38.6	1.6%
Wells Fargo	United States	Commercial Banks	37.9	1.6%
Zurich Insurance	Switzerland	Insurance	37.5	1.5%
Reckitt Benckiser	United Kingdom	Household Products	36.2	1.5%
Deutsche Post	Germany	Air Freight & Logistics	35.2	1.4%
ENI	Italy	Oil Gas & Consumable Fuels	33.9	1.4%
Sanofi	France	Pharmaceuticals	33.7	1.4%
Mitsubishi UFJ	Japan	Commercial Banks	33.4	1.4%
Danaher	United States	Industrial Conglomerates	33.3	1.4%
Coach	United States	Textiles Apparel & Luxury Goods	31.9	1.3%
Roche	Switzerland	Pharmaceuticals	31.5	1.3%
Total	France	Oil Gas & Consumable Fuels	31.2	1.3%
Visa	United States	IT Services	31.1	1.3%
GlaxoSmithKline	United Kingdom	Pharmaceuticals	30.9	1.3%
Legal & General	United Kingdom	Insurance	29.9	1.2%
Noble Energy	United States	Oil Gas & Consumable Fuels	29.2	1.2%
Royal Dutch Shell	United Kingdom	Oil Gas & Consumable Fuels	28.7	1.2%
Standard Chartered	United Kingdom	Commercial Banks	28.6	1.2%
Amgen	United States	Biotechnology	28.1	1.2%
Apple	United States	Computers & Peripherals	28.0	1.2%
National Grid	United Kingdom	Multi-Utilities	27.0	1.1%
Microsoft	United States	Software	26.6	1.1%
BNP Paribas	France	Commercial Banks	26.1	1.1%
Mattel	United States	Leisure Equipment & Products	25.9	1.1%
Fanuc	Japan	Machinery	25.6	1.1%
Adecco	Switzerland	Professional Services	25.4	1.0%
Barclays	United Kingdom	Commercial Banks	25.1	1.0%
Resolution	United Kingdom	Insurance	24.9	1.0%
Rogers Communications	Canada	Wireless Telecommunication Services	24.5	1.0%
Toronto-Dominion Bank	Canada	Commercial Banks	24.1	1.0%
Henkel	Germany	Household Products	23.1	1.0%
AmerisourceBergen	United States	Health Care Providers & Services	23.0	1.0%
Cadence Design Systems	United States	Software	23.0	0.9%
Bank of Nova Scotia	Canada	Commercial Banks	22.8	0.9%
Monsanto	United States	Chemicals	22.7	0.9%
BorgWarner	United States	Auto Components	22.4	0.9%
Infineon Technologies	Germany	Semiconductors & Semiconductor Equipment	22.3	0.9%
Liberty Global	United States	Media	21.7	0.9%
Bangkok Bank	Thailand	Commercial Banks	21.7	0.9%
Google	United States	Internet Software & Services	21.6	0.9%
The Mosaic Co.	United States	Chemicals	21.1	0.9%
Melrose Industries	United Kingdom	Machinery	21.1	0.9%
Citigroup	United States	Diversified Financial Services	21.0	0.9%
Technip	France	Energy Equipment & Services	20.7	0.9%
Unilever	United Kingdom	Food Products	20.5	0.8%
Novo Nordisk	Denmark	Pharmaceuticals	20.5	0.8%
Glencore Xstrata	United Kingdom	Metals & Mining	20.4	0.8%
Praxair	United States	Chemicals	20.4	0.8%
Oceaneering International	United States	Energy Equipment & Services	19.4	0.8%
SAP	Germany	Software	18.8	0.8%
Cummins	United States	Machinery	18.6	0.8%
RSA Insurance	United Kingdom	Insurance	18.4	0.8%
Accenture	United States	IT Services	18.1	0.8%
American Tower	United States	Real Estate Investment Trusts (REITs)	17.7	0.7%
Schlumberger	United States	Energy Equipment & Services	17.5	0.7%
Taiwan Mobile	Taiwan	Wireless Telecommunication Services	17.5	0.7%
Plum Creek Timber	United States	Real Estate Investment Trusts (REITs)	17.5	0.7%

