

Murray Income Trust PLC

Half-yearly Report
31 December 2012

2012



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Investment Objective

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

Highlights and Financial Calendar

Financial Highlights

	31 December 2012	30 June 2012	% Change
Total assets (£'000)	481,215	465,458	+3.4
Equity shareholders' interests (£'000)	441,215	425,458	+3.7
Net asset value per Ordinary share	668.0p	649.6p	+2.8
Share price of Ordinary share (mid)	665.0p	640.0p	+3.9
Discount to net asset value on Ordinary shares	0.4%	1.5%	

Performance (total return)	Six months ended 31 December 2012	Year ended 30 June 2012
Net asset value per Ordinary share	+6.0%	+1.4%
Share price per Ordinary share	+7.1%	+1.7%
FTSE All-Share Index	+8.7%	−3.1%

Financial Calendar

12 April 2013	Second interim dividend payable
12 July 2013	Third interim dividend payable
September 2013	Announcement of results for the year ending 30 June 2013
September 2013	Annual Report posted to shareholders
25 October 2013	Annual General Meeting in London
November 2013	Final dividend payable for the year ending 30 June 2013
February 2014	Announcement of Half-yearly Results
March 2014	Half-yearly Report posted to shareholders

Interim Board Report

Performance

The UK equity market performed strongly over the six month period to 31 December 2012, with a net asset value total return for the Company of 6.0%. The Company underperformed the benchmark, the FTSE All-Share Index, which rose by 8.7%. On a total return basis, the Company's share price increased by 7.1% to 665.0p, which reflected a small decrease in the discount to net asset value at which the shares trade.

Share Capital

To give the Company maximum flexibility to issue shares while keeping costs to a minimum, the Company may either issue shares from its unissued share capital or re-issue shares which it holds in treasury. During the period ended 31 December 2012, 466,000 Ordinary shares were re-issued from treasury and 85,000 were issued from the Company's unissued share capital, all at an average price of 671.95p. Subsequent to the end of the period and up to 20 February 2013, a further 192,000 Ordinary shares were issued from the Company's unissued share capital at an average price of 697.02p. The issued Ordinary share capital at 31 December 2012 consisted of 66,050,458 Ordinary shares of 25p and 451,000 Ordinary shares held in treasury. At 20 February 2013 the Ordinary share capital of the Company consisted of 66,242,458 Ordinary shares of 25p and 451,000 Ordinary shares held in treasury.

Board

As mentioned in the Chairman's Statement in the Annual Report for the year ended 30 June 2012, Jean Park and Donald Cameron were appointed as Directors of the Company on 2 July 2012 and 5 September 2012 respectively. Both were elected as Directors by shareholders at the Annual General Meeting held on 23 October 2012. Marian Glen retired as a Director at the Annual General Meeting.

Manager's Commentary

Background

Against a backdrop of anaemic economic growth, equity markets resumed their recovery during the six months under review. The FTSE All-Share Index gained at least 1.0% every month of the period as investor risk appetite increased and sentiment improved. The catalyst for this change was a realisation that coherent measures were being taken to resolve the Eurozone debt crisis. This was exhibited in actions by the European Central Bank to support the Euro, by measures introduced to improve fiscal sustainability and by greater political harmony within the Eurozone. This led to lower bond yields (particularly for Italy and Spain) and reduced credit default swap rates providing confidence to equity investors as the most significant risks with low

probability but high potential impact were reduced. Given this heightened risk appetite, the market was also prepared to look through the upcoming fiscal bargaining in the United States. In the event, these issues were only partially settled, although it appears that politicians are likely to negotiate more sensibly in future.

From a sector performance perspective, riskier assets tended to perform well, and as such, financials and particularly banks outperformed. On the other hand, the more defensive oriented companies lagged. Both the FTSE 250 and Small Cap Indices outperformed the FTSE 100 Index given their greater exposure to less defensive areas of the market and investors' desire to increase risk exposure.

Domestic economic data remained mixed over the six months with trends more difficult to discern given the disruptive impact of the Olympics. Third quarter 2012 GDP growth of 0.9% suggested a concerted recovery in activity but the initial estimate of a 0.3% fall in the fourth quarter (released after the period end) reignited concerns. Over the period most forecasters reduced their expectations for GDP growth for 2013 to around 1%. However, the domestic employment picture continues to be surprisingly robust with the unemployment rate falling to 7.7%. Inflation ended the period at 2.7%, marginally higher than at the start. The Monetary Policy Committee left interest rates unchanged throughout the period but increased the level of asset purchases by £50bn in July to bring the total amount to £375bn.

