

09

Edinburgh UK Tracker Trust plc

Half-Yearly Report for the 6 months ended
30 June 2009



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Summary and Financial Calendar

Financial Summary

| | 30 June 2009 | 31 December 2008 | % Change |
|---|----------------|--------------------|----------|
| Total assets (£'000) | 215,779 | 222,041 | -2.8 |
| Net asset value per Ordinary share ^A | 196.5p | 199.4p | -1.4 |
| Share price of Ordinary share (mid) | 186.0p | 187.5p | -0.8 |
| Discount to net asset value | 5.3% | 6.0% | |
| Interim dividend | 2.50p | 3.00p ^B | -16.7 |

^A Excluding revenue reserves.

^B For the six months ended 30 June 2008.

Performance (capital return)

| | Six months ended 30 June 2009 | Year ended 31 December 2008 |
|---|----------------------------------|--------------------------------|
| Net asset value per Ordinary share ^A | -1.4% | -13.1% |
| Share price | -0.8% | -11.8% |
| FTSE All-Share Index | -1.7% | -13.1% |

^A Excluding revenue reserves.

Financial Calendar

| | |
|---------------------|---|
| 29 July 2009 | Announcement of unaudited results for the six months ended 30 June 2009 |
| August 2009 | Half-yearly Report posted to shareholders |
| March 2010 | Announcement of results for the year ending 31 December 2009 |
| March 2010 | Annual Report posted to shareholders |
| April 2010 | Annual General Meeting |

Interim Board Report

Chairman's Statement

The Company continues to meet its objective of tracking closely the performance of the FTSE All-Share Index. The capital net asset value per share (excluding revenue reserves) fell by 1.4% in the six months ended 30 June 2009 to 196.54p and this compares with a fall in the index of 1.7%.

In line with the Company's investment strategy, the dividends paid to shareholders reflect the income received from the constituents of the index. As outlined in last year's Annual Report, the suspension of dividends by Lloyds Banking Group and Royal Bank of Scotland, as a condition of government support, and dividend cuts by many other companies will lead to a lower revenue return in 2009. The Directors have declared an interim dividend of 2.50p (2008: 3.00p) for the year ending 31 December 2009, with the revenue return per share for the six months ended 30 June 2009 having fallen from 5.84p to 4.59p, and also anticipate a significant reduction in the final dividend. The interim dividend will be payable on 28 August 2009 to shareholders on the register on 7 August 2009.

The Company's share price fell by 0.8% to 186.0p, which represented a discount of 5.4% to the net asset value per share (excluding revenue reserves) of 196.54p. The discount at 31 December 2008 was 6.0%.

The strategy employed to track the FTSE All-Share Index is to replicate fully the constituents of the FTSE 350 Index and to hold the majority of the stocks in the FTSE Small Cap Index. This means that the Company holds all of the 356 stocks that make up the FTSE 350 Index, which represented 97.8% of the value of the FTSE All-Share Index at 30 June 2009. The remaining 2.2% of the FTSE All-Share Index covers smaller companies. At 30 June 2009, the total portfolio consisted of 593 stocks compared to 624 constituents in the FTSE All-Share Index.

The level of activity within the portfolio reflected both changes to the constituents of the index and sales to finance rights issues, placings and open offers. The level of takeover activity fell away sharply compared with recent years, with Imperial Energy, British Energy and HBOS being the most prominent names leaving the index through acquisition. The key feature of the period however was the issue of new equity by companies through rights issues, placings and open offers. The largest equity issuers were HSBC Holdings, Xstrata, British Land, Wolseley, Lloyds Banking Group, 3i and Barclays.

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 57.8 million shares voted by proxy (54.1% of the issued share capital), 99.9% were cast in favour.

In our financial statements for the year ended 31 December 2008, we recognised a sum of £193,000 representing the VAT charged on our management fees between 2004 and 2007. While claims have been submitted for the VAT incurred on management fees during the periods 2001 to 2003 and 1990 to 1996, the amounts recoverable remain uncertain and therefore there has been no recognition of any sums in this interim statement. I am hopeful that progress will be made before the end of the financial year.

Events during the period

At the Company's AGM on 17 April 2009, all resolutions were passed. A final dividend of 7.35p was paid to shareholders on 23 April 2009.

