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ALLIANCE TRUST SAVINGS GIVES VOICE TO PRIVATE INVESTORS

Alliance Trust Savings Limited, the financial services company, is introducing a new service to help listed companies build a closer relationship with *all* their shareholders. The service provides a channel for companies to talk to individual investors who have holdings through Alliance Trust Savings' nominee account, and provides customers with a means to direct the nominee's vote on their company's affairs.

The innovative service pre-empts the new rules in the Companies Bill, which was given Royal Assent this week. Once this Bill comes into force, companies will be required to communicate with all individual investors who ask for corporate information, including those who invest through nominees. Currently individual investors who invest through nominees often receive no company information since the company they invest in will communicate only with the nominee holder and not directly with them. This results in many individuals being out of touch and makes it more difficult for them to vote and have a voice in company affairs.

Companies who join Alliance Trust Savings' enfranchisement service will be able to send corporate communications directly to their individual investors who are Alliance Trust Savings customers. When there is a company vote, Alliance Trust Savings will work with the company to issue the information, ballot their investors, and cast all the nominee holding vote following its investors' direction. This gives real power to those investors who wish to vote.

Commenting on the service, Alan Harden, Chief Executive of Alliance Trust, said, "At present, individual investors in nominee accounts are often effectively disenfranchised. Through this service, we have devised an innovative way to give them a real voice in company affairs. This reflects our determination to promote and protect the long-term interests of our customers."

"Individual investors are the core of our business. We believe that communication, transparency and clarity are important to them and we are giving them the opportunity to hear directly from the companies they own," continued Mr Harden. "Although the Companies Act has now been passed it will not become effective until the Secretary of State says as much. That could be months away. We are able to enfranchise nominee shareholders *now*."

There is growing pressure on companies to find better ways to keep individual investors informed and involved in company affairs. This is becoming harder for them partly because of the rapid increase in the number of shares that are held in nominee accounts, driven by the explosion of online broker accounts, sales of ISAs and investment saving plans together with the numerous existing PEPs.

“We will be encouraging all companies to take part in our new service. If companies choose to participate, investors in those companies who are our customers will automatically receive communications from them such as annual and interim reports, notice of AGMs and proposed company resolutions and takeover, merger and rights issue documentation,” added Mr Harden. “We think this service will be of particular interest to the Boards of investment companies and any other listed companies that have large numbers of beneficial shareholders.”

“Companies that sign up will get a more representative, accurate idea of what their shareholders think on company matters because they will be reaching a far broader range of their shareholders.”

Another benefit of the service for Alliance Trust Savings’ customers is that they will not pay the normal charge for receiving report and accounts for those participating companies. Investors will receive shareholder communications unless they specifically choose not to. For companies that do not wish to join the service, voting and shareholder communication will be sent to nominee shareholders by Alliance Trust Savings Nominee on request, as at present.

Alliance Trust Savings is in discussions with companies about the new service. The service will be available to participating companies from 14 November 2006.

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Notes to editors

1. Alliance Trust Savings Limited is a financial services company that offers investment dealing, self-invested personal pensions and a choice of investment wrappers such as ISAs, PEPs and SIPPs. It administers around £1.9bn on behalf of nearly 36,000 customers. Alliance Trust Savings is a fully-owned subsidiary of investment trust company, Alliance Trust PLC.
2. Alliance Trust PLC is the largest generalist investment trust company listed on the London Stock Exchange and a FTSE-250 company with assets of around £2.7bn.
3. Photographs of Alan Harden are available.

