

Press release

20 March 2006
For immediate release

Alliance Trust year-end net asset value gains 24.6%

- Net asset value rose 24.6% to £2.0bn, as at 31 January 2006
- Total Shareholder return of 30.6%
- Capital Growth of £395.5m versus £146.7m in previous year
- Dividend up for 39th consecutive year to 73.5p per share

The Alliance Trust's net asset value grew by 24.6% to end the financial year at £2.04bn. Total Shareholder Return was 30.6%.

Chief Executive Alan Harden said, "During the last year we have delivered strong investment performance, growing net assets by a record £402m. This reflects our focus on performance and our decision to reorganise our equity investment process onto a geographic basis.

Equities remain our key area of focus and as at year end, six out of the seven regional portfolios, representing 95% of the equity portfolio, have outperformed their benchmarks."

During the year, Alliance Trust opened an office in Hong Kong and the portfolios managed from that office were among the best performing, with a gain of 36% against the local benchmark's gain of 32.4% for the Asia-Pacific portfolio and a 51.6% increment for the Japan portfolio against a 41.4% rise in the local benchmark. Alliance Trust is building upon its expertise in this area by establishing a company which will operate out of the Hong Kong office and will take third-party mandates. By leveraging existing expertise, Alliance Trust is seeking to generate additional returns for shareholders.

Head of Equities Grant Lindsay said, "Our equity portfolio has had an outstanding year, especially in the Japanese and UK Smaller cap portfolios. We benefited from moving capital away from North America and from overweight positions in oil and mining stocks. Looking forward we expect growth to continue and equity markets to remain positive, although oil and terrorism risks will persist and there will be pressures from rising interest rates outside the UK."

As part of its focus on investment performance, Alliance Trust can move between equities and other assets. This year, Alliance Trust invested £20.8m in real estate. This marks the beginning of a specialisation that will be added to as opportunities arise.

Alliance Trust increased its investment in its financial services subsidiary Alliance Trust Savings, which purchased in October 2005 Wolanski & Co. Trustees Ltd., one of the leading SIPP and SSAS administrators in the market. Hyman Wolanski has joined as Head of Pensions in Alliance Trust Savings, which now administers customer assets of around £3.3bn with approximately 39,000 customers and is ranked as one of the top five SIPP providers in the UK by plans administered.

Harden said, "Pensions 'A' Day is now just a short-time away and this provides a tremendous opportunity in both the individual pensions market and in the corporate SIPP and employer-pensions market."

The Alliance Trust announced a final dividend of 37.0p, making a total dividend of 73.5p for the year ending 31 January 2006, the 39th year in a row that the company has increased its dividend.

NOTES TO EDITORS

1. The Alliance Trust PLC is an investment company with investment trust status that has been investing since the 1880s. Based in Dundee, the company is the 3rd-largest UK investment trust by assets, according to January 2006 figures published by Thomson Financial Datastream.
2. Financial services company Alliance Trust Savings (ATS) is 75%-owned by Alliance Trust, with the remainder owned by the Second Alliance Trust PLC. Following the acquisition of Wolanski & Co. Trustees Limited, ATS administers more than £3.3bn of assets on behalf of around 39,000 customers. ATS offers share-dealing, investment wrapper plans such as self-select ISAs, PEPs and SIPPs, as well as a bespoke range of full SIPPs and SSASs.
3. Photographs of Alan Harden and Grant Lindsay are available on request
4. An interview with Chief Executive Alan Harden can be viewed on website: www.cantos.com or www.alliancetrusts.com

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