Discount

The Board monitors closely the discount level of the Company's shares, and, during the six month period ended 30 June 2009, the Company bought back 132,566 shares for cancellation, at a cost of £0.2million.

Risks and Uncertainties

The Board has identified a number of key risks that affect the Company's business. The principal risks are as follows:

- Performance risk – the performance of the portfolio relative to the benchmark (FTSE All-Share Index) is monitored closely by the Board.
- Market risk – the Company's objective is to track the FTSE All-Share Index, and the valuation of its portfolio will reflect movements in this Index. Additionally, the Company's revenue will reflect the dividends generated by the constituents of the Index. The NAV performance relative to the Index and the underlying stock weightings in the portfolio against the Index weightings are monitored closely to eliminate any risk of a significant tracking error developing.
- Discount volatility – the Company's shares can trade at a discount to its underlying net asset value. The Company operates a discount management policy in the form of an active share buyback programme. The timing of any purchases is decided by the Board, in consultation with management, and is at its absolute discretion.
- Regulatory risk – the Company operates in a complex regulatory environment and faces a number of regulatory risks. Breaches of regulations, such as Section 842 of the Income and Corporation Taxes Act 1988, the UK Listing Rules and the Companies Act, could lead to a number of detrimental outcomes and reputational damage. The Audit Committee monitors compliance with regulation by reviewing internal control reports from the Manager.

Directors' Responsibility Statement

The Directors are responsible for preparing the half-yearly financial report in accordance with applicable law and regulations. The Directors confirm that to the best of their knowledge:

- the condensed set of financial statements within the half-yearly financial report has been prepared in accordance with the statement "Half-Yearly Financial Reports" issued by the UK Accounting Standards Board;
- the Chairman's Statement (constituting the interim management report) includes a fair review of the information required by rule 4.2.7R of the Disclosure and Transparency Rules (being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements and a description of the principal risks and uncertainties for the remaining six months of the financial year) and 4.2.8R (being related party transactions that have taken place during the first six months of the financial year and that have materially affected the financial position of the Company during that period; and any changes in the related party transactions described in the last annual report that could so do.)

The half-yearly financial report for the six months ended 30 June 2009 comprises the Interim Board Report, the Directors' Responsibility Statement and a condensed set of financial statements.

TM Ross
Chairman
29 July 2009

Investment Portfolio

As at 30 June 2009

| Company | Sector | Valuation £'000 | Total assets % |
|--------------------------|---------------------------------|--------------------|-------------------|
| BP | Oil & Gas Producers | 15,151 | 7.0 |
| HSBC | Banks | 14,549 | 6.7 |
| Vodafone | Mobile Telecommunications | 10,381 | 4.8 |
| GlaxoSmithKline | Pharmaceuticals & Biotechnology | 9,423 | 4.4 |
| Royal Dutch Shell 'A' | Oil & Gas Producers | 9,062 | 4.2 |
| Royal Dutch Shell 'B' | Oil & Gas Producers | 6,977 | 3.2 |
| AstraZeneca | Pharmaceuticals & Biotechnology | 6,558 | 3.0 |
| BG Group | Oil & Gas Producers | 5,771 | 2.7 |
| British American Tobacco | Tobacco | 5,621 | 2.6 |
| BHP Billiton | Mining | 5,066 | 2.4 |
| Top ten investments | | 88,559 | 41.0 |
| Tesco | Food & Drug Retailers | 4,683 | 2.2 |
| Barclays | Banks | 4,620 | 2.1 |
| Rio Tinto | Mining | 4,221 | 2.0 |
| Anglo American | Mining | 3,934 | 1.8 |
| Standard Chartered | Banks | 3,710 | 1.7 |
| Diageo | Beverages | 3,694 | 1.7 |
| Reckitt Benckiser Group | Household Goods | 3,296 | 1.5 |
| Unilever | Food Producers | 3,078 | 1.4 |
| Imperial Tobacco Group | Tobacco | 2,699 | 1.3 |
| SABMiller | Beverages | 2,446 | 1.1 |
| Top twenty investments | | 124,940 | 57.8 |
| Xstrata | Mining | 2,418 | 1.1 |
| National Grid | Gas, Water & Multi-utilities | 2,255 | 1.1 |
| BAE Systems | Aerospace & Defence | 2,008 | 0.9 |
| Centrica | Gas, Water & Multi-utilities | 1,913 | 0.9 |
| Lloyds Banking Group | Banks | 1,809 | 0.8 |
| Scottish & Southern | Electricity | 1,764 | 0.8 |
| Prudential | Life Insurance | 1,755 | 0.8 |
| Aviva | Life Insurance | 1,550 | 0.7 |
| BT Group | Fixed Line Telecommunications | 1,321 | 0.6 |
| Tullow Oil | Oil & Gas Producers | 1,262 | 0.6 |
| Top thirty investments | | 142,995 | 66.1 |
| Cadbury | Food Producers | 1,185 | 0.6 |
| Rolls Royce | Aerospace & Defence | 1,160 | 0.5 |
| Royal Bank of Scotland | Banks | 1,106 | 0.5 |
| Compass Group | Travel & Leisure | 1,070 | 0.5 |
| Morrison (W) | Food & Drug Retailers | 1,047 | 0.5 |
| British Sky Broadcasting | Media | 1,007 | 0.5 |
| Sainsbury (J) | Food & Drug Retailers | 932 | 0.4 |
| WPP | Media | 854 | 0.4 |
| Reed Elsevier | Media | 851 | 0.4 |
| Marks & Spencer | General Retailers | 832 | 0.4 |
| Top forty investments | | 153,039 | 70.8 |

