

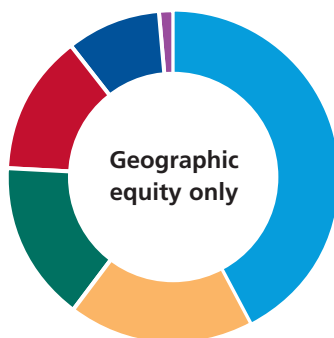
# Interim Management Statement

for Quarter ending 31 October 2007

## Material developments

- During the third quarter, NAV rose 4.2%, which reflected strong equity markets led higher by Asia in particular. At present, equities represent 91% of gross assets.
- The fall out from the US sub-prime mortgage market caused extreme volatility in financial markets in Q3. What started as a US event quickly translated into an international crisis. In Europe and elsewhere, large amounts of funds were made available to the markets and the UK saw its first bank run in some 150 years on Northern Rock. Despite this, equity markets moved higher as investors reacted positively to looser monetary conditions and prospects of further interest rate cuts.
- Market turbulence in early August gave us an opportunity to use gearing and make purchases at attractive valuation levels (we borrowed £145m or about 5% of assets). The money raised was invested primarily in Western markets.
- We reduced our UK equity exposure at the end of Q3 by approximately 2% of total assets. This move reflected a more cautious outlook for the UK economy where the consumer looks increasingly stretched.
- Elsewhere, exposure to private equity was increased both through direct investment and capital committed to this area. Overall, we added £16m of new investment. There was no activity in the property portfolio.

## Equity portfolio distribution



	%
UK (Large & Mid)	42.4
Europe (Large & Mid)	18.0
N America (Large & Mid)	15.5
Asia Pacific Ex Japan	13.8
UK (Small)	9.1
Japan	1.2



	%
Financials	28.0
Oil & Gas	14.1
Industrials	11.2
Consumer Goods	9.3
Consumer Services	9.2
Basic Materials	8.6
Health Care	5.6
Telecommunications	5.0
Technology	4.6
Utilities	4.5

## Contact

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## Key facts

**Total Net Assets:** £3,065.0m

**Total Return from 31/07/07**

**to 31/10/07:** +2.67%

**NAV\*:** 452.8p

The NAV is published daily on our website

[www.alliancetrust.co.uk](http://www.alliancetrust.co.uk)

**Share price\*:** 371.5p

**Discount\*:** 18.0%

**Total Expense Ratio**

**(year to 31/01/07):** 0.35%

**Year End:** 31 January 2008

**Date of Incorporation:** 21 April 1888

**Dividend:** Dividends are paid quarterly on

or around the last day of January, April,

July and October. The total dividend

payable for the year to 31 January 2007

was 7.575p

**Capital:** 671,909,760 shares of 2.5p

**ISIN:** GB00B11V7W98

\* Source: Datastream

## Asset allocation

	%
Equities	91.5
Private Equity	4.7
Fixed Income	0.8
Subsidiaries	1.5
Real Estate	3.3
Cash	2.7
Other Net Assets	0.2
<b>Gross Assets</b>	<b>104.7</b>
Gearing	(4.7)
<b>Net Assets</b>	<b>100.0</b>

## Objective

Alliance Trust is a self-managed investment company with investment trust status. Alliance Trust has the objective of being a core investment for investors seeking a long term store of increasing value.

We allocate our capital across a broad range of asset classes to enhance and preserve total returns and to provide shareholders with real growth over the medium to long term.

## Top 20 investments\*

Rank	Move-ment	Rank last qtr	Name	Value £m
1	▲	(6)	Royal Bank of Scotland	95.5
2	▼	(1)	Alliance Trust Real Estate Partnership	91.2
3	▼	(2)	Royal Dutch Shell 'B'	89.9
4	▼	(3)	BP	81.4
5	▼	(4)	Vodafone	71.0
6	▼	(5)	HSBC	63.5
7	-	(7)	BHP Billiton	55.7
8	▲	(9)	Premier Alliance Trust Asia Pacific Fund	47.9
9	▲	(11)	Rio Tinto	46.9
10	▲	(17)	Tesco	44.1
11	▼	(10)	Lloyds TSB	42.4
12	▼	(8)	GlaxoSmithKline	39.9
13	▲	(14)	Anglo American	38.2
14	▼	(13)	Barclays	35.1
15	▼	(12)	Premier Alliance Trust Japan Fund	33.3
16	★(new)		Prudential	31.7
17	▲	(20)	British American Tobacco	30.0
18	-	(18)	Exxon Mobil	29.5
19	▼	(16)	Reckitt Benckiser	29.2
20	★(new)		Telefónica	29.0

