

23 July 2015

Alliance Trust PLC

Investing with conviction in a challenging period

Results for 6 months to 30 June 2015

Financial Highlights	As at 30 June 2015	Total Return
Company NAV per share	545.9p	1.4%
Share Price	484.8p	2.7%
Discount	11.2%	

Karin Forseke, Chair of Alliance Trust PLC commented that:

“The first half of 2015 was a particularly challenging period for Alliance Trust. In the run up to our AGM a significant proportion of our shareholder base indicated that they sought change. The Board has listened to these concerns and is actively engaged in addressing them. The Board anticipates announcing, in the Autumn, the changes that it intends to make.

Anthony Brooke and Rory Macnamara have joined the Board. Our ongoing search for a further non-executive director is also progressing well and we are now approaching the final stages of that process.”

Summary

- Alliance Trust delivered a NAV Total Return of 1.4% and Total Shareholder Return of 2.7%. The portfolio returns during the period were disappointing. They were adversely affected in the second quarter of the year by weakness in some of our income holdings.
- Our equity team has delivered outperformance relative to its benchmark since it took over responsibility for the portfolio in September 2014.
- We have continued the process of reducing the number of holdings in the equity portfolio. There were 68 positions at the end of the period, compared to 88 twelve months ago. This is an historically low number for the Trust and reflects the confidence that we have in our investment process.
- Towards the end of June, we drew down a further £82m of borrowings in order to increase our exposure to equities to 100%. With a current weighted average cost of borrowing of 2.0%, we expect that this will enhance returns from the equity portfolio in the future.
- The strong performance of Alliance Trust Investments’ specialist fund range has resulted in higher revenues and reduced losses. At the time of writing, all of our benchmarked funds are ranked above median in their peer groups in the current year. In the first half of the year the funds reported net inflows of £59m.
- Alliance Trust Savings’ assets under administration rose by 12% to £7.2bn driven almost entirely by new business inflows. The business made an operating loss from continuing activities of £0.2m due to planned seasonal marketing spend. The purchase of Stocktrade will increase the assets under administration by around 60% to over £11bn and is a significant step towards our ambition of becoming one of the top five platforms in the UK by 2020.

Commenting on the results for the first six months of 2015, Katherine Garrett-Cox, Chief Executive of Alliance Trust PLC, said:

“We are reporting today on the six month period to 30 June, during which time we have underperformed a number of our peers. However, much of the underperformance occurred in June when the sharp rise in bond yields affected the return. While the results for this specific period were disappointing, it should be noted that since the equity team took over responsibility for the portfolio in September 2014, the equity portfolio has outperformed its MSCI All Country World Index benchmark. At the time of writing, the NAV return is now in line with the peer group sector average, enabling us to build a long-term track record that we expect will narrow the discount over time.

Our objective is to maximise shareholder value by delivering a combination of long-term capital growth and a consistently rising dividend. We aim to achieve this through a portfolio which provides low risk exposure to global equities. Over the period, we have reduced the number of holdings in the portfolio to below 70. This is an historically low number and illustrates our confidence in our investment process. This concentration means that we are putting higher levels of conviction behind every holding and we are confident that this will deliver superior returns in the long term, albeit recognising that there can sometimes be periods of stock specific underperformance.

Looking ahead, it is clear that the uncertain outlook for both Greece and China has the capacity to affect equity markets for some time to come. We are confident that the team’s focus on investing in well-managed businesses for the long term will help insulate the portfolio from market volatility while continuing to generate returns for our shareholders.”

ENDS-

For more information, please contact:

Evan Bruce-Gardyne
Director of Investor Relations
Alliance Trust PLC
T 01382 321169

Conor McClafferty & Mike Turner
Finsbury
T 020 7251 3801

Alliance Trust PLC Interim Report 2015

Results for 6 months to 30 June 2015

	30 June 2015	31 December 2014	30 June 2014
Net Asset Value (NAV) per share	545.9p	546.8p	512.0p
Share price	484.8p	478.9p	445.6p

Purpose

Shareholder Return

Indicators as at 30 June 2015	6 months	1 year	3 years	5 years
Total Shareholder Return (TSR)	2.7%	11.6%	48.2%	80.6%
Peer group rankings *	25/36	14/36	22/34	15/32

Indicators as at		30 June 2015	31 December 2014	30 June 2014
Discount to NAV		11.2%	12.4%	13.0%

* Peer group is the Global Investment Trust sector

Performance

Investment Return

Indicators as at 30 June 2015	6 months	1 year	3 years	5 years
Net Asset Value (NAV) Total Return	1.4%	8.8%	37.3%	61.7%
Peer group rankings	29/36	21/36	22/34	20/32

Company Expenses

Indicators	6 months to 30 June 2015	Year to 31 December 2014	6 months to 30 June 2014
Company Expenses	£11.1m*	£20.8m	£10.3m

* Including AGM requisition costs of £2.5m

Investment in Subsidiaries

Alliance Trust Investments

Indicators as at	30 June 2015	31 December 2014	30 June 2014
3 rd party assets under management	£2.0bn	£1.9bn	£1.8bn
Funds above median over 3 years	78%	80%	67%
Fair value	£24.3m	£24.3m	£12.8m

Indicators	6 months to 30 June 2015	Year to 31 December 2014	6 months to 30 June 2014
3 rd party inflows	£59.3m	£88.0m	£81.4m
Total loss before tax	(£1.1m)	(£3.2m)	(£1.6m)

Alliance Trust Savings

Indicators as at	30 June 2015	31 December 2014	30 June 2014
Assets under administration	£7.2bn	£6.4bn	£5.9bn
Customer accounts	73,586	71,762	73,494
Fair value	£31.6m	£31.6m	£26.7m

Indicators	6 months to 30 June 2015	Year to 31 December 2014	6 months to 30 June 2014
Number of trades ('000)	263	494	240
Operating (loss)/profit from continuing activities	(£0.2m)*	£0.2m**	(£0.4m)**
Total loss before tax	(£1.1m)	(£3.7m)	(£2.7m)

* excluding the costs of the acquisition of Stocktrade.

** excluding non-recurring RDR marketing expenditure, costs associated with outsourcing and impairment related to the decision to retain banking licence

Overview

The first half of 2015 was a particularly challenging period for Alliance Trust. In the run up to our AGM a significant proportion of our shareholder base indicated that they sought change. The Board has listened to these concerns and is actively engaged in addressing them. The Board anticipates announcing, in the Autumn, the changes that it intends to make.

Six month performance

- Alliance Trust delivered a NAV Total Return of 1.4% and Total Shareholder Return of 2.7%.
- The portfolio returns during the period were disappointing. They were adversely affected in the second quarter of the year by weakness in some of our income holdings.
- Our equity team has delivered outperformance relative to its benchmark since it took over responsibility for the portfolio in September 2014.

Portfolio

- We have continued the process of reducing the number of holdings in the equity portfolio. There were 68 positions at the end of the period, compared to 88 twelve months ago. This is an historically low number for the Trust and reflects the confidence that we have in our investment process.
- Towards the end of June we drew down a further £82m of borrowings in order to increase our exposure to equities to 100%. With a current weighted average cost of borrowing of 2.0%, we expect that this will enhance returns from the equity portfolio in the future.

Alliance Trust Investments

- The strong performance of our specialist fund range has resulted in higher revenues and reduced losses. At the time of writing, all of our benchmarked funds are ranked above median in their peer groups in the current year.
- In the first half of the year the funds reported net inflows of £59m.

Alliance Trust Savings

- Assets under administration rose by 12% to £7.2bn driven almost entirely by new business inflows. The business made an operating loss from continuing activities of £0.2m due to planned seasonal marketing spend.
- The purchase of Stocktrade will increase the assets under administration by around 60% to over £11bn and is a significant step towards our ambition of becoming one of the top five platforms in the UK by 2020.

