

# THE INDEPENDENT INVESTMENT TRUST PLC

## Interim Management Statement - 3 months to 31 August 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 -9.7% and -9.6% respectively. The FTSE All-Share Index total return was -9.3%. (Source: Thomson Reuters Datastream)
- During the quarter, Hays was reintroduced to the portfolio, an addition was made to SThree and a new investment was made in Bankers Petroleum. Profits were taken in Aggreko, Dunelm, Stagecoach and Supergroup, and Chaucer was taken over for cash.
- The interim dividend of 2.0p per share was paid on 26 August 2011 to shareholders on the register at the close of business on 5 August 2011.

### Sector Analysis

Name	% of shareholders' funds at 31/08/11	% of shareholders' funds at 31/05/11
Housebuilders	3.3	2.9
Industrials	16.4	16.6
Retailing	11.0	15.9
Recruitment	8.4	6.8
Technology and Telecommunications	7.6	7.7
Mining	3.6	3.6
Offshore Drillers	8.7	9.4
Oilfield Services	4.4	4.3
Oil and Gas Producers	0.9	-
Food Producers	2.2	2.3
Tobacco	5.8	5.3
Pharmaceuticals	1.4	1.3
Leisure	1.6	0.5
Transport	3.0	3.8
Utilities	4.0	4.5
Insurance	5.8	7.7
Property	0.1	1.2
Miscellaneous		
Financials	2.2	2.0
Net Liquid Assets	9.6	4.2
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

### Top Ten Equity Holdings

Name	% of shareholders' funds at 31/08/11	% of shareholders' funds at 31/05/11
Aggreko	8.2	8.2
Noble	7.3	8.0
Herald Investment Trust	6.5	6.6
Schlumberger	4.4	4.3
SThree	3.9	4.6
Dunelm Group	3.8	5.7
Croda International	3.8	3.7
SuperGroup	3.5	5.6
British American Tobacco	2.9	2.6
Imperial Tobacco	2.9	2.7
<b>Total</b>	<b>47.2</b>	<b>52.0</b>

## Total Return Performance

	%			
	3 Months	1 Year	3 Years	5 Years
Share Price	-9.6	16.8	23.9	-5.7
NAV	-9.7	15.6	25.6	7.7
FTSE All-Share Index	-9.3	7.3	8.9	11.2

Source: Thomson Reuters Datastream

### Past performance is not a guide to future performance

## General Information

	31/08/11	31/05/11
Total assets (before deduction of borrowings)*	£141.5m	£158.2m
Share price	205.5p	229.5p
Net asset value per share *	231.0p	258.2p
Discount	11.0%	11.1%
Total borrowings	-	-
Net cash	£13.1m	£7.0m
Net cash and bonds	£13.1m	£7.0m
Net cash as a % of shareholders' funds*	9.2%	4.4%
Net cash and bonds as a % of shareholders' funds*	9.2%	4.4%

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

The Company's Net Asset Value is calculated daily and can be viewed on the London Stock Exchange website at [www.londonstockexchange.com](http://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](http://www.independentinvestmenttrust.co.uk)†

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

Contact details:

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### List of Investments as at 31 August 2011

Sector	Name	Value (£'000)	%
Housebuilders	Berkeley Group	2,360	1.7
	Persimmon	2,266	1.6
		<u>4,626</u>	<u>3.3</u>
Industrials	Aggreko	11,628	8.2
	Croda International	5,412	3.8
	IMI	2,679	1.9
	Renishaw	3,522	2.5
	<u>23,241</u>	<u>16.4</u>	
Retailing	Dunelm Group	5,433	3.8
	Halfords Group	2,454	1.7
	Powerland - China	2,119	1.5
	SuperGroup	4,998	3.5
	Topps Tiles	640	0.5
	<u>15,644</u>	<u>11.0</u>	
Recruitment	Hays	3,773	2.7
	Michael Page International	2,502	1.8
	SThree	5,474	3.9
	<u>11,749</u>	<u>8.4</u>	
Technology and Telecommunications	Herald Investment Trust	9,150	6.5
	Vodafone Group	1,610	1.1
	<u>10,760</u>	<u>7.6</u>	
Mining	BHP Billiton	1,579	1.1
	BlackRock World Mining Trust	3,537	2.5
	<u>5,116</u>	<u>3.6</u>	
Offshore Drillers	Diamond Offshore Drilling – USA	1,959	1.4
	Noble Corporation – USA	10,367	7.3
	<u>12,326</u>	<u>8.7</u>	
Oilfield Services	Schlumberger – USA	6,235	4.4
Oil and Gas Producers	Bankers Petroleum – Canada	1,256	0.9
Food Producers	Asian Citrus Holdings – China	1,380	1.0
	Robert Wiseman Dairies	1,654	1.2
	<u>3,034</u>	<u>2.2</u>	
Tobacco	British American Tobacco	4,112	2.9
	Imperial Tobacco	4,080	2.9
	<u>8,192</u>	<u>5.8</u>	
Pharmaceuticals	GlaxoSmithKline	1,966	1.4
Leisure	Domino's Pizza	2,252	1.6
Transport	First Group	1,463	1.0
	Go-Ahead Group	1,265	0.9
	Stagecoach Group	1,543	1.1
	<u>4,271</u>	<u>3.0</u>	
Utilities	National Grid	3,105	2.2
	Scottish & Southern Energy	2,594	1.8
	<u>5,699</u>	<u>4.0</u>	
Insurance	Amlin	3,579	2.5
	Beazley	1,750	1.2
	Catlin Group	1,115	0.8
	Polar Capital Global Insurance Fund	1,831	1.3
	<u>8,275</u>	<u>5.8</u>	
Property	Orchid Developments Group	165	0.1
Miscellaneous Financials	IG Group Holdings	3,130	2.2
	<u>3,130</u>	<u>2.2</u>	
<b>Total Investments</b>		<b>127,937</b>	<b>90.4</b>
<b>Net Liquid Assets</b>		<b>13,591</b>	<b>9.6</b>
<b>Shareholders' Funds</b>		<b>141,528</b>	<b>100.0</b>

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