



Murray
International
Trust PLC



Income and capital growth from investing
predominantly in equities worldwide

Interim Report
30 June 2002

Interim Report

Objective

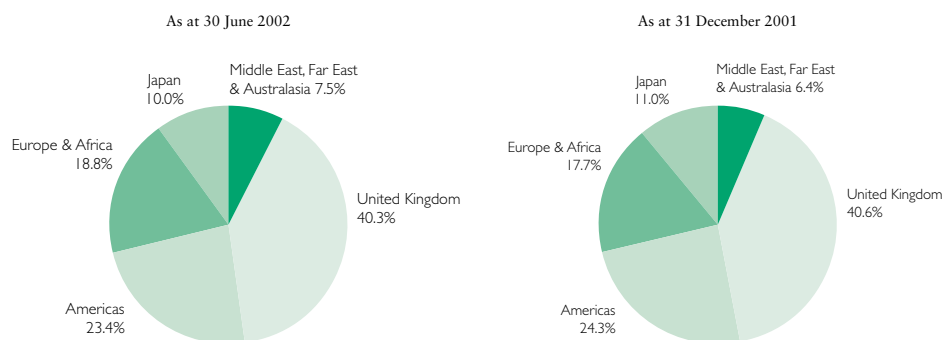
The primary aim of Murray International Trust PLC is to achieve a total return greater than its benchmark by investing predominantly in equities worldwide. Within this objective the Manager will seek to increase the Company's revenues in order to maintain an above average dividend yield.

Key Facts

	30 June 2002	30 June 2001	31 December 2001
Total assets less current liabilities*	£478,942,000	£602,291,000	£525,340,000
Equity Shareholders' interest*	£372,282,000	£474,885,000	£419,479,000
Cost of share buybacks	£6,004,000	£71,222,000	£77,021,000
Net Asset Value per Ordinary and B Ordinary share	422.3p	521.6p	468.1p
Price of Ordinary Share	348.5p	456.0p	403.0p
Price of B Ordinary Share	392.5p	470.5p	445.0p
Discount to NAV on Ordinary shares	17.5%	13.1%	13.9%

* These figures include the effect of the share buy-backs

Total Equity Distribution



Note: The percentage distributions by country as shown on page 5 have been restated in the above pie charts to total 100%.

Share Capital as at 30 June 2002

Ordinary shares of 25p each	87,025,984
B Ordinary shares of 25p each	1,136,666

Investment Review

For the six months ended 30 June 2002

Background

Since the start of the year, apart from a brief rally in March, global stockmarkets led by the USA have been in a steady decline which accelerated in May and June as the effects of numerous profits warnings were compounded by a loss of confidence in the quality of reported profits in the US in particular. Other factors acting to depress market sentiment include the situation in the Middle East and more recently some question marks over the pace of growth in the US economy which has been widely expected to lead the global economy back onto a growth path. Market returns accordingly were negative and were quite significantly impacted by movements in major currencies as the dollar deteriorated but both the yen and the Euro appreciated against the pound. In sterling terms the North American markets returned -17.4%, the UK -9.2%, Europe -7.1% and Japan recorded a positive return of +3.3%. On a sectoral basis the technology, media and telecommunications sectors continued to suffer whilst both the pharmaceutical and insurance sectors also fared relatively badly. At the other end of the spectrum positive returns were seen in basic industries and resources (substantially dominated by the oil and gas sector) as well as the cyclical consumer areas of automobiles and household goods.

Performance

Performance was favourable during the period.

The Net Asset Value Total Return, with net income re-invested, for the six months to 30 June 2002 was -7.9% compared with a return of -11.4% on the composite benchmark (40% of the FTSE World-UK and 60% of the FTSE World-ex UK indices).

