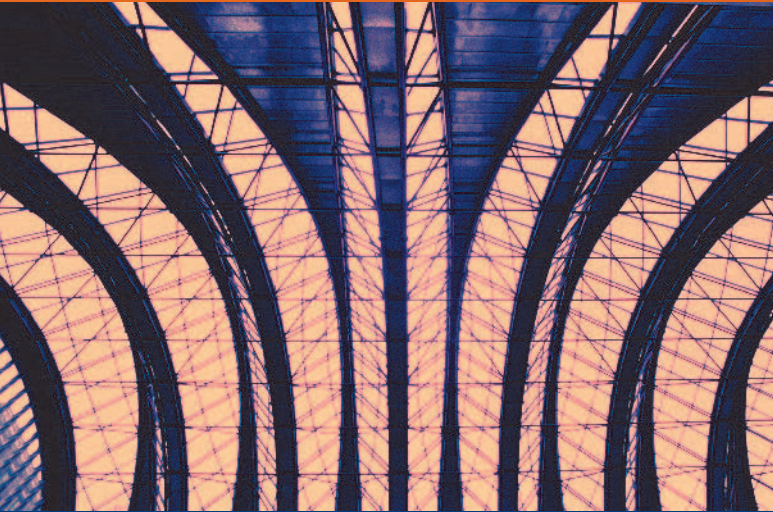


04

Murray Income Trust PLC

Interim Report

Six months ended 31 December 2004



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 2004

	31 December 2004	31 December 2003	30 June 2004
Total assets*	£399,791,000	£381,417,000	£385,138,000
Equity Shareholders' interests	£379,791,000	£341,417,000	£345,138,000
Net Asset Value per Ordinary share	552.3p	486.3p	496.2p
Share price of Ordinary share	496.3p	441.0p	439.8p
Discount to Net Asset Value on Ordinary shares	10.1%	9.3%	11.4%

* Represents total assets less current liabilities, excluding short-term loans of Enil (31 December 2003 - £30,000,000; 30 June 2004 - £30,000,000).

Performance	Six months to 31 December 2004	Six months to 31 December 2003	Year to 30 June 2004
Net Asset Value total return per Ordinary share	13.2%	14.3%	18.7%
Share price total return per Ordinary share	15.1%	8.2%	10.2%
FTSE All-Share Index	9.7%	13.7%	16.9%
FTSE 350 Higher Yield Index	11.9%	14.2%	19.1%

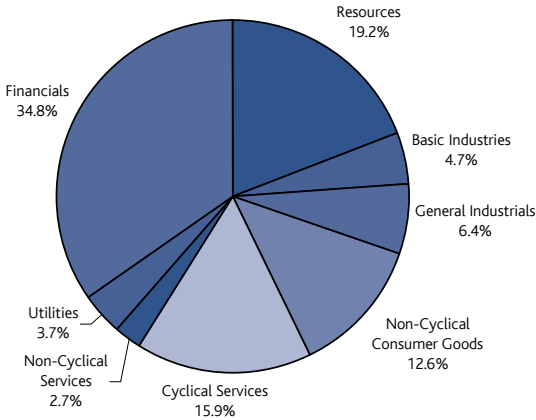
Financial Calendar

15 April 2005	Second interim dividend payable
15 July 2005	Third interim dividend payable
September 2005	Announcement of results for the year ending 30 June 2005
September 2005	Annual Report posted to Shareholders
October 2005	Annual General Meeting
October 2005	Final dividend payable for the year ending 30 June 2005
February 2006	Announcement of Interim Results
March 2006	Interim Report posted to Shareholders

