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Edinburgh UK Tracker Trust plc

Interim Report
for the 6 months ended 30 June 2006



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 2006	31 December 2005	% change
Capital return			
Net asset value	271.15p	259.81p	4.4
FTSE All-Share Index	2,967.58	2,847.02	4.2
Share price	254.75p	240.00p	6.1
Total return			
Net asset value	–	–	5.9
FTSE All-Share Index	–	–	6.1
Share price	–	–	7.8
Return per share	15.23p	16.85p*	
Capital return	10.84p	13.04p*	
Revenue return	4.39p	3.81p*	
Interim dividend per share	2.60p	2.40p*	8.3

*For the six months ended 30 June 2005

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 4.4% in the six months ended 30 June 2006 to 271.15p and this compares with an increase in the index of 4.2%. The Directors have increased the interim dividend by 8.3% to 2.60p per share (2005: 2.40p per share) for the year to 31 December 2006. The interim dividend will be payable on 31 August 2006 to shareholders on the register on 11 August 2006.

The Company's share price rose by 6.1% to 254.75p which represented a discount of 6.0% to the net asset value per share (including undistributed revenue for the period) of 271.15p. The discount at 31 December 2005 was 7.6%. In order to assist in managing the discount, the Company bought back 1,475,140 ordinary shares for cancellation during the period at a cost of £3.8million.

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 350 companies that make up this index which represented 96.7% of the value of the FTSE All-Share Index at 30 June 2006. The remaining 3.3% 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 2006, the total portfolio consisted of 449 stocks compared to 687 constituents in the FTSE All-Share Index.

The level of activity within the portfolio was relatively low once again and reflected both changes to the constituents of the index and the sale of investments to finance the purchase of the Company's own shares. The changes to the constituents of the index, in the main, were the result of corporate activity. The companies

subject to take-over bids in the period included Westbury, O2, Reg Vardy, P&O, Body Shop, Pilkington, Second Alliance Trust, Cambridge Antibody Technology and BAA. These transactions led to Whatman, Wincanton, Headlam, Rightmove, SThree, Photo-Me International, Big Yellow and Speedy Hire being added to the FTSE 350 Index. At the quarterly review of the indices in March, the new stocks added to the index included Drax, JXX Oil & Gas and Dexion Absolute. At the review of the indices in June, the additions to the index were Debenhams, Qinetiq, Wolfson Microelectronics, Britvic and Paypoint.

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 19.5 million shares voted by proxy (34.0% of the issued share capital), 99.9% were cast in favour.

The UK economy continues to grow at a healthy pace with the consumer benefiting from resurgence in the property market and the industrial sector gaining from the revival in European economies. Inflation is running slightly ahead of the Bank of England's target of 2% and tighter monetary policy is increasingly likely with interest rates expected to rise by 0.25% in the weeks ahead. The UK equity market rose steadily through the first quarter of the year but these gains and more were given up in the sharp falls in global equity markets experienced in May and early June. Concerns over higher inflation and a weaker US dollar were the main factors in pushing equity markets lower although these issues abated towards the end of the period as investors took some comfort from remarks made by the US Federal Reserve suggesting that the period of rising US interest rates may be coming to an end. This recent increase in volatility in global equity markets may continue given the current uncertainties over the outlook for inflation and interest rates.

T M Ross
Chairman

18 July 2006

Twenty Largest Holdings

As at 30 June 2006

Company	Market value £'000	Sector
BP	10,708	Oil & Gas Producers
HSBC	9,209	Banks
GlaxoSmithKline	7,429	Pharmaceuticals & Biotechnology
Vodafone	5,928	Mobile Telecommunications
Royal Dutch Shell 'A'	5,913	Oil & Gas Producers
Royal Bank of Scotland	4,756	Banks
Royal Dutch Shell 'B'	4,414	Oil & Gas Producers
AstraZeneca	4,337	Pharmaceuticals & Biotechnology
Barclays	3,355	Banks
Tribune UK Tracker	3,094	Investment Companies
HBOS	3,043	Banks
Anglo American	2,773	Mining
Gartmore Growth Opportunities*	2,588	Investment Companies
Rio Tinto	2,566	Mining
Lloyds TSB	2,495	Banks
Tesco	2,211	Food & Drug Retailers
Diageo	2,187	Beverages
BHP Billiton	2,185	Mining
BG Group	2,159	Oil & Gas Producers
British American Tobacco	1,810	Tobacco
Twenty largest investments	83,160	representing 54.4% of net assets
Other investments (429 investments)	67,194	representing 43.9% of net assets
Total value of investments	150,354	representing 98.3% of net assets
Net current assets	2,647	representing 1.7% of net assets
Total assets less current liabilities	153,001	representing 100.0% of net assets

* Equity Index Loan Stock

Analysis of Investment Portfolio

As at 30 June 2006

	% of portfolio	FTSE All-Share Index (%)
FTSE 350 stocks	96.7	96.7
Small Cap stocks	3.3	3.3
Total	100.0	100.0