Equity portfolio review

We are conscious of the need to maximise shareholder value by delivering a combination of capital growth and a consistently rising dividend. The portfolio is unconstrained and invests in every MSCI sector. We have identified companies that display the combination of income, quality and growth required to drive long-term performance of the Trust's equity portfolio. We assess the performance of the equity portfolio team relative to the performance of the MSCI All Country World Index (MSCI ACWI). The equity portfolio generated a total return of almost 1.6%, which was below the 2.1% of the MSCI ACWI. While the portfolio had been performing in line with the index until the end of May, it underperformed in June, largely because of the sharp increase in bond yields.

The Information Technology sector is one in which we see many opportunities, both in developed and emerging markets. Within the sector, we started positions in three key stocks; Tencent, SS&C Technologies and Seagate. Tencent is the leading technology platform in China, and as China builds the world's largest 4G mobile network, it also benefits from the shift in consumption to mobile phones. SS&C Technologies, listed in the US, is an emerging leader in integrated end-to-end financial services software for portfolio management. It is a high growth, high margin leader, with best-in-class products and high barriers to entry when their systems are installed. Seagate is another US listed company and is one of two dominant players in the Hard Disk Drive (HDD) industry and they control close to half the global market.

We have also made some changes in the Energy sector. We have started a position in Statoil and increased our position in Total. One of the key focuses of our process is to look at how well energy companies are managing their environmental and geo-political risks, to ensure the long term sustainability and quality of the dividend is supported, with Statoil and Total clear leaders in this regard. Our thesis on the oil sector is that a lower oil price is now the "new normal". Much of the supply which had gone offline following the large fall in price at the end of 2014 can be quickly switched back online above \$85 per barrel, ensuring this remains a ceiling for the oil price in the foreseeable future. Statoil is a company that has been restructuring its resource base, even before the oil price dropped, and has also been focusing on reducing costs, ensuring they can support their dividend in this changed environment. We also initiated a position in ENN Energy, as we see the substitution from coal to gas as an energy source as an important structural theme in China. We sold ENI as we believe it is focused on production growth, rather than value creation and efficiency.

Within the consumer sectors we started a position in TJX Companies. It is the global leader in the shift to discount fashion retailing, with its leading TJ Maxx and TK Maxx brands. We also switched our Consumer Staples position from Diageo into Ambev, in Brazil. Ambev is a very well run, high margin business, which benefits from the ability of the parent company (Anheuser Busch InBev) to introduce brands and capitalise on their dominant distribution network in Brazil. Brazil remains an attractive market for beer and, despite recent economic weakness, the long-term attractiveness of the market remains intact.

Performance for the equity portfolio was driven by positive returns in the Health Care, Financials, and Consumer sectors. Poor returns in the Energy and Materials sectors impacted negatively across markets. These were smaller weights in the portfolio, but a negative impact on performance was still observed. In addition to the equity portfolio returns positive returns, were achieved from other investments.

Having reduced the number of stocks in the period, we do not envisage stock numbers falling much further, and believe we are close to our optimal number of holdings. The portfolio remains well-balanced and high quality.

Market review

This has been a difficult period for investors. Key contributing factors include weaker economic growth from the US, resulting in interest rate uncertainty, an unexpected result in the UK General Election, causing increased volatility, and the re-emergence of worries in Europe around a deteriorating economic and political position in Greece. However, despite all this, and recent market moves, we have not changed our assessment that equities remain relatively good long-term value, particularly when compared to other asset classes.

Dividends

The dividend for 2015, before any special dividend, is expected to be 10.13p, an increase of 3% on the prior year. The Company paid an interim dividend of 2.5325p on 30 June 2015. A second interim dividend of 2.5325p will be paid on 30 September 2015 to shareholders on the register on 28 August 2015. In the absence of any unforeseen developments we expect to be able to recommend further quarterly interim dividends of 2.5325p payable on or around 31 December 2015 and on or around 4 April 2016 with any special dividend payable on or around 30 June 2016.

Buybacks

During the period the Company bought back 1,025,000 shares at a total cost of £5.1m.

Investment outlook

Uncertainty looks set to continue for some time. The problems with Europe have not been resolved, only delayed, and we expect them to re-emerge later in the year. In addition, the UK election result, which gave an overall majority to the Conservative party, has added another source of concern to financial markets with the prospect of a referendum on Britain's membership of the EU in 2017.

From a macro-economic perspective the debate as to the timing of the first rise in interest rates looks set to continue. Our assumption is that it will not happen until Q4 this year at the earliest and possibly not till 2016, and we expect the US to be the first major economy to make a move. The UK economy, despite seeing growth, is unlikely to move ahead of the US. Any increase in rates will be gradual and limited and, whilst there are still some deflationary concerns, will be some way off. The situation in Greece is changing almost daily and while we have no direct exposure we do monitor developments because of the potential contagion effect on other Eurozone economies.

We have concerns over the Chinese economy because of the imbalances in credit, savings and real estate which have built up during the period of remarkable economic expansion and call into question the ability of the government to control the economy.

This rather downbeat backdrop and divergence of returns re-emphasises our belief that trying to second-guess the political and economic environment is not the key driver to stock selection. Our bottom-up analysis, which integrates our environmental, social and governance factors, allows us to value companies on their own merits and, on that basis, we continue to see opportunities in well-managed companies with strong fundamentals and sustainable long-term business models. Our philosophy and process identifies these high quality companies and enables us to make decisions as to their value and possible inclusion in the Trust's unconstrained and diversified equity portfolio.

Many of the companies in which we invest have international exposure, providing protection from regional cyclical or country-specific political uncertainty. We will continue to focus on analysing companies and their ability to generate superior returns over the long term for our shareholders.

Equity Portfolio Attribution (%)	Alliance Trust			MSCI All Country World Index		Sector Allocation Effect	Stock Selection Effect	Total Relative Effect
	Average Weight	Sector Return	Contribution to total Return	Average Weight	Sector Return			
Consumer Discretionary	7.68	12.39	0.95	12.36	5.84	-0.17	0.49	0.32
Consumer Staples	8.33	3.47	0.29	9.77	1.09	0.01	0.19	0.21
Energy	5.22	-7.40	-0.39	7.66	-3.89	0.14	-0.18	-0.04
Financials	25.29	2.15	0.54	21.49	1.76	-0.01	0.10	0.08
Health Care	17.34	6.67	1.16	12.06	9.16	0.37	-0.42	-0.06
Industrials	7.74	-0.88	-0.07	10.58	0.71	0.04	-0.12	-0.08
Information Technology	18.45	-0.96	-0.18	13.76	1.06	-0.05	-0.36	-0.41
Materials	4.80	-10.38	-0.50	5.33	0.20	0.01	-0.50	-0.49
Telecommunication Services	1.56	5.87	0.09	3.69	4.20	-0.04	0.03	-0.02
Utilities	3.59	-9.17	-0.33	3.19	-7.78	-0.04	-0.05	-0.09
Total	100	1.57	1.57	100	2.09	0.26	-0.82	-0.57

Source: Alliance Trust and FactSet

Contribution Analysis (%)	Average Weight	Total Return	Contribution to Total Return
Equity Portfolio	96.82	1.57	1.54
Fixed Income	5.63	0.97	0.05
Other Investments	7.45	0.80	0.06
Cash & Accruals	2.16	-	0.19
Gearing	-12.06	1.09	-0.13
Expenses			-0.35
Buybacks			0.02
NAV Total Return			1.38
Effect of Discount			1.35
Share Price Total Return			2.73
MSCI ACWI Total Return			2.09

