

THE INDEPENDENT INVESTMENT TRUST PLC

Interim Management Statement - 3 months to 29 February 2012

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 9.5% and 16.0% respectively. The FTSE All-Share Index total return was 8.0%. (Source: Thomson Reuters Datastream/Baillie Gifford & Co)
- During the period, transactions affecting the Top Ten included a complete sale of Hays and a part sale of SThree. All other changes to the Top Ten were as a result of market movements. Other transactions during the period included a new investment in Ultra Petroleum and the complete sale of Robert Wiseman Dairies as a result of its takeover.
- The Company bought back 450,000 of its own shares for cancellation during the quarter, on terms that added approximately 0.1% to the net asset value.
- Net cash and gilts rose from £26.6 million to £31.8 million, representing 21.5% of shareholders' funds at the end of February 2012.
- The final dividend of 3.0p per share and special dividend of 0.6p per share, if approved by shareholders at the Annual General Meeting to be held on 29 March 2012, will be paid on 10 April 2012 to shareholders on the register at the close of business on 24 February 2012.

Sector Analysis

Name	% of shareholders' funds at 29/02/12	% of shareholders' funds at 30/11/11
Housebuilders	2.3	1.8
Industrials	7.9	7.0
Retailing	8.9	8.2
Recruitment	5.7	8.3
Technology and Telecommunications	8.2	7.9
Mining	3.5	3.3
Oil and Gas Producers	1.9	0.9
Offshore Drillers	9.9	9.3
Oilfield Services	7.4	7.9
Food Producers	0.8	1.8
Tobacco	4.6	4.6
Pharmaceuticals	1.4	1.5
Leisure	1.8	1.5
Transport	2.9	2.6
Utilities	3.9	4.2
Insurance	6.4	6.6
Miscellaneous		
Financials	2.1	2.4
Fixed Interest	14.4	15.6
Net Liquid Assets	6.0	4.6
Total	100.0	100.0

Top Ten Equity Holdings

Name	% of shareholders' funds at 29/02/12	% of shareholders' funds at 30/11/11
Noble Corporation	8.5	7.9
Herald Investment Trust	7.1	6.7
Schlumberger	4.3	4.5
SThree	4.2	3.9
Dunelm Group	3.5	3.3
Halliburton	3.1	3.4
Aggreko	3.0	2.7
Croda International	2.9	2.6
Amlin	2.7	2.8
Imperial Tobacco	2.5	2.5
Total	41.8	40.3

Total Return Performance

	%			
	3 Months	1 Year	3 Years	5 Years
Share Price	16.0	-3.3	104.4	-16.5
NAV	9.5	-1.5	93.5	-1.5
FTSE All-Share Index	8.0	1.5	75.0	14.2

Source: Thomson Reuters Datastream /Baillie Gifford & Co

Past performance is not a guide to future performance

General Information

	29/02/12	30/11/11
Total assets (before deduction of borrowings)*	£148.0m	£138.2m
Share price	212.0p	186.0p
Net asset value per share *	244.2p	226.4p
Discount	13.2%	17.8%
Total borrowings	-	-
Net cash **	£10.5m	£5.1m
Net cash and bonds **	£31.8m	£26.6m
Net cash as a % of shareholders' funds*	7.1%	3.7%
Net cash and bonds as a % of shareholders' funds*	21.5%	19.2%

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

**Cash stated inclusive of amounts receivable/net of amounts payable 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 †

†Neither the contents of the Company's website nor the contents of any website accessible from hyperlinks on the Company's website (or any other website) is incorporated into, or forms part of, this announcement.

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List of Investments as at 29 February 2012

Sector	Name	Value (£'000)	%
Housebuilders	Persimmon	3,373	2.3
Industrials	Aggreko	4,426	3.0
	Croda International	4,306	2.9
	IMI	2,907	2.0
		<u>11,639</u>	<u>7.9</u>
Retailing	Dunelm Group	5,164	3.5
	Halfords Group	2,525	1.7
	Powerland – China	2,010	1.4
	SuperGroup	2,700	1.8
	Topps Tiles	685	0.5
		<u>13,084</u>	<u>8.9</u>
Recruitment	Michael Page International	2,266	1.5
	SThree	6,177	4.2
		<u>8,443</u>	<u>5.7</u>
Technology and Telecommunications	Herald Investment Trust	10,440	7.1
	Vodafone Group	1,693	1.1
		<u>12,133</u>	<u>8.2</u>
Mining	BHP Billiton	1,528	1.0
	BlackRock World Mining Trust	3,725	2.5
		<u>5,253</u>	<u>3.5</u>
Oil and Gas Producers	Bankers Petroleum – Canada	1,230	0.8
	Ultra Petroleum – USA	1,562	1.1
		<u>2,792</u>	<u>1.9</u>
Offshore Drillers	Diamond Offshore Drilling – USA	2,142	1.4
	Noble Corporation – USA	12,570	8.5
		<u>14,712</u>	<u>9.9</u>
Oilfield Services	Halliburton – USA	4,578	3.1
	Schlumberger – USA	6,316	4.3
		<u>10,894</u>	<u>7.4</u>
Food Producers	Asian Citrus Holdings – China	1,147	0.8
		<u>1,147</u>	<u>0.8</u>
Tobacco	British American Tobacco	3,177	2.1
	Imperial Tobacco	3,737	2.5
		<u>6,914</u>	<u>4.6</u>
Pharmaceuticals	GlaxoSmithKline	2,081	1.4
		<u>2,081</u>	<u>1.4</u>
Leisure	Domino's Pizza	2,655	1.8
Transport	First Group	3,235	2.2
	Go-Ahead Group	1,026	0.7
		<u>4,261</u>	<u>2.9</u>
Utilities	National Grid	3,208	2.2
	Scottish & Southern Energy	2,578	1.7
		<u>5,786</u>	<u>3.9</u>
Insurance	Amlin	4,025	2.7
	Beazley	2,148	1.5
	Catlin Group	1,249	0.8
	Polar Capital Insurance Fund	2,058	1.4
		<u>9,480</u>	<u>6.4</u>
Miscellaneous Financials	IG Group Holdings	3,091	2.1
Fixed Interest	UK Treasury 5.25% 07/06/12	21,273	14.4
Total Investments		<u>139,011</u>	<u>94.0</u>
Net Liquid Assets		<u>8,998</u>	<u>6.0</u>
Shareholders' Funds		<u>148,009</u>	<u>100.0</u>

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