

The Scottish Investment Trust PLC

**Interim Report
For the six months to
30 April 2006**

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Financial Summary

Summary of Results (unaudited) for the six months to 30 April 2006

		30 April 2006	31 October 2005*	% change
CAPITAL	Net asset value per ordinary unit with borrowings at market value	503.8p	421.1p	+19.6
	Net asset value per ordinary unit with borrowings at par	511.6p	428.1p	+19.5
	Market price per ordinary unit	460.0p	377.0p	+22.0
	Discount with borrowings at market value	8.7%	9.9%**	
	FTSE All-World Index™			+13.5
	FTSE All-Share Index™			+15.4
		£'000	£'000	
	Total assets less current liabilities	857,952	1,042,384	
	Borrowings at par	(107,191)	(147,972)	
	Equity stockholders' funds	750,761	894,412	
		Six months to		
		30 April 2006 £'000	30 April 2005 £'000	% change
INCOME	Total income	11,720	14,897	
	Earnings per ordinary unit	4.25p	5.34p	
	Interim dividend per ordinary unit	4.15p	4.05p	+2.5
	UK Retail Prices Index			+2.6

Distribution of Total Assets less Current Liabilities:

By Region

	30 April 2006 %	31 October 2005* %
UK	39.0	38.9
Europe (ex UK)	18.2	16.5
North America	21.3	23.1
Latin America	0.8	–
Japan	4.9	3.8
Asia Pacific (ex Japan)	9.0	7.1
Net current assets	6.8	10.6
	100.0	100.0

By Sector

	30 April 2006 %	31 October 2005* %
Oil & Gas	11.9	10.6
Basic Materials	2.2	2.1
Industrials	11.1	11.4
Consumer Goods	5.8	6.3
Health Care	7.7	8.8
Consumer Services	9.2	8.4
Telecommunications	1.8	3.2
Utilities	4.3	4.6
Financials	33.0	28.5
Technology	6.2	5.5
Net current assets	6.8	10.6
	100.0	100.0

* These figures have been restated, where applicable, in accordance with accounting changes referred to in the Chairman's Review and detailed in the Notes to the Financial Statements.

** The discount shown for 31 October 2005 is based on the NAV prior to restatement.

The Company

Company Data as at 30 April 2006

Total assets less current liabilities	Stockholders' funds (with borrowings at par)	Market capitalisation
£857,952,000	£750,761,000	£675,069,000

Objectives of The Scottish Investment Trust PLC (SIT)

- *To provide investors, over the longer term, with above average returns through a diversified portfolio of international equities and to achieve dividend growth ahead of UK inflation.*

Risk

SIT's portfolio is invested over a range of industries and is diversified on a geographical basis so that risk is spread. SIT has a long term policy of borrowing money to invest in equities in the expectation that this will improve returns but, should stockmarkets fall, such borrowings would magnify losses on these investments.

Management

The company is managed by its own employees led by the manager who is responsible to the directors for all aspects of the day to day management of the company.

Capital Structure

At 30 April 2006 the company had in issue 146,754,215 ordinary stock units and long term borrowings at par amounted to £107,191,000.

Management Expenses

The total expenses of managing the company's business during the last financial year were £3,973,000, equivalent to 0.53% of stockholders' funds at 30 April 2006. The company aims to keep this percentage low in comparison with competing investment products.

ISA/PEP

The ordinary units are fully eligible for both ISAs and PEPs. Details of the schemes run by the company are on page 8.

AITC

The company is a member of The Association of Investment Trust Companies.

Accounting changes

The company is required to comply, for the accounting period to 31 October 2006 with new UK Financial Reporting Standards which were introduced for accounting periods beginning on or after 1 January 2005 as part of the UK's convergence with International Reporting Standards. Prior year figures have been restated where applicable to reflect the new accounting treatment.

Chairman's Review

In the six months to 30 April 2006, the net asset value per ordinary stock unit (NAV) rose by 19.5% (with borrowings valued at par), ahead of the company's new principal comparator indices – the FTSE All-World IndexTM (+13.5%) and the UK FTSE All-Share IndexTM (+15.4%). At the AGM in January 2006, stockholders voted to dispense with the company's single benchmark index which, for the record, rose by 14.1%. Over the period, the company's stock price rose by 22.0% reflecting the increase in NAV and a slight narrowing of the discount.

