Murray Income Trust PLC

Half Yearly Report

for the six months ended 31 December 2013

Contents

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 2013	30 June 2013	% Change
Total assets[A] (£'000)	583,305	532,878	+9.5
Equity shareholders' interests (£'000)	538,305	492,878	+9.2
Net asset value per Ordinary share	791.4p	734.6p	+7.7
Share price of Ordinary share (mid)	787.0p	741.0p	+6.2
(Discount)/premium to net asset value on Ordinary shares	(0.6)%	0.9%	

[A]Total assets as per the balance sheet less current liabilities (excluding prior charges such as bank loans).

Performance (total return)

	Six months ended 31 December 2013	Year ended 30 June 2013
Net asset value per Ordinary share	+10.1%	+18.8%
Share price per Ordinary share	+8.5%	+21.5%
FTSE All-Share Index	+11.3%	+17.9%

Financial Calendar

18 February 2014	Announcement of Half-Yearly Results for 6 months ended 31 December 2013
March 2014	Half-Yearly Report posted to shareholders
4 April 2014	Second interim dividend payable for year ending 30 June 2014
4 July 2014	Third interim dividend payable for year ending 30 June 2014
September 2014	Announcement of Annual Results for the year ending 30 June 2014 Annual Report posted to shareholders
29 October 2014	Annual General Meeting in Glasgow
November 2014	Final dividend payable for the year ending 30 June 2014
February 2015	Announcement of Half-Yearly Results for 6 months ending 31 December 2014
March 2015	Half-Yearly Report posted to shareholders

Interim Board Report

Performance

The UK equity market performed strongly over the six month period to 31 December 2013, with a net asset value total return for the Company of 10.1%. The Company underperformed the benchmark, the FTSE All-Share Index, which rose by 11.3%. On a total return basis, the Company's share price increased by 8.5% to 787.00p. This reflected a move from a small premium for the share price, relative to net asset value, to a small discount.

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 6 months ended 31 December 2013, 925,000 new Ordinary shares were issued from the Company's unissued share capital, at an average price per share of 778.64p. The issued Ordinary share capital at 31 December 2013 and at 18 February 2014 consisted of 68,017,458 Ordinary shares of 25p, with voting rights, 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 2013, Humphrey van der Klugt retired as a Director of the Company at the Annual General Meeting held on 25 October 2013. Neil Honebon and Jean Park succeeded Mr van der Klugt as Senior Independent Director, and Chairman of the Audit Committee, respectively.

Following a recruitment exercise undertaken by an independent search consultancy, Neil Rogan was appointed a Director on 26 November 2013. Neil brings to the Board extensive experience of both investment management and investment trusts.

Alternative Investment Fund Managers Directive

After consideration, the Board has agreed in principle to appoint a subsidiary of Aberdeen Asset Management PLC as the Company's AIFM as required by the Alternative Investment Fund Managers Directive ("AIFMD") which came into force on 22 July 2013. The Board fully expects to be able to implement the changes with Aberdeen Asset Managers Limited and other service providers prior to the expiry of the AIFMD's transitional arrangements in July 2014.

Independent Auditor

The Board conducts an annual review of its external audit arrangements and confirms that a tender for the external audit of the Company will be undertaken during the second half of the financial year.

Manager's Commentary

Background

The performance of the UK equity market during the period reflected the rapid recovery in the domestic economy. The picture was similar in other developed economies as the United States economy continued its gentle improvement and activity in the Eurozone stabilised. On the other hand emerging markets were weaker, as concerns over the effect of rising bond yields and the tapering of 'quantitative easing' in the United States, caused the currencies of a number of emerging market countries, notably those with current account deficits, to weaken significantly.

From a sector performance perspective, those areas of the market with greater exposure to the domestic economy performed strongly, for example, media, financial services and travel & leisure. Against this, the more defensively-oriented sectors such as tobacco and utilities lagged the market. 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. Furthermore, heightened risk appetite has also generated an acceleration in new issue activity.

