

RNS Number : 9578E
Intl. Biotechnology Trust PLC
15 April 2011

INTERNATIONAL BIOTECHNOLOGY TRUST PLC (the "Company")
Half Yearly Report for the six months ended 28 February 2011

This announcement contains regulated information.

Chairman's Statement
Summary

I am able to report a rise in both the Net Asset Value per share ("NAV") and the share price of the Company over the half year to 28th February 2011. The NAV increased by 7.5% to 166.8 pence, which compares with 14.4% and 18.5% increases in the NASDAQ Biotechnology Index ("NBI") and the Russell 2000 Biotech Index ("RGUHSBTG") (both adjusted for the change in the Sterling/Dollar exchange rate). Broader stock markets - as measured by the FTSE All-Share index (UK) and the S&P500 index (US) - rose by 15.2% and 19.4% (the latter exchange-rate adjusted).

A performance fee of £684,000 (2010: £554,000) has been accrued, of which further details are available under Note 3 of the Half Yearly Report.

The Company's share price rose by 10.5% over the period, the increase being attributable in part to the increase in the underlying NAV and in part to the fall in the discount at which the share price trades to its NAV (11.4% at the end of February 2011). The high level of the discount in the past has given some shareholders cause for concern so it is encouraging that it has declined.

The quoted portfolio, which accounted for 77.1% of NAV, produced a return of 10.5% which we regard as a satisfactory absolute return for the period. The performance of the indices we use for comparison, referred to above, was particularly affected by one stock and is explained in the Investment Manager's Review. The return on the unquoted portfolio comprising 23.5% of NAV was a fall of 2.4%. The decline in value was totally related to exchange rate movements, and in local currencies the value of write-ups exceeded that of write-downs.

Our Investment Manager believes the Company's unquoted venture investments should begin to deliver attractive returns over the next 12-24 months, a view which we share. Generally we consider that the companies we have invested in are making good progress. On the 30th March 2011 we were able to announce an exit for Cadent - the Company's largest unquoted investment - which will return £5.4m in cash to the portfolio over the coming months for an overall return of more than three times our initial investment.

The Board's policy remains not to hedge the Company's currency exposure but to continue to keep the situation under review.

During the period the US Dollar weakened against Sterling. The loss from the Dollar's depreciation against Sterling amounted to 7.4p per share. At the end of February 2011, the Company's US investments represented 73% of NAV.

Longer-term Results

Given the difficult stock market environment over the past five years, the Board continues to be satisfied with the progress made by the Investment Manager. Since 28 February 2006, the NAV per share has increased by 14.4% compared to an increase of 23.4% in the NBI and a decrease of 12.2% in the RGUHSBTG, both Sterling-adjusted.

Most notable has been the performance of the quoted portfolio over the past three years. The quoted portfolio has successfully captured significant value creation within the biotechnology sector while the Company's unique unquoted portfolio has been rebuilt using the proceeds of the C-share issue in February 2007. The unquoted portfolio is maturing and the Investment Manager expects to see the fruits of its reconstruction over the next few years.

Share Buybacks and the Discount

Over the course of the last six months the Company repurchased a total of 1,050,000 Ordinary Shares into treasury at a total cost of £1,457,000 and at an average discount of 16.4%, resulting in an enhancement to the NAV per share of approximately 0.47p.

As part of the "C" Share issue in February 2007, the Board made a commitment to try to keep the discount down to 8% or better. It is always going to be difficult to maintain a low discount when a reasonably significant proportion of the portfolio is invested in unquoted securities at a time when stock markets are very nervous. The market will usually place a high discount on our unquoted investments which in turn will affect the overall discount of the Company's shares. With the unprecedented severity of the global financial crisis of 2008 leaving continuing nervousness and uncertainty, the Company's discount has remained relatively wide in the recent past despite the Company buying back shares.

Over the past four years since the "C" Share issue, we have bought back 11.8 million shares, reducing the number of shares outstanding from 70.6 million to the 58.8 million that are outstanding today. While reducing the number of shares does not improve their liquidity, it has helped some shareholders who needed to sell.

