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For immediate release

ALLIANCE TRUST ACQUIRES VENTURE CAPITAL COMPANY ADDING PRIVATE EQUITY EXPERTISE TO ITS INVESTMENT TEAM

Alliance Trust PLC, the largest generalist investment trust company listed on the London Stock Exchange, has acquired venture capital investment company Albany Ventures in a move that will broaden the company's investment expertise by bringing on board a highly experienced private equity team.

Alliance Trust announced it has bought 100% of the shareholding of Albany Venture Managers (Holdings) Ltd, a respected six-year-old group that runs three venture capital funds with committed equity of £25m. As part of the deal, Albany Ventures' two senior investment managers and main shareholders, Raymond Abbott and John Morrison, will join Alliance Trust to form the core of the Alliance Trust's new private equity team. The new private equity team will report to Alliance Trust's incoming Chief Investment Officer.

Alliance Trust Chief Executive Alan Harden said, "This acquisition exactly meets our requirements to continue extending our investment expertise across asset classes to manage risk and generate enhanced returns through different market cycles. We fully expect private equity to be an important part of our future investment portfolio and now we are starting to build the skills to enable this to happen. Albany Ventures was a natural choice since we have been working with their team since 2002 and have seen at first hand their deep understanding of the market, clear vision and risk management skills."

"Adding Albany Ventures to our group means we have taken a large step to create a private equity team. We are not only acquiring a well-run business but a team that can hit the ground running and examine new private equity opportunities for the company. Since Albany Ventures already has an FSA licence to run private equity funds, Alliance Trust can now look for opportunities to manage private equity assets for third parties, creating greater value for its shareholders from its investment skills."

Raymond Abbott, Managing Director of Albany Ventures said, "We are delighted that Albany Ventures is becoming part of Alliance Trust, a long-standing partner in one of our funds. This is really exciting for us because with Alliance Trust's broad remit we can build far beyond our funds' current focus on early stage technology and life science investments to take advantage of private equity opportunities in any sector. Also, working within a £2.7bn company means

we can focus all our efforts on what we do best -- finding really interesting new ideas and companies with real long-term potential.”

Apart from forming the core of Alliance Trust’s private equity team, Abbott and Morrison, who were two of the co-founders of Albany Ventures, will continue to run the three Albany Ventures funds, two of which are relatively mature. Alliance Trust is an investor in Albany Ventures Fund III, which the Albany team will continue to manage.

Alliance Trust currently has around £70m invested in private equity, only 3% of its total £2.7bn portfolio, but its strategy is to increase exposure to asset classes other than quoted equities. For instance, it has built up a property portfolio since November last year, worth around £65m.

Albany Ventures was founded in July 2000 when Abbott, Morrison and Iain Christie joined forces in a venture to manage early stage venture capital investments. Both Abbott and Morrison previously worked at British Linen Equity and Friends Ivory & Sime Private Equity. Abbott has 15 years’ experience in private equity investments and Morrison 10 years.

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