Global equity markets rose strongly over the first half of the company's year stretching the equity market recovery from the lows of 2003 into a fourth year. Driven by a combination of strong growth in corporate profits, a vibrant world economy and low interest rates, global equity markets were able to advance steadily between November and March despite sustained high oil and commodity prices as well as rising US short term interest rates. The period witnessed considerable merger and acquisition activity reflecting the strength of corporate balance sheets and low funding costs. In general, the trends from the previous financial year continued, with medium-sized companies, industrials, resources and market-sensitive financial stocks leading the way. By region, emerging markets such as Latin America and Russia provided strong returns while among the developed markets, the main laggard was North America with good returns achieved by the other major regional stockmarkets.

Following on from the much improved performance since changes were made to the investment approach in early 2004, the NAV outperformance has continued into the current year. Viewed against the FTSE All-World IndexTM, the 6.0 percentage point NAV outperformance over this international comparator reflected a strong return from the listed portfolio. The principal contributors to the portfolio performance included energy companies Suncor (Canada) and BG Group (UK), Barclays (UK), housebuilder Persimmon (UK), German tyre and automotive parts specialist Continental and US technology company Nvidia. NAV performance also benefited from the tender offer in February, gearing into rising markets and ordinary stock repurchases. Equity gearing levels were increased modestly over the half year from 104.2% to 106.5%. The number of listed portfolio holdings has been maintained at 116 over the half year.

Since the introduction of the current investment approach in January 2004, the listed portfolio has performed strongly, rising 46.6% compared with the 34.6% increase in the FTSE All-World IndexTM and 40.6% in the FTSE All-Share IndexTM.

The period under review has been an eventful one for the company. As many stockholders will be aware, following the outcome of the EGM in January 2006, the company undertook a tender offer in February in order to provide any stockholders seeking an exit with an opportunity to sell some, or potentially all, of their stock back to the company. The terms of the tender provided that up to 40% of the company's stock would be repurchased at a 9% discount to the NAV with borrowings taken at par. In the event, only 27.75% of outstanding stock was tendered including the

entire 10.6% holding of the company's then largest stockholder. Consequently, the company repurchased 58.0m stock units at a tender price of 436.0834p per unit – a return of capital of £252.8m. The cash requirement for the tender was realised by a sale of listed equities carried out efficiently and at low cost by means of a portfolio programme trade.

The company's gearing potential was maintained at pre-tender levels by the subsequent repurchase of £42.0m nominal of the company's 5.75% secured bonds due 2030 at a margin of 0.25% over gilt yields and a total cost of £51.8m.

Stockholders also voted in favour of the introduction of a stock buyback scheme intended to maintain a stock price discount to NAV of 9% or less in normal market conditions (taking borrowings at market value). Under this authority, over the first half of the year the company repurchased for cancellation 4.184m stock units (2.77% of the 14.99% authority) at an average discount of 9.4% and a cost of £18.9m inclusive of dealing expenses. The estimated average daily discount since the introduction of the scheme was 9.2%. Stock repurchases, including those resulting from the tender offer, provided a contribution to the NAV return of 2.3% over the period net of all related costs including the debt repayment premium.

Post-tender, some 65% of the company's stock is in the hands of private investors and private client managers. Despite the return of capital, the company remains cost-competitive with an expense ratio which is considerably lower than the average of all investment trusts.

The accounts for the interim period feature a number of accounting changes including those required by the convergence of UK accounting standards with International Accounting Standards which, taken together, lowered the reported NAV return for the period by 0.7%. These are described in the notes to the financial statements.

As I advised in my last chairman's statement in the 2005 annual report, the board decided to lower the proportion of interest and expenses charged to capital from two-thirds to one half with effect from this year. As I indicated, this has had the effect of lowering the revenue return this year but it is not expected to inhibit the company's dividend policy. The board has declared an interim dividend of 4.15p, an increase of 2.5% on 2005, which is payable on 14 July 2006.