Executed at a wide discount to NAV, buybacks have provided value enhancement to remaining shareholders (5.1p per share since buybacks began in October 2008). However, our main long-term goal is to generate share price returns driven by NAV growth that is strong enough to encourage investors to become shareholders, so that liquidity does not depend largely on the Company buying back shares.

We are confident that the unquoted portfolio will show excellent returns and that investors will gain confidence in the biotechnology sector, recognising its strong growth characteristics. This will encourage potential investors to become new shareholders thereby creating new demand for the Company's shares. However that will take time; in the meantime we will continue to buy back shares providing extra liquidity, enhancing the NAV per share, with the objective of keeping the discount as low as possible.

Overdraft Facility

With effect from 28 September 2010, the Company has put in place an overdraft facility with HSBC Bank plc for the amount of £7.5m to allow the Investment Manager to have the liquidity and flexibility to capture the best opportunities in the markets in which investments are chosen. In addition to this, the Company may from time to time utilise short-term borrowings to facilitate the settlement of transactions.

Board

Mr Peter Collacott is retiring as a Director of the Company on the 15 April 2011. He was involved in the launch of International Biotechnology Trust ("IBT") as a founding director back in 1994. He has made a very considerable contribution to its governance and to its progress over these 17 years and we have benefited from his wisdom, his knowledge of investment trusts and importantly from his experience of the Company itself - most particularly at a time when an almost new board was appointed in 2001. He has chaired the Audit Committee since then, guiding it through the most enormous amount of accounting and reporting changes and also through the very complicated reclaim of VAT charges from HMRC - and done so most professionally. On behalf of shareholders we thank him for his contribution and wish him well in the future. We shall miss him.

It is with great pleasure that I welcome Mr John Aston to the Board of Directors, with effect from 23 February 2011. He brings to the Board a wealth of experience in the financial and biotechnology sector. Most recently he was chief financial officer at the UK biotechnology companies Astex Therapeutics and Cambridge Antibody Technology. Previously, John was a director in investment banking with Schroders in London and worked for British Technology Group and Price Waterhouse. John is also a non-executive director of the Polar Capital Healthcare Growth and Income Trust plc and Regenerative Medicine Assets Ltd. He will succeed Mr Collacott as Chairman of the Audit Committee.

Prospects

Your Directors remain very positive about the investment prospects for the biotechnology industry. With growing and ageing populations, the need for innovative new drugs, diagnostics and medical devices to prevent and treat complex modern diseases has never been higher. While large pharmaceutical companies are struggling to generate returns from internal research and development ("R&D") investment, biotechnology companies are demonstrating higher success in providing the medical innovation required. This is leading to high levels of deal-making activity - both licensing and outright acquisition - in the industry.

We believe that investor interest in the biotechnology sector is increasing. Risk appetite is returning to equity markets, and the biotechnology sector is poised to benefit from healthcare reform in the United States, and from emerging market opportunities. Most importantly, major new biotech drugs is about to rejuvenate significant growth prospects of some of the sector's leading companies.

As measured by the median price to earnings or "P/E" multiple of the sector's leading companies, the biotechnology sector is currently trading at the lowest absolute and relative rating versus the broader equity market in history, which represents a long term opportunity for investors. With a portfolio of quoted and unquoted

venture capital investments, the Board believes that the unique construction of the Company's portfolio enables investors to access returns from medical innovation in a diversified, risk-managed way.

Andrew Barker

Chairman

15 April 2011

Investment Manager's Review

Performance Summary

The six-months ended 28 February 2011 saw the Company's share price increase 10.5% and NAV per share increase 7.5%. By comparison the NBI increased by 14.4%, and the RGUHSBTG increased by 18.5%, while the FTSE All-Share and S&P500 indices increased by 15.2% and 19.4% respectively. All figures are Sterling-adjusted.

As the broader equity market rally continued to show strong momentum over the period, the biotechnology sector modestly underperformed. The Company's NAV performance lagged that of the biotech sector and was driven by the quoted portfolio which returned +10.6% while the unquoted portfolio returned -2.4%. The Company's NAV suffered on an absolute basis from a weakening Dollar as a significant proportion of the portfolio is invested in Dollar-denominated securities. Share buybacks during the period enhanced the NAV marginally.

