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Intl. Biotechnology Trust PLC
08 April 2010

INTERNATIONAL BIOTECHNOLOGY TRUST PLC (the "Company")

Half Yearly Financial Report for the six months ended 28 February 2010

This announcement contains regulated information.

Chairman's Statement

Summary

I am pleased to report an increase in both the net asset value ("NAV") per share and share price of the Company. While newsflow from the unquoted portfolio was quiet following the sale of ESBATech in September 2009, the quoted portfolio performed well to capture the renewed investor interest in the biotechnology sector, particularly benefiting the larger-cap companies.

The NAV per share increased by 8.3% to 164.1p per share during the period. This compares to Sterling-adjusted increases of 16.2%, and 4.7%, in the NASDAQ Biotechnology Index ("NBI") and the Russell 2000 Biotechnology Growth Index ("RGUHSBTG"), respectively. Broader markets as measured by the FTSE 100 and S&P500 indices increased by 9.1% and a Sterling-adjusted 15.7%, respectively.

The Company's share price increased by 8.5% over the period. The discount of the share price to the NAV per share was virtually unchanged at 20.2% at 28 February 2010 from 20.3% at 31 August 2009. As both the NAV per share and share price have increased, the continued existence of this discount level is disappointing and is discussed in some detail below.

Currency movements again provided a net benefit to the Company's NAV as the US Dollar strengthened against Sterling and a large percentage of the Company's assets is invested in

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

Share Buybacks and the Discount

Over the course of the last six months the Company repurchased a total of 3,200,000 Ordinary shares into treasury at a total cost of £4.0m and at an average discount of 20.4%, resulting in an enhancement to the NAV per share of approximately 1.5p. Despite these purchases, the discount of the share price to the NAV per share as at 28 February 2010 was 20.2%.

The Board has devoted a considerable amount of time in recent months to considering share buybacks and the level of the discount, mindful of the statement made to the Company's shareholders at the time of the C Share issue in February 2007, and feedback from shareholders.

In the Prospectus for the C Share issue dated 12 January 2007, the Board stated that it would seek to maintain the discount of the share price to the NAV per share at no greater than 8% but there was no guarantee that this level would be achieved. In my Chairman's letter to shareholders at the time I also wrote:

"Given the nature of the Company's portfolio, the need for the Manager to have access to any available cash for investment opportunities and any changes in general market conditions and/or peer group ratings, it will be necessary to review this target discount level from time to time and to maintain the same at either a narrower or a wider level as appropriate".

Although the discount remained narrower than the target level for about twelve months from the C Share issue through to March 2008, the discount since has generally widened despite the Company repurchasing 9.0m Ordinary shares (equivalent to 39.7% of the Ordinary shares converted from the C Share issue) at a total cost of £10.9m. These buybacks in total have added 4.0p to the NAV per share.

There are a number of reasons why the discount has widened, including the following:

Stock market conditions have become less stable and investors are more risk adverse. Most importantly, investors tend to put a higher discount on the underlying value of unquoted

shares than quoted shares, particularly in uncertain times, as they are considered less immediately realisable, harder to value and higher risk. The Board considers that the unquoted portfolio, which now represents 21.4% of the NAV, has very good prospects and the considerable discount that investors are currently applying to these investments should narrow as stock market conditions improve and as the unquoted portfolio matures.

Another factor, which has led to a wider discount, is that when managing an unquoted portfolio there are often long periods of time when the Board and the Investment Manager are privy to potentially price sensitive information. This has the effect of making us "insiders", thus imposing restrictions on our ability to buy back shares. For example, in 2009 during negotiations to sell ESBATech to Alcon - ultimately achieving a deal with a potential return of 6.8x cost - the Board was considered "inside" and unable to buy back shares.

The Board considers that it is unrealistic that the target level of discount can be achieved in the near-term, at least whilst investors are very risk adverse, especially towards unquoted investments. However we will strive to achieve the target level over the medium and longer-term.

The Board, with its legal advisers, has also considered ways of overcoming the restrictions on buying back shares when the Board and the Investment Manager may be "inside". We have now put in place an arrangement that will remove these restrictions. Under this arrangement a further 200,000 Ordinary shares have been bought back since 28 February 2010.

Longer-term Results

Given the circumstances of the past five years, we are pleased with the progress made by the Investment Manager. Since 28 February 2005, the NAV per share has increased by 35.6% compared to an increase of 59.6% in the NBI and an increase of 6.1% in the RGUHSBTG, both Sterling-adjusted.

