



Murray
Income
Trust PLC

1	2615	2615	2610	2610
80	2130	2200	2090	2200
00	22900	22900	22000	22000
80	2150	2165	2045	2045
2	2	2	2	2
00	1850	1830	1820	1820

A high and growing income combined with capital growth
through investment in a portfolio of UK equities

Interim Report
31 December 2003

Objective

The Company aims to achieve a high and growing income combined with capital growth through investment in a portfolio of UK equities.

Key Facts

As at 31 December 2003

	31 December 2003	31 December 2002	30 June 2003
Total assets*	£381,417,000	£339,617,000	£339,529,000
Equity Shareholders' interests	£341,417,000	£299,617,000	£304,529,000
Net Asset Value per Ordinary share	486.3p	426.8p	433.8p
Share price of Ordinary shares	441.0p	387.0p	416.0p
Discount to Net Asset Value on Ordinary shares	9.3%	9.3%	4.1%

	6 Months to 31 December 2003	6 Months to 31 December 2002	Year to 30 June 2003
Performance			
Net Asset Value total return per Ordinary share	14.3%	(19.7)%	(15.9)%
Share price total return per Ordinary share	8.2%	(19.8)%	(8.9)%
FTSE 350 Higher Yield Index	14.2%	(16.2)%	(11.2)%

*Represents total assets less current liabilities, excluding short-term loans of £30,000,000 (31 December 2002 - £10,000,000; 30 June 2003 - £30,000,000).

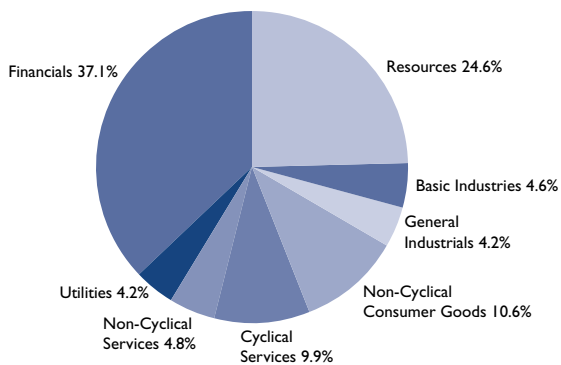
Financial Calendar

25 February 2004	Announcement of Interim Results
March 2004	Interim report posted to Shareholders
5 April 2004	Second interim dividend payable
16 July 2004	Third interim dividend payable
September 2004	Announcement of results for the year ending 30 June 2004
September 2004	Annual Report posted to Shareholders
October 2004	Annual General Meeting
October 2004	Final dividend payable for the year ended 30 June 2004

Total Equity Distribution

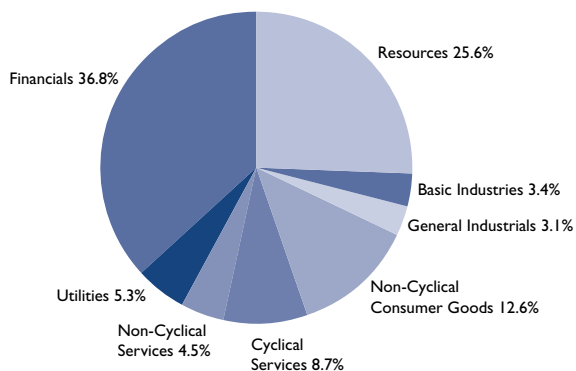
Distribution of investments

As at 31 December 2003



Distribution of investments

As at 30 June 2003



Interim Review

Performance

The UK stockmarket continued to recover and during the six months to 31 December 2003 the Net Asset Value on a total return basis of Murray Income rose 14.3%. This was marginally ahead of the total return on the benchmark FTSE 350 Higher Yield Index which rose 14.2%.

Background

Although stockmarkets around the world enjoyed a good recovery in the second half of 2003 as investor confidence returned and the economic outlook improved, most remain well below their highest levels. In the UK the economic news was mixed. While the employment market is strong and wages are only growing slowly, this coupled with higher taxes means that real incomes have been squeezed. In addition the level of government borrowing is exceeding targets and interest rates are rising. Importantly, the dollar weakened against sterling and the euro and this process, which has continued since the end of the year, could become a cause of concern.

Activity

Turnover in the Trust was light, with the aggregate of sales and purchases representing 9.4% of average assets in the period under review. Three new holdings were added to the portfolio. These were: Greggs, a bakery and sandwich retailer; Wolverhampton & Dudley Breweries, a brewer and pub operator; and AGA Foodservice, which manufactures kitchen equipment for the domestic and commercial market. The biggest single transaction was within the Mining sector where the holding in Rio Tinto was sold and the proceeds switched into BHP Billiton.

Gearing

The net purchases of £6m were largely funded by increasing borrowings by £5m to £40m during the period. All of this debt is at floating rates and can be repaid quickly without penalty.