Douglas McDougall

26 May 2006

Income Statement (unaudited)

	Six months to 30 April 2006			Six months to 30 April 2005*			Year to 31 October 2005*		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Net gains on investments and currencies	–	152,248	152,248	–	30,671	30,671	–	157,649	157,649
Income	11,720	–	11,720	14,897	–	14,897	29,374	–	29,374
Expenses	(1,294)	(899)	(2,193)	(872)	(1,052)	(1,924)	(1,802)	(2,171)	(3,973)
Net Return before Finance Costs and Taxation	10,426	151,349	161,775	14,025	29,619	43,644	27,572	155,478	183,050
Premium on repayment of debentures	–	(9,908)	(9,908)	–	–	–	–	–	–
Interest payable	(1,992)	(1,992)	(3,984)	(1,461)	(2,921)	(4,382)	(2,962)	(5,924)	(8,886)
Return on Ordinary Activities before Tax	8,434	139,449	147,883	12,564	26,698	39,262	24,610	149,554	174,164
Tax on ordinary activities	(727)	392	(335)	(1,416)	805	(611)	(4,022)	1,936	(2,086)
Return attributable to Equity Stockholders	7,707	139,841	147,548	11,148	27,503	38,651	20,588	151,490	172,078
Return per Ordinary Unit	4.25p	77.08p	81.33p	5.34p	13.16p	18.50p	9.85p	72.52p	82.37p
Weighted average number of Ordinary Units in issue		181,420,683			208,910,518			208,910,518	
Dividend per ordinary unit	4.15p			4.05p			8.40p		
Income comprises:	2006			2005			2005		
	£'000			£'000			£'000		
Dividends	9,439			12,386			24,583		
Interest	2,281			2,511			4,988		
Other	–			–			(197)		
	11,720			14,897			29,374		

Summary Balance Sheet (unaudited)

	30 April 2006 £'000	31 October 2005*	30 April 2005*
	£'000	£'000	£'000
Equity investments	799,582	931,694	806,959
Net current assets	58,370	110,690	99,668
Total assets less current liabilities	857,952	1,042,384	906,627
Borrowings at par	(107,191)	(147,972)	(147,887)
Equity stockholders' funds	750,761	894,412	758,740
Net asset value per ordinary unit with borrowings at par	511.6p	428.1p	363.2p

* These figures have been restated, where applicable, in accordance with accounting changes referred to in the Chairman's Review and detailed in the Notes to the Financial Statements.

Statement of Changes in Equity (unaudited)

	Six months to 30 April 2006 £	Six months to 30 April 2005* £	Year to 31 October 2005* £
Opening equity stockholders' funds	894,412	740,011	740,011
Return attributable to stockholders	139,841	27,503	172,078
Ordinary stock repurchased	(274,405)	–	–
Dividends on ordinary stock	(9,087)	(8,774)	(17,235)
Pension costs	–	–	(442)
Closing equity stockholders' funds	750,761	758,740	894,412

Cash Flow Statement (unaudited)

	Six months to 30 April 2006 £'000	Six months to 30 April 2005 £'000	Year to 31 October 2005 £'000
Net cash inflow from operating activities	6,957	8,459	23,361
Premium or repayment of debenture stocks	(8,778)	(1,116)	(1,116)
Interest paid	(3,957)	(4,407)	(8,766)
Taxation recovered	134	90	1,029
Purchases of investments	(115,306)	(200,705)	(394,955)
Disposals of investments	397,959	208,845	408,927
Decrease/(increase) in short term deposits	44,000	6,500	(8,000)
Repayment of debenture stocks	(41,985)	–	–
Share buybacks	(274,405)	–	–
Equity dividends paid	(9,087)	(8,774)	(17,235)
(Decrease)/increase in cash	(4,468)	8,892	3,245

* These figures have been restated, where applicable, in accordance with accounting changes referred to in the Chairman's Review and detailed in the Notes to the Financial Statements.

