

INFORM www.sit.co.uk

Preliminary figures for the year to 31 October 2011

Performance

Over the year to 31 October 2011, the net asset value per share (NAV) total return (with borrowings at market value) was -2.4% which compares with the -0.3% sterling total return of the global FTSE All-World Index™ and 0.6% from the UK FTSE All-Share Index™. The company's global equity portfolio achieved a total return of 1.6% which was ahead of both of the company's global and UK comparator indices.

The company's NAV with borrowings taken at market value was 2.3 percentage points behind the company's NAV with borrowings taken at par, which was unchanged and just ahead of the global index.

This differential was due to the increase in the market value of the borrowings caused by the sharp decline in UK gilt yields, which are now much lower than the yield on good quality corporate bonds.

Dividend

The board is recommending a final dividend of 5.80p per share (2010: 5.60p). Taken together with the interim dividend of 4.60p per share (2010: 4.45p), this would result in an increase of 3.5% in the total dividend for the year to 10.40p per share (2010: 10.05p) which compares with October UK CPI inflation of 5.0% and RPI of 5.4%. If the proposal is approved, the company will have increased its dividend in each of the last 28 years.

| AIC Category | Global Growth |
|---|---------------|
| Total Assets | £709 million |
| Cum-Income NAV with borrowings at par | 524.2p |
| Cum-Income NAV with borrowings at market value | 500.2p |
| Ex-Income NAV with borrowings at par | 516.5p |
| Ex-Income NAV with borrowings at market value | 492.5p |
| Share Price | 452.0p |
| Discount to Ex-Income NAV with borrowings at market value | 8.2% |
| Effective Equity Gearing | 91% |

NAV and Share Price Total Return on £100

| | 1 year | 5 years | 10 years |
|----------------------------|--------|---------|----------|
| NAV with borrowings at par | 100 | 114 | 159 |
| Share Price | 98 | 112 | 161 |

Net income reinvested and before expenses are deducted.

Performance over the Quarter

31 July 2011 - 31 October 2011 (%)

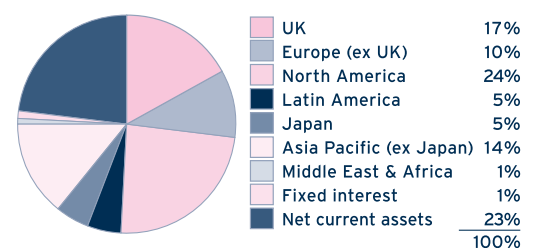
| | |
|--|------|
| Cum-Income NAV with borrowings at par | -6.8 |
| Cum-Income NAV with borrowings at market value | -8.8 |
| Share Price | -8.3 |
| FTSE All-World Index™ | -6.1 |
| UK FTSE All-Share Index™ | -5.5 |

Top 10 Holdings

as % of total assets

| | |
|------------------------------------|-----|
| 1 Apple - US | 2.9 |
| 2 McDonald's - US | 2.3 |
| 3 Daito Trust Construction - Japan | 1.5 |
| 4 Chevron - US | 1.5 |
| 5 Repsol - Spain | 1.4 |
| 6 Sega Sammy - Japan | 1.3 |
| 7 Daihatsu Motor - Japan | 1.3 |
| 8 Ross Stores - US | 1.3 |
| 9 CIMB - Malaysia | 1.3 |
| 10 Tencent - Hong Kong | 1.2 |

Geographical Distribution of Total Assets



Standardised Past Performance

| Last price to last price with net income reinvested and before expenses are deducted. % growth year to 31 October | 2007 | 2008 | 2009 | 2010 | 2011 |
|---|-------------|--------------|-------------|-------------|-------------|
| The Scottish Investment Trust | 20.0 | -28.0 | 13.1 | 17.1 | -1.7 |

Total assets means total assets less current liabilities.

NAV is net asset value per share after deducting borrowings at par or market value, as stated.

Ex-income NAV is the NAV excluding current year revenue.

Borrowings at par is the nominal value of the company's borrowings less any unamortised issue expenses.

Borrowings at market value is the company's estimate of the "fair value" of its borrowings. The current estimated fair value of the company's secured bonds is based on the redemption yield of the reference gilt plus a margin of 100 basis points (1 percentage point). The reference gilt is the 6% Treasury Stock 2028.

Discount is the difference between the market price of a share and the NAV expressed as a percentage of the NAV.

Gearing is the term used to describe the process of borrowing money for investment purposes in the expectation that the returns on the investments purchased will exceed the cost of those borrowings.

Effective equity gearing is the true geared position of the company: shareholders' funds (excluding current year revenue) + borrowings at par - fixed interest investments - net current assets, expressed as a percentage of shareholders' funds.

All sources SIT unless otherwise stated. Industry Classification Benchmark (ICB): Source and copyright © FTSE International Limited. All rights therein reserved.

Past performance is not a guide to future performance. The value of shares and the income from them can go down as well as up as a result of market and currency fluctuations. You may not get back the amount you invest.