All quoted equity holdings as at 30 June 2013

Stock	Country of listing	Sector	Value £m	% of quoted equities
Experian	United Kingdom	Professional Services	17.4	0.7%
Charoen Pokphand Foods	Thailand	Consumer Staples	17.2	0.7%
Bpost	Belgium	Industrials	17.1	0.7%
SNAM	Italy	Gas Utilities	16.7	0.7%
Kabel Deutschland	Germany	Media	16.6	0.7%
Pearson	United Kingdom	Media	16.5	0.7%
China Gas	China	Gas Utilities	16.4	0.7%
BASF	Germany	Chemicals	16.3	0.7%
Marsh & McLennan	United States	Insurance	16.3	0.7%
Taiwan Semiconductor Manufacturing Corporation	Taiwan	Semiconductors & Semiconductor Equipment	16.3	0.7%
Perusahaan Gas Negara	Indonesia	Gas Utilities	16.2	0.7%
Malayan Banking	Malaysia	Commercial Banks	15.7	0.7%
Intuitive Surgical	United States	Health Care Equipment & Supplies	15.5	0.6%
Ascendas Real Estate Investment Trust	Singapore	Real Estate Investment Trusts (REITs)	15.4	0.6%
VTECH	Hong Kong	Communications Equipment	14.6	0.6%
GTECH	Italy	Hotels Restaurants & Leisure	14.3	0.6%
Hyundai Mobis	South Korea	Auto Components	13.8	0.6%
Humana	United States	Health Care Providers & Services	13.8	0.6%
Rolls-Royce	United Kingdom	Aerospace & Defense	13.0	0.5%
DaVita HealthCare Partners	United States	Health Care Providers & Services	12.5	0.5%
Ashmore Global Opportunities	United Kingdom	Mutual Fund	12.5	0.5%
Cerner	United States	Health Care Technology	12.1	0.5%
Verizon Communications	United States	Diversified Telecommunication Services	12.0	0.5%
M1	Singapore	Wireless Telecommunication Services	11.0	0.5%
Fomento Economico Mexicano	Mexico	Beverages	11.0	0.5%
Telecom Corp. of New Zealand	New Zealand	Diversified Telecommunication Services	10.5	0.4%
Grupo Financiero Banorte	Mexico	Commercial Banks	10.5	0.4%
Power Assets	Hong Kong	Electric Utilities	10.3	0.4%
Housing Development Finance	India	Thrifts & Mortgage Finance	8.0	0.3%
BPZ Resources (Conv. Note 6.5% 2015)	United States	Energy	7.6	0.3%
Fook Woo Group	China	Household and Personal Products	0.3	0.0%
Total			**2,434**	**100%**

Funds as at 30 June 2013

Fund	Country of listing	Sector	Value £m
Alliance Trust Global Thematic Opportunities Fund	United Kingdom	Collective Investment	192.6
Alliance Trust Monthly Income Bond Fund	United Kingdom	Collective Investment	163.3
Alliance Trust Dynamic Bond Fund	United Kingdom	Collective Investment	51.6
Total			**407.5**

Other Assets as at 30 June 2013

Investment	Country of listing	Value £m
Private Equity	United Kingdom/Europe	128.8
Subsidiaries	United Kingdom	65.0
Property	United Kingdom	9.1
Mineral Rights	North America	9.5
Total		**212.4**

A full portfolio listing, similar to that displayed above, is available on a monthly basis on our website at http://investor.alliancetrust.co.uk/ati/investorrelations/holdings.jsp

Financial Statements

Consolidated income statement (unaudited)

For the period ended 30 June 2013

		6 months to 30 June 2013			6 months to 30 June 2012			Year to 31 Dec 2012 (audited)		
£000	**Note**	**Revenue**	**Capital**	**Total**	**Revenue**	**Capital**	**Total**	**Revenue**	**Capital**	**Total**
Revenue										
Income	3	64,459	-	64,459	58,962	-	58,962	105,260	-	105,260
Profit on fair value designated investments		-	263,268	263,268	-	78,002	78,002	-	221,313	221,313
Loss on investment property held		-	(67)	(67)	-	-	-	-	(812)	(812)
Total revenue		64,459	263,201	327,660	58,962	78,002	136,964	105,260	220,501	325,761
Administrative expenses		(21,870)	(1,443)	(23,313)	(19,118)	(714)	(19,832)	(41,234)	(1,625)	(42,859)
Finance (costs)/Income	4	(6,242)	3,314	(2,928)	(4,730)	(7,742)	(12,472)	(10,678)	(25,358)	(36,036)
Loss on revaluation of office premises		-	-	-	-	-	-	-	(1,900)	(1,900)
Foreign exchange gains		-	3,228	3,228	18	9,950	9,968	5	9,026	9,031
Profit before tax		36,347	268,300	304,647	35,132	79,496	114,628	53,353	200,644	253,997
Tax	5	(3,162)	-	(3,162)	(2,377)	-	(2,377)	(4,249)	(103)	(4,352)
Profit for the period/year		33,185	268,300	301,485	32,755	79,496	112,251	49,104	200,541	249,645

All profit for the period/year is attributable to equity holders of the parent.

Earnings per share from continuing operations attributable to equity holders of the parent										
Basic (p per share)	7	5.93	47.92	53.85	5.74	13.93	19.67	8.61	35.17	43.78
Diluted (p per share)	7	5.91	47.78	53.69	5.72	13.89	19.61	8.58	35.06	43.64

Consolidated statement of comprehensive income (unaudited)

		6 months to 30 June 2013			6 months to 30 June 2012			Year to 31 Dec 2012 (audited)		
£000	**Note**	**Revenue**	**Capital**	**Total**	**Revenue**	**Capital**	**Total**	**Revenue**	**Capital**	**Total**
Profit for the period/year		33,185	268,300	301,485	32,755	79,496	112,251	49,104	200,541	249,645
Defined benefit plan net actuarial gain/(loss)	8	-	2,102	2,102	-	(2,103)	(2,103)	-	(405)	(405)
Retirement benefit obligations deferred tax		-	-	-	-	146	146	-	48	48
Other comprehensive gain/(loss)		-	2,102	2,102	-	(1,957)	(1,957)	-	(357)	(357)
Total comprehensive income for the period/year		33,185	270,402	303,587	32,755	77,539	110,294	49,104	200,184	249,288

All total comprehensive income for the period/year is attributable to equity holders of the parent.