Prospects

With the quoted portfolio performing well, investors are understandably focused on the prospects for the unquoted portfolio which, aside from a potentially very valuable structured exit for ESBATech, had another relatively quiet period.

The previous twelve months have seen the refinancing of many of the Company's unquoted investments. Although aggressive pricing on the part of new investors has caused a decrease

in the carrying value of the unquoted portfolio overall, it is the Investment Manager's view that, being now well-capitalised, the Company's investments are in a strong position, and should begin to generate attractive returns in the near-future.

The Board recognises that the unquoted portfolio is relatively immature, with 17 of the 23 investments having been made since the C Share issue in February 2007. It is the Board's view that the Investment Manager's long-term performance in the life sciences venture capital investment space justifies confidence as these investments begin to mature over the next few years.

The historical returns from the Company's unquoted investments have been strong. Under the current Investment Manager, all fully realised investments (whether successfully sold or written-off) have returned 2.2x invested capital at an internal rate of return of 49.7%.

Both the fundamentals and valuations of unquoted biotechnology companies, typically funded in a serial fashion using equity rather than debt, are relatively uncorrelated to stock market returns. The Board continues to view the unquoted portfolio as a unique and exciting investment proposition. The Investment Manager believes that improving fundamentals for the quoted portfolio are yet to be reflected in valuations.

The near-term outlook for the Company continues to be promising. US healthcare reform remains less of a threat than investors have been expecting, and the Investment Manager believes the quantity of significant newsflow expected over the coming year will attract more investors to the sector.

Andrew Barker

Chairman

8 April 2010

Investment Manager's Review

Performance Summary

The six months ended 28 February 2010 saw the Company's share price increase by 8.5% and the NAV per share increase by 8.3%. By comparison the NBI rose by 16.2%, and the

RGUHSBTG by 4.7%, while the FTSE 100 and S&P500 indices increased by 9.1% and 15.7%, respectively. All figures are Sterling-adjusted.

With broader market sentiment becoming more stable over the period, the Company's performance was driven by the quoted portfolio which returned 11.0%, while the unquoted portfolio returned 3.4%. The Company's NAV continued to benefit on an absolute basis from currency moves as a significant proportion of the portfolio is invested in Dollar-denominated securities. The effect during the period was to increase the NAV by 6.2% or 9.8p per share. Share buybacks during the period also enhanced the NAV.

Quoted Portfolio Summary

At 28 February 2010, the quoted portfolio represented 78.1% of the NAV at £79.0m. 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 35 investments in the quoted portfolio at the end of the period against 39 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 £7.7m or 12.5p per share. The return for the quoted portfolio over the period was 11.0%. Descriptions of the Company's top quoted investments are presented on page 9 of the Half Yearly Report.

Unquoted Portfolio Summary

At 28 February 2010, the unquoted portfolio represented 21.4% of the NAV at £21.6m. Three new investments were made during the period - £307k into Ophthotech, £1.5k into Antiva and £53k into Delenex, while eleven follow-on investments were made with a value of £3.3m into Affinium, Allocure, EBR Systems, Entellus, Ikano Therapeutics, Itero, Lux Biosciences, Oxagen, Spinal Kinetics, TransEnterix and Ricera.

As previously communicated during the period under review, one sale was achieved for portfolio company ESBA Tech in a structured deal for an upfront payment of £1.9m with a further £6.8m possibly upon the achievement of future clinical milestones which represents a potential 6.8x return on invested capital. Three investments were written down: Archemix, EUSA Pharma and Ricera, and one investment, Itero, was written up.

The combined effect of these valuation changes, including currency movements, was to increase the NAV by £0.8m or 1.2p per share. The return for the unquoted portfolio only over the period was 3.4%. Descriptions of the Company's top unquoted investments are presented on page 9 of the Half Yearly Report.

The Investment Manager seeks to invest up to 30% of the 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 2010

At 28 February 2010, the Company held investments in 58 companies: 35 quoted (representing 78.1% of the NAV) and 23 unquoted companies (representing 21.4% of the NAV). The remaining 0.5% comprised cash, money market instruments and other net assets. 1.9% of the NAV is legally committed to further investments in unquoted companies, while 14.5% is investment committee approved or reserved for further investment in unquoted companies.

