

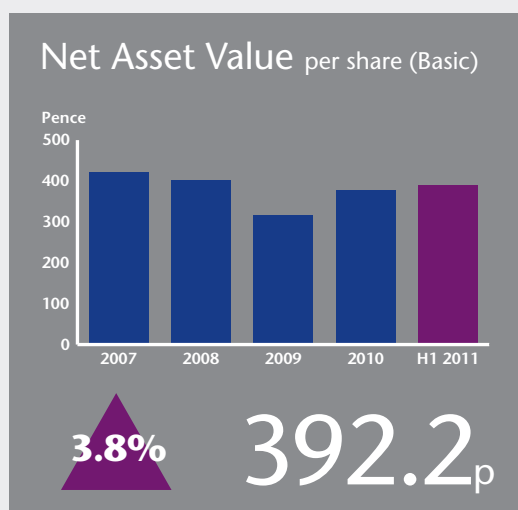


Interim Report
for the six months ended 31 July

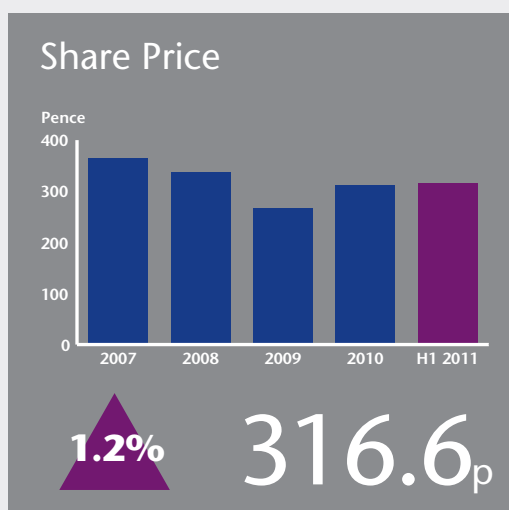
2010

Highlights

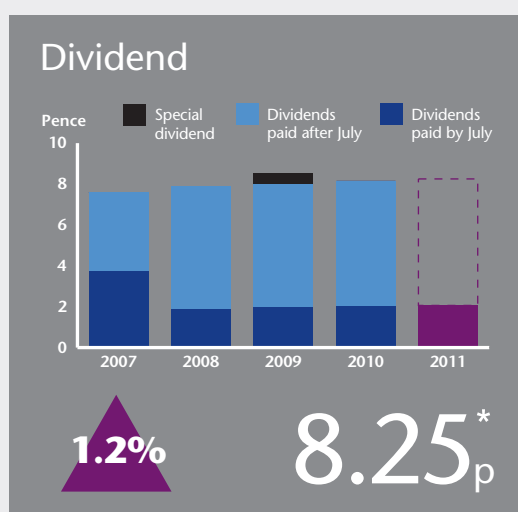
- Positive absolute returns generated by all regional teams, with over 60% of assets in portfolios which have generated positive relative returns over 1 and 3 years.
- Bolder investment approach illustrated by reduction in UK exposure from 36% to 31% of our net assets, reinvesting in Asia and emerging markets.
- Revenues up 17% in Alliance Trust Savings year on year, and 3rd party assets at Alliance Trust Asset Management up from £12m to £52m in the last 6 months.
- Current year earnings continue to support our progressive dividend with income being generated across all regional and fixed income portfolios.
- Overall outlook for equity markets remains good, with better prospects from exposure to Asia and emerging markets as debt concerns continue to affect more developed markets.



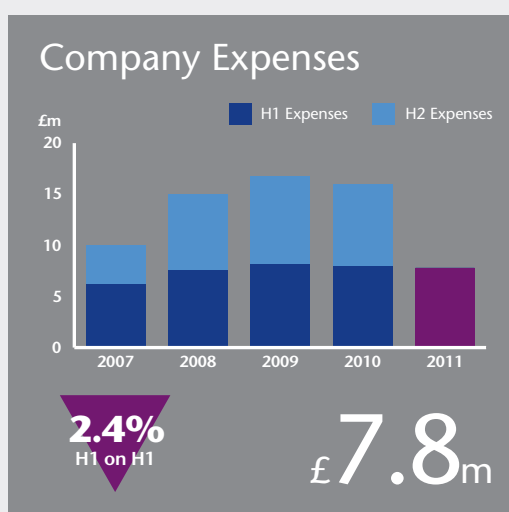
Source: Alliance Trust



Source: FactSet



Source: Alliance Trust



Source: Alliance Trust

Company Statistics	31 July 2010	31 January 2010	Change
Net Asset Value (basic)	392.2p	377.7p	3.8%
Net Asset Value (diluted)	391.2p	376.7p	3.8%
Share Price	316.6p	313.0p	1.2%

* in the absence of unforeseen developments a dividend of at least this amount will be paid

Performance Summary

This interim report sets out the results of Alliance Trust PLC for the six months ended 31 July 2010.

Over the past six months the Company's basic Net Asset Value (NAV) per share increased by 3.8%. The Total Shareholder Return (TSR) was 2.5%.

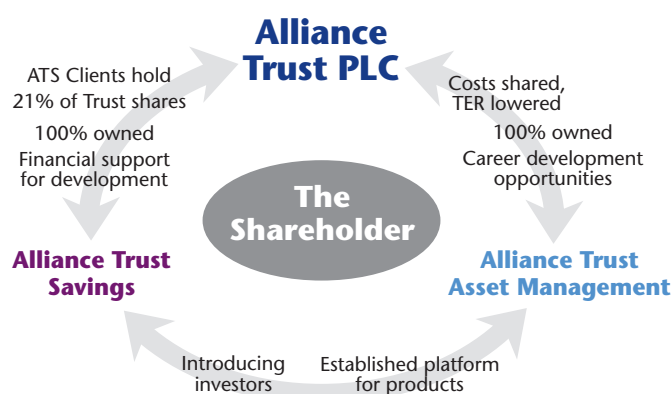
Our core equity portfolio represents over 95% of our net assets and is the prime driver of our investment returns. Over the period all of our equity portfolios generated positive absolute returns. This has been achieved against a global background of ongoing market and economic volatility.