Globally, the tone of macroeconomic data releases suggested some stabilisation, if not perhaps improvement. In the Eurozone it appears that conditions have stopped deteriorating although there remains a salient difference between the performance of the 'core' and 'peripheral' economies. The United States has generally demonstrated an improving trend buoyed by robust employment and housing data, although manufacturing remains volatile. In Japan, the election victory for the Liberal Party at the end of the period resulted in a renewed emphasis on more aggressive monetary policy to tackle persistent deflation and a perceived overvaluation of the yen. Emerging markets, which have been the principal engine of global growth, provided mixed signals, with optimistic signs of a recovery in China but with growth remaining depressed in Brazil.

The Company's net asset value underperformed the benchmark over the period. In a momentum-led rally where cyclical and smaller companies outperformed those with a 'quality' bias, this was not surprising. The

main negative contributors were the underweight positions in the media and banking sectors where our holdings failed to match the benchmark constituents' returns over the interim period. The underweight exposure to oil & gas producers proved to be beneficial during a period in which BG in particular underperformed. The Company's gearing, which was held steady over the period, provided a small benefit to the net asset value performance.

Activity

We invested in one new holding during the period, the Swedish bank Svenska Handelsbanken. The company has a very strong capital position, low funding costs, a conservative management team and a differentiated strategy that offers good growth potential. In addition, we continued to focus on high-quality companies, increasing our exposure to Linde, GKN, Vodafone, BG and ENI. We also took advantage of a sharp fall in the share price of Standard Chartered, following the announcement of an investigation by the New York regulator into the company's links with Iran, to top up our holding. In contrast, the holdings in BP and Shell were reduced through the assignment of options helping to reduce the concentration risk in the sector. The call options that were written to reduce the holding in British American Tobacco reflecting its strong performance, the significant weight in the portfolio and the more challenging regulatory backdrop were also assigned during the period. Finally, following a substantial tightening of its discount, we reduced our exposure to the Dunedin Smaller Companies investment trust.

In order to increase and diversify the income of the Company, we continued to write options, with puts on companies including HSBC, Prudential and Pearson, and calls over BP, Shell and British American Tobacco amongst others.

Outlook

Although economies in mature markets have continued the healing process that began in 2009, the outlook remains difficult and opaque. High levels of consumer and government debt, stress in the financial system, the future impact of austerity measures and challenges related to economic rebalancing remain significant barrier to enduring growth. However, the outlook has improved given efforts to remove the more extreme risks surrounding a collapse of the Eurozone and a stabilisation in global growth prospects even if this has yet to be translated into improved corporate earnings. Those companies able to generate sustainable organic growth have continued to re-rate but in aggregate,

valuations still look reasonable, particularly so on a relative basis. The portfolio retains exposure to a mixture of good quality companies, with strong competitive positions and healthy financial characteristics, capable of generating attractive earnings and dividend growth over the longer term. We continue to believe that these attributes are the best way to ensure good long term performance.

Dividends

A first interim dividend of 7.0p was paid on 14 January 2013 to shareholders on the register at the close of business on 21 December 2012. A second interim dividend of 7.0p will be paid on 12 April 2013 to shareholders on the register at the close of business on 8 March 2013. The third interim dividend of 7.0p will be paid on 12 July 2013 to shareholders on the register at the close of business on 7 June 2013. As the Company announced on 7 December 2013, these interim dividend payments will represent a material increase in the proportion of distributable revenue which the Company has previously paid by way of interim dividends. The objective is to rebalance the proportion of the dividends paid by the Company as between interim and final dividends, so that shareholders will receive a greater proportion of the Company's dividend distributions earlier, by way of the interim dividends. Although this will obviously result in a lower final dividend, the total level of dividends for the current financial year is expected to be broadly the same as last year.

Current consensus forecasts suggest dividend growth of around 5% for calendar 2013 increasing to 10% for 2014. Although this may be a little optimistic for 2014, we would still expect reasonable dividend progression from the underlying holdings in the Company. Furthermore, the income from option writing provides a useful fillip and our revenue reserves remain strong.

