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Edinburgh UK Tracker Trust plc

Interim Report
for the 6 months ended 30 June 2007



Objective

To invest in a portfolio designed to track closely the FTSE All-Share Index, in terms of both capital and income.

Financial Summary

	30 June 2007	31 December 2006	% change
Capital return			
Net asset value	311.24p	294.06p	5.8
FTSE All-Share Index	3,404.14	3,221.42	5.7
Share price	286.50p	277.50p	3.2
Total return			
Net asset value	–	–	7.7
FTSE All-Share Index	–	–	7.6
Share price	–	–	5.1
Return per share	22.17p	15.23p*	
Capital return	17.34p	10.84p*	
Revenue return	4.83p	4.39p*	
Interim dividend per share	2.85p	2.60p*	

* For the six months ended 30 June 2006

Chairman's Statement

The Company continues to meet its objective of tracking closely the performance of the FTSE All-Share Index. The net asset value per share rose by 5.8% in the six months ended 30 June 2007 to 311.24p and this compares with an increase in the index of 5.7%. The Directors have increased the interim dividend by 9.6% to 2.85p per share (2006: 2.60p per share) for the year to 31 December 2007. The interim dividend will be payable on 31 August 2007 to shareholders on the register on 10 August 2007.

The Company's share price rose by 3.2% to 286.50p which represented a discount of 7.9% to the net asset value per share (including undistributed revenue for the period) of 311.24p. The discount at 31 December 2006 was 5.6%.

The strategy employed to track the FTSE All-Share Index is full replication of the FTSE 350 Index. This means that the Company holds all of the 352 stocks that make up this index which represented 96.6% of the value of the FTSE All-Share Index at 30 June 2007. The remaining 3.4% of the FTSE All-Share Index covers smaller companies and this area is represented in the Company's portfolio by an equity linked unsecured loan stock, which tracks the FTSE SmallCap (ex Investment Companies) Index, and the largest stocks within the FTSE SmallCap Index. At 30 June 2007, the total portfolio consisted of 452 stocks compared to 688 constituents in the FTSE All-Share Index.

The level of activity within the portfolio was relatively low once again and reflected changes to the constituents of the index. These changes were mainly the result of corporate activity both from overseas buyers and private equity investors. The companies subject to take-over bids in the period included Corus, Gallaher, Scottish Power, Wilson Bowden, Crest Nicholson and Alliance Boots. These transactions led to Galliford Try, Game Group, Candover Investments, Detica, Wincanton, and Axon being added to the FTSE 350 Index. At the quarterly review of the indices in March, the only new stock added to the index was Bluebay Asset Management and, at the review of the indices in June, the additions to the index were Sports Direct International, Xchanging, Domestic & General and ITE Group.

Your Board was encouraged by the continued support for the Company as expressed by the vote for continuation at the Annual General Meeting in April. Of the 20.1 million shares voted by proxy (36.4% of the issued share capital), 99.98% were cast in favour.

On 5 June 2007, your Board announced that it was in discussions with Tribune UK Tracker with a view to merging the two companies. The merger will be subject to the approval of the shareholders of both companies with an expected completion date before the end of September 2007. The merger would provide a significant opportunity for the Company to create a larger investment trust to track the performance of the FTSE All-Share Index with a lower total expense ratio and improved secondary market for its shares. There would be no changes to the operational management arrangements for the Company. The investment management agreement however will be transferred under a novation agreement from Edinburgh Fund Managers plc, a wholly-owned subsidiary of Aberdeen Asset Management PLC, to Aberdeen Asset Managers Ltd, also a wholly-owned subsidiary of Aberdeen Asset Management PLC. A revised management fee would be applicable following approval of the merger scheme by shareholders whereby a management fee of 0.25% per annum will be payable on total assets up to £100 million, reducing to 0.10% per annum on assets in excess of £100 million with a further reduction to 0.09% per annum on assets in excess of £250 million.

Under the terms of the merger, assuming that it proceeds, it is the intention of the Directors prior to the implementation of the merger to declare a second interim dividend. This will represent as nearly as practicable the net income of the Company for the period from 1 January 2007 to the calculation date not previously distributed. The second interim dividend will be announced in early September.