Dividend

A first interim dividend of 4.5p, which is an increase of 5.9% on that paid in the previous year, was paid on 16 January 2004 to holders of Ordinary shares on the register at close of business on 19 December 2003. A second dividend of 4.5p will be paid on 5 April 2004 to holders of Ordinary shares on the register at close of business on 12 March 2004. Shareholders should note that this dividend is being paid earlier than normal in order that those Shareholders whose shares are held within a PEP or ISA can benefit from a final opportunity to reclaim a tax credit on the dividend payment. A change in the law means that this will no longer be possible after 6 April this year. In line with the comments made by Directors in the Annual Report and Accounts, the third interim dividend will also be 4.5p, and will be paid on 16 July 2004 to holders of Ordinary shares on the register at close of business on 18 June 2004.

Although over 20% of the Company's dividend income is paid in US Dollars, which have fallen in value against sterling by 7.3% over the six months to 31 December, the strength of the revenue stream across the portfolio remains secure. The Directors expect to again be able to recommend an increase in the total dividend payment from last year's level of 17.75p. This level of dividend is expected to be fully covered by earnings and the Company's revenue reserve is now close to one year's dividend payment.

Interim Review

Outlook

The UK economy is forecast to produce growth in GDP of approximately 2.5% which is close to its trend level. This growth will be greater than that produced in many European countries but below that of the USA and many Asian countries. There will be easing in the growth in consumer's expenditure in part due to the higher burden of debt and the likelihood of further increases in interest rates.

Valuations for UK equities remain realistic with the prospective P/E ratio of almost 14 times for 2004. With corporate profits and dividends expected to again grow in real terms equities have the potential to deliver further capital gains during 2004.

25 February 2004

By order of the Board
Aberdeen Asset Management PLC
Secretary

Summary of Investment Changes

For the six months ended 31 December 2003

	Valuation 30 June 2003		Transactions £'000	Appreciation (depreciation) £'000		Valuation 31 December 2003	
	£'000	%		£'000	£'000	£'000	%
United Kingdom							
Equities	340,789	100.4	6,399	38,003	385,191	101.0	
Total investments	340,789	100.4	6,399	38,003	385,191	101.0	
Other net liabilities	(1,260)	(0.4)	(2,514)	–	(3,774)	(1.0)	
Total assets*	339,529	100.0	3,885	38,003	381,417	100.0	

* Represents total assets less current liabilities after excluding short term loans of £30,000,000 as at 31 December 2003 and 30 June 2002.

Summary of Net Assets

	Valuation 31 December 2003	
	£'000	%
Equities	385,191	112.8
Other net liabilities	(3,774)	(1.1)
Borrowings	(40,000)	(11.7)
Equity Shareholders' interest	341,417	100.0

Share Capital

As at 31 December 2003

Ordinary shares of 25p each	70,205,458
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Twenty Largest Investments

As at 31 December 2003

Security	Sector Description	Valuation £'000	% of Total assets*
BP Amoco	Oil & Gas	45,300	11.9
HSBC Holdings	Banks	36,876	9.7
Shell Transport & Trading	Oil & Gas	28,337	7.4
Barclays	Banks	17,603	4.6
Lloyds TSB Group	Banks	16,710	4.4
Royal Bank of Scotland	Banks	13,975	3.7
Aviva	Life Assurance	11,913	3.1
Anglo American	Mining	11,238	2.9
Diageo	Beverages	11,025	2.9
BHP Billiton	Mining	9,810	2.6
Standard Chartered	Banks	9,594	2.5
GlaxoSmithKline	Pharmaceuticals	8,533	2.2
Sainsbury (J)	Food & Drug Retailers	8,240	2.2
Great Universal Stores	General Retailers	7,571	2.0
Abbey National	Banks	7,169	1.9
Imperial Tobacco	Tobacco	6,820	1.8
Scottish & Southern Energy	Electricity	6,554	1.7
British American Tobacco	Tobacco	6,122	1.6
Land Securities	Real Estate	5,978	1.6
Unilever	Food Producers & Processors	5,834	1.5
Top twenty investments		275,202	72.2

* Represents total assets less current liabilities, after excluding short-term loans of £30,000,000.

Statement of Total Return (unaudited)

(Incorporating the Revenue Account of the Company) for the six months ended 31 December 2003

Six months ended 31 December 2003 (unaudited)

	Revenue £'000	Capital £'000	Total £'000
Realised losses on investments	–	(729)	(729)
Unrealised gains/(losses) on investments	–	38,732	38,732
Gains/(losses) on investments	–	38,003	38,003
Income from investments	7,637	–	7,637
Other income	57	–	57
Investment management fees	(620)	(620)	(1,240)
Other expenses	(462)	–	(462)
Net return before finance costs and taxation	6,612	37,383	43,995
Finance costs of borrowing	(400)	(389)	(789)
Return/(loss) attributable to equity Shareholders	6,212	36,994	43,206
Ordinary dividends on equity shares	(6,318)	–	(6,318)
Transfer (from)/to reserves	(106)	36,994	36,888
Return per Ordinary share (pence)	8.8	52.7	61.5

Notes

1. The revenue column of this statement is the profit and loss account of the Company.
2. The financial information for the six months ended 31 December 2003 and 31 December 2002 comprises non-statutory accounts within the meaning of Section 240 of the Companies Act 1985. The financial information for the year ended 30 June 2003 has been abridged from published accounts that have been delivered to the Registrar of Companies and on which the report of the Auditors was unqualified. The interim accounts have been prepared on the same basis as the annual accounts.