Risks and Uncertainties

The Board has identified a number of key risks that affect its business:

- Resource risk – like most other investment trusts, the Company has no employees. The Company therefore relies on services provided by third parties, including, in particular, the Manager, to whom responsibility for the management of the Company has been delegated under an investment management agreement (the "Agreement"). The terms of the Agreement cover the scope of the duties and obligations expected of the Manager. The Board reviews the performance of the Manager on a regular basis, and their compliance with the Agreement formally on an annual basis.
- Investment objective – the objective of the Company is to achieve a high and growing income combined with capital

growth. As a consequence, the investment portfolio may not always match that of the stock market as a whole, with a consequential impact on shareholder returns. The Board's aim is to maximise absolute returns to shareholders, while managing risk by ensuring an appropriate diversification of stocks and sectors.

- Investment policy and gearing – a major risk affecting the Company is inappropriate sector and stock selection, leading to under-performance relative to the Company's benchmark index and peer group. In addition, the use of borrowing facilities to invest in markets may have a negative impact if markets fall. To mitigate these risks, the Manager operates within investment guidelines and agreed levels of borrowing. Performance against the benchmark index and the peer group is regularly monitored.
- Discount volatility – investment trust shares tend to trade at a discount to their underlying net asset values, although they can also trade at a premium. Discounts and premia can fluctuate considerably. In order to seek to reduce the impact of such fluctuations, where the shares are trading at a discount, the Company has operated a share buy-back programme for a number of years. If the shares trade at a premium, the Company has the authority to issue new shares or re-issue shares from treasury. Whilst these measures seek to mitigate volatility, it cannot be guaranteed that they will do so.
- Foreign currency risk - a proportion of the Company's investment portfolio is invested in overseas securities and the value of the Company's investments and the income derived from them can, therefore, be affected by movements in foreign exchange rates. In addition, the earnings of the Company's other investments may also be affected by currency movements which, indirectly, could have an impact on the Company's performance.
- Regulatory risk - the Company operates in a complex regulatory environment and faces a number of related risks. A breach of Section 1158 of the Corporation Tax Act 2010 could result in the Company being subject to capital gains tax on the sale of its investments. Serious breach of other regulations, such as the UKLA Listing Rules and the Companies Act, could lead to suspension from the Stock Exchange and reputational damage. The Board receives monthly compliance reports from the Manager to monitor compliance with regulations.

Going Concern

The factors which have an impact on the Company's status as a going concern are set out in the Going Concern section of the Directors' Report in the Company's Annual Report and Accounts to 30 June 2012. As at 31 December 2012, there have been no significant changes to these factors. The Directors are mindful of the principal risks and uncertainties disclosed above, and, having reviewed forecasts detailing revenue and liabilities, they believe that the Company has adequate financial resources to continue its operational existence for the foreseeable future. Accordingly, the Directors believe that it is appropriate to continue to adopt the going concern basis in preparing the Financial Statements.

Statement of Directors' Responsibilities

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 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 (indication of important events during the first six months of the year and their impact on the financial statements together with a description of the risks and uncertainties for the remaining six months of the year) and 4.2.8R (disclosure of related party transactions and changes therein) of the FSA's Disclosure and Transparency Rules.

The Half-Yearly Financial Report for the six months to 31 December 2012 comprises the Interim Board Report, the Statement of Directors' Responsibilities and a condensed set of financial statements, and has not been audited or reviewed by the auditors pursuant to the Auditing Practices Board guidance on Review of Interim Financial Information.