Total Equity Distribution

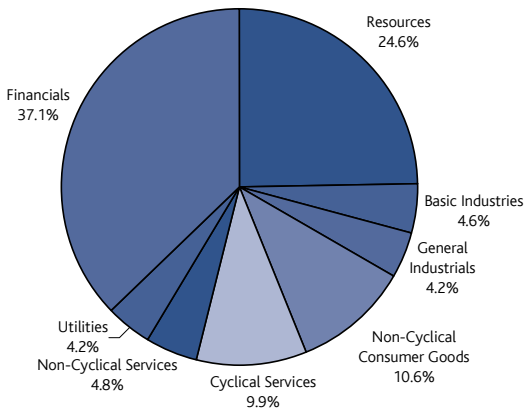
Distribution of Investments

As at 31 December 2004



Distribution of Investments

As at 30 June 2004



Interim Review

Performance

UK share prices again produced a positive performance during the six months to 31 December 2004, ending the year at their highest level for over two years. This six month period was the first following the decision to change the Company's benchmark to the FTSE All-Share Index, and has produced an encouraging start. The Net Asset Value Total Return for the six months to 31 December was 13.2%, compared to 9.7% from the FTSE All-Share Index.

Background

After some nervousness at the start of the period, UK share prices subsequently rose steadily. Looking at the economic background, there was only a single increase in short term interest rates, by 0.25% to 4.75%, but what was more important was a shift in investor perception towards future interest rate changes. Many commentators now believe that the cycle of increasing interest rates is either at, or very close to, the peak. Previously the consensus view had been that a series of interest rate increases was to be expected. Although the momentum in the economy slowed, growth in GDP remains above trend levels and unemployment remains low. With housing transactions and new mortgage approvals falling, the housing market has clearly slowed.

Activity

At the beginning of the Company's financial year, the portfolio was restructured to increase the emphasis on the management of absolute return and decrease the emphasis on the benchmark. Over the six months, three new holdings were established: BBA, the aviation services and materials technology business; First Choice, the leisure travel operator; and Mothercare, the high street retailer. Reductions were made in the holdings of BP and HSBC, while three companies were sold in their entirety, being Abbey National, United Utilities and Kingfisher.

In contrast to the previous period, almost 800,000 of the Company's own shares were purchased for cancellation over the six months. Since these were in all cases purchased at a discount to their Asset Value, the Asset Value of the remaining shares was modestly enhanced.

Gearing

The Manager has continued to manage the Company's gearing actively as bank facilities are flexible and can be repaid quickly without any additional costs. The Company also renegotiated its bank facilities into a single agreement and was able to secure a reduction in the cost.

Investment Management

Ross Watson and Gary McAleese have been responsible for the investment management of the Company. Ross Watson has recently accepted another appointment within the industry and Anne Richards and Gary McAleese will now be responsible for the Company's investment management.

Dividend

A first interim dividend of 4.5p was paid on 17 January 2005 to Shareholders on the register at close of business on 17 December 2004. A second interim dividend of 4.5p will be paid on 15 April 2005 to Shareholders on the register as at close of business on 18 March 2005. The third interim dividend of 4.5p will be paid on 15 July 2005 to Shareholders on the register as at the close of business on 17 June 2005.

Although these interim dividends show no increase on those paid in the year to June 2004, the underlying revenue stream from the portfolio remains strong. This, together with the revenue reserves, means that the Directors expect to be able to recommend an increase in the final dividend.

Outlook

The growth of the economy may be slower than last year, but should still be around the trend level of 2.5%. Short term interest rates are not expected to rise much further, as the slowdown in the housing market shows that past increases have had the desired effect. Although share prices have risen in recent months, the prospect of further growth in corporate profits means that the valuation of the UK stock market remains relatively attractive.