Domestic economic data demonstrated encouraging signs over the period. Third quarter 2013 GDP growth of 0.8% was followed by growth (reported after the period end) of 0.7% for the fourth quarter, and GDP is in consequence now 1.3% below the peak of first quarter of 2008. Improved consumer confidence derived from a recovery in the housing market and, aided by the Help to Buy scheme, boosted consumption. Various commentators have upgraded their expectations for GDP growth in calendar 2014 with, for example, the IMF now expecting the UK economy to grow by 2.4%. Indeed, the period ended on a high note with unemployment falling, inflation at the government's target of 2% for the first time in four years and positive surveys in manufacturing and services (Purchasing Managers' Index). The Monetary Policy Committee left interest rates unchanged throughout the period but introduced 'forward guidance' in the form of a pledge not to raise interest rates at least until the unemployment rate had fallen below a threshold of 7%. However, after the period end, following the faster than anticipated fall in the unemployment rate this specific guidance was made redundant and replaced with a broader set of indicators.

Globally, the tone of macroeconomic data releases suggested either stabilisation or improvement in mature markets. However emerging markets demonstrated signs of a slowdown with capital outflows and pressure on household budgets. In the United States, political vacillation over the debt ceiling produced a period of uncertainty that delayed the start of tapering but at the end of the period the Federal Reserve moved to reduce the scale of its quantitative easing programme by $10bn per month while suggesting that interest rates were likely to remain low for a protracted period. In the Eurozone, the recognition that inflation remained below target and the risks were to the downside led the European Central Bank to cut interest rates to 0.25% in November. Although some progress has been made, further reforms, particularly regarding the oversight of banks, are still required. Many emerging markets have witnessed a sharper than expected slowdown in the wake of concerns over the impact of tapering. The recognition that China's economy is unlikely to maintain historic growth rates has also added downward pressure. However, it should be remembered that growth rates in emerging markets are still stronger than the developed world with attractive longer term characteristics.

The Company's net asset value underperformed the benchmark over the period. The main negative contributors were the overweight positions in pharmaceuticals and utilities where our holdings failed to match the benchmark constituents' returns over the interim period. Within the utilities sector, the Centrica share price fell on the proposal by the Leader of the Opposition to cap energy prices in the event of a Labour election victory. Also noteworthy (despite a marginally underweight position compared to the Index) was the significant increase in the share price of Vodafone as Verizon Communications approached the company to buy its stake in Verizon Wireless. The underweight exposure to beverages and banks proved to be beneficial during a period in which both sectors underperformed. Finally, the share prices of the two smaller company investment trusts performed very strongly over the period.

During the period, we extended our flexible borrowing facilities with Scotiabank for a period of two years with a reduced margin of Libor plus 85 basis points. The Company's gearing, which was marginally increased in September, provided a small benefit to the net asset value performance.

Activity

We invested in one new holding during the period, Inmarsat, the global satellite communications company which offers exposure to the growing demand for high speed data services. The company benefits from global coverage, a technological edge and very high barriers to entry coupled with a healthy dividend yield. During the period we marginally added to a number of holdings which we believe will perform well over the long term including Weir, Standard Chartered, Wood Group, Sage and BHP Billiton. Conversely, we took profits in companies that had performed strongly and whose valuations looked fuller, including Vodafone and Associated British Foods.

In order to increase and diversify the income available, we continued to write options, with puts on companies including Nordea, Svenska Handelsbanken and Unilever, and calls over Provident Financial, Rolls Royce, William Morrison and National Grid amongst others.

Outlook

For the market to make further progress it is likely that we will need to see a recovery in earnings as a continuation of the re-rating that we have seen over the past couple of years seems improbable. We believe that earnings do have the potential to recover, given the improving macroeconomic environment, which has been helped by significantly accommodating policies in developed economies. For the UK recovery to be enduring we need to witness real wage growth and a rebalancing of the economy rather than a reliance on the housing market and higher consumer borrowing. Valuations, although not so appealing on an absolute basis, remain attractive relative to other asset classes. Although a variety of challenges remain, companies are in decent shape and we believe that those with strong competitive positions, experienced management teams and healthy financial characteristics will be able to continue to deliver attractive returns over the longer term.

Dividends

A first interim dividend of 7.0p was paid on 17 January 2014 to shareholders on the register at the close of business on 20 December 2013. A second interim dividend of 7.0p will be paid on 4 April 2014 to shareholders on the register at the close of business on 7 March 2014. The third interim dividend of 7.0p will be paid on 4 July 2014 to shareholders on the register at the close of business on 6 June 2014.