By subsector, 63% of the NAV was invested in the biotechnology sector, 17% of the NAV in the medical device sector, 12% in the speciality pharmaceuticals sector and 7% in the life sciences tools and diagnostics sector, emphasising the diversified nature of the Company's investments.

Members of the Investment Manager's team sat on the boards of 23 portfolio companies (20 unquoted and 3 quoted) at the end of the period, unchanged from 31 August 2009. An active board seat on private companies remains an important aspect of the Investment Manager's investing activities in early-stage unquoted biotechnology companies.

Market Review

After a strong recovery through the middle part of 2009 on the back of an improvement in investor confidence, valuations in the biotechnology sector pulled back early in the interim period as investors took profits from a rally that appeared to have gone too far and too fast in the short-term. In addition a glut of relatively large follow-on financings for some of the later-stage biotechnology companies over the summer and early autumn of 2009 appeared to soak up a significant amount of buying interest in the sector.

After the sector experienced a significant correction in October, it moved higher into the year end as the follow-on financings were digested and broader market confidence appeared more robust than many had feared. Clinical development and regulatory news during the second half of 2009 was on balance positive. Investors appeared more comfortable increasing allocations to the sector, and perhaps closed out short positions going into the year end.

The biotechnology sector enjoyed a positive start to the new year with the larger-cap companies such as Amgen, Celgene and Gilead pre-announcing solid fourth quarter earnings and issuing financial guidance for 2010 in-line with, or slightly better than, investors' expectations. With continued uncertainty over the macro-economic outlook, it appears that investors are again becoming attracted to the defensive growth characteristics of the larger biotechnology companies.

After a surprisingly strong performance through the middle part of 2009 from the oversold levels seen in March 2009, the smaller-cap biotechnology stocks have performed less strongly recently, suggesting that appetite for investment in higher-risk biotechnology companies has waned slightly at the start of the new year as investors have begun to question the sustainability of the remarkable recovery in the broader market.

While performance of the smaller-cap biotechnology group has been muted, it is notable that the higher quality early-stage companies continue to be able to replenish cash reserves from equity offerings to groups of specialist investors. Indeed the second half of 2009 was notable for the significant quantity of capital that biotechnology companies were able to raise. Public biotechnology companies raised a total of \$3.7bn in the second half of 2009 versus \$2.5bn in the first half according to Credit Suisse estimates. In a difficult market environment, this has been a strong positive for an industry that is primarily characterised by heavy investment in research and development.

This robust fundraising environment in the public markets has extended to the venture capital space. In total, \$7.8bn was invested into venture capital-stage healthcare companies in 2009, down from the \$8.9bn invested in 2008, according to Dow Jones VentureSource data. While the overall level of venture capital investment declined in 2009 versus the previous year, the trend through the course of 2009 has been for increasing investment. In particular the fourth quarter of 2009 was strong, which bodes well for the coming year.

Interestingly, allocations to healthcare venture capital investment increased over the course of 2009 at the expense of allocations to other industry groups. For the first time in a decade, venture capital funding for healthcare companies at 38% of the total actually surpassed that for IT companies. Within healthcare, investment into biotechnology companies continues to be the majority allocation at 58%.

It is notable that companies within the unquoted portfolio have managed to raise capital as needed during the financial crisis. The pricing of new investment rounds by investors joining existing syndicates has become more aggressive, which has contributed to the decline in valuations seen for investments within the Company's portfolio, but the significant amounts of capital raised enable these companies to reach the next value-inflection point, whether the generation of clinical data, or deal-making activity.

The recent trend for venture capital-stage investment has been towards investing in later-stage companies or supporting current investments in tight syndicates of strong co-investors. This trend continues to be mirrored in the public markets where investors continue to shun relatively early-stage and unfamiliar companies. While seasoned companies continue to be able to attract follow-on financing, there is limited appetite for biotechnology company IPOs.

While larger companies such as Talecris and Ironwood Pharmaceuticals have managed to complete IPOs, these commercial or post-clinical development-stage companies are characterised by a much lower risk profile than the traditional development-stage biotechnology company. Several earlier clinical-stage companies have filed for IPOs but we remain cautious on their near-term prospects in the current market environment.

The level of merger and acquisition ("M&A") and product licensing in the sector remains robust. In recent weeks two large pharmaceutical companies - GlaxoSmithKline and AstraZeneca - have announced their intention to reduce their investment in internal research and development, while increasing their level of outsourcing of new drug candidates from biotechnology companies. AstraZeneca's \$1.2bn deal with Rigel Pharmaceuticals for a new drug candidate to treat rheumatoid arthritis illustrates a core theme - biotechnology companies are providing the innovation required to meet the healthcare challenges of the current century.