| Company | Sector | Valuation £'000 | Total assets % |
|----------------------------|----------------------------------|--------------------|-------------------|
| Pearson | Media | 825 | 0.4 |
| Man Group | General Financial | 790 | 0.4 |
| Experian Group | Support Services | 790 | 0.4 |
| Shire | Pharmaceuticals & Biotechnology | 786 | 0.4 |
| Capita Group | Support Services | 750 | 0.4 |
| Old Mutual | Life Insurance | 734 | 0.4 |
| Kingfisher | General Retailers | 710 | 0.3 |
| Standard Life | Life Insurance | 694 | 0.3 |
| Smith & Nephew | Health Care Equipment & Services | 671 | 0.3 |
| RSA Insurance Group | Non life Insurance | 670 | 0.3 |
| Top fifty investments | | 160,459 | 74.4 |
| Other investments (543) | | 48,971 | 22.7 |
| Total investments | | 209,430 | 97.1 |
| Net current assets | | 6,349 | 2.9 |
| Total assets | | 215,779 | 100.0 |

Income Statement

| | Notes | Six months ended 30 June 2009 (unaudited) | | | Six months ended 30 June 2008 (unaudited) | | | Year ended 31 December 2008 (audited) | | |
|--|-------|--|------------------|----------------|--|------------------|----------------|--|------------------|----------------|
| | | Revenue £'000 | Capital £'000 | Total £'000 | Revenue £'000 | Capital £'000 | Total £'000 | Revenue £'000 | Capital £'000 | Total £'000 |
| Losses on investments | | – | (3,071) | (3,071) | – | (42,335) | (42,335) | – | (103,807) | (103,807) |
| Currency losses | | – | – | – | – | (4) | (4) | – | (4) | (4) |
| Income | 2 | 5,331 | – | 5,331 | 6,793 | – | 6,793 | 11,828 | – | 11,828 |
| Investment management fee | | (179) | – | (179) | (217) | – | (217) | (408) | – | (408) |
| VAT recoverable on investment management fee | 9 | – | – | – | – | – | – | 193 | – | 193 |
| Administrative expenses | | (193) | (3) | (196) | (185) | – | (185) | (364) | (36) | (400) |
| Return on ordinary activities before taxation | | 4,959 | (3,074) | 1,885 | 6,391 | (42,339) | (35,948) | 11,249 | (103,847) | (92,598) |
| Taxation | | (51) | – | (51) | (42) | – | (42) | (90) | – | (90) |
| Return on ordinary activities after taxation | | 4,908 | (3,074) | 1,834 | 6,349 | (42,339) | (35,990) | 11,159 | (103,847) | (92,688) |
| Return per Ordinary share (pence) | 4 | 4.59 | (2.87) | 1.72 | 5.84 | (38.98) | (33.14) | 10.35 | (96.29) | (85.94) |

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.

