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Glasgow Income Trust plc

Interim Report and Accounts
31 March 2008



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THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the action you should take, you are recommended to seek your own independent financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 if you are in the United Kingdom or, if not, from another appropriately authorised financial adviser. If you have sold or otherwise transferred all your ordinary shares in Glasgow Income Trust plc, please forward this document, together with the accompanying documents immediately to the purchaser or transferee, or to the stockbroker, bank or agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Highlights and Financial Calendar

	31 March 2008	30 September 2007	% Change
Equity Shareholders' funds (£'000)	94,105	115,077	-18.2
Net asset value per share	77.17p	94.37p	-18.2
Share price (mid-market)	65.75p	91.50p	-28.1
Discount to net asset value ^A	13.5%	1.1%	
Dividend yield	8.0%	5.7%	

^A Based on IFRS net asset value excluding dividend adjustment of 1.138p (30 September 2007 – 1.8865p), net income re-invested.

Performance (total return)

	Six months ended 31 March 2008	1 year ended 31 March 2008	3 years ended 31 March 2008	5 years ended 31 March 2008
Share price	- 25.6%	- 34.4%	+ 1.1%	+ 83.2%
Net asset value per share	- 15.5%	- 21.0%	+ 25.6%	+ 126.3%
FTSE All-Share Index	- 10.2%	- 7.7%	+ 31.3%	+ 98.7%

Financial Calendar

30 May 2008	Announcement of unaudited interim results for the six months ended 31 March 2008
June 2008	Half Yearly Report posted to shareholders
31 July 2008	Third interim dividend 2007/08 payable to shareholders
31 October 2008	Fourth interim dividend 2007/08 payable to shareholders
November 2008	Annual Report posted to shareholders
December 2008	Annual General Meeting

Interim Board Report

Background

Against a background of increasing stock market volatility caused by the global credit crisis this has been a very difficult time for the Company. Over the six month period to 31 March 2008, the FTSE All-Share Index, the Company's benchmark, fell by 10.2%. This total index figure disguises some major deviations in sector performance; for example mining stocks were +2.5% and banks were -15.6%. As an income trust we are to some degree effectively restricted from full index weighting in low yielding sectors such as mining. This in part explains the underperformance but our overexposure to banks and the consumer services sector has also been damaging.

The Company's gearing is invested in fixed interest stocks, predominantly of investment grade. This makes a significant contribution to the high level of dividends paid by the Trust

While the Company's income and dividend paying capacity were thereby protected during the period there was also a detrimental impact on capital caused by investors increased aversion to risk. This resulted in a widening of corporate bond spreads with a consequent reduction in the market value of the portfolio of bonds and preference shares.

Investment Returns

Given all the factors referred to above, the net asset value total return of the Company was -15.5% in the six months period, 5.3 percentage points behind that of the benchmark.

For 7 years our shares have predominantly traded at a premium to NAV. However, in an environment of continuing unease, there was a significant deterioration in the rating of the Company's shares in the period which resulted in the discount widening from 1.1% to 13.5% thereby exacerbating the poor performance. Taken together with the poor NAV performance explained above, all these elements resulted in a total return to shareholders of -25.6%.

The fact that many other investment trusts suffered similarly over the period is of little consolation and we are especially concerned that our very good performance over the last five years has been eroded in such a short period.

Gearing

Action was taken during the period to limit the downside risk by reducing the gearing. The net sale of £16.3 million of equities resulted in an equity gearing of nil at the period end. The investment in bonds which assists the income generation, produced a total gearing of 46.3% down from 49%.

Share Buybacks

As mentioned previously the discount on the Company's shares widened significantly in the period, from 1.1% to 13.5%. In order to try to manage the widening discount, on 3 April 2008 the Company bought back 100,000 shares at 65.5p, a discount of approximately 15%. The discount at the time of writing has narrowed to 9%. The Board will continue to monitor the discount level and take appropriate action if thought necessary.