Asset allocation was very favourable for the portfolio with a substantially underweight position in the US stock market and overweight positions in the Japanese, European and Pacific – ex Japan markets – with the only blemish being an overweight position in the Latin American markets of Brazil and Mexico. Stock selection overall was also favourable with a strong relative performance from the European portfolio, whilst both the Japanese and Asian portfolios also outperformed their benchmark indices. In general, stock selection benefited from an overweighting of the more defensive areas, and especially oil and gas, and from an underweighting of the more technology and media oriented sectors.

During the half year the Company bought back 1,407,000 Ordinary Shares and 79,947 B Ordinary Shares respectively for cancellation at an average price of 398.48p and this contributed 0.24% to Net Asset Value as at 30 June 2002.

Activity

In terms of asset allocation the main portfolio change was to reduce the fund's substantial overweighting of the Japanese market after a period of significant strength relative to world markets but the portfolio still retains a weighting of 10% in Japan versus a benchmark weight of 5.6%. Elsewhere activity was concentrated on ensuring, wherever possible, stocks held conformed to strict solvency ratio criteria.

Investment Review

Dividends

For the current year the Board has already declared that three interim dividends of 3.45p per share be paid on 16 August and 15 November 2002 and 17 February 2003. The Board believes that, given the conservative nature of the equity portfolio and the high quality characteristics of the fixed interest portfolio, the revenue stream of your Company is relatively strong. The outlook for next year is clouded by the current trend of dividend reductions, particularly in the financial and insurance sectors. However, the Board intends to recommend a maintained final dividend of 5.95p in respect of the year ended 31 December 2002, payable in May 2003.

Outlook

The recent sharp fall in equity markets has been somewhat at odds with published economic data and the outlook indicated by most leading measures of consumer and business confidence, with the clear implication that either one or the other is substantially misaligned. With global economic forecasts so reliant on a lead from the US economy it will be crucial to monitor the path of final demand, particularly of the consumer, in the USA. With evidence still of overcapacity and therefore a likely ongoing need to reduce debt, both at the corporate and the household level, there is a risk of some disappointment.

The best indicator may well be the progress of the US dollar. A controlled and gradual decline, albeit necessitating some adjustment to current consensus GDP forecasts, would be the optimal outcome, whilst a more precipitate fall would be of concern.

America's very clear intention to eliminate weapons of mass destruction, where these are believed to be held by hostile or unstable regimes, is likely to ensure continued uncertainties in the Middle East. Thus, notwithstanding the sector's significant outperformance of the global indices, the Manager intends to retain an overweight position in the energy sector.

In the meantime the Manager believes that the balance of probabilities favours an underweighting of the US stock market and an overweighting of the Japanese and Asian markets. In a post-bubble environment it remains important to retain a clear emphasis on sound balance sheets, strict solvency criteria and relative security of earnings.

1 August 2002

By order of the Board
Aberdeen Asset Management PLC
Secretary

Summary of Investment Changes during the period

For the six months ended 30 June 2002

	Valuation		Transactions	Appreciation (depreciation)	Valuation	
	31 December				30 June	
	2001	%			2002	%
	£'000	%	£'000	£'000	£'000	%
Equities						
United Kingdom	171,728	32.7	(1,935)	(19,913)	149,880	31.3
Americas	103,640	19.7	4,227	(20,804)	87,063	18.2
Europe & Africa	74,413	14.2	(3,061)	(1,338)	70,014	14.6
Japan	46,432	8.8	(10,741)	1,547	37,238	7.8
Middle East, Far East & Australasia	25,966	4.9	(2,018)	3,781	27,729	5.8
	422,179	80.3	(13,528)	(36,727)	371,924	77.7
Fixed income						
United Kingdom	68,091	13.0	(1,089)	(1,795)	65,207	13.6
Europe & Africa	43,438	8.3	(4,837)	2,949	41,550	8.6
	111,529	21.3	(5,926)	1,154	106,757	22.2
Other net assets	(8,368)	(1.6)	11,964	(3,335)	261	0.1
Total Assets	525,340	100.0	(7,490)	(38,908)	478,942	100.0

