

THE INDEPENDENT INVESTMENT TRUST PLC

Interim Management Statement - 3 months to 28 February 2011

The Company's objective is to provide good absolute returns over long periods by investing the great majority of its assets in UK and international quoted securities. Full details of the Company's investment policy are set out in the Company's Annual Report, which is available on the Company's website or can be requested from the Company (see contact details below).

Review of the Period

- Over the period, the Company's net asset value and share price total returns were 9.4% and 12.1% respectively. The FTSE All-Share Index total return was 9.1%. (Source: Thomson Reuters Datastream/Baillie Gifford & Co)
- Croda International, Halfords Group and Robert Wiseman Dairies were added to the portfolio and the holding in Marston's sold. Within the Top Ten Holdings, additions were made to Imperial Tobacco and SThree while the holding in Dunelm was trimmed. Net investment during the period totalled £4.9 million.
- Net cash fell from £16.2 million to £11.4 million, representing 7.3% of shareholders' funds at the end of February 2011.
- The final dividend of 3.0p per share, if approved by shareholders at the Annual General Meeting to be held on 24 March 2011, will be paid on 6 April 2011 to shareholders on the register at the close of business on 25 February 2011.

Sector Analysis

Name	% of shareholders' funds at 28/02/11	% of shareholders' funds at 30/11/10
Housebuilders	3.5	3.2
Industrials	10.8	9.5
Retailing	17.6	19.4
Recruitment	8.0	5.1
Technology and Telecommunications	7.6	7.2
Mining	3.7	3.7
Offshore Drillers	11.5	9.9
Oilfield Services	4.8	4.5
Food Producers	1.0	-
Tobacco	6.5	6.0
Pharmaceuticals	1.1	1.3
Leisure	-	0.7
Transport	3.7	3.7
Utilities	4.2	4.4
Insurance	6.4	6.0
Property	1.2	1.4
Miscellaneous		
Financials	2.0	2.4
Net Liquid Assets	6.4	11.6
Total	100.0	100.0

Top Ten Equity Holdings

Name	% of shareholders' funds at 28/02/11	% of shareholders' funds at 30/11/10
Noble Corporation	9.9	8.5
SuperGroup	9.5	9.9
Herald Investment Trust	6.5	6.1
SThree	5.9	3.0
Aggreko	5.6	6.1
Dunelm Group	5.1	8.7
Schlumberger	4.8	4.5
British American Tobacco	4.0	4.0
National Grid	2.6	2.8
Imperial Tobacco	2.5	2.0
Total	56.4	55.6

Total Return Performance

	%			
	3 Months	1 Year	3 Years	5 Years
Share Price	12.1	34.6	22.5	2.9
NAV	9.4	32.6	27.8	20.2
FTSE All-Share Index	9.1	17.0	14.0	25.6

Source: Thomson Reuters Datastream /Baillie Gifford & Co

Past performance is not a guide to future performance

General Information

	28/02/11	30/11/10
Total assets (before deduction of borrowings)*	£155.3m	£143.6m
Share price	225.0p	203.5p
Net asset value per share *	253.5p	234.5p
Discount	11.2%	13.2%
Total borrowings	-	-
Net cash **	£11.4m	£16.2m
Net cash and bonds **	£11.4m	£16.2m
Net cash as a % of shareholders' funds*	7.3%	11.3%
Net cash and bonds as a % of shareholders' funds*	7.3%	11.3%

*These figures have been calculated using the AIC cum income basis (includes current financial year retained income).

**Cash stated inclusive of amounts due in respect of unsettled transactions.

The Company's Net Asset Value is calculated daily and can be viewed on the London Stock Exchange website at www.londonstockexchange.com

The Share Price is published daily in the Financial Times.

The interim management statement, together with the Company's Annual and Half-Yearly reports, is available on the Company's website at www.independentinvestmenttrust.co.uk

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List of Investments as at 28 February 2011

Sector	Name	Value (£'000)	%	
Housebuilders	Berkeley Group	2,070	1.4	
	Persimmon	3,293	2.1	
		<u>5,363</u>	<u>3.5</u>	
Industrials	Aggreko	8,682	5.6	
	Croda International	2,376	1.5	
	IMI	2,667	1.7	
	Renishaw	3,102	2.0	
		<u>16,827</u>	<u>10.8</u>	
Retailing	Dunelm Group	7,960	5.1	
	Halfords Group	3,100	2.0	
	SuperGroup	14,778	9.5	
	Topps Tiles	1,500	1.0	
		<u>27,338</u>	<u>17.6</u>	
Recruitment	Michael Page International	3,303	2.1	
	SThree	9,112	5.9	
		<u>12,415</u>	<u>8.0</u>	
Technology and Telecommunications	Herald Investment Trust	10,070	6.5	
	Vodafone Group	1,743	1.1	
		<u>11,813</u>	<u>7.6</u>	
Mining	BHP Billiton	1,825	1.2	
	BlackRock World Mining Trust	3,900	2.5	
		<u>5,725</u>	<u>3.7</u>	
Offshore Drillers	Diamond Offshore Drilling – USA	2,403	1.6	
	Noble Corporation – USA	15,394	9.9	
		<u>17,797</u>	<u>11.5</u>	
Oilfield Services	Schlumberger – USA	7,471	4.8	
Food Producers	Robert Wiseman Dairies	1,496	1.0	
Tobacco	British American Tobacco	6,155	4.0	
	Imperial Tobacco	3,948	2.5	
		<u>10,103</u>	<u>6.5</u>	
Pharmaceuticals	GlaxoSmithKline	1,772	1.1	
	Transport	First Group	1,459	1.0
		Go-Ahead Group	1,125	0.7
		Stagecoach Group	3,107	2.0
		<u>5,691</u>	<u>3.7</u>	
Utilities	National Grid	3,993	2.6	
	Scottish & Southern Energy	2,476	1.6	
		<u>6,469</u>	<u>4.2</u>	
Insurance	Amlin	2,325	1.5	
	Beazley	2,064	1.3	
	Catlin Group	1,129	0.7	
	Chaucer Holdings	2,460	1.6	
	Hiscox Insurance Portfolio Fund	1,996	1.3	
		<u>9,974</u>	<u>6.4</u>	
Property	Tamar European Industrial Fund	1,540	1.0	
	Orchid Developments Group	360	0.2	
		<u>1,900</u>	<u>1.2</u>	
Miscellaneous Financials	IG Group Holdings	3,137	2.0	
Total Investments		145,291	93.6	
Net Liquid Assets		9,986	6.4	
Shareholders' Funds		155,277	100.0	

All holdings are in equities domiciled in the UK unless otherwise stated.