Source: Alliance Trust and FactSet

Company Portfolio Review

Quoted equity holdings as at 30 June 2015

Stock	Country of listing	Sector	% of equity portfolio	Value £m
CVS Health	United States	Consumer Staples	3.5	102.4
Pfizer	United States	Health Care	3.4	99.3
Visa	United States	Information Technology	3.3	96.1
Walt Disney	United States	Consumer Discretionary	3.3	94.7
Prudential	United Kingdom	Financials	3.0	86.9
Accenture	United States	Information Technology	2.7	78.9
Blackstone	United States	Financials	2.6	75.0
WPP	United Kingdom	Consumer Discretionary	2.3	65.7
Express Scripts	United States	Health Care	2.2	64.7
Legal & General	United Kingdom	Financials	2.1	61.1
Wells Fargo	United States	Financials	2.1	60.4
Amgen	United States	Health Care	2.0	58.4

National Grid	United Kingdom	Utilities	2.0	58.2
Intesa Sanpaolo	Italy	Financials	2.0	58.1
HSBC	United Kingdom	Financials	2.0	57.1
Sanofi	France	Health Care	1.9	54.4
Qualcomm	United States	Information Technology	1.9	54.4
American Tower	United States	Financials	1.9	54.3
Swedbank	Sweden	Financials	1.8	51.3
Reckitt Benckiser	United Kingdom	Consumer Staples	1.6	47.8
Danaher	United States	Industrials	1.6	46.8
AmerisourceBergen	United States	Health Care	1.6	46.0
Enterprise Products Partners	United States	Energy	1.5	44.2
Roche	Switzerland	Health Care	1.5	43.6
TJX	United States	Consumer Discretionary	1.5	43.4
Linear Technology	United States	Information Technology	1.4	42.0
SAP	Germany	Information Technology	1.4	41.5
Mitsui Fudosan	Japan	Financials	1.4	40.5
Equinix	United States	Financials	1.4	39.3
Vodafone	United Kingdom	Telecommunication Services	1.3	39.2
Novo Nordisk	Denmark	Health Care	1.3	39.1
Continental	Germany	Consumer Discretionary	1.3	37.7
Seagate Technology	United States	Information Technology	1.3	37.6
Ambev	Brazil	Consumer Staples	1.3	36.6
Statoil	Norway	Energy	1.2	35.4
Daikin Industries	Japan	Industrials	1.2	34.9
GlaxoSmithKline	United Kingdom	Health Care	1.2	34.7
Roper Technologies	United States	Industrials	1.2	34.2
NASDAQ OMX	United States	Financials	1.2	33.5
Deutsche Post	Germany	Industrials	1.1	33.4
ENN Energy	China	Utilities	1.1	32.8
Henkel	Germany	Consumer Staples	1.1	32.5
Tencent	China	Information Technology	1.1	32.4
Total	France	Energy	1.1	32.2
Toronto-Dominion Bank	Canada	Financials	1.1	31.8
SS&C Technologies	United States	Information Technology	1.1	31.6
Cadence Design Systems	United States	Information Technology	1.1	31.4
Unilever	United Kingdom	Consumer Staples	1.1	31.4
Humana	United States	Health Care	1.1	30.9
Johnson Matthey	United Kingdom	Materials	1.1	30.6
VTech	Hong Kong	Information Technology	1.0	30.1
ORIX	Japan	Financials	1.0	29.9
Google	United States	Information Technology	1.0	29.7
BASF	Germany	Materials	1.0	28.6
Computershare	Australia	Information Technology	1.0	28.5
Aberdeen Asset Management	United Kingdom	Financials	1.0	28.4
CSL	Australia	Health Care	1.0	27.9
Praxair	United States	Materials	1.0	27.7
Monsanto	United States	Materials	0.9	26.1
Schneider Electric	France	Industrials	0.9	26.1
Delta Lloyd	Netherlands	Financials	0.9	24.7
Macquarie Infrastructure	United States	Industrials	0.8	23.2
Bangkok Bank	Thailand	Financials	0.8	22.2
Schlumberger	United States	Energy	0.8	22.0
Melrose Industries	United Kingdom	Industrials	0.7	21.5
Norsk Hydro	Norway	Materials	0.7	20.6
Petrofac	United Kingdom	Energy	0.6	18.2

Ashmore Global Opportunities	United Kingdom	Financials	0.1	3.9
Total value				2,919.8

Funds as at 30 June 2015

Alliance Trust Investment Funds	Country of registration	Value £m
Monthly Income Bond Fund	United Kingdom	119.9
Sustainable Future Pan-European Equity Fund	Luxembourg	61.3
Dynamic Bond Fund	United Kingdom	54.0
Sustainable Future Cautious Managed Fund	United Kingdom	10.9
Sustainable Future Defensive Managed Fund	United Kingdom	10.8
Total value		256.9

Other investments as at 30 June 2015

Investment	Region	Value £m
Private Equity	United Kingdom/Europe/Asia	125.1
Mineral Rights	North America	33.1
Alliance Trust Savings	United Kingdom	31.6
Alliance Trust Investments	United Kingdom	24.3
Property	United Kingdom	13.5
Other	United Kingdom	9.9
Total value		237.5

Total investments as at 30 June 2015

Investment	Value £m
Quoted equities	2,919.8
Funds	256.9
Other investments	237.5
Total value	3,414.2

Source – Alliance Trust

A full portfolio listing, similar to that displayed above, is available on a monthly basis on our website at <http://investor.alliancetrust.co.uk/ati/investorrelations/list-of-stock-holdings.htm>

Alliance Trust Investments

The drivers to profitability for this business are the delivery of consistent investment performance and net sales growth.

Our investment team has delivered strong performance. At the time of writing all of the funds with a benchmark are above the median of their peer group. We continue to attract investment and we saw third party assets under management grow by 7% during the period with net inflows of £59m.

We believe that Alliance Trust Investments is well-positioned for the future and is continuing on its path to profitability as we grow the business in line with our strategy. As well as attracting retail investment we are seeing institutional interest in our sustainable investment expertise.

The long-term investment pedigree of our managers and their specialist fund range is demonstrated by seven of the nine funds within our range that have a three year track record being ranked above the median, with four of them in the top quartile.

The increase in third party revenue of 8% together with continuing control of costs saw our loss before tax reduced by 31% to £1.1m.

The fair value of the business is £24.3m, as stated in our 2014 Annual Report and Accounts.

Third Party Assets Under Management		Third Party Net Revenue		
			six months	annual
June 2015	£2.0bn	June 2015	£4.3m	
Dec 2014	£1.9bn	Dec 2014	£4.0m	£8.4m
Dec 2013	£1.8bn	Dec 2013	£3.5m	£7.2m

Alliance Trust Savings

Alliance Trust Savings has for some time been recognised for excellent customer service. Through the recently announced acquisition of Stocktrade it will now also have the scale to move the business towards meaningful profitability. In addition, an enhanced platform will deliver improved functionality to intermediary customers in the third quarter of this year with direct customers being migrated to the new platform during 2016.

We have seen assets under administration rise by £0.8bn to £7.2bn in the period, a rise of 12%. The net number of accounts has also increased by over 1,800 (2.5%) during the period. The business will continue to focus on growing all three channels of direct to customer, intermediary and partnerships.

We report an operating loss for the period, excluding the costs of the acquisition of Stocktrade, of £0.2m. This was due to planned marketing spend during the ISA season. The total loss before tax was £1.1m, including costs associated with the acquisition of Stocktrade.

There has been considerable change in the savings and investment market with the recent pension changes only coming into full effect on 6 April 2015. We are confident that customer numbers will continue to increase, attracted by

- our flat fee structure
- award winning customer service
- investment choice
- improved functionality.

