

THE INDEPENDENT INVESTMENT TRUST PLC

Interim Management Statement - 3 months to 31 August 2008

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. The major part of the Company's portfolio is currently invested in UK equities but this will not necessarily remain the case. 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 fell by 4.2% and the share price by 3.3%. The FTSE All-Share Index fell by 5.9%. All figures are total return.
- During the quarter, the Company bought back 245,895 of its own shares for cancellation at a cost of £444,000, creating a 0.04% uplift in the net asset value per share.
- Movements in the Top Ten Equity Holdings included part-sales of Michael Page and ENSCO, which dropped out of the Top Ten as a result, and an addition to the holding in SThree.
- The interim dividend of 2.0p per share was paid on 29 August 2008 to shareholders on the register at the close of business on 8 August 2008.

Sector Analysis

Name	% of shareholders' funds at 31/08/08	% of shareholders' funds at 31/05/08
Housebuilders	0.6	3.6
Retailing	7.6	8.9
Recruitment	10.2	7.6
Technology and		
Telecommunications	4.5	4.3
Mining	7.7	7.1
Offshore Drillers	17.7	20.8
Oilfield Services	11.6	11.1
Oil and Gas		
Exploration	3.9	4.8
Renewable Energy	1.8	2.5
Banks	5.9	6.3
Insurance	1.3	1.2
Miscellaneous		
Financials	2.3	2.4
Property	3.9	6.5
Net Liquid Assets	21.0	12.9
Total	100.0	100.0

Top Ten Equity Holdings

Name	% of shareholders' funds at 31/08/08	% of shareholders' funds at 31/05/08
Noble	6.2	6.7
Schlumberger	5.1	4.6
Wellstream	4.7	4.8
Dunelm Group	4.6	4.5
Diamond Offshore		
Drilling	4.5	4.8
Herald Investment		
Trust	4.5	4.3
Transocean	4.2	4.2
Michael Page		
International	4.2	3.8
Lloyds TSB	3.2	3.8
SThree	3.0	2.2
Total	44.2	43.7

Total Return Performance

	%			
	3 Months	1 Year	3 Years	5 Years
Share Price	-3.3	-34.4	6.1	34.3
NAV	-4.2	-23.7	13.1	57.2
FTSE All-Share Index	-5.9	-8.7	19.2	63.9

Source: Thomson Financial Datastream

Past performance is not a guide to future performance

General Information

	31/08/08	31/05/08
Total assets (before deduction of borrowings)	£132.4m	£143.0m
Share Price	185.5p	194p
Net asset value per share	200.9p	216.3p
Discount	7.7%	10.3%
Total borrowings	-	-
Net (Borrowings)/cash	£29.5m	£20.8m
Net (Borrowings)/cash as a % of Shareholders' Funds	22.3%	14.6%

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 are available on the Company's website at www.independentinvestmenttrust.co.uk

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