Balance Sheet

| | Notes | As at 30 June 2009 (unaudited) £'000 | As at 30 June 2008 (unaudited) £'000 | As at 31 December 2008 (audited) £'000 |
|--|-------|---|---|---|
| Fixed assets | | | | |
| Investments at fair value through profit or loss | | 209,430 | 273,871 | 214,093 |
| Current assets | | | | |
| Debtors and prepayments | | 1,638 | 1,638 | 1,611 |
| AAA rated money market funds | | 1,200 | 7,100 | 4,200 |
| Cash and short term deposits | | 3,780 | 544 | 2,409 |
| | | 6,618 | 9,282 | 8,220 |
| Creditors: amounts falling due within one year | | (269) | (358) | (272) |
| Net current assets | | 6,349 | 8,924 | 7,948 |
| Net assets | | 215,779 | 282,795 | 222,041 |
| Capital and reserves | | | | |
| Called-up share capital | | 10,686 | 10,736 | 10,699 |
| Capital redemption reserve | | 1,018 | 968 | 1,005 |
| Share premium account | | – | 229,800 | – |
| Special reserve | | 229,588 | – | 229,825 |
| Capital reserve | 6 | (31,271) | 34,176 | (28,197) |
| Revenue reserve | | 5,758 | 7,115 | 8,709 |
| Equity Shareholders' funds | | 215,779 | 282,795 | 222,041 |
| Net asset value per share (pence): | 7 | 201.93 | 263.41 | 207.53 |
| Net asset value per share (excluding revenue reserves) (pence): | | 196.54 | 256.78 | 199.39 |

The financial statements on pages 6 to 12 were approved by the Board of Directors and authorised for issue on 29 July 2009 and were signed on its behalf by :

T M Ross
Chairman

Reconciliation of Movements in Shareholders' Funds

Six months ended 30 June 2009 (unaudited)

| | Notes | Share capital £'000 | Capital redemption reserve £'000 | Share premium account £'000 | Special reserve £'000 | Capital reserve £'000 | Revenue reserve £'000 | Total £'000 |
|--|-------|------------------------|-------------------------------------|--------------------------------|--------------------------|--------------------------|--------------------------|----------------|
| Balance at 31 December 2008 | | 10,699 | 1,005 | – | 229,825 | (28,197) | 8,709 | 222,041 |
| Return on ordinary activities after taxation | | – | – | – | – | (3,074) | 4,908 | 1,834 |
| Dividends paid | 3 | – | – | – | – | – | (7,859) | (7,859) |
| Purchase of own shares for cancellation | 8 | (13) | 13 | – | (237) | – | – | (237) |
| Balance at 30 June 2009 | | 10,686 | 1,018 | – | 229,588 | (31,271) | 5,758 | 215,779 |

Six months ended 30 June 2008 (unaudited)

| | Notes | Share capital £'000 | Capital redemption reserve £'000 | Share premium account £'000 | Capital reserve £'000 | Revenue reserve £'000 | Total £'000 |
|--|-------|------------------------|-------------------------------------|--------------------------------|--------------------------|--------------------------|----------------|
| Balance at 31 December 2007 | | 10,953 | 751 | 229,800 | 82,175 | 2,756 | 326,435 |
| Return on ordinary activities after taxation | | – | – | – | (42,339) | 6,349 | (35,990) |
| Dividends paid | 3 | – | – | – | – | (1,990) | (1,990) |
| Purchase of own shares for cancellation | | (217) | 217 | – | (5,660) | – | (5,660) |
| Balance at 30 June 2008 | | 10,736 | 968 | 229,800 | 34,176 | 7,115 | 282,795 |

Year ended 31 December 2008 (audited)

| | Notes | Share capital £'000 | Capital redemption reserve £'000 | Share premium account £'000 | Special reserve £'000 | Capital reserve £'000 | Revenue reserve £'000 | Total £'000 |
|--|-------|------------------------|-------------------------------------|--------------------------------|--------------------------|--------------------------|--------------------------|----------------|
| Balance at 31 December 2007 | | 10,953 | 751 | 229,800 | – | 82,175 | 2,756 | 326,435 |
| Return on ordinary activities after taxation | | – | – | – | – | (103,847) | 11,159 | (92,688) |
| Others | | – | – | 25 | – | – | – | 25 |
| Cancellation of share premium account (see note below) | | – | – | (229,825) | 229,825 | – | – | – |
| Dividends paid | 3 | – | – | – | – | – | (5,206) | (5,206) |
| Purchase of own shares for cancellation | | (254) | 254 | – | – | (6,525) | – | (6,525) |
| Balance at 31 December 2008 | | 10,699 | 1,005 | – | 229,825 | (28,197) | 8,709 | 222,041 |