Quoted Portfolio Summary

At 28 February 2011, the quoted portfolio represented 77.1% of NAV at £76.2m. Key positive contributions during the period came from investments in Micromet, Celgene, Insulet, Santarus and Alexion, with negative contributions from Poniard, Nanosphere, ProStrakan, Halozyme and Hansen Medical. There were 32 investments in the quoted portfolio at the end of the period against 33 at the start.

During the period under review, the combined effect of gains and losses on quoted investments, including currency movements, was to increase the NAV by £9.2m or 15.5p per share. The return for the quoted portfolio over the period was 10.6%.

Unquoted Portfolio Summary

At 28 February 2011, the unquoted portfolio represented 23.5% of NAV at £23.3m. One new investment was made during the period - £236k into Convergence, while seven follow-on investments were made with a value of £548k into Sutro Biosciences, Lux, Allocure and EBR Systems. Four investments, EBR systems, Vantia, Sutro Biosciences and Averion International, were written down and five investments, Cadent, Ricerca Archemix, RespiVert and ESBATech, were written up.

During the period under review, the combined effect of these valuation changes was a net loss of £0.7m or 1.1p per share, after adjusting for currency losses of £1.2m. The return for the unquoted portfolio over the period was -2.4%.

After the end of the period, the Company announced an exit for the largest unquoted investment Cadent. On 30 March 2011, NASDAQ-listed Align Technologies, a leading orthodontics company based in the United States announced it is to acquire Cadent, a global leader in intra-oral scanning technology, for \$190m in an all-cash transaction. The exit will return £5.4m in cash to the Company during the second quarter of 2011, against a carrying value of £4.2m at 28 February 2011, for an overall return of 3.1x on invested capital since the first investment in Cadent was made in January 2008.

The Investment Manager seeks to invest up to 30% of total assets in unquoted companies with a guideline of no more than 40% unquoted company exposure (after allowing for valuation write-ups and further follow-on investments). The Board has set this guideline and considers this level is appropriate.

Portfolio Summary February 2011

At 28 February 2011, the Company held investments in 57 companies: 32 quoted (representing 77.1% NAV) and 25 unquoted companies (representing 23.5% of NAV). The remaining -0.6% comprised cash, money market instruments and other net liabilities. 1.3% of NAV is legally committed to further investments in unquoted companies, while 8.1% is investment-committee approved or reserved for further investment in unquoted companies.

By subsector, 59% of NAV was invested in the biotechnology sector, 14% in the medical device sector, 16% in the specialty pharmaceuticals sector, and 11% in the life sciences tools and diagnostics sector, emphasising the diversified nature of the fund's quoted investments.

Members of the Investment Manager's team sat on the Boards of 22 portfolio companies (19 unquoted and 3 quoted) at the end of the period, a decrease of 3 from 31 August 2010. An active Board seat on private

companies remains an important aspect of the Manager's investing activities in early-stage unquoted biotechnology companies.

Market Review

The month of September marked a strong start to the period for both the equity market and the biotechnology sector. The capricious "on-off" appetite for risk that characterised investment activity in markets through the summer months of 2010 swung firmly to the positive as investors started to expect further quantitative easing from the Federal Reserve to provide support to a fragile economic recovery.

Combined with the Federal Reserve signalling that very low interest rates were set to be maintained for the foreseeable future, investor expectations that loose monetary policy in the US was likely to be a durable phenomenon set the scene for a rally in the US equity market that continued almost uninterrupted for the duration of the Company's interim period through to the end of February 2011. For most of the period the biotechnology sector, as measured by the NBI, kept pace with the broader equity market driven by the energy, consumer discretionary and industrials sectors. However, in late January 2011, the NBI started to fall away as the broader market continued its rally into the end of the period.

The cause was that while the latter part of 2010 was marked by a significant amount of positive clinical and regulatory newsflow for the biotechnology sector, this newsflow turned more negative in early 2011. In addition, fourth quarter financial results from some of the larger pharmaceutical and medical device companies disappointed investors.