Current consensus forecasts suggest dividend growth for the market of around 5% for calendar 2014 increasing to 10% for 2015. Typically, these forecasts have a tendency to be optimistic but 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.

Principal Risks and Uncertainties and Related Party Transactions

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.

Any related party transactions during the period are disclosed in the notes to the accounts. There have been no related party transactions that have had a material effect on the financial position of the Company during the period.

Referendum on Scottish Independence

As a Scottish-registered Company, the Board is mindful that there is uncertainty arising in relation to the referendum on Scottish independence due on 18 September 2014. The Board considers that a 'Yes' vote in favour of independence will prolong this uncertainty until the implications for the Company of an independent Scotland are understood and quantified in relation to the economic, legislative and regulatory environment in which the Company operates.

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 for the year ended 30 June 2013. As at 31 December 2013, there have been no significant changes to these factors.

The Board has set limits for borrowing and regularly reviews the level of any gearing, cash flow projections and compliance with banking covenants. On 26 September 2013, the Company entered into a two-year multi-currency revolving loan facility ("the Facility") with Scotiabank (Ireland) Limited for up to £80m. As at 31 December 2013, £45m had been drawn down under the Facility.

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 FCA's Disclosure and Transparency Rules.

The Half-Yearly Financial Report for the six months to 31 December 2013 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

18 February 2014

Investment Portfolio

As at 31 December 2013

Investment	Sector	Valuation £'000	Total assets %
GlaxoSmithKline	Pharmaceuticals & Biotechnology	27,234	4.7
Vodafone	Mobile Telecommunications	24,778	4.2
Centrica	Gas, Water & Multi-utilities	24,165	4.1
Royal Dutch Shell	Oil & Gas Producers	23,371	4.0
AstraZeneca	Pharmaceuticals & Biotechnology	21,340	3.7
Pearson	Media	21,309	3.7
Unilever	Food Producers	21,171	3.6
British American Tobacco	Tobacco	20,723	3.6
Roche	Pharmaceuticals & Biotechnology	19,955	3.4
BHP Billiton	Mining	19,718	3.4
Top ten investments		**223,764**	**38.4**
HSBC Holdings	Banks	18,032	3.1
Prudential	Life Insurance	17,219	3.0
Aberforth Smaller Companies Trust	Equity Investment Instruments	15,659	2.7
Tesco	Food & Drug Retailers	15,283	2.6
National Grid	Gas, Water & Multi-utilities	15,185	2.6
BP	Oil & Gas Producers	14,831	2.5
ENI	Oil & Gas Producers	14,551	2.5
Compass	Travel & Leisure	14,113	2.4
Close Brothers	Financial Services	13,446	2.3
Cobham	Aerospace & Defence	13,445	2.3
Top twenty investments		**375,528**	**64.4**
Sage Group	Software & Computer Services	13,161	2.3
Rolls Royce	Aerospace & Defence	11,724	2.0
Morrison (Wm) Supermarkets	Food & Drug Retailers	10,664	1.8
Associated British Foods	Food Producers	10,660	1.8
Standard Chartered	Banks	10,622	1.8
GDF Suez	Gas, Water & Multi-utilities	9,756	1.7
Imperial Tobacco	Tobacco	9,703	1.7
Schneider Electric	Electronic & Electrical Equipment	9,336	1.6
GKN	Automobiles & Parts	8,476	1.5
Hiscox	Non-life Assurance	8,350	1.4
Top thirty investments		**477,980**	**82.0**
Inmarsat	Mobile Telecommunications	8,316	1.4
Land Securities	Real Estate Investment Trusts	8,261	1.4
Provident Financial	Financial Services	7,943	1.4
AMEC	Oil Equipment, Services & Distribution	7,660	1.3
John Wood Group	Oil Equipment, Services & Distribution	7,471	1.3
BG Group	Oil & Gas Producers	7,136	1.2
Svenska Handelsbanken	Banks	6,741	1.2
Nestle	Food Producers	6,645	1.1
BBA	Industrial Transportation	6,540	1.1
Nordea Bank	Banks	6,233	1.1
Top forty investments		**550,926**	**94.5**
Casino Guichard Perrachon	Food & Drug Retailers	6,020	1.0
Linde	Chemicals	5,827	1.0
Weir Group	Industrial Engineering	4,093	0.7
Dunedin Smaller Companies Investment Trust	Equity Investment Instruments	3,931	0.7
Total investments		**570,797**	**97.9**
Net current assets[A]		**12,508**	**2.1**
Total assets		**583,305**	**100.0**

[A] Excludes bank loan of £45,000,000.