The share premium account was cancelled on 26 November 2008 and provided the Company with a special reserve, the principal purpose of which is to fund market purchases of the Company's own shares.

Cash Flow Statement

| Notes | Six months ended 30 June 2009 (unaudited) £'000 | Six months ended 30 June 2008 (unaudited) £'000 | Year ended 31 December 2008 (audited) £'000 |
|--|--|--|--|
| Return on ordinary activities before taxation | 1,885 | (35,948) | (92,598) |
| Adjustments for: | | | |
| Losses on investments | 3,071 | 42,335 | 103,807 |
| Currency losses | – | 4 | 4 |
| (Increase)/decrease in accrued income | (397) | (510) | 72 |
| Increase in other debtors | (12) | (25) | (181) |
| Decrease in creditors | (30) | (40) | (14) |
| Net cash inflow from operating activities | 4,517 | 5,816 | 11,090 |
| Taxation | | | |
| Net overseas tax paid | (60) | (42) | (100) |
| Financial investment | | | |
| Purchases of investments | (6,294) | (6,068) | (11,413) |
| Sales of investments | 8,304 | 13,285 | 16,435 |
| Net cash inflow from financial investment | 2,010 | 7,217 | 5,022 |
| Acquisitions | | | |
| Others | – | – | 25 |
| Equity dividends paid | 3 | (7,859) | (5,206) |
| Net sales/(purchases) of AAA rated money market funds | 3,000 | (5,000) | (2,100) |
| Net cash inflow before financing | 1,608 | 6,001 | 8,731 |
| Financing | | | |
| Buy back of Ordinary shares | 8 | (5,660) | (6,525) |
| Increase in cash | 1,371 | 341 | 2,206 |
| Analysis of changes in cash during the period | | | |
| Opening balance | 6,609 | 2,307 | 2,307 |
| Increase in cash as above | 1,371 | 341 | 2,206 |
| Net change in liquid resources | (3,000) | 5,000 | 2,100 |
| Currency losses | – | (4) | (4) |
| Closing balance | 4,980 | 7,644 | 6,609 |

Notes to the Accounts

1. Accounting policies

(a) Basis of accounting

The accounts have been prepared in accordance with applicable UK Accounting Standards, with pronouncements on half-yearly reporting issued by the Accounting Standards Board and with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' issued in January 2009. The adoption of the January 2009 SORP has no effect on the financial statements of the Company, other than the requirement separately to disclose capital reserves that relate to the revaluation of investments held at the reporting date. These are disclosed in note 6. This new requirement replaces the previous requirement to disclose the value of the capital reserve that was unrealised. 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 half-yearly financial statements have been prepared using the same accounting policies applied for the year ended 31 December 2008.

(b) Dividends payable

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

| | Six months ended 30 June 2009 £'000 | Six months ended 30 June 2008 £'000 | Year ended 31 December 2008 £'000 |
|--|---|---|---|
| 2. Income | | | |
| Income from investments | | | |
| UK listed – franked | 4,705 | 6,238 | 10,448 |
| UK listed – unfranked | 517 | 417 | 1,035 |
| Stock dividends | 18 | 13 | 42 |
| | 5,240 | 6,668 | 11,525 |
| Other income | | | |
| Interest from AAA rated money market funds | 26 | 112 | 256 |
| Underwriting commission | 46 | 4 | 15 |
| Deposit interest | 19 | 9 | 32 |
| | 91 | 125 | 303 |
| Total income | 5,331 | 6,793 | 11,828 |

| | Six months ended 30 June 2009 £'000 | Six months ended 30 June 2008 £'000 | Year ended 31 December 2008 £'000 |
|----------------------------------|---|---|---|
| 3. Dividends | | | |
| Interim dividend | – | – | 3,216 |
| Final dividend | 7,864 | 1,990 | 1,990 |
| Unclaimed dividends written back | (5) | – | – |
| | 7,859 | 1,990 | 5,206 |

A final dividend of 7.35p for the year ended 31 December 2008 (2007 – 1.83p) was paid to shareholders on 23 April 2009.