Income Statement

	Six months ended 30 June 2006 (unaudited)		
	Revenue £'000	Capital £'000	Total £'000
Gains on investments	–	6,218	6,218
Income from investments	2,815	–	2,815
Interest on AAA rated money market funds	62	–	62
Interest receivable	7	–	7
Investment management fee	(180)	–	(180)
Administrative expenses	(165)	–	(165)
Return on ordinary activities before taxation	2,539	6,218	8,757
Taxation	(17)	–	(17)
Return on ordinary activities after taxation	2,522	6,218	8,740
Return per Ordinary share (pence)	4.39	10.84	15.23
Dividends (£'000)	2,367	–	2,367

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

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

No operations were acquired or discontinued in the year.

The Company has no recognised gains or losses other than those recognised in the income statement above.

The accompanying notes are an integral part of the financial statements

Six months ended 30 June 2005 (unaudited)			Year ended 31 December 2005 (audited)		
Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
–	7,802	7,802	–	22,415	22,415
2,536	–	2,536	4,614	–	4,614
55	–	55	–	–	–
5	–	5	–	–	–
(168)	–	(168)	(342)	–	(342)
(147)	–	(147)	(299)	–	(299)
2,281	7,802	10,083	3,973	22,415	26,388
(1)	–	(1)	(16)	–	(16)
2,280	7,802	10,082	3,957	22,415	26,372
3.81	13.04	16.85	6.72	38.07	44.79
2,115	–	2,115	3,500	–	3,500

Balance Sheet

	30 June 2006 (unaudited) £'000	30 June 2005 (unaudited) £'000	31 December 2005 (audited) £'000
Fixed assets			
Investments at fair value through profit or loss	150,354	131,881	147,105
Current assets			
Debtors	763	2,902	532
AAA rated money market funds	2,150	1,900	2,800
Cash and short term deposits	220	–	154
	3,133	4,802	3,486
Creditors: Amounts falling due within one year	(486)	(292)	(155)
Net current assets	2,647	4,510	3,331
Net assets	153,001	136,391	150,436
Capital and reserves			
Called-up share capital	5,643	5,828	5,790
Capital redemption reserve	448	263	301
Share premium account	69,173	69,173	69,173
Capital reserve – realised	19,084	18,974	20,461
Capital reserve – unrealised	55,496	39,443	51,709
Revenue reserve	3,157	2,710	3,002
Equity Shareholders' funds	153,001	136,391	150,436
Net asset value per share (pence):	271.15	234.03	259.81
Net asset value per share (excluding revenue reserves) (pence):	265.56	229.38	254.63

Reconciliation of Movements in Shareholders' Funds

Six months ended 30 June 2006

	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

Six months ended 30 June 2005

	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 2004	6,049	42	69,173	21,514	33,786	2,545	133,109
Return on ordinary activities after taxation	–	–	–	2,145	5,657	2,280	10,082
Dividends paid (see note 2)	–	–	–	–	–	(2,115)	(2,115)
Purchase of own shares for cancellation	(221)	221	–	(4,685)	–	–	(4,685)
Balance at 30 June 2005	5,828	263	69,173	18,974	39,443	2,710	136,391

Year ended 31 December 2005

	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 2004	6,049	42	69,173	21,514	33,786	2,545	133,109
Return on ordinary activities after taxation	–	–	–	4,492	17,923	3,957	26,372
Dividends paid (see note 2)	–	–	–	–	–	(3,500)	(3,500)
Purchase of own shares for cancellation	(259)	259	–	(5,545)	–	–	(5,545)
Balance at 31 December 2005	5,790	301	69,173	20,461	51,709	3,002	150,436

Cash Flow Statement

	Six months ended 30 June 2006 (unaudited) £'000	Six months ended 30 June 2005 (unaudited) £'000	Year ended 31 December 2005 (audited) £'000
Return on ordinary activities before taxation	8,757	10,083	26,388
Adjustments for:			
Realised gains on investments	(2,431)	(2,145)	(4,492)
Unrealised gains on investments	(3,787)	(5,657)	(17,923)
(Increase) in accrued income	(280)	(201)	(7)
(Increase) in other debtors	–	(6)	(2)
Increase in creditors	39	4	33
Net cash inflow from operating activities	2,298	2,078	3,997
Taxation			
Net overseas tax paid	(29)	(1)	(26)
Financial investment			
Purchases of investments	(2,268)	(776)	(8,528)
Sales of investments	5,590	4,939	14,107
Net cash inflow from financial investment	3,322	4,163	5,579
Equity dividends paid	(2,367)	(2,115)	(3,500)
Net sales/(purchases) of AAA rated money market funds	650	450	(450)
Net cash inflow before financing	3,874	4,575	5,600
Financing			
Buy back of Ordinary shares	(3,808)	(4,685)	(5,545)
Increase/(decrease) in cash	66	(110)	55
Analysis of changes in cash during the period			
Opening balance	154	99	99
Increase/(decrease) in cash as above	66	(110)	55
Closing balance	220	(11)	154

Notes to the Accounts

1. Accounting policies

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

For the accounting period beginning on or after 1 January 2006, the Company had the option to prepare its financial statements in accordance with International Financial Reporting Standards ('IFRS'), as adopted by the International Accounting Standards Board ('IASB'). The Board has elected to continue to adopt UK Generally Accepted Accounting Principles ('UK GAAP') and therefore comply with the new Financial Reporting Standards issued as part of the programme to converge UK GAAP with IFRS.