By order of the Board

Aberdeen Asset Management PLC

Secretary

20 February 2013

Investment Portfolio

As at 31 December 2012

Investment	Sector	Valuation £'000	Total assets %
Centrica	Gas, Water & Multi-utilities	23,185	4.8
Royal Dutch Shell ('A' Shares)	Oil & Gas Producers	22,922	4.8
GlaxoSmithKline	Pharmaceuticals & Biotechnology	22,561	4.7
British American Tobacco	Tobacco	22,534	4.7
Vodafone	Mobile Telecommunications	21,890	4.5
Unilever	Food Producers	21,531	4.5
AstraZeneca	Pharmaceuticals & Biotechnology	17,370	3.6
HSBC	Banks	17,289	3.6
BHP Billiton	Mining	17,270	3.6
Pearson	Media	16,216	3.4
Top ten investments		202,768	42.2
Roche	Pharmaceuticals & Biotechnology	15,965	3.3
Tesco	Food & Drug Retailers	15,359	3.2
ENI	Oil & Gas Producers	14,875	3.1
National Grid	Gas, Water & Multi-utilities	13,547	2.8
BP	Oil & Gas Producers	12,909	2.7
Compass	Travel & Leisure	11,615	2.4
Prudential	Life Insurance	11,122	2.3
Standard Chartered	Banks	10,841	2.3
Cobham	Aerospace & Defence	10,815	2.2
Morrison (Wm) Supermarkets	Food & Drug Retailers	10,746	2.2
Top twenty investments		330,562	68.7
Aberforth Smaller Companies Trust	Equity Investment Instruments	9,946	2.1
Imperial Tobacco	Tobacco	9,848	2.0
Associated British Foods	Food Producers	9,009	1.9
Sage Group	Software & Computer Services	8,729	1.8
Rolls Royce	Aerospace & Defence	8,032	1.7
AMEC	Oil Equipment & Services	7,061	1.5
Land Securities	Real Estate Investment Trusts	6,975	1.4
Schneider Electric	Electronic & Electrical Equipment	6,664	1.4
Provident Financial	Financial Services	6,642	1.4
John Wood Group	Oil Equipment & Services	6,320	1.3
Top thirty investments		409,788	85.2
Close Brothers	Financial Services	6,050	1.3
Nestlé	Food Producers	6,008	1.3
GDF Suez	Gas, Water & Multi-utilities	5,805	1.2
BG Group	Oil & Gas Producers	5,569	1.2
GKN	Automobiles & Parts	5,195	1.1
Whitbread	Travel & Leisure	4,943	1.0
Linde	Chemicals	4,921	1.0
BBA Aviation	Industrial Transportation	4,549	0.9
Nordea Bank	Banks	4,501	0.9
Svenska Handelsbanken	Banks	3,560	0.7
Top forty investments		460,889	95.8
Dunedin Smaller Companies Investment Trust	Equity Investment Instruments	3,206	0.7
Weir Group	Industrial Engineering	2,499	0.5
Total investments		466,594	97.0
Net current assets ^A		14,621	3.0
Total assets		481,215	100.0

^AExcludes bank loan of £40,000,000.

Income Statement

	Notes	Six months ended 31 December 2012 (unaudited)			Six months ended 31 December 2011 (unaudited)			Year ended 30 June 2012 (audited)		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains/(losses) on investments		–	18,597	18,597	–	(22,331)	(22,331)	–	(14,044)	(14,044)
Currency gains		–	4	4	–	57	57	–	80	80
Income	3	7,913	–	7,913	9,076	–	9,076	22,688	–	22,688
Investment management fees		(586)	(586)	(1,172)	(547)	(547)	(1,094)	(1,112)	(1,112)	(2,224)
Administrative expenses		(547)	–	(547)	(490)	–	(490)	(981)	–	(981)
Net return before finance costs and taxation		6,780	18,015	24,795	8,039	(22,821)	(14,782)	20,595	(15,076)	5,519
Finance costs on borrowing		(185)	(185)	(370)	(246)	(246)	(492)	(460)	(460)	(920)
Net return on ordinary activities before taxation		6,595	17,830	24,425	7,793	(23,067)	(15,274)	20,135	(15,536)	4,599
Taxation	4	(52)	–	(52)	(54)	–	(54)	(249)	–	(249)
Return on ordinary activities after taxation		6,543	17,830	24,373	7,739	(23,067)	(15,328)	19,886	(15,536)	4,350
Return per Ordinary share (pence):	5	10.0	27.1	37.1	12.0	(35.7)	(23.7)	30.6	(23.9)	6.7

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

The Company had no recognised gains or losses other than those recognised in the Income Statement.

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

Ordinary dividends paid on equity shares (£'000)	2	12,281	–	12,281	11,472	–	11,472	18,604	–	18,604
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The above dividend information does not form part of the Income Statement.

Balance Sheet

	Notes	As at 31 December 2012 (unaudited) £'000	As at 31 December 2011 (unaudited) £'000	As at 30 June 2012 (audited) £'000
Non-current assets				
Investments at fair value through profit or loss		466,594	439,723	443,355
Current assets				
Loans and receivables		1,467	2,362	3,115
Cash and short-term deposits		13,914	11,036	19,867
		15,381	13,398	22,982
Creditors: amounts falling due within one year				
Other payables		(760)	(515)	(879)
Bank loans		(40,000)	(45,000)	(40,000)
		(40,760)	(45,515)	(40,879)
Net current liabilities		(25,379)	(32,117)	(17,897)
Net assets		441,215	407,606	425,458
Share capital and reserves				
Called-up share capital		16,625	16,604	16,604
Share premium account		8,780	7,955	8,103
Capital redemption reserve		4,997	4,997	4,997
Capital reserve	6	388,559	355,073	367,762
Revenue reserve		22,254	22,977	27,992
Equity shareholders' funds		441,215	407,606	425,458
Net asset value per Ordinary share (pence):	7	668.0	630.1	649.6