The fair value of the business is £31.6m, as stated in our 2014 Annual Report and Accounts. The half year valuation does not reflect the impact of the injection of £6m to increase the regulatory capital required to match the growth of the business until it is revalued at the year end.

Assets under Administration		Revenue		
			six months	annual
June 2015	£7.2bn	June 2015	£6.7m	
Dec 2014	£6.4bn	Dec 2014	£6.2m	£12.8m
Dec 2013	£5.4bn	Dec 2013	£5.4m	£10.9m

Risks and Uncertainties

The Company invests in both quoted and unquoted securities, fixed income securities, its subsidiary businesses, other asset classes and financial instruments for the long term in order to achieve its investment objectives. Its principal risks and uncertainties are therefore:

- Strategic
- Market
- Operational
- Regulatory and Conduct

These risks, and the way in which they are managed, are described in more detail within the Risk section on pages 27 to 30 of the Company's Annual Report and Accounts for the year ended 31 December 2014, which is available on the Company's website at www.alliancetrust.co.uk.

The Directors do not consider that the nature of the Company's principal risks and uncertainties has changed materially since the year end.

We do not expect our principal risks to change for the remainder of the financial year.

Related Party Transactions

The nature of related party transactions has not changed significantly from those described in the Company's Report and Accounts for the year ended 31 December 2014. There were no transactions with related parties during the six months ended 30 June 2015 which have a material effect on the results or the financial position of the Company or of the Group.

Going Concern Statement

The factors impacting Going Concern are set out in detail on page 47 of the Company's Report and Accounts for the year ended 31 December 2014.

As at 30 June 2015 there have been no significant changes to these factors. The Directors, who have reviewed budgets, forecasts and sensitivities, consider that the Group has adequate financial resources to enable it to continue in operational existence for the foreseeable future. Accordingly, the Directors believe it is appropriate to continue to adopt the going concern basis for preparing the financial statements.

Responsibility Statement

We confirm that to the best of our knowledge:

- The financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU;
- The interim management report includes a fair review of the information required by:
 - (a) DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the year; and
 - (b) DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period, and any changes in the related party transactions described in the last annual report that could do so.

Signed on behalf of the Board

Karin Forseke
Chair
22 July 2015

Katherine Garrett-Cox
Chief Executive
22 July 2015

Financial Statements

Consolidated income statement (unaudited) for the period ended 30 June 2015

£000	Note	6 months to 30 June 2015			Restated 6 months to 30 June 2014			Year to 31 Dec 2014 (audited)		
		Revenue	Capital	Total	Revenue	Capital	Total	Revenue	Capital	Total
Revenue										
Income	3	63,378	-	63,378	58,035	-	58,035	110,117	-	110,117
Profit/(Loss) on fair value designated investments		-	375	375	-	(19,442)	(19,442)	-	163,584	163,584
Profit on investment property		-	-	-	-	-	-	-	284	284
Total Revenue		63,378	375	63,753	58,035	(19,442)	38,593	110,117	163,868	273,985
Administrative expenses		(21,508)	(709)	(22,217)	(18,595)	(874)	(19,469)	(34,056)	(1,154)	(35,210)
Finance costs	4	(1,964)	(2,465)	(4,429)	(1,638)	(1,814)	(3,452)	(3,575)	(4,163)	(7,738)
Gain on revaluation of office premises		-	-	-	-	-	-	-	240	240
Loss on disposal of other fixed asset		-	-	-	-	(1)	(1)	-	-	-
Foreign exchange losses		-	(460)	(460)	-	(7,351)	(7,351)	-	(2,752)	(2,752)
Profit/(Loss) before tax		39,906	(3,259)	36,647	37,802	(29,482)	8,320	72,486	156,039	228,525
Tax	5	(3,444)	-	(3,444)	(1,520)	-	(1,520)	(3,666)	-	(3,666)
Profit/(Loss) for the period/year		36,462	(3,259)	33,203	36,282	(29,482)	6,800	68,820	156,039	224,859

All profit/(loss) for the period/year is attributable to equity holders of the parent.

June 2014 comparative information, including relevant notes, have been restated to reflect the implementation of Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27). Refer to note 2 (Basis of accounting) for full details. The comparative audited information for 31 December 2014 incorporates this change in accounting policy.

Earnings per share attributable to equity holders of the parent

Basic (p per share)	7	6.61	(0.59)	6.02	6.52	(5.30)	1.22	12.39	28.10	40.49
Diluted (p per share)	7	6.60	(0.59)	6.01	6.51	(5.29)	1.22	12.37	28.04	40.41

Consolidated statement of comprehensive income (unaudited)

£000	Note	6 months to 30 June 2015			Restated 6 months to 30 June 2014			Year to 31 Dec 2014 (audited)		
		Revenue	Capital	Total	Revenue	Capital	Total	Revenue	Capital	Total
Profit/(Loss) for the period/year		36,462	(3,259)	33,203	36,282	(29,482)	6,800	68,820	156,039	224,859
Items that will not be reclassified subsequently to profit or loss:										
Defined benefit plan net actuarial gain/(loss)	8	-	4,492	4,492	-	(51)	(51)	-	(1,506)	(1,506)
Retirement benefit obligations deferred tax		-	-	-	-	-	-	-	301	301
Other comprehensive gain/(loss)		-	4,492	4,492	-	(51)	(51)	-	(1,205)	(1,205)
Total comprehensive income/(loss) for the period/year		36,462	1,233	37,695	36,282	(29,533)	6,749	68,820	154,834	223,654

All total comprehensive income/(loss) for the period/year is attributable to equity holders of the parent.

June 2014 comparative information, including relevant notes, have been restated to reflect the implementation of Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27). Refer to note 2 (Basis of accounting) for full details. The comparative audited information for 31 December 2014 incorporates this change in accounting policy.

Consolidated statement of changes in equity (unaudited) for the period ended 30 June 2015

£000	6 months to 30 June 2015	Restated 6 months to 30 June 2014	Year to 31 Dec 2014 (audited)
Called up share capital			
At 1 January	13,835	14,003	14,003
Own shares purchased and cancelled in the period/year	(27)	(97)	(168)
At 30 June / 31 December	13,808	13,906	13,835
Capital reserves			
At 1 January	2,233,915	2,108,441	2,108,441
(Loss)/Profit for the period/year	(3,259)	(29,482)	156,039
Defined benefit plan actuarial gain/(loss)	4,492	(51)	(1,205)
Own shares purchased and cancelled in the period/year	(5,110)	(17,485)	(30,208)
Share based payments	1,017	471	848
At 30 June / 31 December	2,231,055	2,061,894	2,233,915
Merger reserve			
At 1 January, 30 June and 31 December	645,335	645,335	645,335
Capital redemption reserve			
At 1 January	5,163	4,995	4,995
Own shares purchased and cancelled in the period/year	27	97	168
At 30 June / 31 December	5,190	5,092	5,163
Revenue reserve			
At 1 January	120,916	113,381	113,381
Profit for the period/year	36,462	36,282	68,820
Dividends	(41,552)	(34,117)	(61,275)
Unclaimed dividends returned/(redistributed)	-	23	(10)
At 30 June / 31 December	115,826	115,569	120,916
Total equity			
At 1 January	3,019,164	2,886,155	2,886,155
At 30 June / 31 December	3,011,214	2,841,796	3,019,164

June 2014 comparative information, including relevant notes, have been restated to reflect the implementation of Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27). Refer to note 2 (Basis of accounting) for full details. The comparative audited information for 31 December 2014 incorporates this change in accounting policy.