Healthcare Reform

On 21 March 2010, the US House of Representatives voted narrowly to pass the US Senate's controversial healthcare reform bill. Democrats behind President Obama's healthcare reform agenda managed to garner 219 votes to defeat 212 members of Congress set against the proposals, including some 34 Democrats, and all of the Republican Congress members. A relieved President signed this major piece of domestic policy into law just two days later. At an estimated cost of \$940bn over the next decade, the landmark Patient Protection and Affordable Care Act will extend healthcare coverage to 32m Americans currently without healthcare insurance.

As expected, to get the bill passed, significant compromises were made, and the final version is nowhere near as radical as the rhetoric surrounding the early proposals made last year. At the same time as pharmaceutical and biotechnology companies have gained 32m new consumers, the potentially negative impact on the profitability and growth of the US drug industry is much less than investors have feared. Healthcare reform will have more of an impact on those industries brokering access to healthcare, such as the healthcare insurance and managed care companies, rather than those providing the content.

As part of negotiations between Washington and industry, pharmaceutical companies had already pledged to spend \$80bn in assisting patients with the cost of drug treatments. President Obama's healthcare reform bill will increase this by another \$10bn. Increased rebates on drugs prescribed under the government's Medicaid system and increased subsidies to help Medicare patients cover the "doughnut-hole" gap in treatment reimbursement will result in a mid-single digit percentage hit to earnings for pharmaceutical and biotechnology companies on various research estimates, but arguably has already been reflected in investor earnings forecasts.

A major positive is the abandonment of a government-sponsored insurance scheme or "public plan". Pharmaceutical and biotechnology companies had feared the size of this scheme would have given the government too much power when negotiating drug prices. While rebates have been increased in the Medicaid system, they have not been extended to the Medicare system as had been feared. Medical device companies will however see a low single-digit percentage sales tax on certain products, and cuts to hospital budgets may lead to further pricing pressure for devices and surgical procedures generally.

We have long viewed biotechnology drug pricing as relatively insulated from the effects of healthcare reform. Many biotechnology therapies treat serious life-threatening diseases with significant efficacy, often in relatively small numbers of patients, and often with no other treatment alternatives, meaning that the overall cost burden on the healthcare system is relatively low. Certainly in specialist areas such as HIV, Hepatitis C, cancer or genetic diseases, we expect drug pricing to remain robust for effective therapies.

Investors have also been inordinately concerned over the prospect of the introduction of biosimilars or follow-on biologics legislation, regarding it as a threat to the future growth and profitability of the biotechnology sector. This is because some of the largest biotechnology companies rely heavily on patent-expired (or imminently expiring) drugs for growth and profitability, protected in part by the absence of a regulatory framework for developing and approving generic versions.

However, the healthcare reform bill gives biotechnology companies twelve years' marketing exclusivity for their biological molecules, over and above basic patent protection, which is significantly longer than many Democrats, including President Obama, had been pushing for. Even more importantly, companies developing biosimilars will be unable to use the safety and efficacy data of the original innovator's drug except in limited circumstances. This denies biosimilar competition a fast track to market as new clinical data will need to be generated, taking time and significant investment, and, of course, involving risk.

Copycat versions of biotechnology drugs, whether biosimilars, follow-on biologics, or "biobetters" - will no doubt emerge in time, but we reiterate our view that this new competition is unlikely to have a significant negative impact on existing biotechnology drug products in the near or even medium-term. There are still significant technical challenges to overcome and the regulatory pathways are still to be developed and refined. Furthermore, the lesson from Europe, where a handful of biosimilar products have been launched, is that biosimilars pricing is much less aggressive than small molecule generic pricing, and market share capture is much less significant.

Outlook

Twelve months ago we wrote that the sector appeared to be facing multiple challenges. Closed capital markets were threatening to starve the industry of investment in early-stage research and development. Risk appetite in broader markets was at record lows, limiting the amount of risk-tolerant capital available for investment in the sector.

Both of these situations have improved over the intervening period. Further, the US Food and Drug Administration ("FDA") - as the gatekeeper for new medicines and medical technologies - as an organisation is beginning to work more effectively under new leadership and significant investment in infrastructure and staffing, though the regulatory process continues to be robust and challenging for even the strongest new drug applications.