Encouragingly, the capital markets environment for biotechnology companies appears to be steadily improving, as would be expected over the course of an equity market recovery. In 2010 a total of \$36.2bn was invested in the global biotechnology sector through IPOs, follow-ons, venture capital investment and other fundraisings, according to BioCentury. This is significantly more than the \$24.9bn invested in 2009, the \$13.6bn in 2008 and higher than the pre-financial crisis amount of \$30.6bn in 2007.

Biotechnology companies appear to be accessing more risk-tolerant capital than they have been in previous years, as signalled by an increase in the amount of capital invested in biotechnology IPOs in 2010 at \$1.6bn versus \$0.9bn in 2009. However investors continue to be wary of relatively early-stage and unfamiliar companies or unproven assets and the trend has clearly been for companies with relatively de-risked late clinical-stage assets to attract the lion's share of the capital available, rather than earlier stage technology platform companies.

On the unquoted side, we continue to see a constriction in the overall quantity of venture capital that specialist investors can pool into new funds as the shakeout of the private equity and venture capital industry continues. However this places those venture capital firms able to raise significant capital on the basis of consistently strong long-term performance in a strong position to invest in the most attractive biotech and medical device opportunities. The Investment Manager invests the Company's capital alongside its own venture funds. With over \$2bn of capital under management at SV Life Sciences, this enables the Company to access the most attractive venture capital stage investment opportunities.

On the unquoted side, the Investment Manager continues to see strong deal flow from Big Pharma spin-out opportunities as these companies continue to adjust their cost bases in response to pressure on top-line sales growth, and attempt to improve the productivity of research and development ("R&D") investment. For example, in September 2010, the Investment Manager created a new company, Convergence, focused on developing new treatments for pain, from the drug candidates, patents and people divested by GlaxoSmithKline as part of their strategic R&D review.

Merger and acquisitions ("M&A") activity in the sector during the period continued to benefit the Company's NAV. In October, Sanofi-aventis launched their widely speculated hostile bid to acquire large-cap biotechnology company Genzyme (a Company investment). Negotiations continued until February 2011 when Genzyme finally agreed to be acquired for \$20.1bn. In the same month, life science tools company Beckman Coulter was acquired by Danaher for \$5.8bn, depression drug developer Clinical Data was acquired by Forest Labs for \$929m, and UK-based specialty pharmaceutical company ProStrakan (a Company investment) agreed to be acquired by Kyowa Hakko Kirin for \$474m.

Outlook

With investors becoming more confident, risk appetite returning to investment markets, and the global biotechnology sector delivering a number of major new drug products and technologies, the Investment Manager believes there has never been a better time to be investing in the sector. The most fundamental driver for the biotechnology industry arises from simple demography. Growing and ageing populations across the world require innovative new drugs, diagnostics and medical devices to prevent and treat complex modern diseases more effectively.

The opportunity for biotechnology companies arises because larger scale internal R&D investment within pharmaceutical companies is failing to deliver major new drug products that offer radical new advances in the treatment of major diseases. In response, pharmaceutical companies have been refocusing their R&D efforts. Increasingly, they have been outsourcing R&D to smaller biotechnology companies, who can work on the same projects faster, with greater capital efficiency, and potentially with higher success.

This trend has created tremendous opportunities for biotechnology investors. As pharmaceutical companies move away from early-stage R&D, attractive new drug candidates and highly skilled scientists are made available to specialist venture capital investors such as the Company's Investment Manager. The strategic shift to an R&D outsourcing model for the pharmaceutical industry has in turn led to a dramatic increase in deal-making activity between pharmaceutical and biotechnology companies in recent years that has benefited highly innovative biotechnology companies.

Investor confidence has begun to return to global equity markets, fuelled by the availability of large quantities of inexpensive capital provided by the "quantitative easing" policies of central banks across the world's developed economies. With the stock market recovery from the global financial crisis marking its second anniversary in March 2011, investors are increasingly looking for sustainable long-term growth themes such as the one offered by the global biotechnology sector.

The uncertainties created by US healthcare reform and European austerity measures are now arguably reflected in earnings estimates and valuations. The large-cap biotechnology group is currently trading on a forward price to earnings P/E multiple of 13 times versus the S&P500 of 14 times, which is the lowest absolute and relative rating for the sector in history. With clear drivers of both investor interest and fundamental value in the near, mid and long-term, the Investment Manager believes it is an excellent time to be investing in the sector.

