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SIT results for the six months to 30 April 2011

- NAV total return 10.8%
- Share price total return 11.0%
- NAV and share price performance were ahead of UK and global comparator indices
- Strong income growth enabled interim dividend to rise 3.4%
- Cash available to deploy at more advantageous levels

In the six months to 30 April 2011, the net asset value per share (NAV) total return was 10.8% (with borrowings at market value). The share price total return was 11.0% as the

discount remained stable, ending the period at 9.3%. Both the NAV and share price total return performances were ahead of the company's UK and global comparator indices. The FTSE All-World Index™ total return was 9.4% and the UK FTSE All-Share Index™ total return was 9.1%. Stock selection was the key contributor to the outperformance.

Dividend income generated from the portfolio was strong, while costs remained under control. SIT's board declared an interim dividend of 4.60p per share (2010: 4.45p).

AIC Category	Global Growth
Total assets	£779 million
Cum-Income NAV with borrowings at par	582.9p
Cum-Income NAV with borrowings at market value	572.4p
Ex-Income NAV with borrowings at par	578.3p
Ex-Income NAV with borrowings at market value	567.8p
Share price	515.0p
Discount to ex-income NAV with borrowings at market value	9.3%
Effective Equity Gearing	10.6%

NAV and Share Price Total Return on £100

	1 year	5 years	10 years
Ex-Income NAV with borrowings at par	112	126	144
Share price	111	126	151

Net income reinvested and before expenses are deducted.

Performance over the Quarter 31 January 2011 - 30 April 2011 (%)

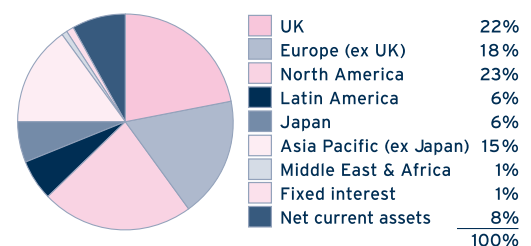
Cum-Income NAV with borrowings at par	3.9
Cum-Income NAV with borrowings at market value	3.3
Share price	3.3
FTSE All-World Index™	2.2
UK FTSE All-Share Index™	3.6

Top 10 Holdings

as % of total assets

1	Apple - US	2.2
2	McDonald's - US	1.7
3	Atlas Copco - Sweden	1.6
4	BT - UK	1.6
5	Repsol - Spain	1.4
6	Kia Motors - South Korea	1.4
7	Chevron - US	1.4
8	Spectris - UK	1.4
9	Sampo - Finland	1.3
10	América Móvil - Mexico	1.3

Geographical Distribution of Total Assets



Standardised Past Performance

Last price to last price with net income reinvested and before expenses are deducted. % growth year to 30 April	2007	2008	2009	2010	2011
The Scottish Investment Trust	11.0	1.4	-16.3	20.3	10.9

NAV is net asset value per share. In line with our reporting policy, the NAVs are calculated taking the valuation of investments at closing bid or last price, as the case may be. The latest NAVs are unaudited. "Borrowings at par" is the nominal value of the borrowings less any unamortised issue expenses. Borrowings at market value is the company's estimate of the "fair value" of its borrowings. The current estimated fair value of the company's secured bonds is based on the redemption yield of the reference gilt plus a margin of 100 basis points (1 percentage point).

The reference gilt is the 6% Treasury Stock 2028. "Total assets" means total assets (cum-income) less current liabilities. Gearing is based on ex-income figures with borrowings at par. All sources SIT unless otherwise stated. Industry Classification Benchmark (ICB): Source and copyright © FTSE International Limited and Dow Jones & Company, Inc. All rights therein reserved.

Review of World Equity Markets - 3 months to 30 April 2011

- Global stockmarkets were resilient over the quarter, despite a devastating earthquake, tsunami and subsequent nuclear accident in Japan, revolution in the Middle East and a surge in the oil price. Markets fell heavily in the aftermath of the earthquake but rebounded as investors judged that the overall impact on corporate earnings was likely to be minor.
- The FTSE All-World Index rose by 2.2% in sterling terms. SIT's cum-income NAV with borrowings at par rose by 3.9%, while the share price rose by 3.3%.
- Japan (-6.2%) recovered from a precipitous fall in the aftermath of the disaster but was the only regional market to fall heavily in local terms over the period. With the exception of Latin America (-0.8%), all other regional markets rose in local terms, with North America the strongest (+5.7%). Sterling was strong against the US dollar and the yen but was weak against other currencies, notably the euro. In sterling terms, the Middle East & Africa (+6.3%) and Europe (ex UK) (+6.2%) produced the strongest returns, while Japan produced the weakest return (-9.0%).
- Sector performance reflected a volatile period, although 7 of the 10 industry sectors performed better than the wider market. The defensive merits of Health Care (+6%) meant it was the best performing sector, while Oil & Gas (+5%) was driven by the oil price. The principal laggard was the Technology sector (-3%), although Utilities (-1%) also lost value.
- In major developed markets, ten year government bond yields fell slightly over the period, while index-linked bond yields continued to suggest muted inflation expectations. However, in contrast, inflation-sensitive precious metals increased in value as gold rose by 15% to \$1,536 per troy ounce, while silver rose by 75% to \$48.7 per troy ounce.
- Industrial commodity price performance was mixed over the quarter, the oil price rose by 27% to \$126 per barrel (Brent), although industrial metals, such as copper (-5%) fell. Agricultural commodity price performance was also mixed as, for example, wheat fell 8% whereas corn rose 16%.
- In the UK, the balance of economic data was weak, Q1 GDP increased by 0.5% (Q/Q) although this did not quite recover the revised Q4 2010 fall of 0.6% (Q/Q). March CPI inflation was twice the government's target at 4%, although interest rates were held at 0.5% as the Bank of England continues to believe inflationary pressures are transient.
- In the eurozone, economic data again reflected the dichotomy between the strong core and the weak peripheral economies. German Q4 GDP grew 0.4% (Q/Q), in contrast to quarterly declines in Ireland, Greece and Portugal. A sharp rise in bond yields meant that Portugal became the third country to seek a bailout from its European partners. Despite this, the European Central Bank signalled its focus on inflationary expectations and increased interest rates by 25 basis points to 1.25%.
- In the US, the most notable event was the decision by S&P to place a negative outlook on the prospects for US government debt. President Obama outlined a 12 year plan to cut the budget deficit by \$12 trillion, although this is to be largely delayed until after the next presidential election. Economic data was mixed as annualised Q1 GDP grew by 1.8% (Q/Q) although, more positively, unemployment fell slightly to 9% and inflation remained muted. Latin American growth remained strong but inflationary concerns caused Brazil to raise interest rates by 75 basis points to 12%.
- In Asia (ex Japan), economies continued to show strong growth but policy makers reacted to inflationary pressure. China, India, Taiwan and Thailand all raised interest rates, while China continued to raise bank reserve ratios in an effort to restrain loan growth.
- In Japan, economic data was overshadowed by tragedy. The yen surged in value in the aftermath of the earthquake, as investors anticipated a mass repatriation of overseas investments. However, this strength was entirely reversed by co-ordinated central bank intervention, combined with further monetary easing. The loss of electricity output is likely to act as a drag on the Japanese economy for several months, as many companies have been forced to curtail production.

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SIT FactFile Established - 1887 • Year end - 31 October • Accounts published: Annual - December, Interim - June
Annual General Meeting - January • Manager - John Kennedy

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 The Scottish
Investment Trust PLC