



The Company's investment objective is to achieve long term capital growth by investing in high growth, development stage biotechnology companies that are either quoted or unquoted. IBT invests in shares of companies that are considered good value with experienced management and strong potential upside through the development and/or commercialisation of a product, device or enabling technology.

**Fund Manager's June Market Review**

In June, the Nasdaq Biotechnology index was down 3.5%, and the Russell 2000 Growth Biotechnology Index (focused on small and mid capitalisation stocks) closed down 4.0%, significantly outperforming the S&P500 which was down 9.1% (all in sterling terms). IBT NAV returned -0.6% and +1.5% on a per share basis.

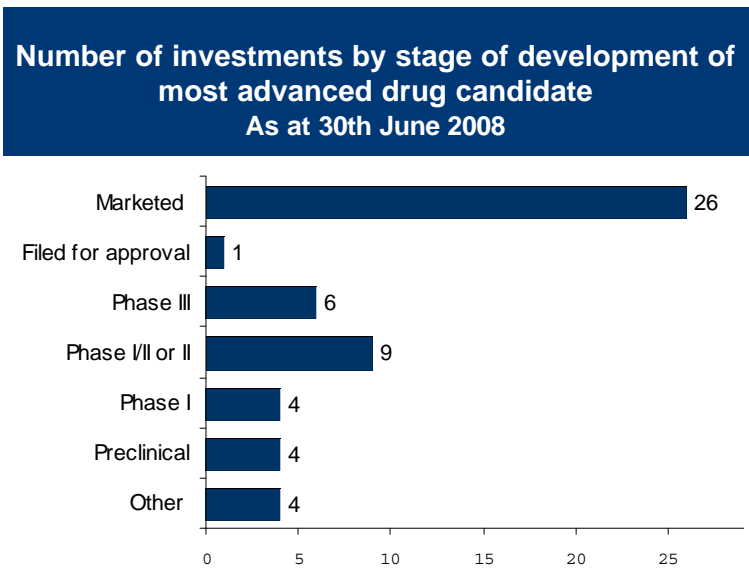
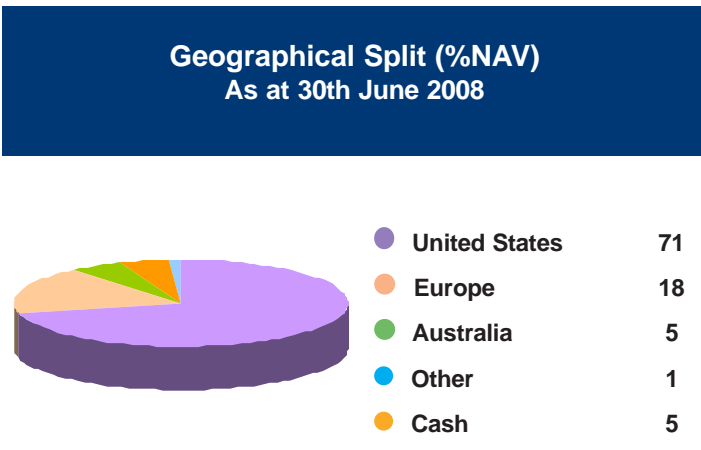
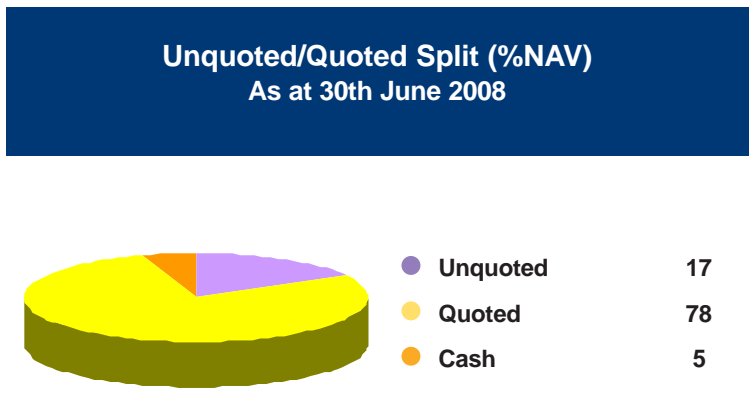
While broader equities pulled back on renewed concerns over surging oil prices, stagflation, and further losses at major financial institutions, the biotech sector remained reasonably resilient. We attribute this to the defensive growth characteristics of leading names, and also to the high level of M&A in the sector.