In the near-term a number of major new biotechnology products are set to rejuvenate growth rates among the sector's leading companies and also bring new companies into the top-tier group, which should increase investor interest in the sector. In the medium-term, the positive impact of millions of people entering the US healthcare system from 2014 onwards, is our view, yet to be reflected in earnings forecasts. And over the longer-term, the biotechnology sector will be a major beneficiary of emerging markets economic growth and prosperity.

SV Life Sciences Managers LLP
Investment Manager

15 April 2011

Principal Risks and Uncertainties

The Company's principal risks and uncertainties are detailed in the Annual Report for the year ended 31 August 2010. A detailed explanation can be found on page 21 to 23 of the Annual Report which is available on the Company's website at www.ibtplc.com.

In the view of the Board, there have not been any changes to the fundamental nature of these risks since the previous report and these principal risks and uncertainties are equally applicable to the remaining six months of the financial year as they were to the six months under review.

Directors' Responsibility Statement

In respect of the Half Yearly Report for the six months ended 28 February 2011, we confirm that, to the best of our knowledge:

- the condensed set of Financial Statements contained within have been prepared in accordance with IAS 34 "Interim Financial Reporting"; and
- the Chairman's Statement and the Investment Manager's Review include a fair review of the information required by 4.2.7R and 4.2.8R of the Financial Services Authority's Disclosure and Transparency Rules.

The Half Yearly Report for the six months ended 28 February 2011 was approved by the Board and the above Responsibility Statement has been signed on its behalf by:

Andrew Barker
Chairman

15 April 2011

Group Statement of Comprehensive Income
for the six months ended 28 February 2011

	Notes	(Unaudited) For the six months ended 28 February 2011			(Unaudited) For the six months ended 28 February 2010			(Audited) For the year ended 31 August 2010		
		Group revenue return £'000	Group capital return £'000	Group total £'000	Group revenue return £'000	Group capital return £'000	Group total £'000	Group revenue return £'000	Group capital return £'000	Group total £'000
Gains on investments held at fair value		-	8,544	8,544	-	8,419	8,419	-	3,338	3,338
Exchange losses on currency balances		-	(76)	(76)	-	(21)	(21)	-	(181)	(181)
Income	2	38	-	38	18	-	18	52	-	52
Expenses										
Management fees	3	(662)	-	(662)	(650)	-	(650)	(1,340)	-	(1,340)
Performance fee		-	(684)	(684)	-	(554)	(554)	-	-	-
Administrative expenses		(417)	-	(417)	(398)	-	(398)	(801)	-	(801)
		-----	-----	-----	-----	-----	-----	-----	-----	-----
(Loss)/profit before finance costs and tax		(1,041)	7,784	6,743	(1,030)	7,844	6,814	(2,089)	3,157	1,068
Finance costs										
Interest payable	3	(7)	-	(7)	-	-	-	-	-	-
		-----	-----	-----	-----	-----	-----	-----	-----	-----
(Loss)/profit on ordinary activities before tax		(1,048)	7,784	6,736	(1,030)	7,844	6,814	(2,089)	3,157	1,068
Taxation on ordinary activities		(4)	-	(4)	-	-	-	-	-	-
		=====	=====	=====	=====	=====	=====	=====	=====	=====
(Loss)/profit for the year and total comprehensive income		(1,052)	7,784	6,732	(1,030)	7,844	6,814	(2,089)	3,157	1,068
Earnings per Ordinary Share	4	(1.76)p	13.01p	11.25p	(1.62)p	12.34p	10.72p	(3.36)p	5.07p	1.71p

The total column of this statement represents the Group's Statement of Comprehensive Income prepared in accordance with International Financial Reporting Standards ("IFRS").

The Group does not have any other comprehensive income and hence the profit for the year, as disclosed above, is the same as the Group's total comprehensive income.

The revenue and capital columns are supplementary to this and are prepared under guidance published by The Association of Investment Companies (The "AIC"). The Group has no recognised gains and losses other than those disclosed in the Consolidated Income Statement and the Consolidated Statement of Changes in Equity.