Income Statement

	Notes	Six months ended 31 December 2013 (unaudited) Revenue £'000	Capital £'000	Total £'000	Six months ended 31 December 2012 (unaudited) Revenue £'000	Capital £'000	Total £'000	Year ended 30 June 2013 (audited) Revenue £'000	Capital £'000	Total £'000
Gains on investments		–	43,353	43,353	–	18,597	18,597	–	58,679	58,679
Currency (losses)/gains		–	(17)	(17)	–	4	4	–	(45)	(45)
Income	3	8,549	–	8,549	7,913	–	7,913	23,566	–	23,566
Investment management fees		(684)	(684)	(1,368)	(586)	(586)	(1,172)	(1,238)	(1,238)	(2,476)
Administrative expenses		(540)	–	(540)	(547)	–	(547)	(1,030)	–	(1,030)
Net return before finance costs and taxation		7,325	42,652	49,977	6,780	18,015	24,795	21,298	57,396	78,694
Finance costs of borrowing		(168)	(168)	(336)	(185)	(185)	(370)	(363)	(363)	(726)
Net return on ordinary activities before taxation		7,157	42,484	49,641	6,595	17,830	24,425	20,935	57,033	77,968
Taxation on ordinary activities	4	(78)	–	(78)	(52)	–	(52)	(353)	–	(353)
Return on ordinary activities after taxation		**7,079**	**42,484**	**49,563**	**6,543**	**17,830**	**24,373**	**20,582**	**57,033**	**77,615**
Return per Ordinary share (pence)	5	**10.5**	**62.7**	**73.2**	**10.0**	**27.1**	**37.1**	**31.1**	**86.3**	**117.4**

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	**11,266**	–	**11,266**	**12,281**	–	**12,281**	**21,543**	–	**21,543**

The above dividend information does not form part of the Income Statement.

Balance Sheet

	Notes	As at 31 December 2013 (unaudited) £'000	As at 31 December 2012 (unaudited) £'000	As at 30 June 2013 (audited) £'000
Non-current assets				
Investments at fair value through profit or loss		570,797	466,594	517,619
Current assets				
Other debtors and receivables		1,603	1,467	3,445
Cash and short-term deposits		11,730	13,914	12,539
		13,333	15,381	15,984
Creditors: amounts falling due within one year				
Other payables		(825)	(760)	(725)
Bank loans		(45,000)	(40,000)	(40,000)
		(45,825)	(40,760)	(40,725)
Net current liabilities		(32,492)	(25,379)	(24,741)
Net assets		**538,305**	**441,215**	**492,878**
Share capital and reserves				
Called-up share capital		17,117	16,625	16,886
Share premium account		23,101	8,780	16,202
Capital redemption reserve		4,997	4,997	4,997
Capital reserve	6	470,246	388,559	427,762
Revenue reserve		22,844	22,254	27,031
Equity shareholders' funds		**538,305**	**441,215**	**492,878**
Net asset value per Ordinary share (pence)	7	**791.4**	**668.0**	**734.6**

Reconciliation of Movements in Shareholders' Funds

Six months ended 31 December 2013 (unaudited)

	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 1 July 2013	16,886	16,202	4,997	427,762	27,031	492,878
Return on ordinary activities after taxation	–	–	–	42,484	7,079	49,563
Issue of Ordinary shares	231	6,899	–	–	–	7,130
Dividends paid	–	–	–	–	(11,266)	(11,266)
Balance at 31 December 2013	**17,117**	**23,101**	**4,997**	**470,246**	**22,844**	**538,305**

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 1 July 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**

Year ended 30 June 2013 (audited)

	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 1 July 2012	16,604	8,103	4,997	367,762	27,992	425,458
Return on ordinary activities after taxation	–	–	–	57,033	20,582	77,615
Issue of Ordinary shares	282	8,099	–	2,967	–	11,348
Dividends paid	–	–	–	–	(21,543)	(21,543)
Balance at 30 June 2013	**16,886**	**16,202**	**4,997**	**427,762**	**27,031**	**492,878**