We have been actively reducing the proportion of the portfolio invested in Large Cap UK listed companies and increasing investments in other parts of the globe, whilst at the same time not compromising our commitment to a progressive dividend. Significantly, we have reduced UK equities from 36% of our net assets to around 31% during the period, increased Emerging Markets exposure from under 1% to nearly 6%, and increased Pan-Asia from 13% to 20%.

These moves are indicative of our bolder, more decisive approach to managing the investment portfolio. We have also moved to enhance and to re-align our investment talent, offering development opportunities for our team, while committing more resources to those parts of the world which we believe offer greater potential for growth in future investment returns.

Good progress has been made in our subsidiaries and we are confident that Alliance Trust Savings and Alliance Trust Asset Management are a potential source of value and benefit to our shareholders. The benefits that will accrue from all parts of the business working together uniquely position the Company for growth.

We have indicated that, in the absence of any unforeseen developments, we will pay a dividend of at least 8.25p per share this year. We are confident that the dividend will be covered by current year earnings and do not expect to draw down on reserves in order to fund the 44th consecutive year of increased annual dividend, even taking into account the decision by BP not to pay dividends for the remainder of 2010. We believe that our portfolio is well positioned to provide the ongoing progressive dividend in a difficult environment of continuing pressure on the payouts of a



The diagram above illustrates how the Company and its subsidiaries work together for the benefit of our shareholders.

number of UK companies, as we have successfully diversified our income generation and increasingly source it from other regions as well as from our fixed income and property portfolios.

Key Priorities

In our Annual Report and Accounts we set five key priorities for the year. After six months, progress towards these is as follows.

To focus on investment in equities

Quoted equities represented over 95% of net assets throughout the period. Our high weighting in global equities has benefited performance, as global markets have generally risen, albeit not in a straight line, since the start of February 2010. Emerging Markets, Asia-Pacific and North America have seen the best absolute returns and our exposure to these parts of the world helped increase our NAV return.

We have increased our net debt to £247 million (9.6% of net assets; 4.8% at 31 January 2010) by drawing down on our banking facilities to fund investments, including a £100 million commitment towards fixed income securities which are yielding in excess of 6%. In other asset classes, we have continued to reduce our holdings in Commercial Property and have made a small increase in Private Equity.

Equity Portfolio Statistics

From 31 January 2010 to 31 July 2010

	% of Net Assets 31 Jul 2010	Returns for 6 months to 31 July 2010			Relative to Index	
		Portfolio (%)	Index (%)	Relative to Index (%)	1 year to 31 July 2010 (%)	3 years to 31 July 2010 (annualised) (%)
UK	31.1	4.7	4.0	0.6	2.5	0.5
North America	21.8	6.4	7.1	(0.7)	1.5	6.6
Europe	11.3	1.4	0.7	0.6	3.6	3.8
Pan Asia	19.7	6.2	6.6	(0.4)	0.2	-
Emerging Markets	5.6	9.6	10.9	(1.1)	-	-
Global	6.2	4.5	5.1	(0.6)	(2.0)	-

To continue to improve investment performance

The rolling 1 year ranking of the Trust's NAV return in its peer group has been improving each month. Over the short and medium term, the NAV of the Trust will be driven by the aggregate performance of the equity portfolios.

To manage our cost base in line with market conditions

We remain very conscious of prevailing market conditions and the requirement to apply strict cost controls across the business which has led to a 2.4% decrease in the level of Company expenses for the first half of the year.

To develop our subsidiary businesses

Good progress has been made in **Alliance Trust Savings** in the first half of the year. Revenues grew by 17%. Costs continue to be well controlled and remain flat during the period despite further investment in the business for growth. The creation of a strong marketing and sales capability is also well advanced. Development of the business proposition and its unique model continues as planned, with re-pricing of the Full SIPP, a significant extension of the Funds Supermarket offering and the comprehensive redevelopment of the Retail E-commerce site.

Alliance Trust Asset Management launched the Alliance Trust Monthly Income Bond Fund in June. The success of this launch has helped to grow third party assets under management of the business to £52 million compared to £12 million as at 31 January 2010. The UK Equity Income Fund and North American Equity Fund are both ranked ahead of their respective peer group average on both a 6 month and a 1 year basis. Distribution activity continues to be targeted at the main discretionary fund buyers in the UK, while plans are being developed to extend the reach of the business to financial intermediaries and fund platforms. The marketing capabilities of the company have also been strengthened as part of this process.

Both businesses are expected to continue this progress in the second half of the year. We see the Financial Services Authority's Retail Distribution Review (RDR), which will come into effect in 2012, as an opportunity for the Trust. It will level the playing field between investment trusts and pooled funds. As Alliance Trust Savings rebates all commission back to the investor, it is ready for RDR and is well positioned to cope with the new regulatory requirements.

To invest in the development of our people

We continue to attract high quality people to the business and have maintained our policy of recruiting Management Trainees, with new appointees joining us in early September. We are investing in a new leadership development programme designed to retain and develop our people and to ensure that we are building a strong leadership cadre for the future.

Investment Overview

Company earnings reports in the first two quarters of 2010 have given us a valuable insight into the health of the corporate sector. The most recent data suggest that corporate balance sheets are in much better shape than those of many governments, where we have seen a further deterioration in several developed economies. At a company level, nearly 70% of results published during the period exceeded market expectation. We have seen improvements in both top and bottom line growth. Although share prices did not always reflect the positive tone of many of these results, we have been able to evaluate how our holdings are reacting to the current economic environment and to position our portfolios accordingly.

One of the key events during the period was the catastrophic Deepwater Horizon rig explosion and oil leak from the Macondo Well in the Gulf of Mexico. This had a significant impact in the UK where BP was seriously affected but also in North America where one of our key holdings, Diamond Offshore Drilling, had around one third of its rig fleet operating in the Gulf of Mexico at the time. Further detail on the impact is provided in the regional updates.

In our Annual Report we noted that we expect Asian economies and Emerging Markets to maintain their long-term growth. We have steadily increased our weightings in these higher growth markets over the last six months by adding a total of £166 million to the Pan Asia and £124 million to the Emerging Markets portfolios. These were funded by reductions of £140 million in our UK quoted equity portfolio and £150 million from our Global portfolio.