Uncertainty over the impact of healthcare reform in the US - the world's largest healthcare market - has acted as a significant overhang over the biotechnology sector for the past twelve months or so. With the passing of a healthcare reform bill, we expect the increased clarity on the sector's future growth and profitability to attract non-specialist investors.

With decreased risk to the biotechnology sector's long-term growth and profitability, and a more stable market backdrop, we believe it is an excellent time to be investing in the sector. Biotechnology companies have shown excellent defensive growth characteristics through the economic downturn, in most cases reporting consistently solid financial results and issuing confident financial guidance.

With the large-cap biotechnology company group trading on a forward price to earnings multiple of just 14x versus the S&P500 of 18x while offering above-market growth prospects, valuations have yet to catch up with events. Furthermore, relative to the broader market, biotechnology valuations are at historical lows. While valuing earlier-stage biotechnology companies is always more difficult, the prospect of high-value M&A and product licensing is a clear value driver for many of these companies, and continues to generate considerable excitement.

We note the coming year should see significant late-stage clinical and regulatory newsflow - more than in previous years - which should improve investor sentiment towards the sector. Several major new biotechnology products and companies are set to emerge over the coming months, expanding the group of top-tier biotechnology companies who have successfully developed drugs with multi-billion Dollar sales potential.

SV Life Sciences Managers LLP

Investment Manager

8 April 2010

Principal Risks and Uncertainties

The Company's principal risks and uncertainties are detailed in the Annual Report and Financial Statements for the year ended 31 August 2009. A detailed explanation can be found on page 21 to 23 of the Annual Report and Financial Statements which is available on the Company's website at www.internationalbiotrust.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.

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 2010.

Directors' Responsibility Statement

In respect of the Half Yearly Report for the six months ended 28 February 2010, 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 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 2010 was approved by the Board and the above Responsibility Statement has been signed on its behalf by:

Andrew Barker

Chairman

8 April 2010

Consolidated Statement of Comprehensive Income

for the six months ended 28 February 2010

| | (Unaudited) For the six months ended | | | (Unaudited) For the six months ended | | | (Audited) For the year ended | | |
|--|---|----------------------------|----------------|---|----------------------------|----------------|---------------------------------|----------------------------|----------------|
| | 28 February 2010 | | | 28 February 2009 | | | 31 August 2009 | | |
| | Group revenue return | Group capital return | Group total | Group revenue return | Group capital return | Group total | Group revenue return | Group capital return | Group total |
| Notes | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Gains/(losses) on investments held at fair | - | 8,419 | 8,419 | - | (16,166) | (16,166) | - | (6,949) | (6,949) |

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 net 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").

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.

Consolidated Balance Sheet

as at 28 February 2010

| | | |
|-------------|-------------|-----------|
| (Unaudited) | (Unaudited) | (Audited) |
| At 28 | At 28 | At 31 |

| | Notes | February 2010 Group £'000 | February 2009 Group £'000 | August 2009 Group £'000 |
|---|-------|------------------------------------|------------------------------------|----------------------------------|
| Non-current assets | | | | |
| Investments held at fair value through profit or loss | | 100,637 | 82,481 | 94,049 |
| | | ----- | ----- | ----- |
| | | 100,637 | 82,481 | 94,049 |
| Current assets | | | | |
| Other receivables | | 1,036 | 36 | 584 |
| Current asset investments | | 1,801 | 4,500 | 3,512 |
| Cash and cash equivalents | | 425 | 3,460 | 574 |
| | | ----- | ----- | ----- |
| | | 3,262 | 7,996 | 4,670 |
| | | ----- | ----- | ----- |
| Total assets | | 103,899 | 90,477 | 98,719 |
| Current liabilities | | | | |
| Other payables | | (2,780) | (978) | (464) |
| | | ----- | ----- | ----- |
| Net assets | | 101,119 | 89,499 | 98,255 |
| | | ----- | ----- | ----- |
| Equity attributable to equity holders | | | | |
| Called up share capital | 5 | 16,208 | 17,648 | 17,648 |
| Share premium account | | 18,746 | 18,746 | 18,746 |
| Capital redemption reserve | | 25,609 | 24,169 | 24,169 |
| Share purchase reserve | | 54,687 | 58,637 | 58,637 |
| Capital reserves | 6 | 2,596 | (14,313) | (5,248) |
| Revenue reserve | | (16,727) | (15,388) | (15,697) |
| | | ----- | ----- | ----- |
| Equity shareholders' funds | | 101,119 | 89,499 | 98,255 |
| | | ----- | ----- | ----- |
| Net asset value per Ordinary share | 7 | 164.07p | 138.05p | 151.55p |
| | | ===== | ===== | ===== |

The accompanying notes form part of these Financial Statements.