27 July 2007

T M Ross
Chairman

Twenty Largest Holdings

As at 30 June 2007

Company	Market value £'000	Sector
BP	9,974	Oil & Gas Producers
HSBC	9,216	Banks
Vodafone	7,603	Mobile Telecommunications
GlaxoSmithKline	6,468	Pharmaceuticals & Biotechnology
Royal Dutch Shell 'A'	6,440	Oil & Gas Producers
Royal Bank of Scotland	5,182	Banks
Royal Dutch Shell 'B'	4,955	Oil & Gas Producers
Barclays	3,875	Banks
Anglo American	3,761	Mining
AstraZeneca	3,541	Pharmaceuticals & Biotechnology
Rio Tinto	3,358	Mining
HBOS	3,221	Banks
Gartmore Growth Opportunities Inv Trust*	3,158	Equity Investment Instruments
Tribune UK Tracker	3,098	Equity Investment Instruments
Tesco	2,865	Food & Drug Retailers
BHP Billiton	2,817	Mining
Lloyds TSB	2,694	Banks
Diageo	2,427	Beverages
BG Group	2,411	Oil & Gas Producers
BT Group	2,387	Fixed Line Telecommunications
Twenty largest investments	89,451	representing 52.2% of total assets less current liabilities
Other investments (432 investments)	78,031	representing 45.5% of total assets less current liabilities
Total value of investments	167,482	representing 97.7% of total assets less current liabilities
Net current assets	3,986	representing 2.3% of total assets less current liabilities
Total assets less current liabilities	171,468	representing 100.0% of total assets less current liabilities

* All investments are equity holdings, with the exception of the holding in Gartmore Growth Opportunities Inv Trust, which is in Equity Index Loan Stock.

Analysis of Investment Portfolio

As at 30 June 2007

	% of portfolio	FTSE All-Share Index (%)
FTSE 350 stocks	96.6	96.6
Small Cap stocks	3.4	3.4
Total	100.0	100.0

Income Statement

	Six months ended 30 June 2007 (unaudited)		
	Revenue £'000	Capital £'000	Total £'000
Gains on investments	–	9,578	9,578
Income from investments	2,944	–	2,944
Interest on AAA rated money market funds	73	–	73
Interest receivable	9	–	9
Investment management fee	(188)	–	(188)
Administrative expenses	(151)	–	(151)
Return on ordinary activities before taxation	2,687	9,578	12,265
Taxation	(18)	–	(18)
Return on ordinary activities after taxation	2,669	9,578	12,247
Return per Ordinary share (pence)	4.83	17.34	22.17

The total column of this statement represents the profit and loss account of the Company.

A Statement of Total Recognised Gains and Losses has not been prepared as all gains and losses are recognised in the Income Statement.

All revenue and capital items in the above statement derive from continuing operations.

No operations were acquired or discontinued in the period.

Dividends (£'000)	2,789	–	2,789
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Six months ended 30 June 2006 (unaudited)			Year ended 31 December 2006 (audited)		
Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
–	6,218	6,218	–	18,480	18,480
2,815	–	2,815	4,849	–	4,849
62	–	62	118	–	118
7	–	7	16	–	16
(180)	–	(180)	(362)	–	(362)
(165)	–	(165)	(249)	–	(249)
2,539	6,218	8,757	4,372	18,480	22,852
(17)	–	(17)	(34)	–	(34)
2,522	6,218	8,740	4,338	18,480	22,818
4.39	10.84	15.23	7.66	32.63	40.29
2,367	–	2,367	3,811	–	3,811