Summary of Net Assets

As at 30 June 2002

	Valuation	
	30 June 2002	%
	£000	%
Equities	371,924	99.9
Fixed Income	106,757	28.7
Other Net Assets	261	0.1
Borrowings and prior capital	(106,660)	(28.7)
Equity Shareholders' interest	372,282	100.0

Twenty Largest Investments

As at 30 June 2002

Investment	Investment Area	Valuation £'000	% of Total Assets
John Menzies 8.58% Cum Red Pref	UK	20,652	4.3
BP Amoco	UK	18,420	3.8
GlaxoSmithKline	UK	11,344	2.4
S&P Index Future September 2002	USA	10,880	2.3
Lloyds TSB Group	UK	9,312	1.9
Vodafone Group	UK	9,000	1.9
*Royal Bank of Scotland Group	UK	8,519	1.8
Shell Transport & Trading	UK	7,955	1.7
Atrium Underwriting	UK	7,215	1.5
*HSBC Holdings	UK	7,168	1.5
*Abbey National	UK	5,711	1.2
AstraZeneca	UK	5,432	1.1
Petrobras ADR	Brazil	4,566	1.0
Diageo	UK	3,841	0.8
Barclays	UK	3,643	0.8
Citigroup	USA	3,508	0.7
Kookmin Bank	South Korea	3,474	0.7
AIG Sunamerica 5.375% 7/12/2009	UK	3,413	0.7
Microsoft	USA	3,327	0.7
BT Group	UK	3,276	0.7
		150,656	31.5

* Holding comprises equity and fixed income securities

Statement of Total Return (unaudited)

(Incorporating the Revenue Account of the Company)

For the six months ended 30 June 2002

	Six months to 30 June 2002			Six months to 30 June 2001			Year ended 31 December 2001		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Losses on sales	–	(23,586)	(23,586)	–	(15,570)	(15,570)	–	(31,838)	(31,838)
Unrealised losses	–	(30,032)	(30,032)	–	(40,173)	(40,173)	–	(71,560)	(71,560)
Losses on investments	–	(53,618)	(53,618)	–	(55,743)	(55,743)	–	(103,398)	(103,398)
Income									
Income from investments	10,343	–	10,343	10,520	–	10,520	18,027	–	18,027
Other income	50	–	50	154	–	154	274	–	274
Management fees	(540)	(1,260)	(1,800)	(696)	(1,623)	(2,319)	(1,376)	(3,211)	(4,587)
Currency gains (losses)	–	(4,424)	(4,424)	–	5,588	5,588	–	6,426	6,426
Other expenses	(574)	–	(574)	(722)	–	(722)	(1,344)	–	(1,344)
Net return before finance costs and taxation	9,279	(59,302)	(50,023)	9,256	(51,778)	(42,522)	15,581	(100,183)	(84,602)
Finance costs of borrowing	(555)	(1,296)	(1,851)	(747)	(1,742)	(2,489)	(1,404)	(3,276)	(4,680)
Return on ordinary activities before tax	8,724	(60,598)	(51,874)	8,509	(53,520)	(45,011)	14,177	(103,459)	(89,282)
Tax on ordinary activities	(1,377)	860	(517)	(1,125)	746	(379)	(1,914)	1,372	(542)
Return attributable to equity shareholders	7,347	(59,738)	(52,391)	7,384	(52,774)	(45,390)	12,263	(102,087)	(89,824)
Ordinary dividends on equity shares	(8,944)	–	(8,944)	(9,666)	–	(9,666)	(14,839)	–	(14,839)
Transfer from reserves	(1,597)	(59,738)	(61,335)	(2,282)	(52,774)	(55,056)	(2,576)	(102,087)	(104,663)
Return per ordinary share (pence)	8.4	(68.2)	(59.8)	8.1	(58.1)	(50.0)	13.6	(113.6)	(100.0)
Return per ordinary share assuming full conversion of the B ordinary shares (pence)	8.3	(67.3)	(59.0)	8.0	(57.3)	(49.3)	13.5	(112.1)	(98.6)

The revenue column of this statement is the profit and loss account of the company.