Within Pan Asia, we favour Indonesia, India and Thailand where we have overweight positions. While cautious on the longer term outlook for the Japanese economy, meetings we have held with management of Japanese companies suggest that shorter term fundamentals and earnings momentum are strong and there is value to be found in selected companies there to the extent that 8% of the equity portfolio is invested in Japan. Pan Asia accounted for 20% of our net assets against 13% at the year end.

Emerging Markets represented nearly 6% of our net assets at the period end compared to less than 1% six months ago. Many developing markets are experiencing strong growth in an environment of historically low interest rates. We have taken advantage of a period of relative underperformance in Latin American markets to add to our holdings in Brazil, while also favouring emerging Asian markets.

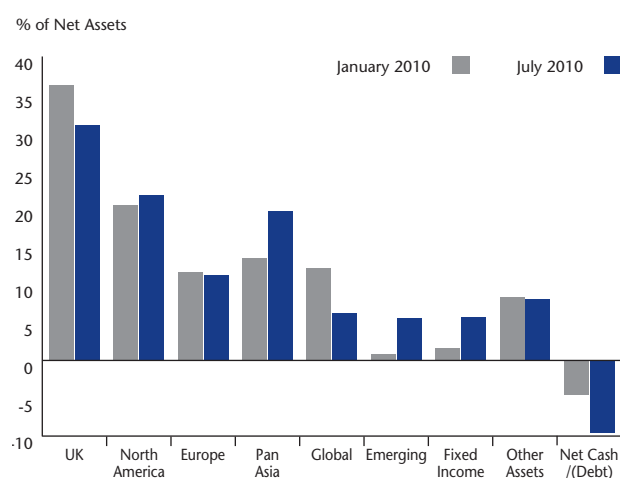
In **Fixed Income** securities, the Company initiated a £100 million investment in the Alliance Trust Monthly Income Bond Fund. This new Fund, managed by the team of four highly experienced Fixed Income managers appointed by the Company towards the end of last year, is predominantly invested in a diversified portfolio of corporate bonds, with the focus on an average maturity of 10 years. The fund has a forecast annual distribution yield of over 6%, thereby making a significant contribution to the income generation of our investment portfolio.

The capital value of the **Preference Stock** portfolio rose to £20.6 million from £17.5 million at the year end as the UK financial sector continued its recovery. The current annual income yield on the Preference Stock portfolio is 5.9%.

Net debt was increased by £127 million to £247 million during the period, as we drew down on our banking facilities to fund our Fixed Income and other investments. Net gearing stood at 9.6% of net assets at 31 July 2010. We believe net gearing to be at an appropriate level in the current market environment but are prepared to increase gearing further should we conclude that the market outlook offers good investment returns.

Asset Allocation

Source: Alliance Trust



Equity Investment

Two themes dominated activity in our **UK** portfolio over the period. We reduced holdings in cyclical companies and those reliant upon discretionary consumer spending, in particular those biased towards western economies, while increasing our conviction in medium-term structural growth stocks.

Reflecting our move out of cyclical and consumer areas, we sold our positions in Charter, Great Portland and Hays and reduced holdings in Carnival Cruises, Next, Weir, Rio Tinto and Smiths Group. We reduced our holding in Vodafone, where we believe that longer term concerns regarding the sustainability of returns outweigh the attractions of cash flow visibility and a relatively high yield.

We also disposed of our holdings in BAE Systems and BG Group. BAE appears vulnerable to government spending cuts and this issue is likely to continue to erode the company's longer term growth rate. Although BG may benefit from its exploration success in Brazil we believe this was reflected in its valuation and near term earnings and production growth for the company is challenging.

We increased our holding in BP in June when our analysis of potential oil spill costs and the resulting net asset value showed significant value within BP's equity. While the shares have performed well since, we remain optimistic that further value will be realised. In particular, data points such as company results, publication of reports relating to the Macondo incident in the Gulf of Mexico and, ultimately, legal rulings will help to clarify the background to this catastrophe and the value in BP's shares.

We became more positive on both major UK pharmaceutical stocks as cost controls, new drug delivery and strategic initiatives combine with good near term cash flow visibility and attractive cash based valuations. We introduced therefore a new holding in AstraZeneca and added to GlaxoSmithKline. We also increased investments in Serco, Tesco, Diageo and IMI where both current and future prospects appear attractive.

In **North America** the Gulf of Mexico drilling moratorium removed a large portion of current work from Diamond Offshore Drilling and pushed down contract rates in the rest of the world as rigs sought work elsewhere. As a result, we sold our entire holding. Some of the proceeds were reinvested in Apache, an oil and gas company that has recently acquired some assets from BP and which has a global spread of oil and gas reserves. Another notable sale in the period was the holding in Verizon, the fixed line and wireless telecom operator, which is facing increased pension costs and is committed to sharing cash flow from its wireless operation with Vodafone. We also sold shares in the electricity utility Exelon as it continues to experience tough regulatory requirements and faces lower prices for power generation as currently beneficial forward contracts expire. Investment was increased in the technology sector, where we expect continued sales growth to emerging markets and corporations, with additions to Intel, Cisco and Dell. A new investment in Canada was made in Yellow Pages Income

Top twenty holdings as at 31 July 2010

Stock	Sector	Value £m	% of net assets
HSBC	Banks	62.1	2.4
BHP Billiton	Mining	61.0	2.4
BP	Oil & Gas Producers	55.6	2.2
GlaxoSmithKline	Pharmaceuticals & Biotechnology	51.9	2.0
Rio Tinto	Mining	48.9	1.9
Royal Dutch Shell	Oil & Gas Producers	46.7	1.8
British American Tobacco	Tobacco	37.6	1.5
New York Community Bancorp	Banks	37.0	1.4
InterOil	Oil & Gas Producers	37.0	1.4
Philip Morris International	Tobacco	33.7	1.3
Prudential	Life Insurance	33.3	1.3
Diageo	Beverages	32.3	1.3
CNOOC	Oil & Gas Producers	31.2	1.3
Tesco	Food & Drug Retailers	30.9	1.2
Canadian Pacific Railway	Industrial Transportation	28.3	1.1
Republic Services	Support Services	27.8	1.1
Standard Chartered	Banks	27.0	1.1
Bank Rakyat Indonesia	Banks	25.8	1.0
IMI	Industrial Engineering	24.3	0.9
American Tower	Telecommunications	23.8	0.9

A full list of companies in which we invest can be found on our website www.alliancetrust.co.uk

Fund, provider of the eponymous product, which pays a substantial dividend and is expected to benefit from a recovery in small business growth and advertising.