Dividends

There is some cheer in this gloomy scenario. The income account remains sufficiently healthy for the Board to be able to increase the dividend. The first and second interim dividends in relation to the 2007/08 financial year totalled 2.276p compared to 2.21p in the same period last year, an increase of 3.0%. As at 31 March 2008 this resulted in a dividend yield of 8.0%, significantly ahead of the 3.8% yield on the FTSE All-Share Index, the Company's benchmark and FTSE 350 Higher Yield Index which yielded 5.3% on the same date.

Investment Manager

It has also been a time of change in relation to the investment management of the Company. As explained in the Annual Report, Aberdeen Asset Managers ("Aberdeen") acquired Glasgow Investment Managers Limited ("Glasgow") on 24 August 2007 and, following a settling in period, there has been a change in the individuals managing our portfolio. Susan Anderson, who has been involved with the Company since 1996, will provide continuity of management. In addition we welcome David Boyle who will co-manage the portfolio with Susan. David works in Aberdeen's Pan European equity team having joined Aberdeen in 2003. In this time he has gained considerable experience in managing UK equity portfolios.

AIC/JP Morgan Claverhouse VAT Case

As referred to in the Annual Report, the decision made by the European Court of Justice ("ECJ") on the case brought by the AIC and JP Morgan Claverhouse against Her Majesty's Revenue and Customs ("HMRC") will result in the Company not being subject to VAT on its management fees going forward. In addition the Company should be able to recover at least some of the VAT suffered in the past. The Board is currently in discussion with the Managers on this issue, and a number of legal and procedural matters still require to be resolved. In addition a recent decision by the House of Lords to allow potentially such claims to go back to 1990 has further added to the complexity of calculating any repayment due. Given these uncertainties no asset is yet being recognised in the financial statements.

Outlook

Financial markets around the world are currently dominated by the global credit crunch, with its possible consequences for the economy as a whole. Recent intervention by Central Banks to ease the crisis both through the availability of funds to financial institutions and the cutting of interest rates is expected to continue in the current year.

In the UK, the Bank of England has recently reduced interest rates to 5% but inflationary pressures in the form of higher energy, food and metal prices has meant that interest rates have not been cut as aggressively as in the United States. However, as global growth slows, inflation worries should begin to ease allowing scope for further cuts in the medium term. Although the UK economy is slowing down, this slow down is concentrated in areas where there are well recognised excesses such as the housing market.

It is extremely important that we recover our performance and the task is to position our portfolio to benefit from an upturn in the stockmarket. As the outlook is for continuing volatility this will be a particular challenge but one which the Board and Managers are committed to achieving.

In relation to the dividend, the Board would expect that the dividend paid for the 2007/2008 financial year to be higher than the previous year.

Principal Risks and Uncertainties

The principal risks and uncertainties faced by the Company fall into four broad categories: (i) market risk, (ii) interest rate risk, (iii) credit risk and (iv) liquidity risk. Information on each of these areas is given in the Directors' Report within the Annual Report and Accounts for the year ended 30 September 2007.

Directors' Responsibility Statement

The Directors are responsible for preparing this 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 interim financial statements contained within the half yearly financial report have been prepared in accordance with the Accounting Standards Board's statement "Half-Yearly Financial Reports"; and,
- the Interim Board Report includes a fair review of the information required by 4.2.7R and 4.2.8R of the FSA's Disclosure and Transparency Rules.

The half yearly report includes a fair review of the information required on material transactions with related parties and changes since the Annual Report.

