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ALLIANCE TRUST PLC TO LAUNCH NEW ASSET MANAGEMENT BUSINESS

Alliance Trust PLC, the largest generalist investment trust company listed on the London Stock Exchange, today announced it will soon be expanding with the launch of a new asset management business. This will aim to deliver greater value for the PLC and its shareholders by enabling Alliance Trust to maximise income from its existing skills and infrastructure, as well as creating new opportunities for the group.

AT Asset Management (Asia-Pacific) Limited (ATAM) is a wholly-owned subsidiary of Alliance Trust PLC, based in Hong Kong. Its asset management licence is expected to be issued in Hong Kong shortly, and it plans to commence operations in the coming months. The Board consists of Alan Harden and Grant Lindsay (as Non-Executive Directors); and Anthony Muh as Executive Director.

The new boutique asset management company will aim to manage a diverse range of products and services to meet the needs of both retail and institutional investors. The first area in which it proposes to manage new investment products is Asia-Pacific – a region which Alliance Trust believes will be a key driver in future world growth, and where it has already established an experienced team with a proven track record and direct on-the-ground exposure to the markets. The initial funds to be managed by the new company are expected to be an Asia-Pacific ex-Japan equity fund and a Japanese equity fund. Both are proposed to be authorised for distribution in the UK, and are currently with the FSA for approval.

The launch of the new funds will give investors additional opportunities to take advantage of the extensive experience of our seasoned investment team. The fund management team, led by Anthony Muh, currently has three fund managers and three analysts, with 56 years' combined investment management experience.

Over the next 18 months ATAM plans to expand its investment team, and launch other new funds where it sees growth opportunities to deliver increased investment choice to investors. Additional funds will be added to the fund range and new niche products will be created in other fund structures. The new company will also seek to secure mandates for the management of institutional clients segregated accounts.

Commenting on the launch of the new business Alan Harden, Chief Executive of Alliance Trust PLC, said *"The simpler corporate structure that was achieved following the successful merger of Alliance and Second Alliance Trust earlier this year allows us to not only focus on growing our existing financial services business but to seek new opportunities and challenges. The launch of our new asset management subsidiary will be the first stage of this."*

"We have formed the asset management company so that we can unlock the full potential of our expert investment team, to create value for shareholders. The new company will enable us to take up opportunities to manage money that were previously unavailable to the PLC. Through this company, we will be able to utilise the skills of our investment managers more fully and in more ways, and create a suite of products that can be tailored to existing and new investors."

"The senior fund managers in Hong Kong have a long history of investment experience with impressive track records. Anthony Muh and his team have delivered excellent performance since taking over responsibility for the Alliance Trust proprietary investments in the region in April 2005. Since that time, the Trust's Asia-Pacific investments have outperformed by 1.83% and Japan has outperformed by 9.36%."

Harden concluded, *"We are very excited by the new opportunities and increased value our new specialist asset management business will bring, and believe it will make a significant contribution to the group."*

Alliance Trust PLC, recently reported that pre-tax revenue rose to £30.6m in the six months to the end of July, up from £28.2m in the same period last year. Consolidated pre-tax profit from capital and revenue was £33.0m for the half-year. Subsidiary revenue increased by 77%, reflecting the benefits of the acquisition of Wolanski & Co. Trustees Ltd, now renamed Alliance Trust Pensions Ltd, as well as an increase in overall customer transaction activity and interest.

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Notes to Editors

1. Alliance Trust PLC is the largest generalist investment trust listed on the London Stock Exchange. A FTSE-250 company, it had £2.7bn of assets at the end of July 2006.
2. AT Asset Management Limited is a wholly-owned subsidiary of Alliance Trust PLC and is registered in Hong Kong.
3. Photographs of Alan Harden, Grant Lindsay and Anthony Muh are available.

Background Information

Alan Harden

Alan was appointed to the board of Alliance Trust PLC on 1 January 2004, when he took up the responsibilities of Chief Executive. Alan started his career in the investment industry in the UK in 1978, moving to Europe in 1980 and then on to Cyprus two years later. From 1984 to 1990 he was with Wardley Investment Services (part of HSBC group) and relocated to Dubai in 1985. In 1990 he joined Standard Chartered Bank as Managing Director of Scimitar Asset Management based in Singapore. In 1994 he became Global Head of Investment Services. In 2000 he moved to Citigroup Asset Management in Japan, was Head of the Asset Management business in the Asia Pacific region and a member of the Global Executive Committee.

Grant Lindsay

Grant Lindsay, Head of Equities, joined Alliance Trust PLC in 1971 from local accountancy firm Johnstone, Logie & Millar. He started as an analyst covering US investments and has since covered all the geographical regions where the companies invest, either as an analyst or a manager. Grant was appointed an Assistant Manager in 1983, Investment Manager in 1988 and Head of Equities in March 2004. As Head of Equities, Grant is responsible for all investment decisions for the equity portfolio taken by the investment team.

Anthony Muh

Anthony joined Alliance Trust as Head of Asia Pacific in April 2005. He was previously Regional Head of Investment for Asia at Citigroup Asset Management with overall responsibility for managing assets of \$10bn in Japan and the rest of Asia for institutional, retail and private bank clients. Anthony and his team has won numerous accolades around the world over the years including the “Best Performing Fund Management Group” in 2000 and 2001 by South China Morning Post Fund Manager of the Year Awards, results compiled by Standard & Poor’s Fund Services. As Regional Head at Citigroup, he carried out the successful merger of three asset management organisations and built a number of asset management businesses around the region. Before then, he was senior investment officer for Citibank Global Asset Management in Asia and New Zealand, responsible for both equity and fixed income investments from 1993 to 1997. Anthony also spent seven years with Bank of New Zealand Investment Management since 1986, where he held various positions in both fixed income and equities.