The key strategic move over the period in our **Pan Asia** portfolio was a gradual but ongoing shift away from developed markets in the region, other than Japan, into emerging markets. The rationale behind this move is the anticipated higher growth rates in the emerging economies led by domestic demand, and in particular both consumption and investment. Examples of such moves were additions to Astra International (automobiles and conglomerate) in Indonesia and the purchases of Ports Design (apparel retail) and Ajisen (noodle restaurants) in China and Kasikornbank in Thailand. Sales in developed markets to fund these purchases included the insurance group QBE and Westpac Banking Corp of Australia and Sun Hung Kai Properties of Hong Kong. The developed market element of the portfolio is now underweight in financials and overweight in industrials and technology, while the emerging market exposure is largely through financials and companies expected to benefit from domestic consumption.

In **Europe**, the first half of 2010 is likely to be remembered for the crisis in the Eurozone. This was initially sparked by a sell-off in the Greek bond market on the realisation that its public finances were much poorer than had been expected, but quickly spread to other countries in the Eurozone. We used opportunities presented by the ensuing turmoil in these markets to increase our exposure to the banking sector, in particular banks in Spain and Italy which had been aggressively sold during this period. Our substantial overweight in Switzerland was a positive contributor to performance, and we used this period of outperformance

to trim back some of our Swiss positions. We remain very overweight in Germany, although the composition of our holdings changed following the sale of the dialysis company Fresenius Medical Care after a period of very strong performance due to its defensive nature and large percentage of US Dollar earnings. We invested in the car company BMW as we think it remains well positioned to boost earnings from a combination of new model launches, Asian demand and a potential improvement in German consumption.

Turnover in our **Global** portfolio was limited as we maintained our key investment themes. We believe that corporate earnings will surprise on the upside this year. Many companies cut back dramatically on investment during the two year economic downturn, and have reached a point where they must invest to avoid shrinking. This is particularly true of investments in technology where companies have delayed upgrading for a considerable time. In contrast, consumers in developed markets are being forced to change their spending habits due to unemployment fears. Confidence in these themes has led us to prefer investing in technology and industrial sectors rather than those involved in consumer discretionary goods. We have limited exposure to the utilities, telecommunications and healthcare sectors.

Having initiated a small **Emerging Markets** portfolio in December 2009, most of the trading activity in the period has been as a result of our decision to increase asset allocation to this area. The main theme in our portfolio is exposure to the strong growth in consumer spending. Many developing countries are experiencing their lowest interest rates in years and healthy economic growth, which has

resulted in a strong increase in consumer spending. At a regional level, the portfolio is overweight Asia, neutral Latin America and underweight EMEA (Europe, Middle East and Africa), with the exception of Turkey, where we have initiated a holding of Garanti Bank. Chinese exposure was increased, most notably the positions in China Life and CNOOC and we have increased our exposure to India through Hero Honda which give us greater exposure to domestic demand in the region.

Other Investments

We have continued to use available opportunities to reduce our quoted **Private Equity** holdings, taking advantage of narrowing discounts to net asset values or volume availability. We intend to continue this strategy through the second half of the year. We have added two new fund commitments in the last six months. A £20 million commitment was made to UK-based Phoenix Equity Partners 2010 LP and a €20 million commitment to French-based 21 Centrale Partners IV FCPR. Both funds fit with our focus on the lower to mid market European private equity buyout sector. Drawdowns by the funds continue to be at a relatively low level due to subdued private equity market conditions. Total commitments stand at £253.1 million with drawn capital at £85.1 million.

Following the completion of a number of disposals, the value of the UK **Commercial Property** portfolio was reduced to £28 million against £51.6 million at the year-end, in line with our stated intention to reduce our direct holdings in this area. The running yield from our current portfolio is 7%. Our property weighting, including our indirect investment of £15.4 million in the Climate Change Property Fund, amounts to 2% of net assets.

Outlook

We remain cautiously optimistic about the global economic recovery, whilst recognising that risks of a double dip recession remain. As such, we are maintaining our highest weighting in quoted equities in 5 years. We can identify better prospects for longer term growth in Asian markets than in the UK and are looking to opportunities to reduce further our UK weighting.

We expect a slowdown in growth in the year ahead but not a move back into recession. The higher growth economies of Asia and Latin America will not replace the loss of demand and output for the world's largest economy, the US, but should prevent the global economy slipping back into negative GDP growth. China is an economic powerhouse and has recently replaced Japan as the world second largest economy but it is still only about a third the size of the US. Currently however, it is growing at around three times the pace of the US.

On a sector basis, we are overweight in Energy, Basic Materials and Industrials and underweight in Financials, Utilities and Telecommunications. With the exception of Asia, we continue to have a low exposure to companies exposed to discretionary consumer spending. Within Asia, however, we see opportunities in this area as domestic demand is increasing and the consumer has greater spending power. At a company level, the key attributes we look for in our stock selection process remain strong management capability, sound financial health and the ability to benefit from the economic environment.

Many companies have survived the economic downturn intact and are now well positioned to take advantage of any pick up in global demand. Balance sheet levels of cash have increased significantly and, with little returns available for uninvested cash, it may be that we see a period where merger and acquisition activity increases. This would be a positive move and consistent with companies anticipating a more encouraging trading environment ahead.

Risks and Uncertainties

As an investment trust 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 are therefore market risk (comprising currency risk, interest rate risk and other price risk), liquidity risk and credit risk. Other risks faced by the Company include regulatory, reputational, operational and strategic risks. These risks, and the way in which they are managed, were described in more detail within the Risk Factors section of the Company's Annual Report and Accounts to 31 January 2010.

The nature of the Company's principal risks and uncertainties has not changed materially since the date of that report and is not expected to change for the remainder of the financial year.