Notes:

The interim accounts have been prepared under accounting policies consistent with those used in the preparation of the annual report and accounts for the year to 31 October 2005 with the exception of the following:

(1) In accordance with Financial Reporting Standard 26 'Financial Instruments: Measurement' investments have been designated as at fair value through profit or loss. The profit and loss account is the 'Total' column of the Income Statement. This results in a move from a mid to a bid basis of valuation and a reduction in valuation of investments and unrealised capital reserves at 31 October 2005 of £1,083,000 (30 April 2005 – £1,788,000).

(2) In accordance with FRS 21 'Events after the Balance Sheet Date', dividends paid after the period end are no longer treated as a liability at the balance sheet date but are now recognised in the period in which they are paid. This results in a reduction in creditors and an increase in revenue reserves at 31 October 2005 of £9,087,000. Dividends are no longer charged through the Income Statement. Dividends paid during the reporting period are included in the Statement of Changes in Equity.

(3) In accordance with FRS 17 'Retirement Benefits' the company is required to disclose in its financial statements the cost of providing retirement benefits and the related gains, losses, assets and liabilities. This results in an increase in creditors of £2,594,000, a reduction in capital reserve of £2,673,000 and an increase in revenue reserve of £79,000 at 31 October 2005.

The figures for 31 October 2005 have been extracted from the annual report and accounts for the year ended on that date, restated where applicable, which have been filed with the Registrar of Companies and which contain an unqualified report from the auditors.

Based on the number of ordinary stock units in issue at 30 April 2006, the interim dividend would absorb £6,090,000 (2005 – £8,461,000) and is payable on 14 July 2006 to stockholders registered at 9 June 2006. The ordinary stock will be traded 'ex' the interim dividend from 7 June 2006 and investors purchasing on or after that date will not be entitled to the interim dividend for 2005/6.

Equity stockholders' funds at 30 April 2006 exclude all revenue items for the current financial year.

Equity investments include the unlisted portfolio of £38.4m. Of this £8.5m is in listed funds which invest in unlisted securities.

The weighted average number of ordinary units during the half-year was 181,420,683 (2005 – 208,910,518) and this figure has been used to calculate the return per ordinary unit in the Income Statement. The net asset value per ordinary unit at 30 April 2006 has been calculated using the number of ordinary units in issue on that date which was 146,754,215 (31 October 2005 – 208,910,518).

Changes in Asset Distribution

Six months to 30 April 2006

	Opening Valuation* £m	Net Purchases (Sales) £m	Appreciation (Depreciation) £m	Closing Valuation £m
UK	377.7	(131.5)	64.4	310.6
Europe (ex UK)	171.9	(49.9)	34.4	156.4
North America	228.3	(82.6)	22.9	168.6
Latin America	–	5.6	0.9	6.5
Japan	40.2	(5.2)	7.3	42.3
Asia Pacific (ex Japan)	74.0	(13.9)	16.7	76.8
Unlisted portfolio	39.6	(7.2)	6.0	38.4 ¹
Total equities	931.7	(284.7)	152.6	799.6
Net current assets	110.7	(52.0)	(0.3)	58.4
Total assets less current liabilities	1,042.4	(336.7)	152.3	858.0
Borrowings	(148.0)	40.9	(0.1)	(107.2)
Stockholders' funds	894.4	(295.8) ²	152.2	750.8

¹ Includes £8.5 million of investments which are now listed.

² Stock buybacks, tender offer expenses, interest and expenses apportioned to capital and final dividend payment.

*These figures have been restated, where applicable, in accordance with accounting changes referred to in the Chairman's Review and detailed in the Notes to the Financial Statements.

