



To: Stock Exchange

For immediate release  
25 February 2004

## **Securities Trust of Scotland plc**

### **Second interim dividend**

The government is abolishing the recoverable tax credit on dividends received in PEPs and ISAs with effect from 5 April 2004. Therefore, to help shareholders who hold their shares in PEPs or ISAs, the Board has declared a second interim dividend of 3.28p per share, payable on 31 March 2004 to shareholders on the register on 5 March 2004. Taken with the first interim dividend of 1.27p per share, this makes a total of 4.55p per share in respect of the year ending 31 March 2004, an increase of 0.7% on the 4.52p paid in the previous financial year. The Board does not anticipate paying a final dividend.

The company's underlying earnings per share for the year ending 31 March 2004 are likely to be little changed from last year. The underlying level of dividends from the UK stockmarket has shown little growth over the last twelve months due to, inter alia, a difficult operating environment and the impact of a declining dollar on the many companies that declare their dividends in the US currency. It is estimated that some 25% of the value of UK stockmarket dividends is currently declared in dollars.

The 4.55p per share dividend paid and declared for the year to date represents a yield of 5.03% (net) on the share price of 90.5p as at 24 February 2004. This compares with the yield on the FTSE All-Share index of 3.07% on the same date.

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