We continue to monitor the progress of the AIFM directive through the European legislative process. While the intention was to produce a final version of the directive before the summer, in the event the European Parliament and Council of Ministers were not able to reach agreement on a range of issues and discussions between them continue under the Belgian presidency.

Related Party Transactions

The nature of related party transactions has not changed significantly from those described in the Company's Annual Report and Accounts to 31 January 2010. There were no transactions with related parties during the six months ended 31 July 2010 which have a material effect on the results or financial position of the Company or the Group.

Dividend

In accordance with our quarterly dividend policy, the Company paid an interim dividend of 2.0625 pence per share on 2 August 2010. A second interim dividend of 2.0625p per share will be paid on or around 1 November 2010 to shareholders on the register on 8 October 2010. For the financial year ending 31 January 2011, in the absence of any unforeseen developments, we expect to pay a third interim dividend of 2.0625 pence in January 2011 and a fourth interim dividend of at least 2.0625 pence in May 2011.

Going Concern Statement

The factors impacting Going Concern are set out in detail in the Accountability and Audit section of the Company's Annual Report and Accounts to 31 January 2010. As at 31 July 2010 there have been no significant changes to these factors. Having reviewed the Company's forecasts and other relevant evidence the Directors believe that they have a reasonable expectation that the Company will continue in operational existence for the foreseeable future. Accordingly the financial statements have been prepared on a going concern basis.

Company performance tables

Net Asset Value per share (Basic)					Dividend					
2007	2008	2009	2010	H1 2011	2007	2008	2009	2010	2011	
421.5p	402.3p	316.8p	377.7p	392.2p	7.575p	7.9p	8.0p*	8.15p	8.25p**	
					* excludes special dividend of 0.5p					
					** in the absence of unforeseen developments a dividend of at least this amount will be paid					
Share Price					Company Expenses					
2007	2008	2009	2010	H1 2011	£m	2007	2008	2009	2010	2011
365.5p	338.0p	268.0p	313.0p	316.6p	H1	6.2	7.6	8.2	8.0	7.8
					H2	3.8	7.4	8.6	8.0	-

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

Lesley Knox
Chairman

24 September 2010

Katherine Garrett-Cox
Chief Executive

24 September 2010

Note on audit

The interim financial information for the period ended 31 July 2010 has not been audited or reviewed in accordance with International Standard on Review Engagements 2410 issued by the Auditing Practice Board.

Financial Statements

Consolidated Income Statement (unaudited)

For the period ended 31 July 2010

£000	Note	6 months to 31 July 2010			6 months to 31 July 2009			Year to 31 January 2010 (audited)		
		Revenue	Capital	Total	Revenue	Capital	Total	Revenue	Capital	Total
Revenue										
Income		62,652	-	62,652	56,010	-	56,010	93,652	-	93,652
Profit on fair value designated investments		-	82,129	82,129	-	151,535	151,535	-	420,327	420,327
Profit/(Loss) on investment property held		-	5	5	-	(4,620)	(4,620)	-	4,691	4,691
Total Revenue	3	62,652	82,134	144,786	56,010	146,915	202,925	93,652	425,018	518,670
Administrative expenses		(17,658)	(1,647)	(19,305)	(17,059)	(931)	(17,990)	(36,819)	(1,256)	(38,075)
Finance costs	4	(1,321)	(775)	(2,096)	(301)	(554)	(855)	(666)	(1,267)	(1,933)
Loss on revaluation of office premises		-	-	-	-	(969)	(969)	-	(951)	(951)
Foreign exchange (losses)/gains		(44)	(895)	(939)	-	(3,873)	(3,873)	178	(4,505)	(4,327)
Profit before tax		43,629	78,817	122,446	38,650	140,588	179,238	56,345	417,039	473,384
Tax	5	(3,081)	217	(2,864)	(4,524)	155	(4,369)	(5,567)	355	(5,212)
Profit for the period		40,548	79,034	119,582	34,126	140,743	174,869	50,778	417,394	468,172
Attributable to										
Minority interest		469	1,001	1,470	124	403	527	186	1,583	1,769
Equity holders of the parent		40,079	78,033	118,112	34,002	140,340	174,342	50,592	415,811	466,403
		40,548	79,034	119,582	34,126	140,743	174,869	50,778	417,394	468,172
Earnings per share from continuing operations attributable to equity holders of the parent										
Basic (p per share)	7	6.07	11.83	17.90	5.07	20.94	26.01	7.57	62.19	69.76
Diluted (p per share)	7	6.06	11.79	17.85	5.06	20.89	25.95	7.55	62.02	69.57

Consolidated Statement of Comprehensive Income (unaudited)

£000	Note	6 months to 31 July 2010			6 months to 31 July 2009			Year to 31 January 2010 (audited)		
		Revenue	Capital	Total	Revenue	Capital	Total	Revenue	Capital	Total
Profit for the period		40,548	79,034	119,582	34,126	140,743	174,869	50,778	417,394	468,172
Income and expenses recognised directly in equity:										
Defined benefit plan actuarial gains/(losses)	8	-	2,752	2,752	-	421	421	-	(3,244)	(3,244)
Retirement benefit obligations deferred tax	8	-	(16)	(16)	-	(118)	(118)	-	14	14
Exchange difference on translation of foreign subsidiary		-	-	-	-	462	462	-	-	-
Total recognised income and expense for the period		40,548	81,770	122,318	34,126	141,508	175,634	50,778	414,164	464,942
Attributable to:										
Minority interest		469	1,001	1,470	124	403	527	186	1,583	1,769
Equity holders of the parent		40,079	80,769	120,848	34,002	141,105	175,107	50,592	412,581	463,173
		40,548	81,770	122,318	34,126	141,508	175,634	50,778	414,164	464,942

Consolidated Statement of changes in equity (unaudited)
for the period ended 31 July 2010