Cash Flow Statement

	Six months ended 31 December 2013 (unaudited) £'000	Six months ended 31 December 2012 (unaudited) £'000	Year ended 30 June 2013 (audited) £'000
Net return before finance costs and taxation	49,977	24,795	78,694
Adjustments for:			
Gains on investments	(43,353)	(18,597)	(58,679)
Currency losses/(gains)	17	(4)	45
Non cash stock dividend	(1,023)	(663)	(1,359)
Overseas withholding tax suffered	(78)	177	(314)
Decrease/(increase) in accrued income	1,478	1,346	(81)
(Increase)/decrease in prepayments	(2)	75	77
Increase/(decrease) in accruals	96	(174)	(156)
Net cash inflow from operating activities	7,112	6,955	18,227
Servicing of finance			
Interest paid	(332)	(316)	(725)
Net cash outflow from servicing of finance	(332)	(316)	(725)
Financial investment			
Purchases of investments	(11,716)	(13,687)	(44,450)
Sales of investments	2,914	9,707	30,224
Net cash outflow from financial investment	(8,802)	(3,980)	(14,226)
Equity dividends paid	(11,266)	(12,281)	(21,543)
Net cash outflow before financing	(13,288)	(9,622)	(18,267)
Financing			
Issue of Ordinary shares	7,496	3,665	10,984
Drawdown of loan	5,000	–	–
Net cash inflow from financing	12,496	3,665	10,984
Net decrease in cash	**(792)**	**(5,957)**	**(7,283)**
Reconciliation of net cash flow to movements in net debt			
Decrease in cash as above	(792)	(5,957)	(7,283)
Drawdown of loan	(5,000)	–	–
Exchange movements	(17)	4	(45)
Movement in net debt in the period	(5,809)	(5,953)	(7,328)
Opening net debt	(27,461)	(20,133)	(20,133)
Closing net debt	**(33,270)**	**(26,086)**	**(27,461)**
Represented by:			
Cash at bank	11,730	13,914	12,539
Debt falling due within one year	(45,000)	(40,000)	(40,000)
	(33,270)	**(26,086)**	**(27,461)**

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'. They have also been prepared on the assumption that approval as an investment trust will continue to be granted. The financial statements have been prepared on a going concern basis.

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 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 2013 £'000	Six months ended 31 December 2012 £'000	Year ended 30 June 2013 £'000
2012 third interim dividend – 5.50p	–	3,602	3,602
2012 final dividend – 13.25p	–	8,679	8,679
2013 first interim dividend – 7.00p	–	–	4,624
2013 second interim dividend – 7.00p	–	–	4,638
2013 third interim dividend – 7.00p	4,676	–	–
2013 final dividend – 9.75p	6,590	–	–
	11,266	**12,281**	**21,543**

3. **Income**	Six months ended 31 December 2013 £'000	Six months ended 31 December 2012 £'000	Year ended 30 June 2013 £'000
Investment income			
UK dividends	5,679	5,531	16,231
Overseas dividends	1,156	863	4,405
Stock dividends	1,023	663	1,359
	7,858	7,057	21,995
Other income			
Deposit interest	11	19	23
Traded option premiums	680	837	1,548
	691	856	1,571
Total income	**8,549**	**7,913**	**23,566**

4. Taxation

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

5. Return per share

	Six months ended 31 December 2013 p	Six months ended 31 December 2012 p	Year ended 30 June 2013 p
Revenue return	10.5	10.0	31.1
Capital return	62.7	27.1	86.3
Total return	**73.2**	**37.1**	**117.4**

The figures are based on the following attributable amounts:

	Six months ended 31 December 2013 £'000	Six months ended 31 December 2012 £'000	Year ended 30 June 2013 £'000
Revenue return	7,079	6,543	20,582
Capital return	42,484	17,830	57,033
Total return	**49,563**	**24,373**	**77,615**
Weighted average number of Ordinary shares in issue	**67,722,757**	**65,701,838**	**66,081,926**

As at 31 December 2013, 451,000 (31 December 2012 and 30 June 2013 – 451,000) Ordinary shares were held in treasury.

6. Capital reserve

The capital reserve reflected in the Balance Sheet at 31 December 2013 includes gains of £174,885,000 (31 December 2012 – £99,871,000; 30 June 2013 – £132,716,000) which relate to the revaluation of investments held at the reporting date.