Consolidated statement of changes in equity (unaudited)

For the period ended 30 June 2013

£000	6 months to 30 June 2013	6 months to 30 June 2012	31 Dec 2012 (audited)
Called up share capital			
At 1 January	14,040	14,833	14,833
Own shares purchased and cancelled in the period/year	(1)	(758)	(793)
At 30 June	14,039	14,075	14,040
Capital reserves			
At 1 January	1,754,368	1,665,692	1,665,692
Profit for the period/year	268,300	79,496	200,541
Defined benefit plan actuarial net gain/(loss)	2,102	(1,957)	(357)
Own shares purchased and cancelled in the period/year	(214)	(107,307)	(112,721)
Share based payments	713	538	1,213
At 30 June	2,025,269	1,636,462	1,754,368
Merger reserve			
At 1 January and 30 June	645,335	645,335	645,335
Capital redemption reserve			
At 1 January	4,958	4,165	4,165
Own shares purchased and cancelled in the period/year	1	758	793
At 30 June	4,959	4,923	4,958
Revenue reserve			
At 1 January	68,202	73,348	73,348
Profit for the period/year	33,185	32,755	49,104
Dividends	(28,356)	(28,255)	(54,237)
Unclaimed dividends	37	37	(13)
At 30 June	73,068	77,885	68,202
Total equity			
At 1 January	2,486,903	2,403,373	2,403,373
At 30 June	2,762,670	2,378,680	2,486,903

Consolidated balance sheet (unaudited)

As at 30 June 2013

£000		30 June 2013	30 June 2012	31 Dec 2012 (audited)
Non-current assets				
Investments held at fair value		3,111,746	2,613,162	2,722,042
Investment property		9,120	9,775	9,120
Property, plant and equipment:				
Office premises		4,125	6,025	4,125
Other fixed assets		483	8	587
Intangible assets		7,223	1,296	1,408
Pension scheme surplus	8	8,020	2,555	4,305
Deferred tax asset		989	907	990
		3,141,706	2,633,728	2,742,577
Current assets				
Outstanding settlements and other receivables		197,586	474,093	23,882
Recoverable overseas tax		1,151	1,337	1,106
Cash and cash equivalents		519,432	512,615	444,916
		718,169	988,045	469,904
Total assets		3,859,875	3,621,773	3,212,481
Current liabilities				
Outstanding settlements and other payables		(754,846)	(941,485)	(523,605)
Tax payable		(141)	(141)	(141)
Bank overdrafts and loans	14	(340,000)	(300,000)	(200,000)
		(1,094,987)	(1,241,626)	(723,746)
Total assets less current liabilities		2,764,888	2,380,147	2,488,735
Non-current liabilities				
Deferred tax liability		(990)	(761)	(990)
Finance Lease		(293)	-	(254)
Amounts payable under long term Investment Incentive Plan		(935)	(706)	(588)
		(2,218)	(1,467)	(1,832)
Net assets		2,762,670	2,378,680	2,486,903
Equity				
Share capital	15	14,039	14,075	14,040
Capital reserves		2,025,269	1,636,462	1,754,368
Merger reserve		645,335	645,335	645,335
Capital redemption reserve		4,959	4,923	4,958
Revenue reserve		73,068	77,885	68,202
Total equity		2,762,670	2,378,680	2,486,903

All net assets are attributable to equity holders of the parent.

Net asset value per ordinary share attributable to equity holders of the parent				
Basic (£)	9	4.93	4.24	4.44
Diluted (£)	9	4.92	4.23	4.43

Consolidated cash flow (unaudited)