For and on behalf of the Board of Glasgow Income Trust plc
R G Hanna
Chairman

Investment Portfolio – Ordinary Shares

As at 31 March 2008

	Market value £'000	Total portfolio %
Ordinary shares		
BAE Systems	5,262	3.8
Hardy Oil & Gas	3,975	2.9
Scottish & Southern Energy	3,861	2.8
FirstGroup	3,663	2.7
Intermediate Capital	3,544	2.6
Expro International	3,267	2.4
Prudential	3,235	2.3
Premier Oil	3,123	2.3
First Quantum Minerals	3,113	2.3
Severn Trent	2,751	2.0
Ten largest investments	35,794	26.1
BT	2,716	2.0
Rio Tinto	2,629	1.9
Speedy Hire	2,511	1.8
HSBC	2,484	1.8
BP	2,304	1.7
Balfour Beatty	2,237	1.6
Intercontinental Hotels	2,233	1.6
Enterprise Inns	2,207	1.6
Rentokil Initial	2,188	1.6
Diageo	2,134	1.6
Twenty largest investments	59,437	43.3
Friends Provident	1,973	1.4
British Land	1,973	1.4
Lloyds TSB	1,878	1.4
Hunting	1,847	1.3
Marston's	1,806	1.3
Mucklow (A&J)	1,750	1.3
Holidaybreak	1,734	1.3
Provident Financial	1,693	1.2
Pendragon	1,688	1.2
City Natural Resources High Yield Trust	1,539	1.2
Thirty largest investments	77,318	56.3
Puma Brandenburg	1,530	1.1
Persimmon	1,529	1.1
Royal Bank of Scotland	1,518	1.1
ATH Resources	1,435	1.0
Aurum Mining	1,394	1.0
Tanfield	1,266	0.9
Hambledon Mining	1,192	0.9
Topps Tiles	1,135	0.8
Premier Farnell	979	0.8
Hotel Corporation	965	0.7
Forty largest investments	90,261	65.7
Kcom	683	0.5
Ashtead	619	0.4
XP Power	613	0.4
GTL Resources	460	0.3
Vodafone	42	–
Total ordinary shares	92,678	67.3

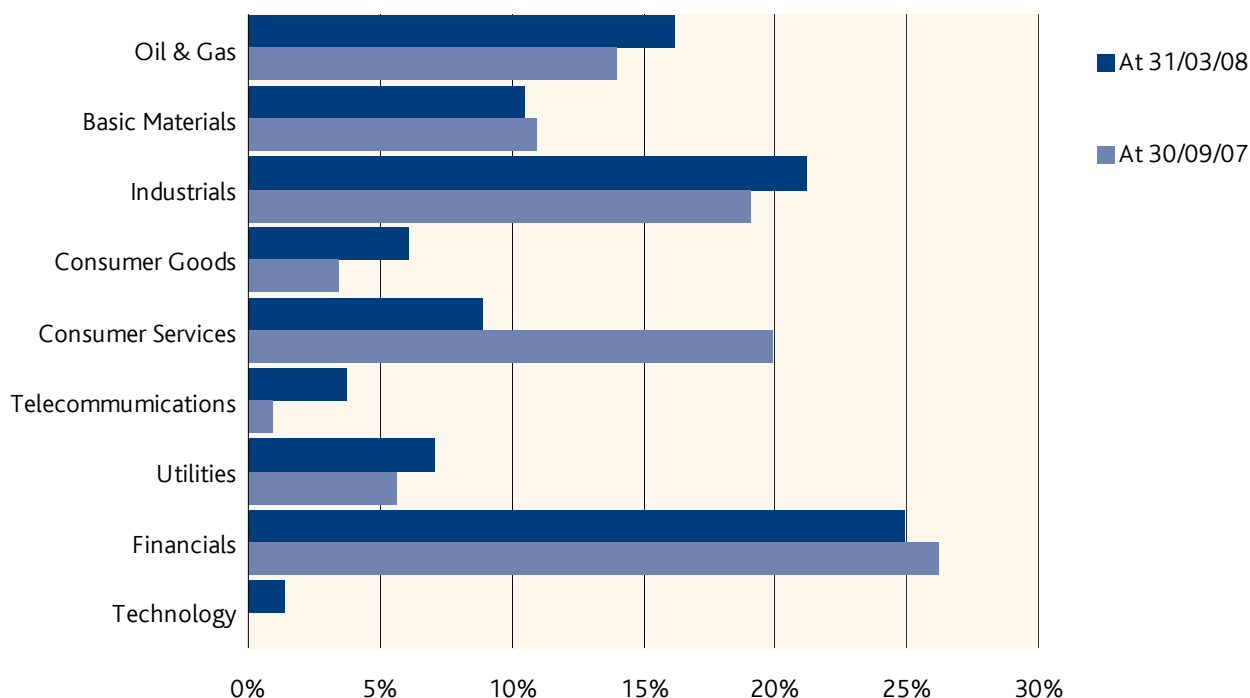
Investment Portfolio – Other Investments