Consolidated balance sheet (unaudited) as at 30 June 2015

£000	Note	30 June 2015	Restated 30 June 2014	31 Dec 2014 (audited)
Non-current assets				
Investments held at fair value	10	3,408,527	3,152,131	3,338,832
Investment property held at fair value		4,830	4,525	4,830
Property, plant and equipment:				
Office premises		4,365	4,125	4,365
Other fixed assets		352	308	467
Intangible assets		1,012	928	1,032
Pension scheme surplus	8	11,299	6,610	5,197
Deferred tax asset		1,039	1,015	1,039
		3,431,424	3,169,642	3,355,762

Current assets				
Outstanding settlements and other receivables		23,282	128,593	15,492
Recoverable overseas tax		1,244	1,267	995
Cash and cash equivalents		33,505	53,729	44,102
		58,031	183,589	60,589
Total assets		3,489,455	3,353,231	3,416,351
Current liabilities				
Outstanding settlements and other payables		(10,265)	(125,727)	(11,984)
Tax payable		(3,991)	(3,991)	(3,991)
Bank loans	13	(362,000)	(380,000)	(280,000)
		(376,256)	(509,718)	(295,975)
Total assets less current liabilities		3,113,199	2,843,513	3,120,376
Non-current liabilities				
Unsecured fixed rate loan notes		(100,000)	-	(100,000)
Deferred tax liability		(1,039)	(1,015)	(1,039)
Amounts payable under long term Investment Incentive Plan		(946)	(702)	(173)
		(101,985)	(1,717)	(101,212)
Net assets		3,011,214	2,841,796	3,019,164
Equity				
Share capital	14	13,808	13,906	13,835
Capital reserves		2,231,055	2,061,894	2,233,915
Merger reserve		645,335	645,335	645,335
Capital redemption reserve		5,190	5,092	5,163
Revenue reserve		115,826	115,569	120,916
Total equity		3,011,214	2,841,796	3,019,164

All net assets are attributable to the equity holders of the parent.

June 2014 comparative information, including relevant notes, have been restated to reflect the implementation of Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27). Refer to note 2 (Basis of accounting) for full details. The comparative audited information for 31 December 2014 incorporates this change in accounting policy.

Net asset value per ordinary share attributable to equity holders of the parent

Basic (£)	9	£5.46	£5.12	£5.47
Diluted (£)	9	£5.45	£5.11	£5.46

Consolidated cash flow (unaudited) for the period ended 30 June 2015

£000	6 months to 30 June 2015	Restated 6 months to 30 June 2014	Year to 31 Dec 2014 (audited)
Cash flows from operating activities			
Profit before tax	36,647	8,320	228,525
Adjustments for:			
(Gains)/Losses on investments	(375)	19,442	(163,868)
Foreign exchange losses	460	7,351	2,752
Scrip dividends	-	-	256
Depreciation	118	82	183
Amortisation of intangibles	165	297	333
Gain on revaluation of offices premises	-	-	(240)
Loss on disposal of other fixed assets	-	1	-

Share based payment expense	1,017	471	848
Interest	4,429	3,452	7,738
Movement in pension scheme surplus	(1,610)	(1,582)	(1,323)
Operating cash flows before movements in working capital	40,851	37,834	75,204
(Increase)/Decrease in receivables	(7,796)	(50,355)	735
Decrease/(Increase) in payables	3,311	1,754	(1,859)
Net cash inflow/(outflow) from operating activities before income taxes	36,366	(10,767)	74,080
Taxes paid	(3,693)	(1,802)	(3,676)
Net cash inflow/(outflow) from operating activities	32,673	(12,569)	70,404
Cash flows from investing activities			
Proceeds on disposal at fair value of investments through profit and loss	691,897	609,682	1,013,121
Purchase of fair value through profit and loss investments	(765,105)	(507,175)	(965,415)
Purchase of plant and equipment	(3)	(142)	(401)
Purchase of other intangible assets	(142)	(408)	(551)
Net cash (outflow)/inflow from investing activities	(73,353)	101,957	46,754
Cash flows from financing activities			
Dividends paid - Equity	(41,552)	(34,117)	(61,275)
Unclaimed dividends returned/(redistributed)	-	23	(10)
Purchase of own shares	(5,110)	(17,485)	(30,208)
New bank loans and unsecured fixed rate loan notes raised	82,000	-	100,000
Repayment of borrowing	-	-	(100,000)
Interest payable	(4,795)	(3,954)	(6,036)
Net cash inflow/(outflow) from financing activities	30,543	(55,533)	(97,529)
Net (decrease)/increase in cash and cash equivalents	(10,137)	33,855	19,629
Cash and cash equivalents at beginning of period/year	44,102	27,225	27,225
Effect of foreign exchange rate changes	(460)	(7,351)	(2,752)
Cash and cash equivalents at the end of period/year	33,505	53,729	44,102

June 2014 comparative information, including relevant notes, have been restated to reflect the implementation of Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27). Refer to note 2 (Basis of accounting) for full details. The comparative audited information for 31 December 2014 incorporates this change in accounting policy.

1 General Information

The information contained in this report for the period ended 30 June 2015 does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. A copy of the statutory accounts for the year ended 31 December 2014 has been delivered to the Registrar of Companies. The auditor's report on those financial statements was prepared under s495 and s496 of the Companies Act 2006. The report was not qualified, did not contain an emphasis of matter paragraph and did not contain statements under section 498(2) or (3) of the Companies Act.

The interim results are unaudited. They should not be taken as a guide to the full year and do not constitute the statutory accounts.

2 Accounting Policies

Basis of preparation

The annual financial statements were prepared using accounting policies consistent with International Financial Reporting Standards (IFRS) as adopted by the EU. The condensed set of financial statements included in this half yearly financial report have been prepared in accordance with IAS 34 'Interim Financial Reporting', as adopted by the EU.

Going concern

The directors have a reasonable expectation that the Company and Group have sufficient resources to continue in operational existence for the foreseeable future. Accordingly the financial statements have been prepared on a going concern basis.

Segmental reporting

The Group has identified a single operating segment, the investment trust, which aims to maximise shareholders returns. As such no segmental information has been included in these financial statements.

Changes in accounting policies

The same accounting policies, presentations and methods of computation are followed in these financial statements as are applied in the Group's latest audited financial statements. No material changes in accounting policies are anticipated in the forthcoming financial statements for the year ending 31 December 2015.

Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)

An amendment to IFRS 10 Consolidated Financial Statements was introduced and became effective from 1 January 2014. This amendment included additional accounting requirements for entities regarded as an investment entity and where the definition of an investment entity was met, consolidated financial statements were no longer required in prescribed circumstances. An investment entity is required to measure an investment in a subsidiary at fair value through the income statement, in accordance with IAS 39 Financial Instruments: Recognition and Measurement, if certain specified criteria are met. However, an investment entity is still required to consolidate any subsidiary entity where that subsidiary provides services that relate directly to the investment entity's investment activities and is not itself regarded as an investment entity.

IFRS 10 provides that an investment entity should have the following characteristics:

- it has more than one investment
- it has more than one investor
- it has investors that are not related parties of the entity
- it has ownership interest in the form of equity or similar interests

The Company qualifies as an investment entity under IFRS 10 meeting all the key characteristics defined above and as such is no longer permitted to consolidate its subsidiaries on a line by line basis, but instead recognise them as investments at fair value through the income statement.

Significant judgements and assumptions in respect of Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)

In previous years, the Alliance Trust Group comprised the Company, 19 wholly owned subsidiaries and an ICVC company in which the Company held over 50% of the share capital and effectively had control over the fund as it had the power to govern the financial and operating policies of the fund and as such benefit from its activities. IFRS 10 states that if an investment entity has a subsidiary that provides investment-related services or activities, either directly or through a subsidiary, and it is not itself regarded as an investment entity, it shall consolidate that subsidiary.