Balance Sheet

	As at 30 June 2007 (unaudited) £'000	As at 30 June 2006 (unaudited) £'000	As at 31 December 2006 (audited) £'000
Non-current assets			
Investments at fair value through profit or loss	167,482	150,354	159,037
Current assets			
Debtors and prepayments	1,761	763	650
AAA rated money market funds	2,300	2,150	2,650
Cash and short term deposits	244	220	234
	4,305	3,133	3,534
Creditors: amounts falling due within one year	(319)	(486)	(152)
Net current assets	3,986	2,647	3,382
Net assets	171,468	153,001	162,419
Capital and reserves			
Called-up share capital	5,509	5,643	5,523
Capital redemption reserve	582	448	568
Share premium account	69,173	69,173	69,173
Capital reserve – realised	19,608	19,084	17,555
Capital reserve – unrealised	73,187	55,496	66,071
Revenue reserve	3,409	3,157	3,529
Equity Shareholders' funds	171,468	153,001	162,419
Net asset value per share (pence):	311.24	271.15	294.06
Net asset value per share (excluding revenue reserves) (pence):	305.05	265.56	287.67

Reconciliation of Movements in Shareholders' Funds

Six months ended 30 June 2007 (unaudited)

	Share capital £'000	Capital redemption reserve £'000	Share premium account £'000	Capital reserve – realised £'000	Capital reserve – unrealised £'000	Revenue reserve £'000	Total £'000
Balance at 31 December 2006	5,523	568	69,173	17,555	66,071	3,529	162,419
Return on ordinary activities after taxation	–	–	–	2,462	7,116	2,669	12,247
Dividends paid (see note 2)	–	–	–	–	–	(2,789)	(2,789)
Purchase of own shares for cancellation	(14)	14	–	(409)	–	–	(409)
Balance at 30 June 2007	5,509	582	69,173	19,608	73,187	3,409	171,468

Six months ended 30 June 2006 (unaudited)

	Share capital £'000	Capital redemption reserve £'000	Share premium account £'000	Capital reserve – realised £'000	Capital reserve – unrealised £'000	Revenue reserve £'000	Total £'000
Balance at 31 December 2005	5,790	301	69,173	20,461	51,709	3,002	150,436
Return on ordinary activities after taxation	–	–	–	2,431	3,787	2,522	8,740
Dividends paid (see note 2)	–	–	–	–	–	(2,367)	(2,367)
Purchase of own shares for cancellation	(147)	147	–	(3,808)	–	–	(3,808)
Balance at 30 June 2006	5,643	448	69,173	19,084	55,496	3,157	153,001

Year ended 31 December 2006 (audited)

	Share capital £'000	Capital redemption reserve £'000	Share premium account £'000	Capital reserve – realised £'000	Capital reserve – unrealised £'000	Revenue reserve £'000	Total £'000
Balance at 31 December 2005	5,790	301	69,173	20,461	51,709	3,002	150,436
Return on ordinary activities after taxation	–	–	–	4,118	14,362	4,338	22,818
Dividends paid (see note 2)	–	–	–	–	–	(3,811)	(3,811)
Purchase of own shares for cancellation	(267)	267	–	(7,024)	–	–	(7,024)
Balance at 31 December 2006	5,523	568	69,173	17,555	66,071	3,529	162,419

Cash Flow Statement

	Six months ended 30 June 2007 (unaudited) £'000	Six months ended 30 June 2006 (unaudited) £'000	Year ended 31 December 2006 (audited) £'000
Return on ordinary activities before taxation	12,265	8,757	22,852
<i>Adjustments for:</i>			
Realised gains on investments	(2,462)	(2,431)	(4,118)
Unrealised gains on investments	(7,116)	(3,787)	(14,362)
Increase in accrued income	(229)	(280)	(49)
Increase in other debtors	(4)	–	–
Increase/(decrease) in creditors	6	39	(3)
Net cash inflow from operating activities	2,460	2,298	4,320
Taxation			
Net overseas tax paid	(14)	(29)	(57)
Financial investment			
Purchases of investments	(3,014)	(2,268)	(4,949)
Sales of investments	3,426	5,590	11,451
Net cash inflow from financial investment	412	3,322	6,502
Equity dividends paid	(2,789)	(2,367)	(3,811)
Net sales of AAA rated money market funds	350	650	150
Net cash inflow before financing	419	3,874	7,104
Financing			
Buy back of Ordinary shares	(409)	(3,808)	(7,024)
Increase in cash	10	66	80
Analysis of changes in cash during the period			
Opening balance	234	154	154
Increase in cash as above	10	66	80
Closing balance	244	220	234

Notes to the Accounts

1. Accounting policies

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified to include the revaluation of investments and in accordance with applicable UK Accounting Standards and with the Statement of Recommended Practice for 'Financial Statements of Investment Trust Companies' (issued in 2003 and revised in December 2005). They have also been prepared on the assumption that approval as an investment trust will continue to be granted.