Reconciliation of Movements in Shareholders' Funds

Six months ended 31 December 2012 (unaudited)

	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 30 June 2012	16,604	8,103	4,997	367,762	27,992	425,458
Return on ordinary activities after taxation	–	–	–	17,830	6,543	24,373
Issue of Ordinary shares	21	677	–	2,967	–	3,665
Dividends paid	–	–	–	–	(12,281)	(12,281)
Balance at 31 December 2012	16,625	8,780	4,997	388,559	22,254	441,215

Six months ended 31 December 2011 (unaudited)

	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 30 June 2011	16,604	7,955	4,997	378,140	26,710	434,406
Return on ordinary activities after taxation	–	–	–	(23,067)	7,739	(15,328)
Dividends paid	–	–	–	–	(11,472)	(11,472)
Balance at 31 December 2011	16,604	7,955	4,997	355,073	22,977	407,606

Year ended 30 June 2012 (audited)

	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 30 June 2011	16,604	7,955	4,997	378,140	26,710	434,406
Return on ordinary activities after taxation	–	–	–	(15,536)	19,886	4,350
Issue of Ordinary shares	–	148	–	5,158	–	5,306
Dividends paid	–	–	–	–	(18,604)	(18,604)
Balance at 30 June 2012	16,604	8,103	4,997	367,762	27,992	425,458

Cash Flow Statement

	Six months ended 31 December 2012 (unaudited) £'000	Six months ended 31 December 2011 (unaudited) £'000	Year ended 30 June 2012 (audited) £'000
Net return before finance costs and taxation	24,795	(14,782)	5,519
Adjustments for:			
(Gains)/losses on investments	(18,597)	22,331	14,044
Currency gains	(4)	(57)	(80)
Non cash stock dividend	(663)	(63)	(741)
Overseas withholding tax suffered	177	(54)	–
Decrease in accrued income	1,346	767	148
Decrease/(increase) in prepayments	75	(23)	(10)
(Decrease)/increase in accruals	(174)	(429)	8
Net cash inflow from operating activities	6,955	7,690	18,888
Servicing of finance			
Interest paid	(316)	(476)	(976)
Net cash outflow from servicing of finance	(316)	(476)	(976)
Taxation			
Net tax paid	–	–	(397)
Net cash outflow from taxation	–	–	(397)
Financial investment			
Purchases of investments	(13,687)	(22,054)	(68,224)
Sales of investments	9,707	26,776	78,279
Net cash (outflow)/inflow from financial investment	(3,980)	4,722	10,055
Equity dividends paid	(12,281)	(11,472)	(18,604)
Net cash (outflow)/inflow before financing	(9,622)	464	8,966
Financing			
Issue of Ordinary shares	3,665	–	5,306
Drawdown of loan	–	5,000	5,000
Repayment of loan	–	–	(5,000)
Net cash inflow from financing	3,665	5,000	5,306
Net (decrease)/increase in cash	(5,957)	5,464	14,272

Notes to the Accounts

1. Accounting policies

(a) Basis of accounting

The accounts have been prepared under the historical cost convention, as modified to include the revaluation of investments and 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 for 'Financial Statements of Investment Trust Companies & Venture Capital Trusts'. 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 interim accounts have been prepared using the same accounting policies as the preceding annual accounts.

(b) Dividends payable

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

2. Ordinary dividends

Ordinary dividends paid on equity shares deducted from reserves:

	Six months ended 31 December 2012 £'000	Six months ended 31 December 2011 £'000	Year ended 30 June 2012 £'000
2011 third interim dividend – 5.50p	–	3,558	3,558
2011 final dividend – 12.25p	–	7,924	7,924
2012 first interim dividend – 5.50p	–	–	3,558
2012 second interim dividend – 5.50p	–	–	3,574
2012 third interim dividend – 5.50p	3,602	–	–
2012 final dividend – 13.25p	8,679	–	–
Return of unclaimed dividends	–	(10)	(10)
	12,281	11,472	18,604

3. Income

	Six months ended 31 December 2012 £'000	Six months ended 31 December 2011 £'000	Year ended 30 June 2012 £'000
Investment income			
UK dividend income	5,531	6,945	17,472
Overseas and unfranked income	863	853	2,427
Stock dividends	663	63	741
Bond interest	–	60	60
	7,057	7,921	20,700
Other income			
Deposit interest	19	12	48
Traded option premiums	837	1,143	1,940
	856	1,155	1,988
Total income	7,913	9,076	22,688

Notes to the Accounts continued

4. Taxation

The taxation charge for the period represents withholding tax suffered on overseas dividend income.