For the period ended 30 June 2013

£000	6 months to 30 June 2013	6 months to 30 June 2012	Year to 31 Dec 2012 (audited)
Cash flows from operating activities			
Profit before tax	304,647	114,628	253,997
Adjustments for:			
Gains on investments	(263,201)	(78,002)	(220,501)
Foreign exchange gains	(3,228)	(9,968)	(9,031)
Scrip dividends	-	(455)	(455)
Depreciation	107	7	91
Amortisation of intangibles	373	435	702
Loss on disposal/revaluation of property	-	-	1,900
Share based payment expense	713	538	1,213
Interest	2,928	12,472	36,036
Movement in pension scheme surplus	(1,613)	(1,508)	(1,512)
Operating cash flows before movements in working capital	40,726	38,147	62,440
Increase in amounts due to depositors	37,557	28,503	34,745
(Decrease)/increase in receivables	(18,665)	(447,950)	3,015
Increase in payables	17,919	9,222	4,577
Net cash inflow/(outflow) from operating activities before income taxes	77,537	(372,078)	104,777
Taxes paid	(3,302)	(2,746)	(4,490)
Net cash inflow/(outflow) from operating activities	74,235	(374,824)	100,287
Cash flows from investing activities			
Proceeds on disposal of fair value through profit and loss investments	494,088	644,795	1,825,622
Purchase of fair value through profit and loss investments	(593,205)	(99,068)	(1,685,709)
Foreign exchange gains on foreign exchange contracts	2,522	7,403	7,437
Purchase of plant and equipment	(3)	-	(663)
Net purchase of intangible assets	(6,188)	(104)	(512)
Net cash (outflow)/inflow from investing activities	(102,786)	553,026	146,175
Cash flows from financing activities			
Dividends paid - Equity	(28,356)	(41,035)	(67,016)
Unclaimed dividends	37	37	(13)
Purchase of own shares	(214)	(107,307)	(112,721)
New bank loans raised	140,000	51,232	-
Repayment of borrowing	-	-	(48,768)
Net third party investment in subsidiary OEIC			
- Alliance Trust Investment Funds	(904)	20,291	23,449
Interest payable	(8,202)	(6,805)	(13,506)
Net cash inflow/(outflow) from financing activities	102,361	(83,587)	(218,575)
Net increase in cash and cash equivalents	73,810	94,615	27,887
Cash and cash equivalents at beginning of period/year	444,916	415,435	415,435
Effect of foreign exchange rate changes	706	2,565	1,594
Cash and cash equivalents at the end of period/year	519,432	512,615	444,916

Notes

1 General Information

The information contained in this report for the period ended 30 June 2013 does not constitute statutory accounts as defined in section 435 of the Companies Act 2006. A copy of the statutory accounts for the year ended 31 December 2012 has been delivered to the Registrar of Companies. The auditor's report on those financial statements was prepared under section 495 and section 496 of the Companies Act 2006. The report was not qualified, did not contain an emphasis of matter paragraph and did not contain statements under section 498(2) or (3) of the Companies Act.

The interim results are unaudited. They should not be taken as a guide to the full year and do not constitute the statutory accounts.

2 Accounting Policies

Basis of preparation

The annual financial statements were prepared using accounting policies consistent with International Financial Reporting Standards (IFRS) as adopted by the EU. The condensed set of financial statements included in this half yearly financial report have been prepared in accordance with IAS 34 'Interim Financial Reporting', as adopted by the EU.

Going concern

The directors have a reasonable expectation that the Company has sufficient resources to continue in operational existence for the forseeable future. Accordingly the financial statements have been prepared on a going concern basis.

Changes in accounting policies

The same accounting policies, presentations and methods of computation are followed in these financial statements as are applied in the Group's latest audited financial statements. Apart from the application of IFRS10 and 12 to the forthcoming financial statements, no material changes in accounting policies are anticipated for the year ended 31 December 2013.

Revisions to the accounting standard IAS 19 (Employee Benefits) are applicable in the period to 30 June 2013. The revised standard has replaced the interest cost and expected return on the defined benefit scheme assets with a net interest charge. For the current period the profit and other comprehensive income are both £43,000 lower than they would have been under the previous version of this accounting standard. The comparatives have not been restated as the impact is not material to the overall results of the Group. Had we restated the comparatives, the profit and other comprehensive income figures would have been £25,000 higher than we have reported.

As the Group has always recognised actuarial gains and losses immediately there has been no effect on the prior year defined benefit obligation.

3 Revenue

£000	**6 months to 30 June 2013**	**6 months to 30 June 2012**	**Year to 31 Dec 2012**
Deposit interest	1,043	1,666	3,137
Dividend income	53,881	50,270	86,011
Mineral rights income	973	489	1,070
Property income	313	383	757
Savings and Pension Plan charges	4,679	5,678	11,823
Other income	3,570	476	2,462
Total revenue	64,459	58,962	105,260

4 Finance Costs/(Income)

	6 months to 30 June 2013			**6 months to 30 June 2012**			**Year to 31 Dec 2012**		
£000	**Revenue**	**Capital**	**Total**	**Revenue**	**Capital**	**Total**	**Revenue**	**Capital**	**Total**
Interest payable									
Payable to depositors	6	-	6	3	-	3	3	-	3
Bank loans and overdrafts	1,476	1,476	2,952	1,378	1,649	3,027	2,560	2,730	5,290
Net gains/(losses) attributable to third party investment in subsidiary OEIC	4,760	(4,790)	(30)	3,349	6,093	9,442	8,115	22,628	30,743
Total finance costs/(income)	6,242	(3,314)	2,928	4,730	7,742	12,472	10,678	25,358	36,036

5 Taxation

UK Corporation Tax for the period to 30 June 2013 is charged at 23% (24.5% for the period to 30 June 2012) of the estimated taxable profits for the period. A reduction in the main rate of UK Corporation Tax to 23% was substantively enacted in March 2012. Taxation levied by other jurisdictions is calculated at the rates prevailing in those jurisdictions. Such taxation mainly comprises withholding taxes levied on the investment return generated on foreign investments such as overseas dividend income.