As at 31 March 2008

	Market value £'000	Total portfolio %
Convertibles		
Balfour Beatty 10.75p	1,920	1.4
Total convertibles	1,920	1.4
Corporate bonds		
Centrica 5.5% 2016	1,915	1.4
Society of Lloyds 6.875% 2015	1,593	1.2
Slough Estates 6.25% 2015	1,552	1.1
Next 5.25% 2013	1,546	1.1
Rexam 7.125% 2009	1,510	1.1
GKN 7% 2012	1,503	1.1
Bank of Scotland 8.117% 2010	1,489	1.1
Carnival 7.125% 2012	1,484	1.1
London Stock Exchange 5.875% 2016	1,404	1.0
National Westminster 7.625% 2010	1,401	1.0
Ten largest investments	15,397	11.2
Kelda 6.875% 2010	1,387	1.0
BUPA Finance 6.125% 2020	1,341	1.0
FirstGroup 6.125% 2019	1,294	0.9
Bradford & Bingley 5.625% Perp	1,211	0.9
Deutsche Telekom 7.125% 2012	1,126	0.8
British Telecommunications 7.75% 2016	1,088	0.8
Daily Mail & General Trust 7.5% 2013	1,036	0.8
Lambay Capital 6.25% Perp	1,019	0.8
BOC Group 6.5% 2016	1,009	0.7
Rentokil Initial 6.125% 2008	997	0.7
Twenty largest investments	26,905	19.6
Lafarge 6.875% 2012	990	0.7
Lloyds TSB 5.125% 2016	987	0.7
Northumbrian Water Finance 6% 2017	963	0.7
Resolution 6.5864% Perp	962	0.7
Investec Finance 7.75% 2016	953	0.7
Imperial Tobacco Finance 6.85% 2012	934	0.7
Friends Provident 6.292% 2015	720	0.5
Total corporate bonds	33,414	24.3
Preference shares		
Co-op Bank 9.25%	3,330	2.4
National Westminster 9%	1,688	1.2
Abbey National 8.625%	1,671	1.2
Standard Chartered 7.375%	1,617	1.2
Standard Chartered 8.25%	1,398	1.0
Total preference shares	9,704	7.0
Total investments	137,716	100.0

Portfolio Analysis

Analysis of Equity Portfolio



Distribution of Assets & Liabilities

	Valuation at 30 September 2007 £'000			Purchases £'000	Sales £'000	Appreciation/ (depreciation) £'000	Valuation at 31 March 2008 £'000	
		%						%
Listed investments								
Ordinary shares	122,306	106.3	4,959	(21,300)	(8,287)	92,678	98.5	
Convertibles	2,194	1.9	–	–	(274)	1,920	2.0	
Corporate bonds	35,339	30.7	2,126	(2,112)	(1,939)	33,414	35.5	
Other fixed interest	11,576	10.1	–	–	(1,872)	9,704	10.3	
	171,415	149.0	7,085	(23,412)	(12,372)	137,716	146.3	
Other non current assets	31,862	27.7				27,332	29.0	
Current assets	3,025	2.6				17,794	18.9	
Current liabilities	(1,136)	(1.0)				(575)	(0.6)	
Non current liabilities	(90,089)	(78.3)				(88,162)	(93.6)	
Net assets	115,077	100.0				94,105	100.0	
Net asset value per share	94.37p					77.17p		