	Six months ended 31 December 2012	Six months ended 31 December 2011	Year ended 30 June 2012
	p	p	p
5. Return per share			
Revenue return	10.0	12.0	30.6
Capital return	27.1	(35.7)	(23.9)
Total return	37.1	(23.7)	6.7

The figures are based on the following attributable amounts:

	Six months ended 31 December 2012 £'000	Six months ended 31 December 2011 £'000	Year ended 30 June 2012 £'000
Revenue return	6,543	7,739	19,886
Capital return	17,830	(23,067)	(15,536)
Total return	24,373	(15,328)	4,350
Weighted average number of Ordinary shares in issue	65,701,838	64,689,458	64,937,245

As at 31 December 2012, 451,000 Ordinary shares were held in treasury.

6. Capital reserve

The capital reserve reflected in the Balance Sheet at 31 December 2012 includes gains of £99,871,000 (31 December 2011 – £82,631,000; 30 June 2012 – £83,546,000) which relate to the revaluation of investments held at the reporting date.

	As at 31 December 2012	As at 31 December 2011	As at 30 June 2012
7. Net asset value per share			
Attributable net assets (£'000)	441,215	407,606	425,458
Number of Ordinary shares in issue	66,050,458	64,689,458	65,499,458
Net asset value per Ordinary share (p)	668.0	630.1	649.6

8. Transaction costs

During the period, 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/(losses) on investments in the Income Statement. The total costs were as follows:

	Six months ended 31 December 2012 £'000	Six months ended 31 December 2011 £'000	Year ended 30 June 2012 £'000
Purchases	41	88	183
Sales	12	22	76
	53	110	259

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9. 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 31 December 2012 and 31 December 2011 has not been audited.

The information for the year ended 30 June 2012 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 498 (2), (3) or (4) of the Companies Act 2006.

10. This Half-Yearly Financial Report was approved by the Board on 20 February 2013.

How to Invest in Murray Income Trust PLC

Direct

Investors can buy and sell shares 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, Investment Trust ISA or ISA Transfer.

Aberdeen's Investment Trust Share Plan

Aberdeen Asset Managers Limited ("AAM") runs a Share Plan (the "Plan") through which shares in Murray Income 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 Murray Income 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 £11,280 in Murray Income Trust PLC can be made through the Aberdeen Investment Trust ISA in the tax year 2012/2013, and of up to £11,520 in the tax year 2013/2014.

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 annually and applied on 31 March (or the last business day in March) and collected soon thereafter either

by direct debit or, if there is no valid direct debit mandate in place, from the available cash in the Plan prior to the distribution or reinvestment of any income, or, where there is insufficient cash in the Plan, from the sale of investments held under the Plan. Under current legislation, investments in ISAs can grow free of capital gains tax.

ISA Transfer

You can choose to transfer previous tax year investments to us which can be invested in while retaining your ISA wrapper. The minimum lump sum for an ISA transfer is £1,000, and is 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.

Further Information

If investors would like details on Murray Income Trust PLC or information on the Children's Plan, Share Plan, ISA or ISA Transfers, please telephone 0500 00 00 40 or write to Aberdeen Investment Trusts, PO Box 11020, Chelmsford, Essex CM99 2DB, or e-mail inv.trusts@aberdeen-asset.com. Details are also available on www.invtrusts.co.uk.

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

Keeping You Informed

The Company's share price appears under the heading 'Investment Companies' in the Financial Times and in The Herald and the Scotsman.

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.murray-income.co.uk) and the TrustNet website (www.trustnet.co.uk). Alternatively, you can call 0500 00 00 40 for trust information.

Corporate Information

Directors

P A F Gifford (Chairman)
D A J Cameron
N A Honebon
H van der Klugt (Audit Committee Chairman)
J C Park
D E Woods

Registered office

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Registered in Scotland – Company Number SC012725

Points of Contact

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Custodian Bankers

JPMorgan Chase Bank

Auditors

Ernst & Young LLP

Solicitors

Dickson Minto W.S.

Stockbroker

Canaccord Genuity

Website

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