6 Dividends

£000	6 months to 30 June 2013	6 months to 30 June 2012	Year to 31 Dec 2012
Fourth interim dividend for the period ended 31 December 2011 of 2.577p per share	-	14,986	14,986
First interim dividend for the year ended 31 December 2012 of 2.3175p per share	-	13,269	13,269
Second interim dividend for the year ended 31 December 2012 of 2.3175p per share	-	-	13,005
Third interim dividend for the year ended 31 December 2012 of 2.3175p per share	-	-	12,977
Fourth interim dividend for the year ended 31 December 2012 of 2.3175p per share	12,973	-	-
Special dividend for the year ended 31 December 2012 of 0.36p per share	2,015	-	-
First interim dividend for the year ending 31 December 2013 of 2.3870p per share	13,368	-	-

7 Earnings Per Share

From continuing operations

The calculation of the basic and diluted earnings per share is based on the following data:

	6 months to 30 June 2013			6 months to 30 June 2012			Year to 31 Dec 2012		
	Revenue	Capital	Total	Revenue	Capital	Total	Revenue	Capital	Total
Ordinary shares									
Earnings for the purposes of basic earnings per share being net profit attributable to equity holders of the parent (£000)	33,185	268,300	301,485	32,755	79,496	112,251	49,104	200,541	249,645
Number of shares									
Weighted average number of ordinary shares for the purposes of basic earnings per share			559,901,145			570,523,019			570,233,465
Weighted average number of ordinary shares for the purposes of diluted earnings per share			561,553,530			572,293,236			572,003,682

The weighted average number of ordinary shares is arrived at by excluding 1,580,671 (1,770,218 other periods) ordinary shares acquired by the Trustee of the Employee Benefit Trust with funds provided by the Company.

IAS 33 requires that shares should only be treated as dilutive if they decrease earnings per share or increase the loss per share. The earnings per share figures on the income statement reflect this.

8 Pension Schemes

The Group sponsors two pension arrangements.

The Alliance Trust Companies' Pension Fund ('the Scheme') is a funded defined benefit pension scheme which closed to future accrual on 2 April 2011.

Employees (other than Executive Directors) are entitled to receive contributions into their own Self Invested Personal Pension ('SIPP') provided by Alliance Trust Savings Limited.

Defined Benefit Scheme

The net actuarial gain made in the period and recognised in the Consolidated Statement of Comprehensive Income was £2,102,000 (30 June 2012 net actuarial loss of £2,103,000 and 31 December 2012 net actuarial loss of £405,000).

Certain actuarial assumptions have been used to arrive at the retirement benefit scheme surplus of £8m as at 30 June 2013 (30 June 2012 surplus of £2.6m and 31 December 2012 surplus of £4.3m). These are set out below:

	30 June 2013	**30 June 2012**	**31 Dec 2012**
	% per annum	**% per annum**	**% per annum**
Inflation - (RPI)	3.3	3.0	2.9
Inflation - (CPI)	2.4	2.0	2.4
Rate of discount	4.8	4.5	4.4
Allowance for pension in payment increases of RPI (subject to a maximum increase of 5% p.a.)	3.2	2.9	2.8
Allowance for revaluation of deferred pensions of CPI (subject to a maximum increase of 5% p.a.)	2.4	2.0	2.4

9 Net Asset Value Per Ordinary Share

The calculation of the net asset value per ordinary share is based on the following:

	30 June 2013	**30 June 2012**	**31 Dec 2012**
Equity shareholder funds (£000)	2,762,670	2,378,680	2,486,903
Number of shares at period end - Basic	559,948,475	561,205,928	559,808,928
Number of shares at period end - Diluted	561,529,146	562,976,146	561,579,146

The number of ordinary shares has been reduced by 1,580,671 (1,770,218 other periods) ordinary shares held by the Trustee of the Employee Benefit Trust in order to arrive at the Basic figures above.

10 Segmental Reporting

Alliance Trust PLC's operating segments are strategic business units that offer different products and services. They are managed separately because of the differences in the products and services provided. They are however all complementary to the core business of investing in various asset classes to generate increasing value over the long term.

The Group's primary operating segments are the Company, Alliance Trust Savings Limited ('ATS') and Alliance Trust Investments ('ATI').

The Company is a self-managed investment company with investment trust status. ATS provides pension administration services, share dealing services and a fund supermarket. ATI is an investment management company.

The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies in the Annual Report and Accounts for the year ended 31 December 2012.

Alliance Trust PLC evaluates performance based on the profit before tax. Intersegment sales and transfers are accounted for on an arms length basis.

