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Tuesday 20 June 2006

Announcement by The Alliance Trust PLC and The Second Alliance Trust PLC (the "Companies")

## **COURT SANCTIONS MERGER BY WAY OF SCHEME OF ARRANGEMENT**

### **New Alliance Trust PLC shares to be listed on Wednesday 21 June**

### **Alliance Trust PLC is expected to be the UK's largest generalist investment trust company listed on the London Stock Exchange**

The Boards of the Companies are pleased to announce that the Court of Session has sanctioned the merger of The Alliance Trust PLC ("Alliance Trust ") and The Second Alliance Trust PLC ("Second Alliance") by way of scheme of arrangement under Section 425 of the Companies Act 1985 (the "Merger").

The Merger will take effect on 21 June 2006. In accordance with the terms of the Merger, each Alliance Trust share of 25p will be divided into 10 new ordinary shares of 2.5p.

The Formula Asset Value ("FAV") Ratio has been calculated as at 15 June 2006. The Alliance Trust FAV (assuming the 10:1 share split) is 381.28889p and the Second Alliance FAV is 3,334.48764p resulting in a FAV ratio of 8.74530 and the issue of 8.7453 new Alliance Trust shares for every 1 Second Alliance share held at 6pm on 20 June 2006. Entitlements to less than one new Alliance Trust share will not be issued to Second Alliance shareholders but will be aggregated and sold in the market. Net proceeds of sale of £3 or more will be paid on 30 June 2006.

671,909,760 new Alliance Trust shares of 2.5p will be admitted to the Official List and to the London Stock Exchange at 8.00 a.m. on 21 June. CREST accounts will be credited on 21 June, and certificates for the new Alliance Trust shares will be despatched in the week commencing 26 June 2006. The ISIN number for the new shares is GB00B11V7W98.

With effect from today, the name of The Alliance Trust PLC will change to Alliance Trust PLC.

Shares in The Second Alliance Trust PLC will be delisted at 7.30am on 21 June 2006.

Alliance Trust PLC will now adopt a quarterly dividend policy, with the first quarterly dividend for the period to 31 October 2006 expected to be paid on or around 31 January 2007.

As a result of the Merger, Alliance Trust PLC is expected to be the UK's largest generalist investment trust company listed on the London Stock Exchange with net assets in excess of £2.5 billion.

Alliance Trust Chairman Lesley Knox said, "This merger is a milestone in Alliance Trust's long and respected history as a preferred choice of thousands of private investors for their long-term investments. The Merger,

which won overwhelming support, allows us to go forward as one, simplified company, totally focused on creating value for our shareholders by continuing to invest wisely across different asset classes, while balancing risk.”

Chief Executive Alan Harden said, “We will go on working with energy and purpose, seeking the best ways to develop our company for the benefit of our shareholders whether through our stock-picking skills, our risk management expertise or by making the most of new business opportunities such as those open to our financial services subsidiaries in pensions or in asset management.”

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## Notes to editors

1. Founded in 1888, the Alliance Trust is a generalist investment trust company which invests worldwide across a range of assets and sectors. The Second Alliance was founded in 1883. Both companies, which have the same investment objectives, have shared staff and premises since 1918.

2. On 10 May 2006, shareholders of the Alliance Trust and the Second Alliance approved a merger between the two companies that will take effect on June 21, 2006.

3. Alliance Trust Savings which, on the merger, will become a 100% subsidiary of the Alliance Trust, provides and administers self-invested personal pensions and a choice of investment wrappers.

4. The merger is expected to make the Alliance Trust the largest generalist investment trust company listed on the London Stock Exchange.