£000	6 months to 31 July 2010	6 months to 31 July 2009	Year to 31 January 2010 (audited)
Called up share capital			
At 1 February 2010	16,677	16,798	16,798
Own shares purchased and cancelled in the period	(150)	-	(121)
At 31 July 2010	16,527	16,798	16,677
Capital Reserves			
At 1 February 2010	1,776,750	1,378,674	1,378,674
Profit for the period	78,033	145,971	415,811
Pension scheme financing	(84)	303	(3,230)
Own shares purchased*	(19,800)	-	(15,405)
SMEIP/LTIP reserve movement	691	324	900
At 31 July 2010	1,835,590	1,525,272	1,776,750
Revaluation Reserve			
At 1 February 2010 and 31 July 2010	183	183	183
Merger Reserve			
At 1 February 2010 and 31 July 2010	645,335	645,335	645,335
Capital redemption reserve			
At 1 February 2010	2,321	2,200	2,200
Own shares purchased and cancelled in the period	150	-	121
At 31 July 2010	2,471	2,200	2,321
Revenue reserve			
At 1 February 2010	72,017	78,806	78,806
Profit for the period	40,079	27,971	50,592
Dividends	(27,403)	(30,322)	(57,363)
Unclaimed dividends	29	10	4
SMEIP/LTIP reserve movement	-	(22)	(22)
At 31 July 2010	84,722	76,443	72,017
Translation reserve			
At 1 February 2010	-	984	984
Translation of foreign subsidiary	-	462	-
Write back on wind up of foreign subsidiary	-	-	(984)
At 31 July 2010	-	1,446	-
Minority interest			
At 1 February 2010	11,684	6,734	6,734
Profit for the period	1,470	527	1,769
PATIF/ATIF** net subscriptions	39,715	(774)	3,181
At 31 July 2010	52,869	6,487	11,684
Total equity shareholder funds			
At 1 February 2010	2,524,967	2,129,714	2,129,714
At 31 July 2010	2,637,697	2,274,164	2,524,967

* Own shares purchased in the period relates to the purchase and cancellation of own shares.

** Premier Alliance Trust Investment Fund and Alliance Trust Investment Fund.

Consolidated Balance Sheet (unaudited)

As at 31 July 2010

£000	Note	31 July 2010	31 July 2009	31 January 2010 (audited)
Non-current Assets				
Investments held at fair value		2,872,322	2,206,147	2,595,849
Investment property		28,020	51,715	51,625
Property, plant and equipment:				
Office premises		6,500	6,375	6,500
Other fixed assets		35	6	3
Intangible assets		3,041	4,344	3,646
Deferred tax asset		136	-	141
		2,910,054	2,268,587	2,657,764
Current assets				
Outstanding settlements/other receivables		168,838	39,469	17,025
Withholding tax debtor		1,742	1,280	1,099
Corporation tax debtor		62	625	62
Cash and cash equivalents		257,350	269,795	269,475
		427,992	311,169	287,661
Total assets		3,338,046	2,579,756	2,945,425
Current liabilities				
Outstanding settlements/other payables		(415,991)	(253,133)	(252,860)
Tax payable		(2,125)	(2,854)	(2,677)
Bank overdrafts and loans	13	(280,000)	(47,964)	(160,000)
		(698,116)	(303,951)	(415,537)
Total assets less current liabilities		2,639,930	2,275,805	2,529,888
Non-current liabilities				
Deferred tax liabilities		-	(497)	-
Other long term liabilities		(64)	-	-
Pension scheme deficit	8	(2,169)	(1,144)	(4,921)
Net assets		2,637,697	2,274,164	2,524,967
Equity				
Share capital	14	16,527	16,798	16,677
Capital reserves		1,835,590	1,525,272	1,776,750
Translation reserve		-	1,446	-
Merger reserve		645,335	645,335	645,335
Revaluation reserve		183	183	183
Capital redemption reserve		2,471	2,200	2,321
Revenue reserves		84,722	76,443	72,017
Equity attributable to equity holders of the parent		2,584,828	2,267,677	2,513,283
Minority interest		52,869	6,487	11,684
Total Equity		2,637,697	2,274,164	2,524,967
Net asset value per ordinary share attributable to equity holders of the parent				
Basic (£)	9	3.92	3.38	3.78
Diluted (£)	9	3.91	3.37	3.77

Consolidated Cash Flow (unaudited)

For the period ended 31 July 2010

£000	6 months to 31 July 2010	6 months to 31 July 2009	Year to 31 January 2010 (audited)
Cash flows from operating activities			
Profit before tax	122,446	179,238	473,384
Adjustments for:			
Gains on investments	(82,134)	(146,915)	(425,018)
Foreign exchange losses	939	3,873	4,327
Scrip dividends	-	-	(357)
Depreciation	8	2	5
Amortisation of intangibles	773	913	1,605
Loss on revaluation of office premises	-	969	951
Share based payment expense	751	302	878
Interest	2,096	855	1,933
Operating cash flows before movements in working capital	44,879	39,237	57,708
Increase in amounts due to depositors	17,799	25,617	29,475
Increase in receivables	(135,022)	(15,470)	(4,790)
Increase/(decrease) in payables	6,249	(8,717)	7,397
Net cash (outflow)/inflow from operating activities before income taxes	(66,095)	40,667	89,790
Taxes paid	(4,070)	(3,950)	(4,623)
Net cash (outflow)/inflow from operating activities	(70,165)	36,717	85,167
Cash flows from investing activities			
Proceeds on disposal of fair value through profit and loss investments	756,413	482,523	925,131
Purchase of fair value through profit and loss investments	(807,910)	(717,152)	(1,280,596)
Purchase of property, plant and equipment	(39)	-	-
Purchase of intangible assets	(113)	(6)	-
Purchases in respect of new head office	-	(969)	(1,076)
Net cash outflow from investing activities	(51,649)	(235,604)	(356,541)
Cash flows from financing activities			
Dividends paid - Equity	(27,277)	(30,312)	(57,292)
Unclaimed dividends repaid	29	-	4
Purchase of own shares	(19,800)	-	(15,405)
New bank loan raised	120,000	-	110,000
Minority interest investment in PATIF/ATIF*	39,715	(1,275)	3,181
Interest payable	(2,039)	(855)	(2,345)
Net cash inflow/(outflow) from financing activities	110,628	(32,442)	38,143
Net decrease in cash and cash equivalents	(11,186)	(231,329)	(233,231)
Cash and cash equivalents at beginning of period	269,475	507,033	507,033
Effect of foreign exchange rate changes	(939)	(5,909)	(4,327)
Cash and cash equivalents at the end of period	257,350	269,795	269,475

* Premier Alliance Trust Investment Funds and Alliance Trust Investment Funds

Notes

1. General Information

The information for the period ended 31 July 2010 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 January 2010 has been delivered to the Registrar of Companies. The auditors' report on those accounts 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 2006.