£000	Company	ATS (continuing operations)	ATS (discontinuing operations)	ATS Total	ATI	Total
			6 months to 30 June 2013			
Revenue						
Investment gains	273,932	-	-	-	-	273,932
Net interest income	67	883	-	883	38	988
Non interest income	50,041	4,469	209	4,678	4,527	59,246
Segment revenue	**324,040**	**5,352**	**209**	**5,561**	**4,565**	**334,166**
Expenditure						
Foreign exchange gains	(3,228)	-	-	-	-	(3,228)
Depreciation and amortisation	245	213	-	213	273	731
Other expenses	13,628	4,940	510	5,450	5,963	25,041
Total expenses	**10,645**	**5,153**	**510**	**5,663**	**6,236**	**22,544**
Operating profit/(loss) before tax	**313,395**	**199**	**(301)**	**(102)**	**(1,671)**	**311,622**
Net gain on sale of Full SIPP business	-	-	5,158	5,158	-	5,158
Non recurring RDR marketing expenses	-	(1,025)	-	(1,025)	-	(1,025)
Segment profit/(loss) before tax	**313,395**	**(826)**	**4,857**	**4,031**	**(1,671)**	**315,755**

£000	Company	ATS (continuing operations)	ATS (discontinuing operations)	ATS Total	ATI	Total
			6 months to 30 June 2012			
Revenue						
Investment gains	69,832	-	-	-	-	69,832
Net interest income	159	1,429	-	1,429	16	1,604
Non interest income	47,336	3,154	2,524	5,678	1,139	54,153
Segment revenue	**117,327**	**4,583**	**2,524**	**7,107**	**1,155**	**125,589**
Expenditure						
Foreign exchange gains	(9,968)	-	-	-	-	(9,968)
Depreciation and amortisation	97	303	-	303	39	439
Other expenses	12,076	4,974	2,740	7,714	3,859	23,649
Total expenses	**2,205**	**5,277**	**2,740**	**8,017**	**3,898**	**14,120**
Operating profit/(loss) before tax	**115,122**	**(694)**	**(216)**	**(910)**	**(2,743)**	**111,469**
Net gain on sale of SSAS business	-	-	398	398	-	398
Segment profit/(loss) before tax	**115,122**	**(694)**	**182**	**(512)**	**(2,743)**	**111,867**

£000	Company	ATS (continuing operations)	ATS (discontinuing operations)	ATS Total	ATI	Total
			Year to 31 December 2012			
Revenue						
Investment gains	198,466	-	-	-	-	198,466
Net interest income	491	2,582	-	2,582	32	3,105
Non interest income	79,556	7,000	4,812	11,812	3,819	95,187
Segment revenue	**278,513**	**9,582**	**4,812**	**14,394**	**3,851**	**296,758**
Expenditure						
Foreign exchange gains	(9,026)	-	-	-	-	(9,026)
Depreciation and amortisation	214	530	-	530	91	835
Other expenses	25,629	9,496	5,131	14,627	10,323	50,579
Total expenses	**16,817**	**10,026**	**5,131**	**15,157**	**10,414**	**42,388**
Operating profit/(loss) before tax	**261,696**	**(444)**	**(319)**	**(763)**	**(6,563)**	**254,370**
Net gain on sale of SSAS business	-	-	366	366	-	366
Segment profit/(loss) before tax	**261,696**	**(444)**	**47**	**(397)**	**(6,563)**	**254,736**

Reconciliation of reportable segment revenue and profit to consolidated amounts

Revenue £000	**6 months to 30 June 2013**	**6 months to 30 June 2012**	**Year to 31 Dec 2012**
Total revenue for reportable segments	334,166	125,589	296,758
Other revenue	8,259	(2,785)	96,540
Elimination of intersegment revenue	(1,099)	(771)	(1,519)
Elimination of movement in investment in subsidiaries	(13,666)	14,931	(66,018)
Consolidated revenue	327,660	136,964	325,761

Expenditure £000	**6 months to 30 June 2013**	**6 months to 30 June 2012**	**Year to 31 Dec 2012**
Total depreciation and amortisation	731	439	835
Other expenses	22,282	21,897	70,929
Consolidated expenses	23,013	22,336	71,764

Profit/(Loss) £000	**6 months to 30 June 2013**	**6 months to 30 June 2012**	**Year to 31 Dec 2012**
Total profit for reportable segments	315,755	111,867	254,736
Elimination of movement in investment in subsidiaries	(11,108)	2,761	(739)
Consolidated profit before tax	304,647	114,628	253,997

Assets and Liabilities			**As at 30 June 2013**	
£000	**Company**	**ATS**	**ATI**	**Total**
Reportable segment assets	3,252,360	407,136	29,000	3,688,496
Reportable segment liabilities	(477,178)	(384,338)	(14,015)	(875,531)
Total net assets	**2,775,182**	**22,798**	**14,985**	**2,812,965**