Consolidated Statement of Changes in Equity

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

| Group | | | | | | | |
|---|-----------------------|----------------------------|------------------------|------------------|-----------------|----------|---------|
| For the six months ended 28 February 2009 (Unaudited) | | | | | | | |
| Called up | | | | | | | |
| share capital | Share premium account | Capital redemption reserve | Share purchase reserve | Capital reserves | Revenue reserve | Total | |
| £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Balance at 31 | 17,648 | 18,746 | 24,169 | 65,564 | 1,897 | (14,507) | 113,517 |

| | | | | | | | |
|---|--------|--------|--------|---------|----------|----------|----------|
| August 2008 | | | | | | | |
| Net loss for the period | - | - | - | - | (16,210) | (881) | (17,091) |
| Shares bought back and held in treasury | - | - | - | (6,927) | - | - | (6,927) |
| | ----- | ----- | ----- | ----- | ----- | ----- | ----- |
| Balance at 28 February 2009 | 17,648 | 18,746 | 24,169 | 58,637 | (14,313) | (15,388) | 89,499 |
| | ===== | ===== | ===== | ===== | ===== | ===== | ===== |

Group
For the year ended 31 August 2009 (Audited)
Called

| | up share capital £'000 | Share premium account £'000 | Capital redemption reserve £'000 | Share purchase reserve £'000 | Capital reserves £'000 | Revenue reserve £'000 | Total £'000 |
|---|---------------------------------|--------------------------------------|---|---------------------------------------|------------------------------|-----------------------------|----------------|
| Balance at 31 August 2008 | 17,648 | 18,746 | 24,169 | 65,564 | 1,897 | (14,507) | 113,517 |
| Net loss for the year | - | - | - | - | (7,145) | (1,190) | (8,335) |
| Shares bought back and held in treasury | - | - | - | (6,927) | - | - | (6,927) |
| | ----- | ----- | ----- | ----- | ----- | ----- | ----- |
| Balance at 31 August 2009 | 17,648 | 18,746 | 24,169 | 58,637 | (5,248) | (15,697) | 98,255 |
| | ===== | ===== | ===== | ===== | ===== | ===== | ===== |

The accompanying notes form part of these Financial Statements.

| | (Unaudited) For the six months ended 28 February 2010 Group £'000 | (Unaudited) For the six months ended 28 February 2009 Group £'000 | (Audited) For the year ended 31 August 2009 Group £'000 |
|--|--|--|---|
| Cash flows from operating activities | | | |
| Net profit/(loss) before finance costs and taxation | 6,814 | (17,082) | (8,326) |
| Exchange losses on currency balances | 21 | 44 | 196 |
| Adjustments for: | | | |
| (Increase)/decrease in investments | (6,588) | 20,335 | 8,767 |
| Decrease in current asset investments | 1,711 | 7,338 | 8,326 |
| (Increase) in receivables | (452) | (5) | (553) |
| Increase/(decrease) in payables | 2,055 | (949) | (705) |
| | ----- | ----- | ----- |
| Net cash flows from operating activities | 3,561 | 9,681 | 7,705 |
| | ----- | ----- | ----- |
| Cash flows from financing activities | | | |
| Share buybacks | (3,689) | (6,169) | (6,927) |
| Interest paid on bank overdrafts | - | (9) | (9) |
| | ----- | ----- | ----- |
| Net cash used in financing activities | (3,689) | (6,178) | (6,936) |
| | ----- | ----- | ----- |
| Net (decrease)/increase in cash and cash equivalents | (128) | 3,503 | 769 |
| Effect of foreign exchange losses | (21) | (44) | (196) |
| Cash and cash equivalents at 574 | 574 | 1 | 1 |

| | | | |
|------------------------------|-------|-------|-------|
| beginning of period | ----- | ----- | ----- |
| Cash and cash equivalents at | 425 | 3,460 | 574 |
| end of period | ===== | ===== | ===== |

The accompanying notes form part of these Financial Statements.