Alliance Trust Savings and HBOS have dropped out of the top 20

\* Includes preference holdings

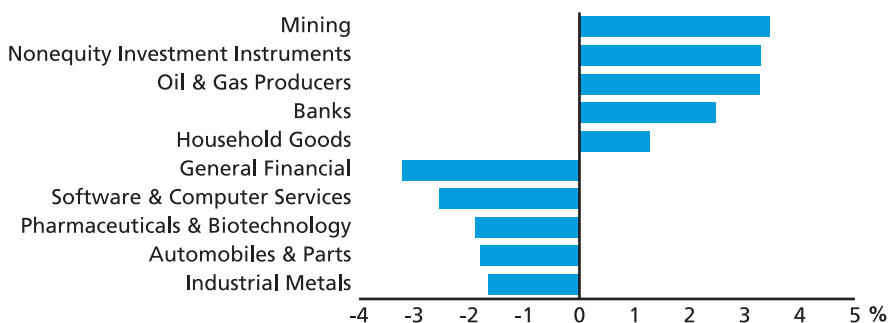
Total Investments (ex Cash): ▲ 8.4%

Top 10 as % of Total: 22.6% ▲ 2.6%

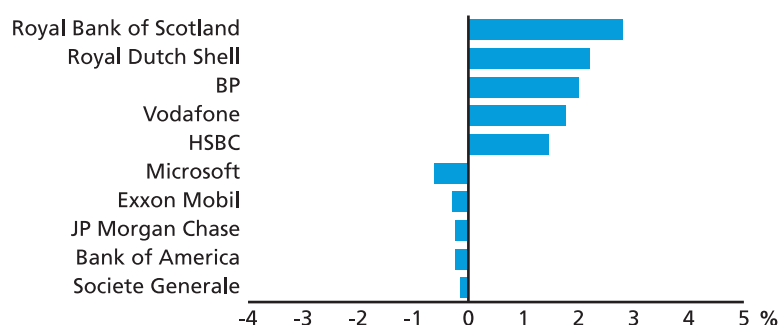
Top 20 as % of Total: 33.7% ▲ 3.7%

## Sector weightings

### Top 5 overweight/underweight sector holdings\*\*



### Top 5 active overweight/underweight holdings\*\*



Portfolio weight is calculated as a % of Net Asset Value less Cash and Other Net Assets

\*\* FTSE Global Equity Index Series All Cap used

## Investment policy

We use investment techniques such as gearing and hedging to enhance returns and reduce risks within its portfolio. We do not benchmark against any equity index as we retain the freedom to move not only between equity markets as opportunities arise but also to invest in other asset classes.

We pursue our objective by:

- investing in quoted and unquoted equities across the globe in different sectors and industries;
- investing internationally in preference shares and in debt securities including government and corporate bonds;
- investing in other assets, including property, cash and other financial instruments and investment vehicles;
- retaining the ability to borrow, from time to time, and thereby to gear our portfolio; and
- investing in subsidiary and associated businesses which allows us to expand into other related activities with the objective of enhancing shareholder value.

## Important information

Alliance Trust PLC is a self-managed investment trust company, operating from Meadow House in Dundee.

The views, information and data in this publication should not be deemed as a financial promotion or recommendation. Alliance Trust PLC is not authorised to give financial advice.

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

Please remember past performance is not a guide to future performance. You may not get back the amount you invest. The value of your investment and any income from it may fall as well as rise.

Exchange rate changes may cause the value of overseas investments to go down as well as up.

Investment trusts may borrow to finance further investment (gearing). The use of gearing is likely to lead to volatility in the Net Asset Value (NAV) meaning that a relatively small movement, down or up, in the value of a trust's assets will result in a magnified movement, in the same direction, of that NAV. This may mean that you could get back nothing at all.