The results that are therefore presented as the 'Consolidated Group', following adoption of Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27) are the results of the Company ('Alliance Trust PLC') and Alliance Trust Services Limited ('ATSL'). ATSL is required to be consolidated as it provides services that directly relate to the investment activities of the Company however it is not itself an investment entity. All other subsidiaries within the Group have been valued at fair value through the income statement as they do not provide services that relate directly to the investment activities of the Company or they are themselves regarded as an investment entity.

The following subsidiaries have therefore not been consolidated into the Group results and have been valued at fair value through the income statement:

Name	Shares held	Country of incorporation	Principal Activity
Alliance Trust Savings Limited ('ATS')	Ordinary	Scotland	Provision and administration of investment and pension products
Alliance Trust Savings (England) Limited	Ordinary	England	Inactive
Alliance Trust (Finance) Limited ('ATF')	Ordinary	Scotland	In process of wind up
AT2006 Limited	Ordinary	Scotland	Intermediate holding company
Second Alliance Trust Limited	Ordinary	Scotland	Inactive
Second Alliance Leasing Limited	Ordinary	Scotland	Inactive
Alliance Trust Real Estate Partners (GP) Limited	Ordinary	Scotland	Real estate general partner
Alliance Trust Real Estate Partners LP	-	Scotland	Limited partnership
Alliance Trust Investments Limited ('ATI')	Ordinary	Scotland	Investment management
Alliance Trust Investments (England) Limited	Ordinary	England	Inactive
Alliance Trust Equity Partners (Holdings) Limited	Ordinary	Scotland	Intermediate holding company
Alliance Trust Equity Partners Limited	Ordinary	Scotland	Investment management
Albany Venture Managers GP Limited	Ordinary	Scotland	Private equity general partner

Alliance Trust (PE Manco) Limited	Ordinary	Scotland	Inactive
ATEP 2008 GP Limited	Ordinary	Scotland	Private equity general partner
ATEP 2009 GP Limited	Ordinary	Scotland	Private equity general partner
Allsec Nominees Limited	Ordinary	Scotland	Nominee
Alliance Trust Savings Nominees Limited	Ordinary	Scotland	Nominee
Alliance Trust Investment Funds ICVC	Ordinary	Scotland	UK domiciled Open Ended Investment Company

The following table summarises the key adjustments made to the consolidated Balance Sheet on implementation of the new accounting policies. Restated balances for December 2013, the opening balance sheet, are included within the financial statements of the Group's latest audited financial statements:

£000	Balance as at June 14	Impact of change in accounting policy	Restated balance as at June 14
Investments at fair value through profit or loss	3,307,309	(150,653)	3,156,656
Total assets	4,052,247	(699,016)	3,353,231
Total liabilities	(1,219,949)	708,514	(511,435)
Net assets	2,832,298	9,498	2,841,796
Revenue reserve	66,077	49,492	115,569

The effect on the consolidated income statement was as follows.

£000	Balance as at June 14	Impact of change in accounting policy	Restated balance as at June 14
Total revenue	47,387	(8,794)	38,593
Administrative expenses	(25,718)	6,249	(19,469)
Profit for the year	1,815	4,985	6,800

June 2014 comparative information, including primary statements and relevant notes (notes 3, 4, 7, 9, 10 and 14) have been restated.

The impact of adopting Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27) is the deconsolidation of assets, liabilities, income and expenses of the subsidiary entities which were previously consolidated on a line by line basis. Prior to the adoption of the Investment Entities standard, the subsidiaries were consolidated on a line by line basis and appropriate consolidation adjustments were processed including eliminating the investments in the subsidiary as fully owned by the Company. Investments in subsidiaries are now included within the investments held at fair value line of the balance sheet with movements recognised through the income statement.

The same accounting policies, presentations and methods of computation are followed in these financial statements as were applied in the Group's last annual audited financial statements.

3 Revenue

£000	6 months to 30 June 2015	Restated 6 months to 30 June 2014	Year to 31 Dec 2014
Deposit interest	5	25	32
Dividend income*	50,076	47,183	90,408
Mineral rights income	1,928	1,345	4,548
Property rental income	230	304	710
Recharged costs**	11,139	9,178	14,419
Total revenue	63,378	58,035	110,117

* Designated at fair value through profit and loss on initial recognition

** ATSL acts as a paymaster company and as such staff costs and all indirect costs for the two trading business, ATS and ATI, are included within income and expenses in the Consolidated Income Statement as these are recharged by ATSL. It should be noted that prior to January 2015 only indirect staff costs were charged through ATSL. With effect from January 2015 all indirect costs are charged through the paymaster company and as such the June 2015 consolidated results include both the staff and indirect costs for the two trading businesses where the comparative periods only include staff costs. This resulted in an additional £4.6m of indirect costs being charged through ATSL for the period to 30 June 2015.

4 Finance Costs

£000	6 months to 30 June 2015			Restated 6 months to 30 June 2014			Year to 31 Dec 2014		
	Revenue	Capital	Total	Revenue	Capital	Total	Revenue	Capital	Total
Bank loans and unsecured fixed rate loan notes	1,964	2,465	4,429	1,638	1,814	3,452	3,575	4,163	7,738
Total finance costs	1,964	2,465	4,429	1,638	1,814	3,452	3,575	4,163	7,738

Finance costs include interest of £1.7m (£Nil at 30 June 2014 and £1.8m at 31 December 2014) on the £100m 4.28% unsecured fixed rate loan notes which were drawn down in July 2014 for 15 years.

5 Taxation

UK corporation tax for the period to 30 June 2015 is charged at 20.3% (21.5% for the period to 30 June 2014) of the estimated taxable profits for the period. A reduction in the main rate of UK corporation tax to 20.0% was substantively enacted in April 2015. Taxation levied by other jurisdictions is calculated at the rates prevailing in those jurisdictions, such taxation mainly comprises withholding taxes levied on the investment returns generated on foreign investments such as overseas dividend income.

6 Dividends

£000	6 months to 30 June 2015	6 months to 30 June 2014	Year to 31 Dec 2014
Fourth interim dividend for the year ended 31 December 2013 of 2.3870p per share	-	13,338*	13,338*
First interim dividend for the year ended 31 December 2014 of 2.4585p per share	-	13,658	13,658
Second interim dividend for the year ended 31 December 2014 of 2.4585p per share	-	-	13,581
Third interim dividend for the year ended 31 December 2014 of 2.4585p per share	-	-	13,577
Fourth interim dividend for the year ended 31 December 2014 of 2.4585p per share	13,555*	-	-
First interim dividend for the year ended 31 December 2015 of 2.5325p per share	13,961	-	-
	27,516	26,996	54,154
Special dividend for the year ended 31 December 2013 of 1.282p per share	-	7,121*	7,121*
Special dividend for the year ended 31 December 2014 of 2.546p per share	14,036*	-	-
	41,552	34,117	61,275

*Dividends for the years ended 31 December 2013 and 31 December 2014 have been adjusted to reflect share buy backs and changes in shares held by the Trustee of the Employee Benefit Trust.

7 Earnings Per Share

From continuing operations

The calculation of the basic and diluted earnings per share is based on the following data:

£000	6 months to 30 June 2015			Restated 6 months to 30 June 2014			Year to 31 Dec 2014		
	Revenue	Capital	Total	Revenue	Capital	Total	Revenue	Capital	Total
Ordinary shares									
Earnings for the purposes of basic earnings per share being net profit/(loss) attributable to equity holders of the parent	36,462	(3,259)	33,203	36,282	(29,482)	6,800	68,820	156,039	224,859
Number of shares									
Weighted average number of ordinary shares for the purposes of basic earnings per share		551,532,534			556,485,739			555,308,405	
Weighted average number of ordinary shares for the purposes of diluted earnings per share		552,517,817			557,740,776			556,548,721	

The weighted average number of ordinary shares is arrived at by excluding 886,173 (1,194,316 at 30 June 2014 and 1,131,837 at 31 December 2014) ordinary shares acquired by the Trustee of the Employee Benefit Trust with funds provided by the Company.