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 for use in 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 foreseeable 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 annual audited financial statements, except that a change has been made to the allocation of finance costs between revenue and capital such that those costs associated with fixed income bond funds have been charged in full to revenue expenses. No further material changes in accounting policies are anticipated in the forthcoming financial statements for the year ended 31 January 2011.

3 Revenue

£000	6 months to 31 July 2010	6 months to 31 July 2009	Year to 31 January 2010
Deposit interest	982	1,492	2,488
Dividend income	54,468	46,868	75,961
Mineral rights income	858	833	1,572
Property income	1,800	2,057	4,495
Other operating income	4,544	4,760	9,136
	62,652	56,010	93,652

4 Finance Costs

£000	6 months to 31 July 2010			6 months to 31 July 2009			Year to 31 January 2010		
	Revenue	Capital	Total	Revenue	Capital	Total	Revenue	Capital	Total
Interest payable									
Payable to depositors	5	-	5	23	-	23	30	-	30
Bank loans and overdrafts	1,316	775	2,091	278	554	832	636	1,267	1,903
Total finance costs	1,321	775	2,096	301	554	855	666	1,267	1,933

5 Taxation

Corporation tax for the period to 31 July 2010 is charged at 28% (six months to 31 July 2009: 28% and year ended 31 January 2010: 28%) of the estimated assessable profit for the period. Taxation for other jurisdictions is calculated at the rates prevailing in those jurisdictions.

6 Dividends

£000	6 months to 31 July 2010	6 months to 31 July 2009	Year to 31 January 2010
Fourth interim dividend for the year ended 31 January 2009 of 2.00p per share	-	13,401	13,401
Special dividend for the year ended 31 January 2009 of 0.50p per share	-	3,350	3,350
First interim dividend for the year ended 31 January 2010 of 2.025p per share	-	13,570	13,570
Second interim dividend for the year ended 31 January 2010 of 2.025p per share	-	-	13,570
Third interim dividend for the year ended 31 January 2010 of 2.025p per share	-	-	13,472
Fourth interim dividend for the year ended 31 January 2010 of 2.075p per share	13,805	-	-
First interim dividend for the year ended 31 January 2011 of 2.0625p per share	13,598	-	-

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 31 July 2010			6 months to 31 July 2009			Year to 31 January 2010		
	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)	40,079	78,033	118,112	34,002	140,340	174,342	50,592	415,811	466,403
Number of shares									
Weighted average number of ordinary shares for the purposes of basic earnings per share			659,897,723			670,114,650			668,649,882
Weighted average number of ordinary shares for the purposes of diluted earnings per share			661,653,167			671,909,760			670,448,116

The weighted average number of ordinary shares is arrived at by excluding 1,770,203 (1,770,197 at 31 July 2009 and 1,789,960 at 31 January 2010) 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 is now closed to new entrants. Members continue to accrue benefits under the Scheme.

Employees who joined the Group pursuant to an offer made after 1 March 2005 are not entitled to join the Scheme but 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 £2,736,000 (31 July 2009 net actuarial gain of £303,000 31 January 2010 net actuarial loss of £3,230,000).

Certain actuarial assumptions have been used to arrive at the retirement benefit scheme deficit of £2.2m as at 31 July 2010 (31 July 2009 deficit of £1.1m, 31 January 2010 deficit of £4.9m). These are set out below:

	31 July 2010	31 July 2009	31 January 2010
	% per annum	% per annum	% per annum
Inflation - (RPI)	3.50	3.40	3.70
Salary increases - (RPI+1%)	4.50	4.40	4.70
Rate of discount	5.40	6.30	5.70
Allowance for pension in payment increases of RPI or 5% p.a. if less	3.50	3.40	3.70
Allowance for revaluation of deferred pensions of RPI or 5% p.a. if less	3.50	3.40	3.70

9 Net Asset Value Per Ordinary Share

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

	31 July 2010	31 July 2009	31 January 2010
Equity shareholder funds (£000)	2,584,828	2,267,677	2,513,283
Number of shares at period end - Basic	659,289,557	670,139,563	665,269,800
Number of shares at period end - Diluted	661,059,760	671,909,760	667,059,760

The number of ordinary shares has been reduced by 1,770,203 (1,770,197 at 31 July 2009 and 1,789,960 at 31 January 2010) 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.

Alliance Trust PLC's primary operating segments are the Company and Alliance Trust Savings Limited ('ATS').

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

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 January 2010.

Alliance Trust PLC evaluates performance based on operating profit before tax. Intersegment sales and transfers are accounted for on an arms length basis, i.e. market price.

	6 months to 31 July 2010		
£000	Company	ATS	Total
Revenue			
Investment gains	80,668	-	80,668
Net interest income	137	1,485	1,622
Non interest income	52,052	4,292	56,344
Segment revenue	132,857	5,777	138,634
Segment profit/(loss) before tax	122,602	(2,590)	120,012

	6 months to 31 July 2009		
£000	Company	ATS	Total
Revenue			
Investment gains	139,050	-	139,050
Net interest income	545	567	1,112
Non interest income	48,671	4,358	53,029
Segment revenue	188,266	4,925	193,191
Segment profit/(loss) before tax	178,312	(3,579)	174,733

	Year to 31 January 2010		
£000	Company	ATS	Total
Revenue			
Investment gains	410,230	-	410,230
Net interest income	748	1,710	2,458
Non interest income	80,465	8,223	88,688
Segment revenue	491,443	9,933	501,376
Segment profit/(loss) before tax	469,566	(7,749)	461,817

10 Segmental Reporting (continued)

Reconciliation of reportable segment revenues and profit to consolidated amounts

Revenue £000	6 months to 31 July 2010	6 months to 31 July 2009	Year to 31 January 2010
Total revenues for reportable segments	138,634	193,191	501,376
Other revenues	13,434	1,249	27,929
Elimination of intersegment revenues	(2,328)	(1,065)	(4,125)
Elimination of movement in investment in subsidiaries	(4,954)	9,550	(6,510)
Consolidated revenue	144,786	202,925	518,670