An interim dividend of 2.50p (2008 – 3.00p) for the year ending 31 December 2009 will be paid on 28 August 2009 to shareholders on the register at 7 August 2009. The ex-dividend date is 5 August 2009. In accordance with UK GAAP this is not recognised in these financial statements.

| | Six months ended 30 June 2009 £'000 | Six months ended 30 June 2008 £'000 | Year ended 31 December 2008 £'000 |
|---|---|---|---|
| 4. Return per Ordinary share | | | |
| The return per share is based on the following figures: | | | |
| Revenue return | 4,908 | 6,349 | 11,159 |
| Capital return | (3,074) | (42,339) | (103,847) |
| Total return | 1,834 | (35,990) | (92,688) |
| | | | |
| Weighted average number of Ordinary shares in issue | 106,927,216 | 108,627,182 | 107,845,460 |
| | | | |
| Revenue return per Ordinary share | 4.59p | 5.84p | 10.35p |
| Capital return per Ordinary share | (2.87p) | (38.98p) | (96.29p) |
| Return per Ordinary share | 1.72p | (33.14p) | (85.94p) |

5. Transaction costs

During the six months ended 30 June 2009, 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 losses on investments in the Income Statement. The total costs were as follows:

| | Six months ended 30 June 2009 £'000 | Six months ended 30 June 2008 £'000 | Year ended 31 December 2008 £'000 |
|-----------|---|---|---|
| Purchases | 8 | 10 | 33 |
| Sales | 2 | 2 | 3 |
| | 10 | 12 | 36 |

6. Capital reserve

The capital reserve reflected in the Balance Sheet at 30 June 2009 includes losses of £38,760,000 (30 June 2008 – gains of £23,314,000; 31 December 2008 – losses of £36,948,000) which relate to the revaluation of investments held at the reporting date.

| | As at 30 June 2009 | As at 30 June 2008 | As at 31 December 2008 |
|--|-----------------------|-----------------------|---------------------------|
| 7. Net asset value per Ordinary share | | | |
| Net assets attributable | £215,779,000 | £282,795,000 | £222,041,000 |
| Number of Ordinary shares in issue | 106,859,779 | 107,359,345 | 106,992,345 |
| Net asset value per Ordinary share | 201.93p | 263.41p | 207.53p |

8. Called up share capital

During the period ended 30 June 2009 132,566 Ordinary shares of 10p each were bought back for cancellation at a total cost of £237,000 including expenses.

9. Commitments, contingencies and post Balance Sheet events

On 5 November 2007, the European Court of Justice ruled that management fees should be exempt from VAT. HMRC has announced its intention not to appeal against this case to the UK VAT Tribunal and therefore protective claims which have been made in relation to the Company will be processed in due course. The Company has not been charged VAT on its investment management fees from 1 October 2007.

The sum of £193,000, representing VAT charged on management fees paid by the Company between 1 January 2004 and 30 September 2007, has been recognised in the financial statements for the year ended 31 December 2008. The refund was allocated to revenue in line with the accounting policy of the Company for the periods in which the VAT was charged. The reclaim for previous periods and the timescale for receipt are at present uncertain and the Company has taken no account in these financial statements of any such repayment.

10. Half-Yearly Financial Report

The financial information contained in this Half-Yearly Financial Report does not constitute statutory accounts as defined in Sections 434 – 436 of the Companies Act 2006. The financial information for the six months ended 30 June 2009 and 30 June 2008 has not been audited.

The information for the year ended 31 December 2008 has been extracted from the latest published audited financial statements which have been filed with the Registrar of Companies. The report of the auditors on those accounts contained no qualification or statement under Section 237 (2) or (3) of the Companies Act 1985.