During the month, Applied Biosystems was acquired by Invitrogen for \$6.7bn, Third Wave was bought by Hologic for \$580m, Tercica was acquired by Ipsen for \$663m, Gen-Probe bid \$334m for the Belgian diagnostics company Innogenetics, and Barrier Therapeutics was acquired by Stiefel Labs for \$148m.

The late-stage Alzheimer's clinical development updates expected in June were mixed. Although Myriad's Alzheimer's drug candidate, Flurizan, failed to show efficacy in a Phase 3 study, Phase 2 data from Elan/Wyeth's Bapineuzumab were encouraging, and more detailed data are to be presented at the ICAD Alzheimer's medical conference in late July.

**As at 30th June 2008**

Share Price	117.7p
Net assets per share	133.6p
Total Net Asset Value (NAV)	£94.3m
Total value of unquoted investments	£16.1m
Total number of portfolio companies	54
Cash	6% NAV
Cash committed and reserved to unquoted investments	11% NAV
Portfolio Companies with < 1 year of cash	7% NAV





## Ten Largest Quoted Investments As at 30th June 2008

Investment	% NAV	Country
1 Celgene	6.1	USA
2 Gilead Sciences	5.8	USA
3 CSL	4.6	Australia
4 Applera-Celera Genomics	3.5	USA
5 Micromet	3.4	USA
6 OSI Pharmaceuticals	3.4	USA
7 Qiagen	3.3	Netherlands
8 Halozyme Therapeutics	3.3	USA
9 Barr Pharmaceuticals	3.2	USA
10 Alexion Pharmaceuticals	3.0	USA
<b>Total</b>	<b>38.9</b>	

## Unquoted Investments As at 30th June 2008

Investment	Country
Affibody	Sweden
Affinium Pharmaceuticals	USA
Allocure	USA
Archemix	USA
Cadent Technologies	USA
Dynogen Pharmaceuticals	USA
EBR	USA
Entellus	USA
ESBATech	Switzerland
EUSA Pharmaceuticals	UK
Intranasal Therapeutics	USA
Itero Pharmaceuticals	USA
Lux Biosciences	USA
Oxagen	UK
RespiVert	UK
Ricerca	USA
Spinal Kinetics	USA
Sutro Biopharma	USA
TransEnterix	USA
Trine Pharmaceuticals	USA
Vantia Therapeutics	UK

### INVESTMENT MANAGER

SV Life Sciences Managers LLP was appointed Manager of IBT on 1 January 2005. Between November 2000 and December 2004, Schroder Ventures Life Sciences as the SV Life Sciences business was then known, was Adviser to the Manager of IBT during that period, Schroder Investment Management Ltd.

SV Life Sciences is a venture capital adviser and manager that makes selected investments in entrepreneurs and management teams.

SV Life Sciences provides finance to businesses at all stages of development and across the human life sciences sector. These sectors range from biotechnology & pharmaceuticals to medical devices & instruments, to healthcare information technology and services. SV Life Sciences currently advises or manages five funds with capital commitments of approximately \$1.6 billion which primarily invest amounts of between \$1m and \$20m in North America and Europe, but will consider innovative investments in other regions. Our team of 30 professionals has a diverse, complimentary set of skills and experience that allow us to tailor a team to work with almost any life sciences business.

SV Life Sciences is a trading name of SV Life Sciences Managers LLP, which is Authorised and Regulated by the Financial Services Authority.

Further information is available at [www.svlisa.com](http://www.svlisa.com)

**SECRETARY** Schroder Investment Management Limited    **BROKER** Cenkos Securities    **AUDITOR** PricewaterhouseCoopers LLP

### SCHRODER ISA/SCHRODER INVESTMENT TRUST DEALING SERVICE

For further information on the availability of International Biotechnology Trust plc shares, contact Schroder Investor Services on freephone 0800 718 777. For investors security, calls to this number may be recorded.

**Nothing in this document represents investment advice and is therefore not a recommendation to buy or sell shares. The value of investments, and the income from them, may go down as well as up, and is not guaranteed, and investors may not get back the full amount invested. Exchange rate changes may cause the value of overseas investments to rise or fall.**

Investors should bear in mind that investment in biotechnology shares can be subject to risks not normally associated with more developed markets or stocks. Investing in the biotechnology sector carries some particular risks and investment in IBT should be regarded both as long term and as carrying a high level of financial risk.

In addition, there is no guarantee that the market price of shares in investment trusts will fully reflect their underlying net asset value and it is not uncommon for the market price of such shares to trade at a substantial discount to their net asset value.

The Schroder ISA is a non CAT standard ISA. Schroder Investment Management Ltd and SV Life Sciences Managers LLP are Authorised and Regulated by the Financial Services Authority.