Notes to the Financial Statements

1. Accounting policies

The Group's functional currency and the currency used for the presentation of these Financial Statements is Sterling. 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 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 2010 and 28 February 2009 comprises non-statutory accounts within the meaning of Sections 434 - 436 of the Companies Act 2006 (the "Act"). The financial information for the year ended 31 August 2009 has been extracted from the published Annual Report that has 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 Act.

The Company's principal risks and uncertainties remained unchanged to those described in the Financial Statements for the year ended 31 August 2009.

The Group's accounting policies have not varied from those described in the Annual Report for the year ended 31 August 2009.

2. Income

| | (Unaudited) For the six months ended 28 February 2010 £'000 | (Unaudited) For the six months ended 28 February 2009 £'000 | (Audited) For the year ended 31 August 2009 £'000 |
|---|---|--|--|
| Income from investments held at fair value through profit or loss: | | | |
| Unfranked dividends | 2 | 22 | 41 |
| | ----- | ----- | ----- |
| | 2 | 22 | 41 |
| Other income: | | | |
| Income from current asset investments | 8 | 119 | 131 |
| Interest on deposits | - | 3 | 3 |
| VAT reclaim interest | 8 | - | 114 |
| Other income | - | - | 2 |
| | ----- | ----- | ----- |
| | 18 | 144 | 291 |
| | ===== | ===== | ===== |

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.

4. Profit/(loss) per Ordinary share

| | (Unaudited) For the six months ended 28 February 2010 £'000 | (Unaudited) For the six months ended 28 February 2009 £'000 | (Audited) For the year ended 31 August 2009 £'000 |
|------------------|---|---|--|
| Net revenue loss | (1,030) | (881) | (1,190) |

| | | | |
|----------------------------|-------------|-------------|--------------|
| Net capital profit/(loss) | 7,844 | (16,210) | (7,145) |
| | ----- | ----- | ----- |
| | 6,814 | (17,091) | (8,335) |
| | ===== | ===== | ===== |
| | (Unaudited) | (Unaudited) | (Audited) |
| | For the six | For the six | For the year |
| | months | months | |
| | ended 28 | ended 28 | ended 31 |
| | February | February | August |
| | 2010 | 2009 | 2009 |
| Weighted average number of | | | |
| Ordinary shares in issue | 63,567,857 | 67,752,995 | 66,280,828 |
| Revenue loss per Ordinary | | | |
| share | (1.62)p | (1.30)p | (1.80)p |
| Capital profit/(loss) per | | | |
| Ordinary share | 12.34p | (23.93)p | (10.78)p |
| | ----- | ----- | ----- |
| Total profit/(loss) per | | | |
| Ordinary share | 10.72p | (25.23)p | (12.58)p |
| | ===== | ===== | ===== |

5. Called up share capital

During the six months ended 28 February 2010, the Company bought back 3,200,000 Ordinary shares to be held in treasury, at a cost of £3,950,000, which reduced the number of Ordinary shares in issue from 64,832,664 shares to 61,632,664. A further 5,760,000 shares held in treasury were cancelled, leaving 3,200,000 shares in treasury. Since the half year end, the Company has bought back a further 200,000 Ordinary shares which are held in 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 2010 £'000 | (Unaudited) At 28 February 2009 £'000 | (Audited) At 31 August 2009 £'000 |
|--|---|---|---|
| Capital reserve - on investments sold | (1,257) | (10,439) | 409 |
| Capital reserve - on investments held | 3,853 | (3,874) | (5,657) |
| | ----- 2,596 ===== | ----- (14,313) ===== | ----- (5,248) ===== |

7. NAV per Ordinary share

| | (Unaudited) At 28 February 2010 | (Unaudited) At 28 February 2009 | (Audited) At 31 August 2009 |
|---|---------------------------------------|--|--------------------------------------|
| Net assets attributable to Ordinary shareholders (£'000) | 101,119 | 89,499 | 98,255 |
| Ordinary shares in issue at end of period | 61,632,664 | 64,832,664 | 64,832,664 |
| NAV per Ordinary share | 164.07p | 138.05p | 151.55p |

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 2010.

9. Half Yearly Report

The Company's Half Yearly Report for the six months ended 28 February 2010 will be posted to shareholders in April 2010. 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.internationalbiotrust.com, which is a website maintained by the Company's Investment Manager, SV Life Sciences Managers LLP.

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Company Secretary

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8 APRIL 2010

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