The results for the year to 31 December 2001 are abridged from the full accounts for that year, which received an unqualified report from the auditors and have been filed with the Registrar of Companies.

Balance Sheet (unaudited)

As at 30 June 2002

	30 June 2002	30 June 2001	31 December 2001
	£'000	£'000	£'000
Fixed assets			
Investments	478,681	597,055	533,708
Current assets			
Debtors	3,555	5,919	4,823
Cash and short term deposits	19,302	10,590	1,374
	22,857	16,509	6,197
Creditors			
Amounts falling due within one year	22,596	11,273	14,565
Net current assets (liabilities)	261	5,236	(8,368)
Total assets less current liabilities	478,942	602,291	525,340
Creditors			
Amounts falling due after more than one year	106,660	127,406	105,861
	372,282	474,885	419,479
Capital and reserves			
Equity shareholders interest:			
Ordinary called up share capital	22,041	22,760	22,402
Share premium account	23	23	23
Capital redemption reserve	8,066	7,335	7,694
Capital reserve – realised	342,684	404,868	378,404
Capital reserve – unrealised	(30,032)	8,507	(20,141)
Revenue reserve	29,500	31,392	31,097
	372,282	474,885	419,479
Net asset value per ordinary and 'B' ordinary share (pence)	422.3	521.6	468.1

Cash Flow Statement

For the six months ended 30 June 2002

	Six months to 30 June 2002	Six months to 30 June 2001	Year ended 31 December 2001
	£'000	£'000	£'000
Operating activities			
Investment income received	10,392	10,219	18,438
Deposit interest received	43	138	227
Underwriting commission received	10	–	–
Investment management fees paid	(1,267)	(1,584)	(4,365)
Secretarial fees paid	(33)	(33)	(92)
Cash paid to and on behalf of directors	(26)	(33)	(62)
Other cash payments	(80)	(332)	(885)
Net cash inflow from operating activities	9,039	8,375	13,261
Returns on investment and servicing of finance			
Interest paid	(1,828)	(2,608)	(4,713)
Net cash outflow from returns on investment and servicing of finance	(1,828)	(2,608)	(4,713)
Financial investment			
Purchase of investments	(48,996)	(229,221)	(331,680)
Sale of investments	81,441	297,048	415,371
Forward contracts	(3,869)	(6,398)	–
Net cash inflow from financial investment	28,576	61,429	83,691
Equity dividends paid	(8,311)	(8,593)	(14,750)
Net cash inflow before use of liquid resources and financing	27,476	58,603	68,941
Financing			
Loans repaid	(53,000)	(10,000)	(146,110)
Loans received	50,000	22,000	144,110
Repurchase of ordinary shares	(6,548)	(71,221)	(77,021)
Net cash outflow from financing	(9,548)	(59,221)	(79,021)
Increase/(decrease) in cash	17,928	(618)	(10,080)

Corporate Information

Directors	The Rt Hon Viscount Younger of Leckie, KT KCVO TD DL (Chairman) D H Benson Sir Raymond Johnstone, CBE A C Shedden J F H Trott
Secretary	Aberdeen Asset Management PLC One Albyn Place Aberdeen AB10 1BY
Manager	Aberdeen Asset Managers Limited 123 St Vincent Street Glasgow G2 5EA Tel: 0141 306 7400
Registrar	Capita IRG Plc Balfour House 390/398 High Road Ilford Essex IG1 1NQ Tel: 020 8639 2000
Custodian Bankers	JP Morgan Chase Bank
Auditors	Ernst & Young LLP
Solicitors	McGrigor Donald
Stockbroker	UBS Warburg Old Mutual Securities
Registered Office	123 St Vincent Street Glasgow G2 5EA Registered in Scotland – Company Number 6705
Trustee of the Debenture Stockholders	The Governor and Company of the Bank of Scotland



Aberdeen

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Regulated by the FSA

Member of the Aberdeen Asset Management Group of Companies