

Investor Information

The company's wholly-owned subsidiary, SIT Savings Ltd, promotes awareness of the investment schemes available. A priority is to offer low-cost, simple, transparent investment products with the flexibility and accessibility to fulfil investor requirements.

How to Invest

You can buy SIT stock using the simple, low-cost investment products outlined below. SIT stock can also be bought directly on the stockmarket through a stockbroker or a bank, lawyer, accountant or other professional adviser.

The SIT SIPP allows investment into SIT through a cost-effective, flexible self-invested personal pension. The wide choice of investments available, including SIT, enables you to tailor the investment combination in your pension to suit your particular needs and objectives whether you are just starting to contribute to your pension or are approaching retirement. You can open a SIT SIPP even if you are already an active member of an employer's pension scheme or are contributing to other pension plans.

STOCKPLAN, SIT's investment trust savings scheme, is one of the lowest charging available. Extremely flexible, it allows you to invest regularly (minimum investment £25 per month) and/or with a lump sum (minimum investment £250). There is no maximum investment limit and you can stop and start at any time.

STOCKPLAN: A Flying Start is SIT's Investing for Children plan. Based on the STOCKPLAN scheme, it benefits from the same low charges and flexibility and can be opened in one of two ways, either as a designated plan or, more formally, as a bare trust. STOCKPLAN: A Flying Start enables family and friends to invest on behalf of a child to help build savings for the future.

The SIT ISA is one of the most competitively priced stocks and shares ISAs on offer. There is no initial plan charge, other than stamp duty, nor are there closure or withdrawal charges. The annual management fee of 0.6% of the value of the investment is capped at £30+VAT regardless of how much your ISA investment grows or how many years' ISA allowances you invest with SIT.

The SIT PEP also has one of the lowest charging structures around, with an annual fee of only £30+VAT again regardless of the number of SIT PEPs held or the value of the investment.

ISAs and PEPs

The maximum annual investment limit of a stocks and shares Mini ISA has been increased and it is now possible to invest up to £4,000 in the current tax year. The maximum annual investment in a Maxi ISA is £7,000 in the current tax year. The SIT ISA is a stocks and shares ISA and can be held as either a Mini or a Maxi ISA.

Investment in ISAs and PEPs continues to be free from any capital gains tax. Higher rate tax payers do not have to pay any additional tax on the dividend, nor does it need to be included in a tax return.

Please note there are significant changes to PEP and ISA investing from 6 April 2008.

The changes will include:

- Existing PEP accounts will be re-designated as stocks and shares ISAs

- The overall ISA annual investment limit will increase to £7,200 (up to £3,600 in cash and the balance, or full amount, in stocks and shares)
- The distinction between Mini and Maxi ISAs will be abolished.

Contract Notes

As a result of new legislation which came into force on 1 November 2007, known as the Markets in Financial Instruments Directive (MiFID), it is no longer possible to suppress contract notes. Investors in SIT schemes will receive contract notes for every transaction on their account.

SIT Schemes' Contact/Helpline Number

There is one telephone number for the administration of all of the SIT schemes. This is the number for our scheme Administrator, Halifax Share Dealing Ltd (HSDL), and it should be used for holders of our STOCKPLAN, STOCKPLAN: A Flying Start, ISA or PEP schemes for:

- account queries,
- requests for valuations,
- information about your scheme,
- instructing a sale,
- making an investment using a debit card,
- giving change of address details,
- help with accessing STOCKPLAN, ISA and PEP information on line.

The number is: **0845 850 0181**.

Dividends

The following dividends have been paid or proposed during 2007:

Dividends	Amount	XD date	Record date	Payment date
Final and Special 2006	6.57p	3 January 2007	5 January 2007	9 February 2007
Interim 2007	4.30p	6 June 2007	8 June 2007	16 July 2007
Final and Special 2007	6.80p	2 January 2008	4 January 2008	7 February 2008

The STOCKPLAN, ISA and PEP schemes provide automatic reinvestment of dividends. However, they also allow for dividends to be taken as income, if required. STOCKPLAN, ISA and PEP holders should contact the scheme Administrator, HSDL, on 0845 850 0181 if they would like to take dividends as income.

Conversely, name on register stockholders – investors whose names are on our stock register and who hold their stock in certificated form – where dividends are automatically paid as income, can have their dividends reinvested by joining our Dividend Reinvestment Plan (DRIP). Details are available from Computershare Investor Services, our Registrar, on 0870 703 0195 or from the stockholder information section on our website, www.sit.co.uk

How Can I Monitor My Investment?