The same accounting policies used for the year ended 31 December 2005 have been applied.

	6 months ended 30 June 2006 £'000	6 months ended 30 June 2005 £'000	Year ended 31 December 2005 £'000
2. Dividends			
Interim dividend	–	–	1,392
Final dividend of 4.1p (2004 – 3.5p) paid on 25 April 2006	2,367	2,115	2,115
Unclaimed dividends written back	–	–	(7)
	2,367	2,115	3,500

An interim dividend of 2.6p (2005 – 2.4p) will be paid on 31 August 2006 (2005 – 31 August 2005).

	6 months ended 30 June 2006 £'000	6 months ended 30 June 2005 £'000	Year ended 31 December 2005 £'000
3. Return per Ordinary share			
The return per Ordinary share is based on the following figures:			
Revenue return	2,522	2,280	3,957
Capital return	6,218	7,802	22,415
Total return	8,740	10,082	26,372

Weighted average number of Ordinary shares in issue

57,383,815	59,809,601	58,882,194
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Revenue return per Ordinary share	4.39p	3.81p	6.72p
Capital return per Ordinary share	10.84p	13.04p	38.07p
Return per Ordinary share	15.23p	16.85p	44.79p

Notes to the Financial Statements – continued

4. Transaction costs

During the six months ended 30 June 2006, 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 2006 £'000	Six months ended 30 June 2005 £'000	Year ended 31 December 2005 £'000
Purchases	14	5	25
Sales	2	2	4
	16	7	29

5. Net asset value per equity share	As at 30 June 2006	As at 30 June 2005	As at 31 December 2005
The net assets attributable to the Ordinary shares were as follows:			
Net assets attributable	£153,001,000	£136,391,000	£150,436,000
Number of Ordinary shares	56,426,290	58,279,430	57,901,430
Net asset value per share	271.15p	234.03p	259.81p

6. The financial information for the year ended 31 December 2005 has been extracted from the Annual Report and Accounts of the Company which have been filed with the Registrar of Companies. The auditor's report on those accounts was unqualified.

The income statement and the balance sheet do not represent full accounts in accordance with Section 240 of the Companies Act 1985.

Information for Investors

Aberdeen ("AAM") Investment Trust Share Plan

AAM runs a Share Plan (the "Plan") through which shares in Edinburgh UK Tracker Trust can be purchased. There are no 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, 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.

AAM offers both a Mini and Maxi stocks and shares ISA, through which shares in Edinburgh UK Tracker Trust can be purchased.

Maxi ISA

An investment of up to £7,000 in Edinburgh UK Tracker Trust can be made in the tax year 2006/2007.

Mini ISA

AAM offers a Mini ISA which will enable investors to invest up to £4,000 in the tax year 2006/2007.

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, investments in ISAs can grow free of capital gains tax.

PEP Transfer

PEPs are an easy way to make medium and long term tax efficient investments in the stock markets. All 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 AAM. 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 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 or information on the Share Plan or ISA please telephone 0500 00 00 40 or write to Aberdeen Investment Trusts, Block C, Western House, Lynchwood Business Park, Peterborough PE2 6BP or e-mail at inv.trusts@aberdeen-asset.com. Details are also available on www.invtrusts.co.uk

Keeping you Informed

The Company's share price appears under the heading 'Investment Trusts' in the Financial Times, and other national newspapers.

For internet users, detailed data on Edinburgh UK Tracker Trust, including price, performance information and a monthly fact sheet is available from the Trust's website (www.edinburghuktracker.co.uk), the manager's website (www.invtrusts.co.uk) and the TrustNet website (www.trustnet.co.uk). Alternatively you can call 0500 00 00 40 for trust information.

Contact us:

Brochure request – 0500 00 40 00
Share Plan/ISA/PEP admin – 0500 00 00 40
Pension admin – 0800 137 079

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 has been approved for the purposes of Section 21 of the Financial Services and Markets Act 2000 by Edinburgh Fund Managers plc. Edinburgh Fund Managers is a member of the Aberdeen Asset Management Group and is authorised and regulated by the Financial Services Authority.

Corporate Summary

Directors

T M Ross, Chairman

D C Mathewson

J C Platt

D L Tucker

Company Website

www.edinburghuktracker.co.uk

Manager and Secretary

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