IAS 33.41 requires that shares should only be treated as dilutive if they decrease earnings per share or increase the loss per share. The earnings per share figures on the income statement reflect this.

8 Pension Schemes

The Group sponsors two pension arrangements.

The Alliance Trust Companies' Pension Fund ('the Scheme') is a funded defined benefit pension scheme which closed to future accrual on 2 April 2011.

Employees (other than Executive Directors) are entitled to receive contributions into their own Self Invested Personal Pension ('SIPP') provided by ATS.

Defined Benefit Scheme

The net actuarial gain made in the period and recognised in the Consolidated Statement of Comprehensive Income was £4,492,000 (30 June 2014 net actuarial loss of £51,000 and 31 December 2014 net actuarial loss of £1,506,000) calculated by a qualified independent actuary. This net gain was primarily as a result of using the latest scheme data available at 1 April 2015 updated on an approximate basis to 30 June 2015. The prior reporting period used scheme data as at 1 April 2012 updated on an approximate basis to 31 December 2014.

Certain actuarial assumptions have been used to arrive at the retirement benefit scheme surplus of £11.3m as at 30 June 2015 (30 June 2014 surplus of £6.6m and 31 December 2014 surplus of £5.2m). These are set out below:

	30 June 2015	30 June 2014	31 Dec 2014
	% per annum	% per annum	% per annum
Retail Price Index Inflation	3.15	3.30	3.00
Consumer Price Index Inflation	2.25	2.40	2.10
Rate of discount	3.40	4.20	3.50
Allowance for pension in payment increases of RPI (subject to a maximum increase of 5% p.a)	3.05	3.10	2.90
Allowance for revaluation of deferred pensions of CPI (subject to a maximum increase of 5% p.a)	2.25	2.40	2.10

9 Net Asset Value Per Ordinary Share

The calculation of the net asset value per ordinary share is based on the following:

	30 June 2015	Restated 30 June 2014	31 Dec 2014
Equity shareholder funds (£000)	3,011,214	2,841,796	3,019,164
Number of shares at period end - Basic	551,447,973	555,014,830	552,227,309
Number of shares at period end - Diluted	552,334,146	556,209,146	553,359,146

The number of ordinary shares has been reduced by 886,173 (1,194,316 at 30 June 2014 and 1,131,837 at 31 December 2014) ordinary shares held by the Trustee of the Employee Benefit Trust in order to arrive at the Basic figures above.

10 Hierarchical valuation of financial instruments

The Group refines and modifies its valuation techniques as markets develop. While the Group believes its valuation techniques to be appropriate and consistent with other market participants, the use of different methodologies or assumptions could result in different estimates of fair value at the balance sheet date. Financial instruments excludes the Investment Property.

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)

Level 3 - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs)

The following table analyses the fair value measurements for the Group's assets and liabilities measured by the level in the fair value hierarchy in which the fair value measurement is categorised at 30 June 2015. All fair value measurements disclosed are recurring fair value measurements.

Group valuation hierarchy fair value through profit and loss

£000	As at 30 June 2015			Total
	Level 1	Level 2	Level 3	
Listed investments	3,176,679	-	-	3,176,679
Foreign exchange contracts	-	(5)	-	(5)
Unlisted investments				
Private Equity	-	-	132,898	132,898
Alliance Trust Savings	-	-	31,573	31,573
Alliance Trust Finance	-	-	8,871	8,871
Alliance Trust Investments	-	-	24,269	24,269
Mineral rights	-	-	33,087	33,087
Other	-	-	1,155	1,155
	3,176,679	(5)	231,853	3,408,527

£000	Restated As at 30 June 2014			Total
	Level 1	Level 2	Level 3	
Listed investments	2,950,067	-	-	2,950,067
Foreign exchange contracts	-	(454)	-	(454)
Unlisted investments				
Private Equity	-	-	128,487	128,487
Alliance Trust Savings	-	-	26,685	26,685
Alliance Trust Finance	-	-	16,850	16,850
Alliance Trust Investments	-	-	12,784	12,784
Mineral rights	-	-	16,615	16,615
Other	-	-	1,097	1,097
	2,950,067	(454)	202,518	3,152,131

£000	As at 31 Dec 2014			Total
	Level 1	Level 2	Level 3	
Listed investments	3,106,301	-	-	3,106,301
Unlisted investments				
Private Equity	-	-	137,679	137,679
Alliance Trust Savings	-	-	31,573	31,573
Alliance Trust Finance	-	-	8,865	8,865
Alliance Trust Investments	-	-	24,269	24,269
Mineral rights	-	-	29,891	29,891
Other	-	-	254	254
	3,106,301	-	232,531	3,338,832

There have been no transfers of recurring measurements during the year between Levels 1, 2 and 3.

Fair Value Assets in Level 1

The quoted market price used for financial investments held by the group is the current bid price. These investments are included within Level 1 and comprise of equities, bonds and exchange traded derivatives.

Fair Value Assets in Level 2

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and with minimal reliance on entity specific estimates.

Fair Value Assets in Level 3

Level 3 valuations are reviewed at least annually by the Valuation Committee who are assigned responsibility by the Board of Alliance Trust PLC. The Valuation Committee considers the appropriateness of the valuation models and inputs used in accordance with the Group's valuation policy. The Committee will determine the appropriateness of any valuation of the underlying assets.

The following table shows the reconciliation from the beginning balances to the ending balances for fair value measurement in Level 3 of the fair value hierarchy.

£000	Group		
	June 15	June 14	Dec 14
Balance at 1 January	232,531	197,702	197,702
Net (loss)/gain from financial instruments at fair value through profit or loss	(2,390)	17,552	32,821
Purchases at cost	9,519	2,950	18,849
Sales proceeds	(10,085)	(16,215)	(16,992)
Realised gain on sale	2,278	529	151
Balance at 30 June / 31 December	231,853	202,518	232,531

Investments in subsidiary companies (Level 3) are valued in the Company's accounts at £65.8m (£56.6m at 30 June 2014 and £65.0m at 31 December 2014) being the Directors' estimate of their fair value, using the guidelines and methodologies on valuation published by the International Private Equity and Venture Capital Association. This includes ATS at £31.6m (£26.7m at 30 June 2014 and £31.6m at 31 December 2014), ATI at £24.3m (£12.8m at 30 June 2014 and £24.3m at 31 December 2014) and ATF £8.9m (£16.8m at 30 June 2014 and £8.9m at 31 December 2014). This represents the Directors' view of the amount for which the subsidiaries could be exchanged between knowledgeable willing parties in an arm's length transaction. This does not assume that the underlying business is saleable at the reporting date or that the Company currently has any intention to sell the subsidiary business in the future. The Directors have used several valuation methodologies as prescribed in the guidelines to arrive at their best estimate of fair value, including discounted cash flow calculations, revenue and earnings multiples and recent market transactions where available.

The following key assumptions are relevant to the fair valuation of our investment in our subsidiary companies, and are consistent with prior years. The multiples applied in valuing our subsidiaries are derived from comparable companies sourced from market data.

- ATS This is valued as a trading business. A discounted cash flow, revenue multiple and an earnings before interest tax depreciation and amortisation multiple approach have been adopted.
- ATI This is valued as a trading business. Given ATI has achieved positive net inflows for 3 years and its losses are reducing, since 31 December 2014 it has been valued as a trading business rather than a book of business. Both a discounted cashflow and revenue multiple valuation approach have been adopted.
- ATF This is valued using the value of cash held in this entity.