Performance Attribution Analysis

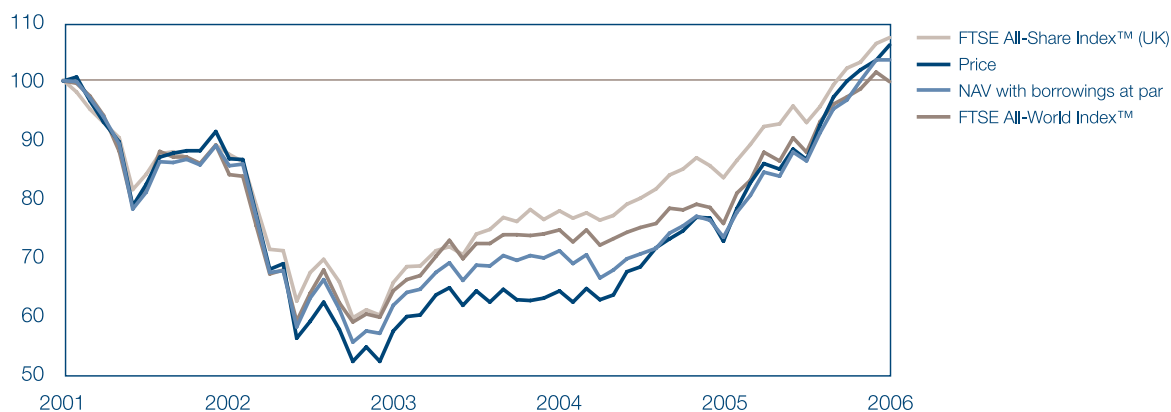
Six months to 30 April 2006

	%
Increase in NAV	+19.5
Increase in FTSE All-World Index™	+13.5
Relative performance	+6.0
Equity portfolio performance	+4.6
Gearing	+0.4
Buybacks	+0.3
Interest and expenses charged to capital	–0.3
Final dividend payment	–1.0
Tender uplift contribution	+2.0
Relative performance	+6.0

Performance

NAV, Stock Price, All-World Index and All-Share Index

5 years to 30 April 2006



List of Investments

Listed Holdings

Holding	Country	£'000
Barclays	UK	24,725
Suncor Energy	Canada	17,186
BG Group	UK	15,552
ConocoPhillips	USA	14,110
ScottishPower	UK	13,144
Total	France	12,882
BP	UK	12,858
Lloyds TSB	UK	11,948
Continental	Germany	11,183
Royal Bank of Scotland	UK	10,867
HSBC Holdings	UK	10,766
Serco	UK	10,304
BNP Paribas	France	9,871
Rio Tinto	UK	9,608
Bank of America	USA	9,518
AstraZeneca	UK	9,462
Todco	USA	9,220
BHP Billiton	UK	9,135
Persimmon	UK	9,027
Lehman Brothers	USA	8,893
Legal & General	UK	8,783
Hon Hai Precision Industry	Taiwan	8,659
Moody's	USA	8,312
Petrochina	Hong Kong	8,295
BT	UK	8,172
Samsung Electronics	Korea	8,112
HG Capital Trust	UK	8,094
Allianz	Germany	8,027
AXA	France	7,889
GlaxoSmithKline	UK	7,826
Informa	UK	7,736
Indymac Bancorp	USA	7,683
Hartford Financial Services	USA	7,664
Yamada Denki	Japan	7,642
Vodafone	UK	7,548
E.On	Germany	7,429
Deutsche Bank	Germany	7,251
Unicredito Italiano	Italy	7,168
Tesco	UK	7,040
Tod's	Italy	7,025
Vivendi	France	7,019
Toyota Motor	Japan	6,975
Wolseley	UK	6,829
UK Balanced Property Trust	UK	6,808
Marks & Spencer	UK	6,804
Rinker	Australia	6,668
GN Store Nord	Denmark	6,630
Petrobras	Brazil	6,461
Ingersoll-Rand	USA	6,432
Schroder Japan Alpha Plus	Japan	6,407
SAP	Germany	6,365
Norfolk Southern	USA	6,362
Meggitt	UK	6,270
Novartis	Switzerland	6,207
Johnson & Johnson	USA	6,078
Close Brothers	UK	6,050
Australia and New Zealand Banking	Australia	6,037
Danske Bank	Denmark	5,993
Swire Pacific	Hong Kong	5,851
UBS	Switzerland	5,718
Société Générale	France	5,707
Sage	UK	5,695
Kookmin Bank	Korea	5,612
Lowe's Companies	USA	5,604
Aviva	UK	5,578
Keppel Corporation	Singapore	5,409
Anglo Irish Bank	Ireland	5,336
Wesco International	USA	5,326

