

The Merchants Trust PLC

Interim Management Statement

For the quarter ending 30 April 2008

This interim management statement relates to the quarter from 1 February 2008 to 30 April 2008 and contains information for that period unless otherwise stated. This statement is produced to provide information in accordance with the UK Listing Authority's Disclosure and Transparency Rules.

Investment objective

The objective of The Merchants Trust is to provide an above average level of income and income growth together with long term growth of capital through a policy of investing mainly in higher yielding UK FTSE 100 companies.

Portfolio

Top ten holdings at 30 April 2008

	£	%
BP	54,549,267	8.58
Royal Dutch Shell	53,296,750	8.39
GlaxoSmithKline	47,014,740	7.40
HSBC	45,558,100	7.17
Vodafone	44,521,583	7.01
HBOS	21,711,845	3.42
Rio Tinto	20,980,500	3.30
Aviva	19,923,450	3.14
Anglo American	18,744,446	2.95
BT Group	16,876,625	2.66
Total Gross Assets	635,456,280	

Material events and transactions

The third quarterly dividend of 5.4p per share was paid on 13 February to shareholders on the register on 25 January 2008.

There were no changes to the Company's share capital over the period.

Since the end of the period the following events and transactions have taken place:

Michael McKeon and Henry Staunton were appointed to the Board with effect from 1 May 2008. At the Annual General Meeting of the Company held on 13 May 2008, all the resolutions put to shareholders were passed. At the conclusion of the AGM, Sir Bob Reid retired from the Board.

A final dividend for the year ended 31 January 2008 of 5.4p per share was paid on 14 May 2008 to shareholders on the register on 11 April 2008.

Financial Performance to 30 April 2008

	% change					
	3 m	6m	1yr	3yr	5yrs	10yrs
Share price*	2.67	-12.64	-14.76	44.50	96.92	68.98
Net Asset Value*	2.14	-14.32	-12.49	38.40	100.54	69.67
Benchmark# *	5.19	-7.59	-2.06	40.62	84.03	38.96

* Total return with net dividends reinvested and net of fees.

FTSE 100 Total Return

Source: Datastream

Financial position at 30 April and 16 May 2008

	30 April	16 May
Net assets	£518,171,441	£529,347,309
Share price	431p	449p
Net asset value ¹	485.07p	501.25p
Net asset value ²	471.39p	487.57p
Discount ³	-11.15	-10.42
Gearing ⁴	22.90%	22.80%
Yield	5.01%	4.81%

¹ Debt at book value

² Debt at market value

Net asset values are calculated and announced weekly.

³ The discount is the difference between the share price and the NAV (debt at book value) per share expressed as a percentage of the NAV per share.

⁴ Actual gearing – net of cash.

Company Information

Launch date	1889
EPIC	MRCH
Year end	31 January
Report and Accounts	Final posted April, Interim posted September
AGM	May
Dividends paid	February, May, August and November
Price Information	Financial Times, The Daily Telegraph, www.allianzgi.co.uk

Investor information

Further up to date information, including Net Asset Values and share prices, and the latest available factsheets and portfolio information, is provided on the Manager's website, which can be accessed via www.merchantstrust.co.uk or www.allianzgi.co.uk. Investor services can be contacted on 020 7065 1407 and information can also be obtained from the Manager's helpline on 0800 317 573.

20 May 2008