Consolidated Income Statement

	Six months ended 31 March 2008 (unaudited)			Six months ended 31 March 2007 (unaudited)			Year ended 30 September 2007 (audited)		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
(Losses)/gains on held-at-fair-value investments	–	(17,445)	(17,445)	–	12,499	12,499	–	2,645	2,645
Fair value movement in zero coupon finance derivatives	–	(2,603)	(2,603)	–	(802)	(802)	–	(2,455)	(2,455)
Revenue									
Dividend income	1,997	–	1,997	1,896	–	1,896	4,818	–	4,818
Interest income from investments	1,207	–	1,207	1,024	–	1,024	2,169	–	2,169
Deposit interest	202	–	202	108	–	108	119	–	119
Traded options	297	–	297	170	–	170	690	–	690
Other income	6	–	6	–	–	–	1	–	1
(Losses)/gains of dealing subsidiary	(41)	–	(41)	16	–	16	(52)	–	(52)
	3,668	(20,048)	(16,380)	3,214	11,697	14,911	7,745	190	7,935
Expenses									
Investment management fees	(195)	(195)	(390)	(252)	(252)	(504)	(519)	(519)	(1,038)
Other administrative expenses	(159)	–	(159)	(92)	–	(92)	(227)	–	(227)
Finance costs of borrowing	(10)	(10)	(20)	(10)	(10)	(20)	(79)	(79)	(158)
Profit before taxation	3,304	(20,253)	(16,949)	2,860	11,435	14,295	6,920	(408)	6,512
Taxation	(393)	59	(334)	(310)	81	(229)	(589)	179	(410)
Profit/(loss) attributable to equity holders of the Company	2,911	(20,194)	(17,283)	2,550	11,516	14,066	6,331	(229)	6,102
Earnings per Ordinary share (pence)	2.39	(16.56)	(14.17)	2.49	11.23	13.72	5.44	(0.20)	5.24

The total column of this statement represents the Income Statement of the Group, prepared in accordance with International Financial Reporting Standards ("IFRS"). The revenue return and capital return columns are supplementary to this and are prepared under guidance published by the Association of Investment Companies.

All items in the above statement derive from continuing operations.

Consolidated Balance Sheet

	As at 31 March 2008 (unaudited) £'000	As at 31 March 2007 (unaudited) £'000	As at 30 September 2007 (audited) £'000
Non-current assets			
Ordinary shares	92,678	130,834	122,306
Convertibles	1,920	4,227	2,194
Corporate bonds	33,414	40,249	35,339
Other fixed interest	9,704	10,141	11,576
Securities at fair value	137,716	185,451	171,415
Zero coupon finance derivatives at fair value	27,332	21,862	31,862
	165,048	207,313	203,277
Current assets			
Trade and other receivables	–	–	12
Accrued income and prepayments	2,019	2,222	2,202
Investments of dealing subsidiary	544	745	673
Cash and cash equivalents	15,231	575	138
Total current assets	17,794	3,542	3,025
Total assets	182,842	210,855	206,302
Current liabilities			
Trade and other payables	(575)	(672)	(714)
Short-term borrowings	–	(6,000)	(422)
Total current liabilities	(575)	(6,672)	(1,136)
Non-current liabilities			
Zero coupon finance derivatives at fair value	(88,162)	(78,437)	(90,089)
Total liabilities	(88,737)	(85,109)	(91,225)
Net assets	94,105	125,746	115,077
Issued capital and reserves attributable to equity holders of the parent			
Called-up share capital	30,486	30,486	30,486
Share premium account	53,204	53,213	53,205
Special reserve	5,000	5,000	5,000
Retained earnings:			
Realised capital reserve	18,360	18,892	17,097
Unrealised capital reserve	(15,787)	15,620	5,670
Revenue reserve	2,842	2,535	3,619
	94,105	125,746	115,077
Net asset value per Ordinary share (pence)	77.17	103.12	94.37

Consolidated Statement of Changes in Equity

Six months ended 31 March 2008 (unaudited)