Listed Holdings

Holding	Country	£'000
HCC Insurance Holdings	USA	5,282
Daito Trust Construction	Japan	5,242
Nvidia	USA	5,220
CSL	Australia	5,201
Vinci	France	5,176
Taiwan Semiconductor Manufacturing	Taiwan	5,167
Daikin Industries	Japan	5,164
Encana	Canada	5,100
Imperial Tobacco	UK	5,080
Fresenius Medical Care	Germany	5,072
Rofin-Sinar Technologies	Germany	4,958
Amgen	USA	4,953
GUS	UK	4,907
AWG	UK	4,843
Swift Transportation	USA	4,737
Zimmer Holdings	USA	4,725
Scottish & Newcastle	UK	4,596
DBS Group	Singapore	4,433
National Grid	UK	4,416
United Business Media	UK	4,392
Throgmorton Trust	UK	4,339
Esprit Holdings	Hong Kong	4,248
First Group	UK	4,244
Wimpey (George)	UK	4,131
Insight Foundation Property Trust	UK	3,976
Spectris	UK	3,850
Roche Holding	Switzerland	3,840
JPMF Japanese Smaller Companies	Japan	3,821
Cisco Systems	USA	3,760
ING Groep	Netherlands	3,728
Whitbread	UK	3,685
British Energy	UK	3,666
EMC	USA	3,665
Aiful	Japan	3,631
Atlas Copco	Sweden	3,518
United Utilities	UK	3,504
Endo Pharmaceuticals	USA	3,476
Suzuki Motor	Japan	3,469
Qualcomm	USA	3,441
Standard Life Inv Property Inc Trust	UK	3,394
Adobe Systems	USA	3,350
MyTravel	UK	3,221
Fletcher Building	New Zealand	3,134
Henderson	UK	3,127
Laureate Education	USA	3,004
Carnival	USA	2,750
PepsiCo	USA	2,704
Gyrus	UK	2,698
Numico	Netherlands	2,393
Others (under £1.0m)		369
		<hr/>
		769,645

Unlisted Holdings

Holding	Country	£'000
Boston Ventures VI	USA	7,245
Apax Europe V	UK	6,729
Aberforth LP 1B	UK	6,112
Boston Ventures V	USA	2,635
Sprout Capital VII	USA	1,373
Heritable Property & Loans	UK	1,232
Sprout Capital VIII	USA	1,148
Others (under £1.0m)		3,463
		<hr/>
		29,937

Investor Information

The Scottish Investment Trust PLC (SIT) aims to provide both capital growth through active management of the fund and steady growth in dividend income through its portfolio of holdings which is diversified by geography and industrial sector. SIT has a fully integrated global approach, focusing on 'bottom up' stock selection, seeking to identify some of the most promising equity investment opportunities from around the world. SIT's approach has generated real long-term growth in both capital and income.

How to invest

You can buy SIT stock using the simple, low cost investment products outlined below. SIT stock can also be bought directly on the stockmarket through a stockbroker or a bank, lawyer, accountant or other professional adviser.

STOCKPLAN

This investment trust savings scheme is one of the lowest charging available. Its flexibility allows minimum regular investments from only £25 per month and/or lump sum investments from £250, there is no maximum investment limit and you can stop and start at any time.

STOCKPLAN: A Flying Start

SIT's investing for children plan is based on the STOCKPLAN scheme and has the same low charges and flexible investment options. It can be opened in one of two ways either as a designated plan or, more formally, as a bare trust.

The SIT ISA

One of the most competitively priced ISAs on offer. Other than stamp duty and dealing spread, there are no initial, exit or withdrawal plan charges. The ISA annual management fee is 0.6% capped at £30 + VAT regardless of how much your ISA investment grows or how many years ISA allowances you invest with SIT.

The SIT PEP

This also has one of the lowest charging structures around. The annual fee is only £30 + VAT, again regardless of the number of SIT PEPs held or the value of the investment.

