

THE INDEPENDENT INVESTMENT TRUST PLC

Interim Management Statement - 3 months to 28 February 2010

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 6.5% and 5.4% respectively. The FTSE All-Share Index total return was 4.0%. (Source: Thomson Financial Datastream/Baillie Gifford & Co)
- During the quarter, the Company bought back 397,000 of its own shares for cancellation at a cost of £697,000, creating an uplift of 0.1% in the net asset value per share.
- No new additions were made to the portfolio. Proceeds of sales during the period totalled £4.2 million, including complete sales of BP and Hays.
- Net cash rose from £13.0 million to £17.8 million, representing 14% of shareholders' funds at the end of February 2010.
- The final dividend of 3.0p per share and special dividend of 3.0p per share, if approved by shareholders at the Annual General Meeting to be held on 19 March 2010, will be paid on 1 April 2010 to shareholders on the register at the close of business on 5 March 2010.

Sector Analysis

Name	% of shareholders' funds at 28/02/10	% of shareholders' funds at 30/11/09
Housebuilders	1.2	1.4
Industrials	6.6	5.4
Retailing	10.1	11.3
Recruitment	6.6	7.7
Technology and Telecommunications	5.4	5.1
Mining	3.3	3.3
Offshore Drillers	17.3	17.7
Oilfield Services	6.0	6.4
Oil and Gas Exploration	0.5	0.5
Oil and Gas Producers	-	0.9
Tobacco	6.7	6.0
Pharmaceuticals	1.4	1.6
Leisure	1.4	1.4
Transport	4.7	4.5
Utilities	3.3	4.5
Insurance	6.8	6.6
Property	1.7	2.2
Miscellaneous Financials	2.7	2.4
Net Liquid Assets	14.3	11.1
Total	100.0	100.0

Top Ten Equity Holdings

Name	% of shareholders' funds at 28/02/10	% of shareholders' funds at 30/11/09
Dunelm Group	8.9	9.8
Noble Corporation	8.6	8.3
Herald Investment Trust	5.4	5.1
Diamond Offshore Drilling	5.4	6.0
Aggreko	5.3	4.2
British American Tobacco	4.3	3.8
Schlumberger	4.1	4.2
Transocean	3.3	3.4
SThree	2.9	2.9
Stagecoach Group	2.7	2.4
Total	50.9	50.1

Total Return Performance

	%			
	3 Months	1 Year	3 Years	5 Years
Share Price	5.4	57.0	-35.9	7.4
NAV	6.5	48.1	-24.6	25.6
FTSE All-Share Index	4.0	47.3	-3.9	31.2

Source: Thomson Financial Datastream /Baillie Gifford & Co

Past performance is not a guide to future performance

General Information

	28/02/10	30/11/09
Total assets (before deduction of borrowings)*	£128.5m	£121.4m
Share price	177.0p	168.0p
Net asset value per share *	207.6p	194.9p
Discount	14.7%	13.8%
Total borrowings	-	-
Net cash	£17.8m	£13.0m
Net cash and bonds	£17.8m	£13.0m
Net cash as a % of shareholders' funds*	13.8%	10.7%
Net cash and bonds as a % of shareholders' funds*	13.8%	10.7%

*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

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 2010

Sector	Name	Value (£'000)	%
Housebuilders	Berkeley Group	1,483	1.2
Industrials	Aggreko	6,821	5.3
	IMI	1,693	1.3
		<u>8,514</u>	<u>6.6</u>
Retailing	Dunelm Group	11,406	8.9
	Topps Tiles	1,590	1.2
		<u>12,996</u>	<u>10.1</u>
Recruitment	Healthcare Locums	2,340	1.8
	Michael Page International	2,381	1.9
	SThree	3,708	2.9
		<u>8,429</u>	<u>6.6</u>
Technology and Telecommunications	Herald Investment Trust	6,940	5.4
Mining	BHP Billiton	1,505	1.2
	BlackRock World Mining Trust	2,742	2.1
		<u>4,247</u>	<u>3.3</u>
Offshore Drillers	Diamond Offshore Drilling – USA	6,872	5.4
	Noble Corporation – USA	11,104	8.6
	Transocean – USA	4,191	3.3
		<u>22,167</u>	<u>17.3</u>
Oilfield Services	Schlumberger – USA	5,217	4.1
	Wellstream Holdings	2,495	1.9
		<u>7,712</u>	<u>6.0</u>
Oil and Gas Exploration	BPZ Resources – USA	667	0.5
Tobacco	British American Tobacco	5,574	4.3
	Imperial Tobacco	3,069	2.4
		<u>8,643</u>	<u>6.7</u>
Pharmaceuticals	GlaxoSmithKline	1,821	1.4
Leisure	Marston's	1,808	1.4
Transport	First Group	1,421	1.1
	Go-Ahead Group	1,085	0.9
	Stagecoach Group	3,496	2.7
		<u>6,002</u>	<u>4.7</u>
Utilities	National Grid	1,956	1.5
	Scottish & Southern Energy	2,242	1.8
		<u>4,198</u>	<u>3.3</u>
Insurance	Amlin	2,369	1.9
	Beazley	1,692	1.3
	Catlin Group	1,040	0.8
	Chaucer Holdings	1,820	1.4
	Hiscox Insurance Portfolio Fund	1,840	1.4
		<u>8,761</u>	<u>6.8</u>
Property	Kenmore European Industrial Fund	1,837	1.4
	Orchid Developments Group	435	0.3
		<u>2,272</u>	<u>1.7</u>
Miscellaneous Financials	Alliance Trust	745	0.6
	IG Group Holdings	2,702	2.1
		<u>3,447</u>	<u>2.7</u>
Total Investments		110,107	85.7
Net Liquid Assets		13,898	14.3
Shareholders' Funds		124,005	100.0

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