All income is attributable to the equity holders of the parent company. There are no minority interests.

All items in the above statement derive from continuing operations.

The accompanying notes form part of these Financial Statements.

Group Balance Sheet as at 28 February 2011

(Unaudited) (Unaudited) (Audited)

Balance at 28 February 2011	15,408	18,805	26,409	51,446	5,693	(18,838)	98,923
	=====	=====	=====	=====	=====	=====	=====

	Group For the six months ended 28 February 2010 (Unaudited)						Total £'000
	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Share purchase reserve £'000	Capital reserves £'000	Revenue reserve £'000	
Balance at 31 August 2009	17,648	18,746	24,169	58,637	(5,248)	(15,697)	98,255
Total							
Comprehensive Income:							
Profit/(loss) for the period	-	-	-	-	7,844	(1,030)	6,814
Transactions with owners, recorded directly to equity:							
Shares bought back and held in treasury	-	-	-	(3,950)	-	-	(3,950)
Shares cancelled from treasury	(1,440)	-	1,440	-	-	-	-
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Balance at 28 February 2010	16,208	18,746	25,609	54,687	2,596	(16,727)	101,119
	=====	=====	=====	=====	=====	=====	=====

	Group For the year ended 31 August 2010 (Audited)						Total £'000
	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Share purchase reserve £'000	Capital reserves £'000	Revenue reserve £'000	
Balance at 31 August 2009	17,648	18,746	24,169	58,637	(5,248)	(15,697)	98,255
Total							
Comprehensive Income:							
Profit/(loss) for the period	-	-	-	-	3,157	(2,089)	1,068
Transactions with owners, recorded directly to equity:							
Shares bought back and held in treasury	-	-	-	(5,724)	-	-	(5,724)
Shares cancelled from treasury	(1,440)	-	1,440	-	-	-	-
Rebate of share issue costs	-	59	-	-	-	-	59
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Balance at 31 August 2010	16,208	18,805	25,609	52,913	(2,091)	(17,786)	93,658
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The accompanying notes form part of these Financial Statements.

Group Cash Flow Statement

	(Unaudited) For the six months ended 28 February 2011 Group £'000	(Unaudited) For the six months ended 28 February 2010 Group £'000	(Audited) For the year ended 31 August 2010 Group £'000
Cash flows from operating activities			
Profit before finance costs and tax	6,743	6,814	1,068
Exchange losses on currency balances	76	21	181
Adjustments for: (Increase)/decrease in investments	(8,089)	(6,588)	2,600
Decrease in current asset investments	1,500	1,711	2,012
Increase in receivables	(348)	(452)	(290)
Increase in payables	787	2,055	946
Taxation	(4)	-	-
	-----	-----	-----
Net cash flows from operating activities	665	3,561	6,517
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Cash flows from financing activities			
Share repurchase costs	(1,467)	(3,689)	(5,724)
Share issue costs rebated	-	-	59
Interest paid on bank overdraft	(7)	-	-
	-----	-----	-----
Net cash used in financing activities	(1,474)	(3,689)	(5,665)
	-----	-----	-----
Net (decrease)/increase in cash and cash equivalents	(809)	(128)	852
Effect of foreign exchange losses	(76)	(21)	(181)
Cash and cash equivalents at beginning of period	1,245	574	574
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Cash and cash equivalents at end of period	360	425	1,245
	=====	=====	=====

The accompanying notes form part of these Financial Statements.

Notes to the Financial Statements

1. Accounting policies

The consolidated Financial Statements have been prepared on a going concern basis, in accordance with International Accounting Standard 34 "Interim Financial Reporting", as adopted by the European Union and are presented in pounds Sterling, as this is the principal currency of the primary economic environment in which the Group operates.

The financial information for each of the six month periods ended 28 February 2011 and 28 February 2010 comprises non-statutory accounts within the meaning of Sections 434 to 436 of the Companies Act 2006. The financial information for the year ended 31 August 2010 has been extracted from published accounts that have been delivered to the Registrar of Companies and on which the report of the auditors was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

The Company's principal risks and uncertainties remained unchanged as described in the Annual Report for the year ended 31 August 2010.