Tax issues

Investment in PEPs and ISAs continues to be free from any capital gains tax. Higher rate tax payers do not have to pay any additional tax on the dividend, nor does it need to be included in a tax return.

Change of STOCKPLAN / STOCKPLAN: A Flying Start administrator

The transfer of the administration of the STOCKPLAN / STOCKPLAN: A Flying Start schemes from Bank of New York Europe to Halifax Share Dealing Limited (HSDL) took place in early June. Following on from this, we are pleased to be able to introduce significant additional facilities such as online access and telephone dealing for STOCKPLAN investors. Full details will be sent when available.

For any queries with regard to the transfer please contact HSDL on 0845 850 0181.

SIT schemes' contact/helpline number

There is now one telephone number for the administration of all of the SIT schemes. This is the HSDL number which should be used for holders of our STOCKPLAN, STOCKPLAN: A Flying Start, PEP or ISA schemes for:

- account queries,
- requests for valuations,
- information about your scheme,
- giving change of address details,
- help with accessing STOCKPLAN, PEP and ISA information on line.

The number is:

0845 850 0181.

SIT website

SIT's website, www.sit.co.uk, provides a wealth of detail about the company. Investors looking for product information and downloads of the product brochures will find everything they need in the 'Private Investors' section of the site. For investors looking for performance data there are links on the home page which take users through to the latest share price information from the London Stock Exchange, as well as to the daily and monthly performance data held on the site. Further data can be found in the 'Figures' section. The 'Company' section provides general background on SIT and information particularly for certificated stockholders. The latest news and press releases are highlighted on the home page with full details in the 'News' section.

We are always pleased to receive any feedback on the website. Comments and suggestions can be sent to heather@sit.co.uk or via the 'Contact Us' form on the website.

Electronic communications

If you are a name on register stockholder in your own right (ie not in one of our schemes nor in a broker's nominee) you may choose to receive our interim and annual reports and other stockholder communications electronically instead of in paper form. All you need to do to register is to visit the link on our website at www.sit.co.uk and provide your email details. You will then be advised by email when an electronic communication is available to be accessed.

Electronic voting

Name on register stockholders in their own right (ie not in one of our schemes nor in a broker's nominee) are able to submit proxy votes electronically for our AGM. Details will be sent to investors with their annual report.

Please remember that we are unable to offer individual investment or taxation advice. If you require such advice, you should consult your professional adviser. SIT Savings Limited is authorised and regulated by the Financial Services Authority (FSA).

Risk warning

The capital value of stock units and the income from them can go down as well as up as a result of market and currency fluctuations and cannot be guaranteed. Past performance will not necessarily be repeated and is no guide to, or guarantee of, future returns. An investor may not get back the amount originally invested. The Scottish Investment Trust PLC has a long-term policy of borrowing money to invest in equities in the expectation that this will improve returns for stockholders. However, if markets fall, these borrowings will magnify any losses. Investment in SIT should be regarded as a long-term investment. Taxation levels, bases and reliefs are subject to change and may depend on individual circumstances.

Useful Addresses

For further information and brochures of any SIT products please visit our website: www.sit.co.uk or contact:

SIT Investor Relations

SIT Savings Limited
Freepost EH882
Edinburgh EH2 0BR
Brochure request line:
0800 42 44 22
Fax: 0131 226 3663
Email: heather@sit.co.uk

Registered Office

6 Albyn Place
Edinburgh
EH2 4NL
Registered No: SCO 01651
Telephone: 0131 225 7781
Fax: 0131 226 3663

For valuations and other details of your investment or to notify a change of address, please contact the relevant administrator.

Registrar

Computershare Investor Services PLC
PO Box 82
The Pavilions
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Association of Investment Trust Companies

SIT is a member of the Association of Investment Trust Companies (AITC) which publishes a number of useful free booklets and explanatory leaflets for investors interested in investment trusts. The AITC also regularly holds a number of investor roadshows throughout the country. Their address is:

AITC
9th Floor
24 Chiswell Street
London EC1Y 4YY
Telephone: 020 7282 5555
Website: www.aitc.co.uk