7. Net asset value per share

	As at 31 December 2013	As at 31 December 2012	As at 30 June 2013
Attributable net assets (£'000)	538,305	441,215	492,878
Number of Ordinary shares in issue	68,017,458	66,050,458	67,092,458
Net asset value per Ordinary share (p)	791.4	668.0	734.6

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 on investments in the Income Statement. The total costs were as follows:

	Six months ended 31 December 2013 £'000	Six months ended 31 December 2012 £'000	Year ended 30 June 2013 £'000
Purchases	59	41	148
Sales	12	12	31
	71	**53**	**179**

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 2013 and 31 December 2012 has not been audited.

The information for the year ended 30 June 2013 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 18 February 2014.

How to Invest in Murray Income Trust PLC

Direct

Investors can buy and sell the Company's 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.

Suitable for Retail

The Company's shares are intended for investors, primarily in the UK, including retail investors, professionally-advised private clients and institutional investors who are seeking a high and growing income combined with capital growth through investment in a portfolio principally of UK equities, and who understand and are willing to accept the risks of exposure to equities. Investors should consider consulting a financial adviser who specialises in advising on the acquisition of shares and other securities before acquiring shares. Investors should be capable of evaluating the risks and merits of such an investment and should have sufficient resources to bear any loss that may result.

The Company currently conducts its affairs, and intends to continue to do so for the foreseeable future, in order that the shares issued by Murray Income Trust PLC can be recommended by a financial adviser to ordinary retail investors in accordance with the FCA's rules in relation to non-mainstream investment products.

The Company's shares are excluded from the FCA's restrictions which apply to non-mainstream investment products because they are shares in an investment trust.

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 £11,520 can be made into an ISA in the tax year 2013/2014 and up to £11,880 in the tax year 2014/2015.

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 Company'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.

Investor warning

The Board has been made aware by Aberdeen Asset Management (Aberdeen) that some investors have received telephone calls from people purporting to work for Aberdeen, or third parties, who have offered to buy their investment trust shares. These may be scams which attempt to gain personal information with which to commit identity fraud or could be 'boiler room' scams where a payment from an investor is required to release the supposed payment for their shares.

These callers do not work for Aberdeen and any third party making such offers has no link with Aberdeen. Aberdeen never makes these types of offers and does not 'cold-call' investors in this way. If investors have any doubt over the veracity of a caller, they should not offer any personal information, end the call and contact Aberdeen's investor services centre using the details provided under the Customer Services heading on the Corporate Information page.

The above information on pages 14 and 15 has been approved for the purposes of Section 21 of the Financial Services and Markets Act 2000 (as amended by the Financial Services Act 2012) by Aberdeen Asset Managers Limited which is authorised and regulated by the Financial Conduct Authority.

Corporate Information

Directors

P A F Gifford (Chairman)
N A Honebon (Senior Independent Director)
J C Park (Audit Committee Chairman)
D A J Cameron
N A H Rogan
D E Woods

Registered office

7th Floor, 40 Princes Street
Edinburgh EH2 2BY
Registered in Scotland – Company Number SC012725

Points of Contact

Manager
Aberdeen Asset Managers Limited
Customer Services Department: 0500 00 00 40
Email: invtrusts@aberdeen-asset.com

Secretary
Aberdeen Asset Management PLC
Customer Services Department: 0500 00 00 40
Email: company.secretary@invtrusts.com

Registrar

The Share Portal is a secure online website where shareholdings can be managed quickly and easily, including arranging to pay dividends directly into a bank account or to arranging to receive electronic communications:

www.capitashareportal.com

Alternatively, please contact the registrars as follows -

By phone-
Tel: 0871 664 0300
(UK calls cost 10p per minute plus network extras)
From overseas: +44 208 639 3399
Lines are open 9.00am to 5.30pm Monday to Friday, excluding public holidays)

By email-
shareholderenquiries@capita.co.uk

By post-
Capita Asset Services
The Registry
34 Beckenham Road
Beckenham
Kent
BR3 4TU

Custodian Bankers

JPMorgan Chase Bank

Independent Auditor

Ernst & Young LLP

Solicitors

Dickson Minto W.S.

Stockbroker

Canaccord Genuity

Website

www.murray-income.co.uk

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www.fsc.org
MIX
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