	Share capital £'000	Share premium account £'000	Special reserve £'000	Capital reserve – realised £'000	Capital reserve – unrealised £'000	Revenue reserve £'000	Total £'000
Balance at 30 September 2007	30,486	53,205	5,000	17,097	5,670	3,619	115,077
Revenue profits for the period	–	–	–	–	–	2,911	2,911
Capital profits/(losses) for the period	–	–	–	1,263	(21,457)	–	(20,194)
Equity dividends	–	–	–	–	–	(3,688)	(3,688)
Share issue expense	–	(1)	–	–	–	–	(1)
Balance at 31 March 2008	30,486	53,204	5,000	18,360	(15,787)	2,842	94,105

Six months ended 31 March 2007 (unaudited)

	Share capital £'000	Share premium account £'000	Special reserve £'000	Capital reserve – realised £'000	Capital reserve – unrealised £'000	Revenue reserve £'000	Total £'000
Balance at 30 September 2006	23,496	32,715	5,000	9,080	13,916	2,801	87,008
Revenue profits for the period	–	–	–	–	–	2,550	2,550
Capital profits for the period	–	–	–	9,812	1,704	–	11,516
Equity dividends	–	–	–	–	–	(2,816)	(2,816)
Issue of share capital	6,990	20,498	–	–	–	–	27,488
Balance at 31 March 2007	30,486	53,213	5,000	18,892	15,620	2,535	125,746

Year ended 30 September 2007 (audited)

	Share capital £'000	Share premium account £'000	Special reserve £'000	Capital reserve – realised £'000	Capital reserve – unrealised £'000	Revenue reserve £'000	Total £'000
Balance at 30 September 2006	23,496	32,715	5,000	9,080	13,916	2,801	87,008
Revenue profits for the year	–	–	–	–	–	6,331	6,331
Capital profits/(losses) for the year	–	–	–	8,017	(8,246)	–	(229)
Equity dividends	–	–	–	–	–	(5,513)	(5,513)
Issue of share capital	6,990	20,490	–	–	–	–	27,480
Balance at 30 September 2007	30,486	53,205	5,000	17,097	5,670	3,619	115,077

Consolidated Cash Flow Statement

	Six months ended 31 March 2008 £'000	Six months ended 31 March 2007 £'000	Year ended 30 September 2007 £'000
Cash flows from operating activities			
Investment income received	3,398	2,596	6,776
Deposit interest received	149	107	120
Dealing subsidiary receipts	88	–	–
Other cash receipts	178	256	834
Administrative expenses paid	(686)	(531)	(1,213)
Cash generated from operations	3,127	2,428	6,517
Interest paid	(10)	(20)	(151)
Taxation	(252)	(183)	(426)
Net cash inflows from operating activities	2,865	2,225	5,940
Cash flows from investing activities			
Purchases of investments	(7,085)	(101,599)	(160,450)
Sales of investments	23,424	54,460	117,443
Zero coupon finance	–	15,127	15,126
Net cash inflow/(outflow) from investing activities	16,339	(32,012)	(27,881)
Net cash inflow/(outflow) before financing	19,204	(29,787)	(21,941)
Financing activities			
Proceeds of issue of shares	–	27,476	27,468
Expenses of share issue	(1)	–	–
Dividends paid	(3,688)	(2,816)	(5,513)
Net cash (outflow)/inflow from financing activities	(3,689)	24,660	21,955
Net increase/(decrease) in cash and cash equivalents	15,515	(5,127)	14
Cash and cash equivalents at the start of the period	(284)	(298)	(298)
Cash and cash equivalents at the end of the period	15,231	(5,425)	(284)
Cash and cash equivalents comprise:			
Cash and cash equivalents	15,231	575	138
Short term borrowings	–	(6,000)	(422)
	15,231	(5,425)	(284)

Notes to the Accounts

1. Accounting policies

(a) Basis of accounting

The Group's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) 34 – 'Interim Financial Reporting', as adopted by the International Accounting Standards Board (IASB), and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB (IFRIC). They have also been prepared using the same accounting policies applied for the year ended 30 September 2007 financial statements, which received an unqualified audit report.

(b) Dividends payable

Dividends are recognised in the period in which they are paid.