Review of World Equity Markets - 3 months to 31 October 2011

- Global stockmarkets endured a tumultuous quarter, briefly falling almost 20%, due to an unprecedented downgrade of US sovereign debt, weak global economic data and an escalation of the concerns regarding the future of the eurozone. A strong recovery in October was driven by the anticipation of a further European bail-out mechanism, while US economic data was better than expected.
- The FTSE All-World Index™ fell by 5.7% in local terms and by 6.1% in sterling terms. SIT's NAV with borrowings at par fell by 6.8%, while the share price fell by 8.3%.
- In local currency terms, with the exception of the Middle East & Africa (+1.4%), all regional markets fell over the period. Europe (ex UK) (-10.0%) was the worst performing region, followed by Japan (-9.5%), Asia Pacific (ex Japan) (-8.5%), the UK (-4.6%), North America (-3.2%), and Latin America (-0.8%). Trade-weighted sterling showed modest strength (+1.1%) but was strong against a number of emerging market currencies. Consequently, sterling returns from the Middle East & Africa (-9.8%) and Latin America (-7.5%) were markedly poorer.
- Sector performance reflected a turbulent period, as only Technology (+1.2%) produced a positive return. Investors shunned economically-sensitive sectors as Basic Materials (-13.9%), Financials (-9.9%) and Industrials (-8.6%) performed particularly poorly.
- Government bonds, with the notable exception of Greece, generally acted as safe havens and yields in major markets fell to extreme lows during the period. Index-linked bond yields continued to suggest muted inflation expectations, although inflation-sensitive gold rose by 6% to \$1,724 per troy ounce.
- Industrial and agricultural commodity price performance was weak over the quarter, oil fell by 6% to \$110 per barrel (Brent) while copper (-19%) was particularly weak.
- In the eurozone, long standing problems caused by excessive debt in peripheral nations reached a crisis point over Greece. The finances of larger eurozone countries were also questioned, particularly after the downgrade of Spanish and Italian sovereign debt. Late in the period, politicians reached a tentative agreement to extend the scope of the European Financial Stability Fund, restructure Greek sovereign debt and recapitalise the banking system. However, an unexpected call for a Greek referendum on the agreement created additional uncertainty.
- The tone of US economic data improved over the period, important lead indicators in July had unexpectedly declined which led many to anticipate a US recession. However, later data suggested a modest economic expansion persisted. In September, the Federal Reserve unveiled a further plan to lower long-term bond yields, unofficially named 'Operation Twist'.
- In the UK, economic data was weak, with headline statistics for unemployment and inflation the worst for several years. The Bank of England considered inflationary pressures to be transient and, in an attempt to stimulate the economy, sanctioned an additional £75 billion of quantitative easing.
- In Asia Pacific (ex Japan), growth remained strong in absolute terms but investors were concerned that high inflation would prevent actions to combat the effects of a global slowdown. Most notably, Chinese Q3 GDP (+9.1% y/y) rose at the slowest pace in over 2 years but the authorities maintained the tightening measures implemented over the past year.
- In Japan, the seventh Prime Minister in six years was appointed and the yen rose to a post war high against the US dollar, which prompted intervention by the Bank of Japan.

MakeContact phone fax email web

For further information please:

| | |
|-----------------------|----------------|
| Telephone us on: | 0131 225 7781 |
| Fax us on: | 0131 226 3663 |
| Email us at: | info@sit.co.uk |
| Visit our website at: | www.sit.co.uk |

Or write to:

SIT Savings Ltd, FREEPOST EH882,
6 Albyn Place, Edinburgh EH2 OBR

Please contact us for information on the following:

- The SIT SIPP
- STOCKPLAN Investment Trust Savings Scheme
- The SIT ISA
- ISA Transfer
- Investing for Children - STOCKPLAN: A Flying Start
- Share Exchange
- Annual and Interim Reports

SIT FactFile Established - 1887 • Year end - 31 October • Accounts published: Annual - December, Interim - June
Annual General Meeting - January • Manager - John Kennedy

Past performance may not be repeated and is not a guide to future performance. The value of shares and the income from them can go down as well as up as a result of market and currency fluctuations. You may not get back the amount you invest. SIT has a long-term policy of borrowing money to invest in equities in the expectation that this will improve returns and, should stockmarkets fall, such borrowings would magnify losses on these investments. SIT can buy back and cancel its own shares. All other things being equal, this would have the effect of increasing gearing. Investment in SIT is intended as a long-term investment.

SIT Savings Ltd, a wholly owned subsidiary of The Scottish Investment Trust PLC, is the plan manager of STOCKPLAN, STOCKPLAN: A Flying Start and The SIT ISA and is authorised and regulated by the Financial Services Authority, 25 The North Colonnade, Canary Wharf, London E14 5HS.

This document is for information only and does not constitute investment recommendation or advice.

 The Scottish
Investment Trust PLC