11. This Half-Yearly Financial Report was approved by the Board on 29 July 2009.

How to Invest in Edinburgh UK Tracker Trust plc

Direct

Investors can buy and sell shares in Edinburgh UK Tracker Trust plc directly through a stockbroker or indirectly through a lawyer, accountant or other professional adviser. Alternatively, shares can be bought directly through Aberdeen's Investment Plan for Children, Investment Trust Share Plan, Investment Trust ISA and Investment Trust Pension.

Aberdeen's Investment Trust Share Plan

Aberdeen Asset Managers ("AAM") runs a Share Plan (the "Plan") through which shares in Edinburgh UK Tracker Trust plc 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. There is no restriction on how long an investor need invest in a Plan, and regular savers can stop or suspend participation by instructing AAM 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 Plan for Children

AAM runs 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 the Children's Plan, and regular savers can stop or suspend participation by instructing AAM in writing at any time. In common with other schemes of this type, all investments are held in nominee accounts.

Stocks and Shares ISA

An investment of up to £7,200 in Edinburgh UK Tracker Trust plc can be made through Aberdeen's Stocks and Shares ISA in the tax year 2009/2010 and up to £10,200 in the tax year 2010/2011.

Between 6 October 2009 and 5 April 2010, an additional £3,000 may be invested in an ISA, for the tax year

2009/2010, provided that the ISA holder will be aged 50 years or over not later than 5 April 2010.

There are no brokerage or initial charges for the ISA, although investors will suffer the bid-offer spread, which can, on some occasions, be a significant amount. Investors only pay Government Stamp Duty (currently 0.5%) on purchases. Selling costs are £15 + VAT.

The annual ISA administration charge is £24 + VAT, calculated six monthly and deducted from income. Under current legislation, investments in ISAs can grow free of capital gains tax.

ISA Transfer

Investors can choose to transfer previous tax year investments to AAM, which can be invested in Edinburgh UK Tracker Trust plc while retaining their ISA wrapper. The minimum lump sum for an ISA transfer is £1,000 and is subject to a minimum per trust of £250.

Investment Trust Pension

The Investment Trust Pension enables investors to save for retirement by investing in Edinburgh UK Tracker Trust plc. The Investment Trust Pension offers a Personal Pension Plan. Contributions can be made regularly or by lump sums, and there are low minimum investment amounts.

Note

Please remember that past performance is not a guide to the future. Stock market and currency 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.

As with all equity investments, the value of investment trusts purchased will immediately be reduced by the difference between the buying and selling prices of the shares, the market maker's spread.

Investors should further bear in mind that the value of any tax relief will depend on the individual circumstances of the investor and that tax rates and reliefs, as well as the tax treatment of ISAs, may be changed by future legislation.

Trust Information

If investors would like details of Edinburgh UK Tracker Trust plc or information on the Children's Plan, Share Plan, ISA or ISA Transfer, 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.

How to Invest in Edinburgh UK Tracker Trust plc continued

Literature Request Service

For literature and application forms for AAM's investment trust products, please contact:

Telephone: 0500 00 40 00

Email: aam@lit-request.com

Keeping you informed

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

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

Contact Us

For information on Edinburgh UK Tracker Trust plc, please contact:

The Company Secretary

One Bow Churchyard

Cheapside

London EC4M 9HH.

For any administrative queries relating to the Investment Trust Share Plan, Investment Plan for Children, Investment Trust ISA or ISA Transfer please contact:

Aberdeen Investment Trust Administration

Block C, Western House

Lynchwood Business Park

Peterborough, PE2 6BP

Telephone: 0500 00 00 40

If you have an administrative query which relates to a certificated holding, please contact the Registrar, as follows:

Equiniti Limited

Aspect House

Spencer Road, Lancing

West Sussex BN99 6DA

Telephone: 0871 384 2441*

Textphone: 0871 384 2255*

Website: www.shareview.co.uk

* Calls to this/these numbers are charged at 8p per minute from a BT landline. Other telephony providers' costs may vary.

For information on the Pension Plan, please contact

Edinburgh Pension Centre

Capita SIP Services

141 Castle Street

Salisbury

Wiltshire SP1 3TB

Telephone: 0800 13 70 79

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, One Bow Churchyard, Cheapside, London EC4M 9HH which is authorised and regulated by the Financial Services Authority.

Corporate Information

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Company Registration Number

2476057

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JP Morgan Cazenove

Registrar

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Website

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Aberdeen