2. Taxation

The taxation expense reflected in the Income Statement is based on management's best estimate of the weighted average annual income tax rate expected for the full financial year. The estimated average annual tax rate used for the year to 30 September 2008 is 29%, taking into consideration the reduction in the corporation tax rate from 30% to 28% from 1 April 2008.

3. The following table shows the revenue for each period less the dividends declared in respect of the financial period to which they relate.

	Six months ended 31 March 2008 £'000	Six months ended 31 March 2007 £'000	Year ended 30 September 2007 £'000
Revenue	2,911	2,550	6,331
Dividends declared	(2,775) ^A	(2,463) ^B	(6,112) ^C
	136	87	219

^A Dividends declared relate to first two interim dividends (both 1.138p each) declared in respect of the financial year 2007/08.

^B Dividends declared relate to first three interim dividends (0.6846p, 0.4204p and 1.105p respectively) declared in respect of the financial year 2006/07.

^C Dividends declared relate to the five interim dividends declared in respect of the financial year 2006/07 totalling 5.2015p.

4. (Loss)/return and net asset value per share

	Six months ended 31 March 2008 P	Six months ended 31 March 2007 P	Year ended 30 September 2007 P
Revenue return	2.39	2.49	5.44
Capital return	(16.56)	11.23	(0.20)
Total return	(14.17)	13.72	5.24

The figures above are based on the following attributable assets:

	£'000	£'000	£'000
Revenue return	2,911	2,550	6,331
Capital return	(20,194)	11,516	(229)
Total return	(17,283)	14,066	6,102

	121,942,517	102,502,791	116,519,827
Weighted average number of Ordinary shares in issue			

Notes to the Accounts continued

The net asset value per share is based on net assets attributable to Shareholders of £94,105,000 (31 March 2007 – £125,746,000; 30 September 2007 – £115,077,000) and on 121,942,517 (31 March 2007 and 30 September 2007 – 121,942,517) Ordinary shares in issue at the period end.

5. Transaction costs

During the period expenses were incurred in acquiring or disposing of investments classified as fair value though profit or loss. These have been expensed through capital and are included within (losses)/gains on investments in the Consolidated Income Statement. The total costs were as follows:

	Six months ended 31 March 2008 £'000	Six months ended 31 March 2007 £'000	Year ended 30 September 2007 £'000
Purchases	9	588	739
Sales	28	124	196
	37	712	935

6. Publication of non-statutory accounts

The financial information contained in this Interim Report does not constitute statutory accounts as defined in Section 240 of the Companies Act 1985. The financial information for the six months ended 31 March 2008 and 31 March 2007 has not been audited.

The information for the year ended 30 September 2007 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.

How to Invest in Glasgow Income Trust plc

Direct

Investors can buy and sell shares in Glasgow Income Trust plc (the "Company") 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, Aberdeen's Investment Trust Share Plan and Investment Trust ISA.

Aberdeen's Investment Plan for Children

Aberdeen Asset Managers (AAM) runs an Investment Plan for Children (the "Children's Plan") which covers a number of investment companies under its management including the Company. 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.

Aberdeen's Investment Trust Share Plan

AAM runs a Share Plan (the "Plan") through which shares in the Company 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.

Stocks and Shares ISA

An investment of up to £7,200 in the Company can be made in the tax year 2008/2009.

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 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

You can choose to transfer the management of previous tax year investments to AAM for investment in the Company while retaining your ISA wrapper. The minimum lump sum transfer is £1,000, subject to a minimum per trust of £250.

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.

Keeping You Informed

For internet users, detailed data on the Company, including price, performance information and a monthly fact sheet is available from the Trust's website (www.glasgowincometrust.co.uk) and the TrustNet website (www.trustnet.co.uk). You can also call 0500 00 00 40 for information.

Literature Request Service

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

Telephone: 0500 00 40 00
Email: aam@lit-request.com

For information on the Investment Plan for Children, Share Plan, 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

The information above is issued and has been approved for the purposes 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.

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