Mineral rights are carried at fair value and are valued in the Company's accounts at £33.1m (£16.6m at 30 June 2014, £29.9m at 31 December 2014) being the Directors' estimate of their fair value, using the guidelines and methodologies on valuation published by the Oklahoma Tax Commission and for non-producing properties, the Lierle US Price Report.

The table below details how an increase or decrease in the input variables would impact the valuation disclosed for the relevant Level 3 assets.

£000 Investment	Fair Value at June 15	Valuation Method	Unobservable inputs	Input	Input sensitivity +/-	Change in valuation +/-
Alliance Trust Savings	31,573	Average of discounted cash flow methodology and comparable trading multiples.	DCF Discount rate	15%	1%	1,000/(1,000)
			Revenue multiple	2.5	1	(4,500)/4,500
			EBITDA multiple	11.6	1	(900)/900
Alliance Trust Investments	24,269	Average of discounted cash flow methodology and comparable trading multiples.	DCF Discount rate	15%	1%	1,400/(1,400)
			Revenue multiple	2.6	1	(4,600)/4,600
Mineral rights	33,087	Oklahoma Tax Commission multiples and Lierle US Price report (for non producing properties)	Revenue multiple - gas	7	1	2,300/(2,300)
			Revenue multiple - oil	4	1	1,900/(1,900)
			Revenue multiple - products/condensate	4	1	1,400/(1,400)
			Average bonus multiple non producing	1.2	0.5	2,000/(2,000)

The change in valuation disclosed in the above table shows the direction an increase or decrease in the respective input variables would have on the valuation result. For ATS, an increase in the revenue and EBITDA multiple or a decrease in the discount rate would lead to an increase in the estimated value. For ATI, an increase in the revenue and a decrease in the discount rate would lead to an increase in the estimated value. For Mineral rights, an increase in the revenue multiple and average bonus multiple would lead to an increase in the estimated value.

Private equity investments, both fund-to-fund and direct included under Level 3, are valued in accordance with the International Private Equity and Venture Capital Valuation Guidelines issued in December 2012. Unlisted investments in private equity are stated at the valuation as determined by the Valuation Committee based on information provided by the General Partner. The General Partner's policy in valuing unlisted investments is to carry them at fair value. The General Partner will generally rely on the fund's investment manager's fair value at the last reported period, rolled forward for any cashflows. However if the General Partner does not feel the manager is reflecting a fair value they will select a valuation methodology that is most appropriate for the particular investments in that fund and generate a fair value. In those circumstances the General Partner believes the most appropriate methodologies to use to value the underlying investments in the portfolio are: Price of a recent investment, Multiples, Net assets, and Industry valuation benchmarks. An entity is not required to create quantitative information to comply with this disclosure requirement if quantitative unobservable inputs are not developed by the entity when measuring fair value (for example, when an entity uses prices from prior transactions or third-party pricing information without adjustment). Alliance Trust PLC receives information from the General Partner on the underlying investments which is subsequently reviewed by the Valuation Committee. Where Alliance Trust PLC does not feel that the valuation is appropriate, an adjustment will be made.

The Company's unsecured fixed rate loan notes are initially recognised at a carrying value equivalent to the proceeds received net of issue costs associated with the borrowings. After initial recognition, unsecured fixed rate loan notes are subsequently measured at amortised cost using the effective interest rate method. The effective rate of interest is 4.30%.

No interrelationships between unobservable inputs used in the above valuations of Level 3 investments have been identified.

11 Financial Commitments

As at 30 June 2015 the Group and Company had financial commitments, which have not been accrued, totalling £42m (£43m at 30 June 2014 and £49m at 31 December 2014). Of this amount £42m (£43m at 30 June 2014 and £49m at 31 December 2014) was in respect of uncalled subscriptions in investments structured as limited partnerships all of which relates to investments in our private equity portfolio. This is the maximum amount that the Company may be required to invest. These limited partnership commitments may be called at any time up to an agreed contractual date. The Company may choose not to fulfil individual commitments but may suffer a penalty should it do so, the terms of which vary between investments.

The Company has provided letters of comfort in connection with banking facilities made available to certain of its subsidiaries. The Company provided letters to ATS and ATI confirming ongoing support for at least 12 months from the date the annual financial statements were signed, to make sufficient funds available if needed to enable them to continue trading, meet commitments and not to seek repayment of any amounts outstanding.

On 25 March 2011 the Company granted a floating charge of up to £30m over its listed investments to the Trustees of the Alliance Trust Companies Pension Fund.

12 Share Based Payments

The Group operates two share based payment schemes. Full details of these schemes (LTIP and AESOP) are disclosed in the December 2014 annual report and financial statements and the basis of measuring fair value is consistent with that disclosed therein.

Long Term Incentive Plan ('LTIP')

In the period to 30 June 2015 participating employees applied a proportion of their annual cash bonuses for the period ended 31 December 2014 to purchase 98,006 (108,007 at 30 June 2014 and 31 December 2014) Company shares at a price of £5.10 (£4.55 at 30 June 2014 and 31 December 2014) per share. Matching awards of up to 317,880 (296,695 at 30 June 2014 and 31 December 2014) shares, and performance awards of up to 552,263 (705,417 at 30 June 2014 and 31 December 2014) shares were granted.

Matching awards and performance awards made during the period were valued at £558,253 (£498,000 at 30 June 2014 and at 31 December 2014) and £1,021,990 (£1,184,000 at 30 June 2014 and at 31 December 2014) respectively. The fair value of the awards was calculated using a binomial methodology.

The cumulative charge to the income statement during the period for the cost of all LTIP awards was £452,000 (£728,000 at 30 June 2014 and £793,000 at 31 December 2014) for the Group. An extraordinary award was made in December 2014 to purchase 37,796 shares of Alliance Trust PLC at a price of £4.63. This award was valued at £65,000. In accordance with IFRS 2 the costs of matching and performance awards for each plan are expensed over the three year performance period.

These costs are adjusted if certain vesting conditions are not met, for example if a participant leaves before the end of the three year vesting period.

13 Bank loans and unsecured fixed rate loan notes

£000	As at 30 June 2015	As at 30 June 2014	As at 31 Dec 2014
Bank loans repayable within one year	362,000	380,000	280,000
Analysis of borrowings by currency:			
Bank loans - Sterling	362,000	380,000	280,000
The weighted average % interest rates payable:			
Bank loans	1.39%	1.61%	1.49%
The Directors' estimate of the fair value of the borrowings:			
Bank loans	362,000	380,000	280,000

Unsecured fixed rate loan notes	100,000	-	100,000
---------------------------------	----------------	---	---------

The effective interest rates payable:

Unsecured fixed rate loan notes	4.30%	-%	4.30%
---------------------------------	--------------	----	-------

£100m of unsecured fixed loan notes were drawn down in July 2014, over 15 years at 4.28%. The fair value at 30 June 2015 was £107.0m (30 June 2014 £Nil and 31 December 2014 £110.2m).

The total weighted average % interest rates payable:	2.01%	1.61%	2.23%
-------------------------------------------------------------	--------------	-------	-------

14 Share Capital

£000	As at 30 June 2015	Restated As at 30 June 2014	As at 31 Dec 2014
Allotted, called up and fully paid: 552,334,146 (556,209,146 at 30 June 2014 and 553,359,146 at 31 December 2014) ordinary shares of 2.5p each	13,808	13,906	13,835

Share Buy Backs

£000	As at 30 June 2015	Restated As at 30 June 2014	As at 31 Dec 2014
Ordinary shares of 2.5p each			
Opening share capital	13,835	14,003	14,003
Share buy backs	(27)	(97)	(168)
Closing share capital	13,808	13,906	13,835

The Interim Report and Accounts will be available on the Company's website www.alliancetrust.co.uk later today.