Assets and Liabilities			**As at 30 June 2012**	
£000	**Company**	**ATS**	**ATI**	**Total**
Reportable segment assets	3,137,068	353,405	8,177	3,498,650
Reportable segment liabilities	(761,851)	(334,716)	(2,981)	(1,099,548)
Total net assets	**2,375,217**	**18,689**	**5,196**	**2,399,102**

Assets and Liabilities			**As at 31 Dec 2012**	
£000	**Company**	**ATS**	**ATI**	**Total**
Reportable segment assets	2,701,566	359,661	13,342	3,074,569
Reportable segment liabilities	(210,947)	(340,810)	(4,734)	(556,491)
Total net assets	**2,490,619**	**18,851**	**8,608**	**2,518,078**

Reconciliation of reportable segment assets to consolidated amounts

Assets £000	**As at 30 June 2013**	**As at 30 June 2012**	**As at 31 Dec 2012**
Reportable segment assets	3,688,496	3,498,650	3,074,569
Third party liabilities and other subsidiaries	171,379	123,123	137,912
Consolidated assets	3,859,875	3,621,773	3,212,481

Reconciliation of reportable segment liabilities to consolidated amounts

Liabilities £000	**As at 30 June 2013**	**As at 30 June 2012**	**As at 31 Dec 2012**
Reportable segment liabilities	(875,531)	(1,099,548)	(556,491)
Third party liabilities and other subsidiaries	(221,674)	(143,545)	(169,087)
Consolidated liabilities	(1,097,205)	(1,243,093)	(725,578)

11 Hierarchical valuation of financial instruments

The Group refines and modifies its valuation techniques as markets develop. While the Group believes its valuation techniques to be appropriate and consistent with other market participants, the use of different methodologies or assumptions could result in different estimates of fair value at the balance sheet date. Financial instruments excludes the Investment Property.

The tables below analyse financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

Level 1 Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices).

Level 3 Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Group valuation hierarchy fair value through profit and loss

	As at June 2013			
£000	**Level 1**	**Level 2**	**Level 3**	**Total**
Listed investments	2,978,894	-	-	2,978,894
Credit default swaps	-	1,053	-	1,053
Interest rate swaps	-	108	-	108
Private equity	-	-	131,691	131,691
	2,978,894	1,161	131,691	3,111,746

	As at June 2012			
£000	**Level 1**	**Level 2**	**Level 3**	**Total**
Listed investments	2,509,248	-	-	2,509,248
Credit default swaps	-	-	-	-
Interest rate swaps	-	-	-	-
Private equity	-	-	103,914	103,914
	2,509,248	-	103,914	2,613,162

	As at December 2012			
£000	**Level 1**	**Level 2**	**Level 3**	**Total**
Listed investments	2,607,869	-	-	2,607,869
Credit default swaps	-	(3,189)	-	(3,189)
Interest rate swaps	-	-	-	-
Private equity	-	-	117,362	117,362
	2,607,869	(3,189)	117,362	2,722,042

The following table shows the reconciliation from the beginning balances to the ending balances for fair value measurement in level 3 of the fair value hierarchy.

£000	**Group**
Balance at 31 December 2012	117,362
Net gain from financial instruments at fair value through profit or loss	1,469
Purchases at cost	13,226
Sales proceeds	(840)
Realised gain on sales	474
Balance at 30 June 2013	131,691

Private equity included under level 3 is valued in accordance with the International Private Equity and Venture Capital Valuation Guidelines issued in September 2009.

Unlisted investments in private equity are stated at the General Partner’s valuation. The General Partner’s policy in valuing unlisted investments is to carry them at fair value. The General Partner will generally rely on the fund investment manager’s fair value at the last reported period rolled forward for any cash flows. However if the General Partner does not feel the manager is reflecting a fair value they will select a valuation methodology that is most appropriate for the particular investments in that fund and generate a fair value. In those circumstances the General Partner believes the most appropriate methodologies to use to value the underlying investments in the portfolio are:

- Price of a recent investment
- Multiples
- Net assets
- Industry valuation benchmarks

The Directors consider any valuations of level 3 investments based on reasonably alternative assumptions to be immaterial to the results of the Company and the Group.

12 Financial Commitments

As at 30 June 2013 the Group and Company had financial commitments, which have not been accrued, totalling £52m (£74m at 30 June 2012 and £61m at 31 December 2012). Of this amount £52m (£74m at 30 June 2012 and £61m at 31 December 2012) was in respect of uncalled subscriptions in investments structured as limited partnerships all of which relates to investments in our private equity portfolio. This is the maximum amount that the Company may be required to invest. These limited partnership commitments may be called at any time up to an agreed contractual date. The Company may choose not to fulfil individual commitments but may suffer a penalty should it do so, the terms of which vary between investments.

13 Share Based Payments

The group operates two share based payment schemes. Full details of these schemes (LTIP and AESOP) are disclosed in the December 2012 annual report and financial statements and the basis of measuring fair value is consistent with that disclosed therein.