Six months ended 31 December 2002
(unaudited)

Year ended 30 June 2003
(audited)

Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
–	(19,054)	(19,054)	–	(35,502)	(35,502)
–	(60,191)	(60,191)	–	(38,609)	(38,609)
–	(79,245)	(79,245)	–	(74,111)	(74,111)
7,265	–	7,265	15,854	–	15,854
80	–	80	187	–	187
(618)	(618)	(1,236)	(1,210)	(1,210)	(2,420)
(419)	–	(419)	(865)	–	(865)
6,308	(79,863)	(73,555)	13,966	(75,321)	(61,355)
(448)	(448)	(896)	(845)	(845)	(1,690)
5,860	(80,311)	(74,451)	13,121	(76,166)	(63,045)
(5,967)	–	(5,967)	(12,461)	–	(12,461)
(107)	(80,311)	(80,418)	660	(76,166)	(75,506)
8.4	(114.4)	(106.0)	18.7	(108.5)	(89.8)

Balance Sheet (unaudited)

As at 31 December 2003

	As at 31 December 2003 (unaudited)	As at 31 December 2002 (unaudited)	As at 30 June 2003 (audited)
	£'000	£'000	£'000
Fixed assets			
Investments	385,191	340,955	340,789
Current assets			
Debtors	1,183	1,624	1,049
Cash and short-term deposits	2,164	3,853	4,652
	3,347	5,477	5,701
Creditors			
Amounts falling due within one year	(37,121)	(16,815)	(36,961)
Net current liabilities	(33,774)	(11,338)	(31,260)
Total assets less current liabilities	351,417	329,617	309,529
Creditors			
Amounts falling due after more than one year	(10,000)	(30,000)	(5,000)
Net assets	341,417	299,617	304,529
Capital and reserves			
Equity Shareholders' interest:			
Called-up share capital	17,551	17,551	17,551
Share premium account	7,955	7,955	7,955
Capital redemption reserve	4,050	4,050	4,050
Capital reserve - realised	264,737	283,912	266,475
Capital reserve - unrealised	35,929	(24,385)	(2,803)
Revenue reserve	11,195	10,534	11,301
Shareholders' funds	341,417	299,617	304,529
Net Asset Value per Ordinary share (pence)	486.3	426.8	433.8

Cash Flow Statement

For the six months ended 31 December 2003

	Six months to 31 December 2003 (unaudited)	Six months to 31 December 2002 (unaudited)	Year ended 30 June 2003 (audited)
	£'000	£'000	£'000
Operating activities			
Investment income received	7,515	7,341	16,061
Deposit interest received	51	56	164
Underwriting commission received	4	27	26
Investment management fees paid	(876)	(1,669)	(3,206)
Secretarial fees paid	(25)	(42)	(63)
Cash paid to and on behalf of Directors	(30)	(27)	(51)
Other cash payments	(455)	(694)	(1,190)
Net cash inflow from operating activities	6,184	4,992	11,741
Servicing of finance			
Bank and loan interest paid	(722)	(911)	(1,705)
Financial investment			
Purchase of investments	(37,467)	(20,244)	(50,471)
Sale of investments	31,012	15,117	51,157
Net cash (outflow)/inflow from financial investment	(6,455)	(5,127)	686
Equity dividends paid	(6,494)	(7,495)	(13,464)
Management of liquid resources			
Cash taken off/(placed on) short term deposit	2,155	–	(3,684)
Net cash outflow before use of financing	(5,332)	(8,541)	(6,426)
Financing			
Loans drawn down	5,000	9,000	4,000
Net cash inflow from financing	5,000	9,000	4,000
(Decrease)/increase in cash	(332)	459	(2,426)

Corporate Information

Directors	B N A Hardman (Chairman) A J M Coats P A F Gifford M Glen Sir David Trippier RD DL
Secretary and Registered Office	Aberdeen Asset Management PLC 123 St Vincent Street Glasgow G2 5EA Registered in Scotland – Company Number 12725 Website: www.murray-income.co.uk
Points of Contact	<i>The Chairman and Company Secretary</i> At the registered office of the Company <i>Manager</i> Aberdeen Asset Managers Limited Customer Services Department: 0550 00 00 40 <i>Registrar</i> Capita Registrars The Registry 34 Beckenham Road Beckenham Kent BR3 4TU Tel. 0870 162 3100
Custodian Bankers	J P Morgan Chase Bank
Auditors	Ernst & Young LLP
Solicitors	McGrigors
Stockbrokers	UBS Warburg Arbuthnot



Aberdeen

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Authorised and regulated by the Financial Services Authority

Member of the Aberdeen Asset Management Group of Companies