The financial statements and the net asset value per share figures have been prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP).

The interim financial statements have been prepared using the same accounting policies applied for the year ended 31 December 2006.

(b) Dividends payable

Interim and final dividends are recognised in the period in which they are paid.

	Six months ended 30 June 2007 £'000	Six months ended 30 June 2006 £'000	Year ended 31 December 2006 £'000
2. Dividends			
Interim dividend	–	–	1,458
Final dividend for 2006 of 5.05p (2005 – 4.10p) paid on 25 April 2007	2,789	2,367	2,361
Unclaimed dividends written back	–	–	(8)
	2,789	2,367	3,811

An interim dividend of 2.85p (2006 – 2.60p) will be paid on 31 August 2007 (2006 – 31 August 2006) to Shareholders on the register at 10 August 2007. The ex-dividend date is 8 August 2007. In accordance with UK GAAP this is not recognised in these financial statements.

	Six months ended 30 June 2007 £'000	Six months ended 30 June 2006 £'000	Year ended 31 December 2006 £'000
3. Return per Ordinary share			
The return per Ordinary share is based on the following figures:			
Revenue return	2,669	2,522	4,338
Capital return	9,578	6,218	18,480
Total return	12,247	8,740	22,818
Weighted average number of Ordinary shares in issue	55,225,628	57,383,815	56,632,959
Revenue return per Ordinary share	4.83p	4.39p	7.66p
Capital return per Ordinary share	17.34p	10.84p	32.63p
Return per Ordinary share	22.17p	15.23p	40.29p

4. Transaction costs

During the six months ended 30 June 2007, expenses were incurred in acquiring or disposing of investments classified as fair value through profit or loss. These have been expensed through capital and are included within gains on investments in the Income Statement. The total costs were as follows:

	Six months ended 30 June 2007 £'000	Six months ended 30 June 2006 £'000	Year ended 31 December 2006 £'000
Purchases	16	14	23
Sales	1	2	3
	17	16	26

5. Net asset value per equity share

The net assets attributable to the Ordinary shares were as follows:

	As at 30 June 2007	As at 30 June 2006	As at 31 December 2006
Net assets attributable	£171,468,000	£153,001,000	£162,419,000
Number of Ordinary shares in issue	55,091,517	56,426,290	55,232,472
Net asset value per share	311.24p	271.15p	294.06p

6. The financial information for the six months ended 30 June 2007 and 30 June 2006 comprises non-statutory accounts within the meaning of Section 240 of the Companies Act 1985. The financial information for the year ended 31 December 2006 has been extracted from published accounts that have been delivered to the Registrar of Companies and on which the report of the auditors was unqualified and did not contain a statement under either Section 237(2) or 237(3) of the Companies Act 1985. The interim accounts have been prepared on the same basis as the preceding annual accounts.

Information for Investors

Aberdeen's Investment Trust Share Plan

Aberdeen Asset Managers Limited ("Aberdeen") runs a Share Plan (the "Plan") which covers a number of investment companies under its management including Edinburgh UK Tracker Trust plc. All investments are free of dealing charges on the initial purchase of shares, although investors will suffer the bid-offer spread, which can, on some occasions, be a significant amount. Lump sum investments start at £250 per trust, while regular savers may invest from £100 per month. Investors simply pay Government Stamp Duty (currently 0.5%) on entry. Selling costs are £10 + VAT. There is no restriction on how long an investor need invest in the Plan, and regular savers can stop or suspend participation by instructing Aberdeen in writing at any time. In common with other schemes of this type, all investments are held in nominee accounts. Investors have full voting and other rights of share ownership.

Aberdeen's Investment Trust Individual Savings Account

The Aberdeen Investment Trust ISA (the "ISA") has been available from 6 April 1999. It aims to generate income and/or capital growth within a tax efficient environment. Investors can hold up to two components within an ISA: stocks and shares (including Investment Trusts) and cash. Aberdeen offers both a Mini and Maxi stocks and shares ISA but does not offer the cash component.