SIT's stock price, together with performance information and product details, can be found on SIT's website: www.sit.co.uk

Investor Information

The price of ordinary stock units is published daily in most quality newspapers and is also available on Ceefax and Teletext, listed as Scot.IT. In addition, a number of financial websites, such as the FT website, www.ft.com and Trustnet, (Financial Express) www.trustnet.com carry stock price information.

SIT publishes a weekly NAV and a monthly statement on its website. An interim report is issued in June of each year, with the annual report being distributed to all investors in late December.

STOCKPLAN, STOCKPLAN: A Flying Start, ISA and PEP investors receive twice yearly statements of their holdings and SIT's investor newsletter is issued twice yearly.

Accessing Your Account Online

STOCKPLAN, STOCKPLAN: A Flying Start designated scheme, ISA and PEP investors

The above scheme investors may view their accounts online by registering with halifax-online. This can be accessed through the links in the various product sections in the private investor part of our website www.sit.co.uk or by visiting www.halifax.co.uk/online. Please note you will need your Share Dealing Personal Reference Number (PRN) to access this service. If you do not have this, please contact SIT's scheme administrator, Halifax Share Dealing, on 0845 850 0181.

SIPP investors can also set up monthly payments, pay lump sums, buy and sell stock and manage their account online.

Name on register stockholders

Investors who hold ordinary stock in their own name on SIT's stock register can check their holdings on our Registrar's website www-uk.computershare.com or through the link in the stockholder information section on SIT's website, www.sit.co.uk. Please note that to access this facility investors will need to quote the reference number shown on their stock certificate.

Alternatively, by registering for the Investors' Centre facility on Computershare's website, investors can view details of all their holdings for which Computershare is Registrar, as well as access additional facilities and documentation.

Please see www-uk.computershare.com/investor for further information.

Electronic Communications

If you are a name on register stockholder (i.e. not in the STOCKPLAN, ISA or PEP schemes, nor in a broker's nominee) you may choose to receive our interim and annual reports and other stockholder communications electronically instead of in paper form. All you need to do to register is to visit the link in the stockholder information section on our website at www.sit.co.uk and provide your email details. You will then be advised by email when an electronic communication is available to be accessed.

Stockholders' Meetings

Investors whose names appear on the main stock register (i.e. not in the STOCKPLAN, ISA or PEP schemes, nor in a broker's nominee) are entitled to attend and vote at the AGM and other general meetings. Notices of meetings and proxy cards are sent to their registered addresses.

STOCKPLAN, STOCKPLAN: A Flying Start, ISA and PEP investors are entitled to attend the AGM and other general meetings and vote on a poll by completing and returning the form of direction enclosed with this report.

The AGM will be held at the Roxburghe Hotel, Charlotte Square, Edinburgh on 25 January 2008 at 10.00am.

Electronic Voting

Name on register stockholders in their own right (ie not in one of our schemes, nor in a broker's nominee) are able to submit proxy votes electronically for our AGM. Please follow the instructions on your proxy card.

Personal Taxation

Income Tax

Currently, all UK dividends are paid to stockholders net of a tax credit of 10%. Changes to the tax regime mean that from April 1999 non tax payers are no longer able to reclaim the tax credit.

Non-ISA and PEP stockholders liable to higher rates of tax will be assessed for any additional tax through their annual tax return.

Capital Gains Tax (CGT)

Investment trusts currently pay no CGT on gains made within the portfolio. When investors sell all or part of their holdings, they may be liable to CGT. Currently, the first £9,200 pa of such gains from all sources is exempt.

For investors who purchased stock prior to 31 March 1982 the cost for CGT purposes may be based on the price on that date of 41.472p.

Investors who are in any doubt as to their liability for CGT should seek professional advice.

ISA and PEP investments continue to remain exempt from CGT.

Please remember that we are unable to offer individual investment or taxation advice. If you require such advice, you should consult your professional adviser. SIT Savings Limited is authorised and regulated by the Financial Services Authority (FSA), 25 The North Colonnade, Canary Wharf, London E14 5HS.

Risk Warning

The capital value of stock units and the income from them can go down as well as up as a result of market and currency fluctuations and cannot be guaranteed. That means you may not get back the amount you originally invested. Past performance may not be repeated and is no indicator of future performance. The Scottish Investment Trust PLC has a long-term policy of borrowing money to invest in equities in the expectation that this will improve returns for stockholders. However, if markets fall, these borrowings will magnify any losses. Investment in SIT is intended as a long-term investment. Taxation levels, bases and reliefs are subject to change and may depend on individual circumstances.

Further Details

For further information and brochures on any SIT products please visit our website: www.sit.co.uk or contact:

SIT Investor Relations
SIT Savings Limited
Freepost EH882
Edinburgh EH2 0BR
Brochure Request Line: 0800 42 44 22
Fax: 0131 226 3663
Email: heather@sit.co.uk