LTIP

In the period to 30 June 2013 participating employees applied a proportion of their annual cash bonuses for the year ended 31 December 2012 to purchase 106,557 (113,061 at 30 June 2012 and 31 December 2012) Company shares at a weighted average price of £4.34 (£3.73 at 30 June 2012 and 31 December 2012) per share. Matching awards of up to 213,264 (204,131 at 30 June 2012 and 31 December 2012) shares, and performance awards of up to 728,314 (807,804 at 30 June 2012 and 31 December 2012) shares were granted.

Matching awards and performance awards made during the period were valued at £356,000 (£327,509 at 30 June 2012 and 31 December 2012) and £1,216,000 (£1,064,000 at 30 June 2012 and 31 December 2012) respectively. The fair value of the awards was calculated using a binomial methodology.

The cumulative charge to the income statement during the period for the cost of all LTIP awards was £713,000 (£538,000 at 30 June 2012 and £1,213,000 at 31 December 2012) for the Group. Per IFRS 2 the costs of matching and performance awards for each plan are expensed over the three year performance period.

These costs are adjusted if certain vesting conditions are not met, for example if a participant leaves before the end of the three year vesting period.

14 Bank Loans

£000	**As at 30 June 2013**	**As at 30 June 2012**	**As at 31 Dec 2012**
Bank loans repayable within one year	340,000	300,000	200,000
Analysis of borrowings by currency:			
Bank loans – Sterling	340,000	300,000	200,000
The weighted average % interest rates payable:			
Bank loans	1.80%	1.51%	1.57%
The Directors' estimate of the fair value of the borrowings:			
Bank loans	340,000	300,000	200,000

15 Share Capital

£000	**As at 30 June 2013**	**As at 30 June 2012**	**As at 31 Dec 2012**
Allotted, called up and fully paid: 561,529,146 (562,976,146 at 30 June 2012 and 561,579,146 at 31 December 2012) ordinary shares of 2.5p each	14,039	14,075	14,040

Share Buy Backs

£000	**As at 30 June 2013**	**As at 30 June 2012**	**As at 31 Dec 2012**
Ordinary shares of 2.5p each			
Opening share capital	14,040	14,833	14,833
Share buy back	(1)	(758)	(793)
Closing share capital	14,039	14,075	14,040

Information for shareholders

Incorporation

Alliance Trust PLC is incorporated in Scotland with the registered number 1731.

The Company's Register of Members is held at Computershare Investor Services PLC, Lochside House, 7 Lochside Avenue, Edinburgh Park, Edinburgh EH12 9DJ.

General Enquiries

If you have an enquiry about the Company, please contact the Company Secretary at our registered office:

8 West Marketgait,
Dundee DD1 1QN
Tel: 01382 321000
Fax: 01382 321185
Email: investor@alliancetrust.co.uk

For security and compliance monitoring purposes telephone calls may be recorded.

Investor Relations

Our Head of Investor Relations can be contacted at our registered office (detailed above).

Our website www.alliancetrust.co.uk contains information about the Company, including daily share price and net asset value. The Investor Relations section of the website contains the terms of reference of the Audit, Remuneration, Nomination and Board Risk Committees.

Registrars

Our registrars are:

Computershare Investor Services PLC
PO Box 82, The Pavilions,
Bridgwater Road, Bristol BS99 7NH

Change of address notifications and registration enquiries for shareholdings registered in your own name should be sent to the Company's registrars at the above address, which should also be contacted if you would like dividends on shares registered in your own name to be sent to your bank or building society account. You may check your holdings and view other information about Alliance Trust shares registered in your own name at **www.computershare.com.**

Data Protection

The Company is a data controller as defined under the Data Protection Act 1998. Information received from or about shareholders or investors (for example from a stockbroker), whether by telephone or in writing, by fax or by any other electronic or digital means of communication may be processed.

Information held on the Company's Register of Members is, by law, information to which the public may, for a proper purpose, have access and the Company cannot prevent any person inspecting it or having copies of it for such purpose, on payment of the statutory fee.

Electronic Communications

If you hold your shares in your own name, we are able to send you annual reports and notices of meetings electronically instead of in paper format. If you wish to register for this service please log on to **www.alliancetrust.co.uk/ec.htm** which will provide you with a link to our registrars' website.

Bogus telephone calls

We have become aware of a numbers of telephone calls being made to shareholders wherein the caller offers to buy the recipient's shares at a price significantly above the current market price. We suspect that these calls are bogus and to that end we have alerted the Financial Conduct Authority (FCA) of the names of the companies involved. We are prohibited from advising shareholders on whether to buy or to sell shares in Alliance Trust PLC, but recommend that if you wish to sell your shares you only deal with a financial services firm that is authorised by the FCA.

Financial Calendar

Proposed dividend payment dates for the financial year to 31 December 2013 are on or around:

30 September 2013
31 December 2013
31 March 2014

Investor Forums

We will be holding an investor presentation at the Victoria Plaza Hotel, London on 10 September 2013.

Details of this and future events can be found at www.alliancetrust.co.uk/events.

Contact

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