Maxi ISA

The Maxi ISA offers a wide range of Aberdeen-managed or advised Investment Companies. The Maxi ISA does not have a cash component. An investment of up to £7,000 can be made in the tax year 2007/2008.

Mini ISA

Aberdeen offers a Mini ISA which will enable investors to invest up to £4,000 in Edinburgh UK Tracker Trust plc in the tax year 2007/2008. There are no brokerage or initial charges for the ISA, although investors will suffer the bid-offer spread, which can be a significant amount. Investors only pay Government Stamp Duty (currently 0.5%) on purchases. Selling costs are £15 + VAT. The annual ISA management charge is £24 + VAT, calculated monthly and deducted

from income half yearly. Under current legislation, trusts can grow free of income or capital gains tax. In the case of dividends from equity assets held within an ISA or a PEP, a 10% tax credit was reclaimed until 5 April 2004, when the tax credit was abolished.

Aberdeen's Investment Plan for Children

Aberdeen also offers an Investment Plan for Children (the "Children's Plan") which covers a number of investment companies under its management including Edinburgh UK Tracker Trust plc. Anyone can invest in the Children's Plan, including parents, grandparents and family friends. All investments are free of dealing charges on the initial purchase of shares, although investors will suffer the bid/offer spread, which can, on some occasions, be a significant amount. Lump sum investments start at £150 per trust, while regular savers may invest from £30 per month. Investors simply pay Government Stamp Duty (currently 0.5%) on entry. Selling costs are £10 + VAT. There is no restriction on how long an investor need invest in a Children's Plan, and regular savers can stop or suspend participation by instructing Aberdeen in writing at any time. In common with other schemes of this type, all investments are held in nominee accounts.

PEP Transfer

PEPs are an easy way to make medium and long term tax efficient investments in stock markets. All income and capital gains are free of tax. Since 5 April 1999 no further subscriptions can be made into a PEP. You can however, transfer existing PEPs to Aberdeen. The minimum lump sum for a PEP transfer is £1,000 and is subject to a minimum per trust of £250.

Investment Trust Pension

The Investment Trust Pension allows you to include Edinburgh UK Tracker Trust plc in your retirement planning. Contributions can be made monthly, yearly or by lump sums and there are low minimum Investment amounts.

Trust Information

If investors would like details of Edinburgh UK Tracker Trust plc, or information on the Share Plan, ISA, Children's Plan or PEP transfers please telephone 0500 00 00 40 or write to Aberdeen

Information for Investors – continued

Investment Trusts, Block C, Western House,
Lynchwood Business Park, Peterborough PE2 6BP
or e-mail at inv.trusts@aberdeen-asset.com.

Keeping you informed

Edinburgh UK Tracker Trust's share price appears daily in the Financial Times, Daily Telegraph and the Times.

For internet users, detailed data on Edinburgh UK Tracker Trust plc, including price and performance information, is available on the Company's website (www.edinburghuktracker.co.uk) and the TrustNet website (www.trustnet.co.uk).

Contact us:

Literature request: **0500 00 40 00**
Share Plan/ ISA/PEP admin: **0500 00 00 40**
Pension admin: **0800 13 70 79**
or email: **inv.trusts@aberdeen-asset.com**

Please remember that past performance is not necessarily a guide to the future. Stock market movements may cause the value of shares and the income from them to fall as well as rise and investors may not get back the amount they originally invested.

Lloyds TSB Registrars also have a website (www.shareview.co.uk) which includes a page entitled 'Shareholder Services', which gives Shareholders an insight into their shareholding. The website also has information about how to register a change of name and what to do if you have lost your share certificate.

The above information has been approved for the purposes of Section 21 of the Financial Services and Markets Act 2000 by Aberdeen Asset Managers Limited which is authorised and regulated by the Financial Services Authority.

Corporate Summary

Directors

T M Ross, Chairman
D P Hager
D C Mathewson
D L Tucker

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www.edinburghuktracker.co.uk

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