The Group's accounting policies have not varied from those described in the Annual Report for the year ended 31 August 2010.

2. Income

	(Unaudited) For the six months ended 28 February 2011 £'000	(Unaudited) For the six months ended 28 February 2010 £'000	(Audited) For the year ended 31 August 2010 £'000
Income from investments held at fair value through profit or loss:			
Unfranked dividends	35	2	21
Interest on debt securities	2	-	4
	-----	-----	-----
	37	2	25
Other income:			
Income from current asset investments	1	8	15
Interest on deposits	-	-	1
VAT reclaim interest	-	8	11
	-----	-----	-----
	38	18	52
	=====	=====	=====

3. Investment Management fees and interest payable

The investment management fee and any finance costs on borrowings for investment purposes are apportioned 100% to the revenue reserve. As of 28 February 2011 a performance fee of £684,000 has been accrued but not paid relating to gains made on quoted investments.

4. Earnings per Ordinary share

	(Unaudited) For the six months ended 28 February 2011 £'000	(Unaudited) For the six months ended 28 February 2010 £'000	(Audited) For the year ended 31 August 2010 £'000
Net revenue loss	(1,052)	(1,030)	(2,089)
Net capital profit	7,784	7,844	3,157
	-----	-----	-----
	6,732	6,814	1,068
	=====	=====	=====

	(Unaudited) For the six months ended 28 February 2011	(Unaudited) For the six months ended 28 February 2010	(Audited) For the year ended 31 August 2010
Weighted average number of Ordinary Shares in issue	59,830,867	63,567,857	62,228,267
Revenue loss per Ordinary Share	(1.76)p	(1.62)p	(3.36)p
Capital profit per Ordinary Share	13.01p	12.34p	5.07p
	-----	-----	-----
Total profit per Ordinary Share	11.25p	10.72p	1.71p
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5. Called up share capital

During the six months ended 28 February 2011, the Company repurchased 1,050,000 Ordinary Shares to be held in treasury, at a cost of £1,467,000, which reduced the number of Ordinary Shares in issue from 60,357,664 shares to 59,307,663 (including the write down of 1 Ordinary share due to a historic differential following the C share conversion in 2007). A further 3,200,000 shares held in treasury were cancelled, leaving 2,325,000 shares in treasury. Since the half-year end, the Company has bought back a further 500,000 Ordinary Shares to be held in treasury and has cancelled a further 200,000 Ordinary Shares from treasury.

The Ordinary Shares held in treasury have no voting rights and are not entitled to dividends.

6. Capital reserves

The capital reserve account comprises both realised gains on investments sold and unrealised gains and losses on investments held, which are analysed as follows:

	(Unaudited) At 28 February 2011 £'000	(Unaudited) At 28 February 2010 £'000	(Audited) At 31 August 2010 £'000
Capital reserve - on investments sold	992	(1,257)	(1,454)
Capital reserve - on investments held	4,701	3,853	(637)
	----- 5,693 =====	----- 2,596 =====	----- (2,091) =====

7. Net Asset Value per Ordinary share

	(Unaudited) At 28 February 2011	(Unaudited) At 28 February 2010	(Audited) At 31 August 2010
Net assets attributable to Ordinary shareholders (£'000)	98,923	101,119	93,658
Ordinary Shares in issue at end of period	59,307,663	61,632,664	60,357,664
Net asset value per Ordinary Share	166.80p	164.07p	155.17p

8. Related party transactions

There have been no related party transactions that have materially affected the financial position or the performance of the Group during the six months ended 28 February 2011.

9. Half Yearly Report

The Company's Half Yearly Report for the six months ended 28 February 2011 will be posted to shareholders in April 2011. Copies of the Half Yearly Report will be available from the Registered Office of the Company at 55 Moorgate, London EC2R 6PA and on the website, www.ibtplc.com, which is a website maintained by the Company's Investment Manager, SV Life Sciences Managers LLP.

For further information, please contact:

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Investment Manager

SV Life Sciences Managers LLP
Telephone: 020 7412 7070

Rhona Gregg
Company Secretary

BNP Paribas Secretarial Services Limited
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15 APRIL 2011

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