Profit £000	6 months to 31 July 2010	6 months to 31 July 2009	Year to 31 January 2010
Total profit for reportable segments	120,012	174,733	461,817
Elimination of movement in investment in subsidiaries	2,434	4,505	11,567
Consolidated profit before tax	122,446	179,238	473,384

Assets and Liabilities £000	As at 31 July 2010		
	Company	ATS	Total
Reportable segment assets	3,031,235	261,812	3,293,047
Reportable segment liabilities	(445,472)	(248,049)	(693,521)
Total net assets	2,585,763	13,763	2,599,526

Assets and Liabilities £000	As at 31 July 2009		
	Company	ATS	Total
Reportable segment assets	2,349,275	234,491	2,583,766
Reportable segment liabilities	(82,127)	(222,221)	(304,348)
Total net assets	2,267,148	12,270	2,279,418

Assets and Liabilities £000	As at 31 January 2010		
	Company	ATS	Total
Reportable segment assets	2,703,857	237,870	2,941,727
Reportable segment liabilities	(191,020)	(225,880)	(416,900)
Total net assets	2,512,837	11,990	2,524,827

Reconciliation of reportable segment assets to consolidated amounts

Assets £000	As at 31 July 2010	As at 31 July 2009	As at 31 January 2010
Reportable segment assets	3,293,047	2,583,766	2,941,727
Elimination of subsidiaries	44,999	(4,010)	3,698
Consolidated assets	3,338,046	2,579,756	2,945,425

Reconciliation of reportable segment liabilities to consolidated amounts

Liabilities £000	As at 31 July 2010	As at 31 July 2009	As at 31 January 2010
Reportable segment liabilities	(693,521)	(304,348)	(416,900)
Elimination of subsidiaries	(6,828)	(1,244)	(3,558)
Consolidated liabilities	(700,349)	(305,592)	(420,458)

11 Financial Commitments

As at 31 July 2010 the Group and Company had financial commitments, which have not been accrued, totalling £168m (£152.4m at 31 July 2009 and £174.9m at 31 January 2010). Of this amount £168m (£152.4m at 31 July 2009 and £174.9m at 31 January 2010) was in respect of uncalled subscriptions in investments structured as limited partnerships of which £168m (£140.5m at 31 July 2009 and £165.3m at 31 January 2010) 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.

12 Share Based Payments

The group operates three share based payment schemes. Full details of two of these schemes (LTIP and AESOP) are disclosed in the 2010 annual report and financial statements and the basis of measuring fair value is consistent with that disclosed therein.

During the period a third scheme was introduced. The Investment Incentive Plan is a discretionary plan for members of the investment team. It consists of matching awards which are made based upon the proportion of annual bonus set aside in the scheme by the participants either in the form of cash or units in the funds which they manage. The awards are settled in cash at the end of a three year performance period subject to meeting predefined performance targets.

LTIP

In the period to 31 July 2010 participating employees applied a proportion of their annual cash bonuses for the year ended 31 January 2010 to purchase 103,112 (288,730 at 31 July 2009 and 31 January 2010) Company shares at a weighted average price of £3.48 (£2.84 at 31 July 2009 and 31 January 2010) per share. Matching awards of up to 297,750 (527,449 at 31 July 2009 and 31 January 2010) shares, and performance awards of up to 657,194 (650,544 at 31 July 2009 and 31 January 2010) shares were granted.

Matching awards and performance awards made during the period were valued at £485,499 (£903,627 at 31 July 2009 and £901,000 at 31 January 2010) and £1,071,594 (£1,114,070 at 31 July 2009 and £1,110,000 at 31 January 2010) 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 the awards referred to above was £259,515 (£302,111 at 31 July 2009 and £893,000 at 31 January 2010) for the Group. Per IFRS 2 the costs of matching 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.

13 Bank Overdrafts and Loans

£000	As at 31 July 2010	As at 31 July 2009	As at 31 January 2010
Bank loans repayable within one year	280,000	47,964	160,000
Analysis of borrowings by currency:			
Bank loans – Sterling	280,000	-	160,000
Bank loans - Euro	-	50,000	-
The weighted average % interest rates payable:			
Bank loans	1.61%	0.82%	1.22%

14 Share Capital

£000	As at 31 July 2010	As at 31 July 2009	As at 31 January 2010
Authorised:			
– 720,000,000 ordinary shares of 2.5p each	18,000	18,000	18,000
Allotted, called up and fully paid:			
– 661,059,760 ordinary shares of 2.5p each	16,527	16,798	16,677

Share Buy Back

During the period the Company bought back and cancelled 6,000,000 ordinary shares with a nominal value of £150,000 at a cost of £19.8m. The cost of acquiring the shares together with associated transaction costs has been deducted from capital reserves. Share capital has also been reduced by the nominal value of the shares bought back with an equivalent entry made to the capital redemption reserve.

Statement of Investment Objective and Policy

Alliance Trust is a self-managed investment company with investment trust status. Our objective is to be a core investment for investors seeking increasing value over the long term.

We have no fixed asset allocation benchmark and we invest in a wide range of asset classes throughout the world to achieve our objective. Our focus is to generate a real return for shareholders over the medium to long term by a combination of capital growth and a rising dividend.

We pursue our objective by:

- **Investing in both quoted and unquoted equities across the globe in different sectors and industries;**
- **Investing internationally in fixed income securities;**
- **Investing in other asset classes and financial instruments, either directly or through investment vehicles; and**
- **Investing in subsidiaries and associated businesses which allow us to expand into other related activities.**

We are prepared to invest any proportion of the total corporate capital in any of the above asset classes, subject only to the restrictions imposed on us by the regulatory or fiscal regime within which we operate. However, we would expect equities to comprise at least 50% of our portfolio. Changes to the asset allocation will be dependent upon attractive investment opportunities being available.

Where market conditions permit, we will use gearing of not more than 30% of our net assets at any given time.

We can use derivative instruments to hedge, enhance and protect positions, including currency exposures.

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