11 February 2005

By order of the Board
Aberdeen Asset Management PLC
Secretary

Summary of Investment Changes

For the six months ended 31 December 2004

	Valuation 30 June 2004		Transactions £'000	Appreciation/ (depreciation) £'000	Valuation 31 December 2004	
	£'000	%			£'000	%
United Kingdom						
Equities	390,004	101.3	(28,254)	40,200	401,950	100.5
Total investments	390,004	101.3	(28,254)	40,200	401,950	100.5
Net liabilities excluding borrowings	(4,866)	(1.3)	2,707	-	(2,159)	(0.5)
Total assets	385,138	100.0	(25,547)	40,200	399,791	100.0

Summary of Net Assets

	Valuation 31 December 2004	
	£'000	%
Equities	401,950	105.8
Net liabilities excluding borrowings	(2,159)	(0.5)
Borrowings	(20,000)	(5.3)
Equity Shareholders' interest	379,791	100.0

Share Capital

As at 31 December 2004

Ordinary shares of 25p each	68,767,046
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Twenty Largest Investments

As at 31 December 2004

Investment	Sector	Valuation £'000	Total assets %
BP	Oil & Gas	29,667	7.4
Shell Transport & Trading	Oil & Gas	26,374	6.6
HSBC Holdings	Banks	23,953	6.0
Barclays	Banks	17,627	4.4
Lloyds TSB	Banks	15,893	4.0
Royal Bank of Scotland Group	Banks	15,663	3.9
Aviva	Life Assurance	15,260	3.8
Great Universal Stores	General Retailers	12,987	3.2
Diageo	Beverages	11,145	2.8
Slough Estates	Real Estate	10,945	2.7
GlaxoSmithKline	Pharmaceuticals	10,713	2.7
HBOS	Banks	10,642	2.7
British American Tobacco	Tobacco	10,283	2.6
Anglo American	Mining	9,499	2.4
BBA Group	Transport	7,646	1.9
Unilever	Food Producers & Processors	7,572	1.9
Standard Chartered	Banks	7,071	1.8
Wolverhampton & Dudley Breweries	Leisure & Hotels	6,863	1.7
Land Securities Group	Real Estate	6,337	1.6
Weir Group	Engineering & Machinery	6,239	1.6
Top twenty investments		262,379	65.7

Statement of Total Return

	Six months ended 31 December 2004 (unaudited)		
	Revenue £'000	Capital £'000	Total £'000
Realised gains/(losses) on investments	-	8,293	8,293
Unrealised gains on investments	-	31,907	31,907
Gains on investments	-	40,200	40,200
Income from investments	6,329	-	6,329
Other income	98	-	98
Investment management fees	(634)	(634)	(1,268)
Other expenses	(404)	-	(404)
Net return before finance costs and taxation	5,389	39,566	44,955
Finance costs of borrowing	(342)	(342)	(684)
Return attributable to equity Shareholders	5,047	39,224	44,271
Ordinary dividends on equity shares	(6,157)	-	(6,157)
Transfer (from)/to reserves	(1,110)	39,224	38,114
Return per Ordinary share (pence)	7.3	56.9	64.2

Notes

1. The revenue column of this statement represents the revenue account of the Company.

2. The financial information for the six months ended 31 December 2004 and 31 December 2003 comprises non-statutory accounts within the meaning of Section 240 of the Companies Act 1985. The financial information for the year ended 30 June 2004 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.

3. Dividends on Ordinary shares	Six months to		Year to
	31/12/04 £'000	31/12/03 £'000	30/06/04 £'000
First interim - 4.5p paid on 17.1.05 (2004 - 4.5p)	3,095	3,159	3,159
Second interim - 4.5p payable on 15.4.05 (2004 - 4.5p)	3,095	3,159	3,157
Third interim (2004 - 4.5p)	-	-	3,135
Final dividend (2004 - 4.75p)	-	-	3,304
Over accrual due to share buybacks	(33)	-	-
	6,157	6,318	12,755

Six months ended 31 December 2003
(unaudited)

Year ended 30 June 2004
(audited)

Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
-	(729)	(729)	-	649	649
-	38,732	38,732	-	43,858	43,858
-	38,003	38,003	-	44,507	44,507
7,637	-	7,637	16,736	-	16,736
57	-	57	91	-	91
(620)	(620)	(1,240)	(1,254)	(1,254)	(2,508)
(462)	-	(462)	(972)	-	(972)
6,612	37,383	43,995	14,601	43,253	57,854
(400)	(389)	(789)	(858)	(858)	(1,716)
6,212	36,994	43,206	13,743	42,395	56,138
(6,318)	-	(6,318)	(12,755)	-	(12,755)
(106)	36,994	36,888	988	42,395	43,383
8.8	52.7	61.5	19.6	60.5	80.1

Balance Sheet

	As at 31 December 2004 (unaudited) £'000	As at 31 December 2003 (unaudited) £'000	As at 30 June 2004 (audited) £'000
Fixed assets			
Investments	401,950	385,191	390,004
Current assets			
Debtors	959	1,183	1,716
Cash and overnight deposits	3,399	2,164	239
	4,358	3,347	1,955
Creditors			
Amounts falling due within one year	(6,517)	(37,121)	(36,821)
Net current liabilities	(2,159)	(33,774)	(34,866)
Total assets less current liabilities	399,791	351,417	355,138
Creditors			
Amounts falling due after more than one year	(20,000)	(10,000)	(10,000)
Net assets	379,791	341,417	345,138
Capital and reserves			
Called-up share capital	17,192	17,551	17,391
Share premium account	7,955	7,955	7,955
Capital redemption reserve	4,410	4,050	4,210
Capital reserve - realised	266,093	264,737	262,238
Capital reserve - unrealised	72,962	35,929	41,055
Revenue reserve	11,179	11,195	12,289
Equity Shareholders' funds	379,791	341,417	345,138
Net Asset Value per Ordinary share (pence)	552.3	486.3	496.2

Cash Flow Statement

	Six months ended 31 December 2004 (unaudited)	Six months ended 31 December 2003 (unaudited)	Year ended 30 June 2004 (audited)
	£'000	£'000	£'000
Operating activities			
Investment income received	7,110	7,515	16,056
Deposit interest received	99	51	88
Underwriting commission received	-	4	4
Investment management fees paid	(1,264)	(876)	(2,498)
Secretarial fees paid	(25)	(25)	(50)
Cash paid to and on behalf of Directors	(39)	(30)	(72)
Other cash payments	(375)	(455)	(951)
Net cash inflow from operating activities	5,506	6,184	12,577
Servicing of finance			
Bank and loan interest paid	(708)	(722)	(1,666)
Financial investment			
Purchases of investments	(59,227)	(37,467)	(51,348)
Sales of investments	87,458	31,012	46,605
Net cash inflow/(outflow) from financial investment	28,231	(6,455)	(4,743)
Equity dividends paid	(6,408)	(6,494)	(12,809)
Management of liquid resources			
Cash (placed)/drawn on short-term deposit	(3,045)	2,155	3,478
Net cash inflow/(outflow) before financing	23,576	(5,332)	(3,163)
Financing			
Repurchase of shares	(3,461)	-	(2,772)
(Repayment)/drawdown of loans	(20,000)	5,000	5,000
Net cash (outflow)/inflow from financing	(23,461)	5,000	2,228
Increase/(decrease) in cash	115	(332)	(935)

Corporate Information

Directors

P A F Gifford (Chairman)
A J M Coats
M Glen
Sir David Trippier RD DL
H van der Klugt

Secretary and Registered Office

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Registered in Scotland – Company Number
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Website: www.murray-income.co.uk

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At the registered office of the Company

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Customer Services Department: 0500 00
00 40

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Capita Registrars
The Registry
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Beckenham
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Tel. 0870 162 3100

Custodian Bankers

J P Morgan Chase Bank

Auditors

Ernst & Young LLP

Solicitors

McGrigors

Stockbrokers

UBS
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Authorised and Regulated by The Financial Services Authority
Member of the Aberdeen Asset Management Group of Companies

