



David Pinniger

David joined SVLS in April 2008 as IBT Investment Manager. Prior to SVLS, David spent three years working at Abingworth managing quoted investments held across the firm's venture and specialist funds, and four years at Morgan Stanley as a pharmaceuticals and biotechnology research analyst. David has a first class degree in Human Sciences from Oxford University, holds the Chartered Financial Analyst (CFA) designation and is a member of the CFA Society of the UK.

Kate Bingham

Kate Bingham joined SV Life Sciences in 1991 and is one of the firm's Managing Partners. Kate has been responsible for a number of successful venture capital investments in biotechnology companies and has served on the boards of a number of companies in the United States and Europe. Prior to joining SVLS, Kate worked for Vertex, a biotechnology company and at Monitor Company, a strategy consulting firm. Kate has a first class degree in Biochemistry from Oxford University and graduated from Harvard Business School with an MBA.

| Fund Facts | 31 Dec 11 |
|---|-----------------------|
| Launch Date | 6th May 1994 |
| Net Assets | £102.8m |
| Net Assets per Share | 185.0p |
| Share Price | 159.0p |
| Value of Unquoted Investments | £17.9m |
| Number of Portfolio Companies | 69 |
| Cash Committed to and Reserved for Unquoted Investments | (9%) NAV |
| Share Codes | |
| Listing | London Stock Exchange |
| Reuters / Bloomberg | IBT.L / IBT LN |
| Sedol | 0455934 GB |
| ISIN | GB0004559349 |

Objective

The investment objective of International Biotechnology Trust plc (the "Company") is to achieve long-term capital growth by investing primarily in biotechnology and other life sciences companies that are either quoted or unquoted and possess the potential for high growth. The Company invests in companies whose shares are considered to have good prospects, with experienced management and strong potential upside through the development and/or commercialisation of a product, device or enabling technology.

Investment Manager Comment

In December, the Company's Net Asset Value (NAV) increased by 5.2 % and the market share price increased by 5.3%. The NASDAQ Biotechnology Index (NBI) increased by 3.1% (£), versus the S&P500 which increased by 1.9% (£). The FTSE All-Share increased by 0.9%.

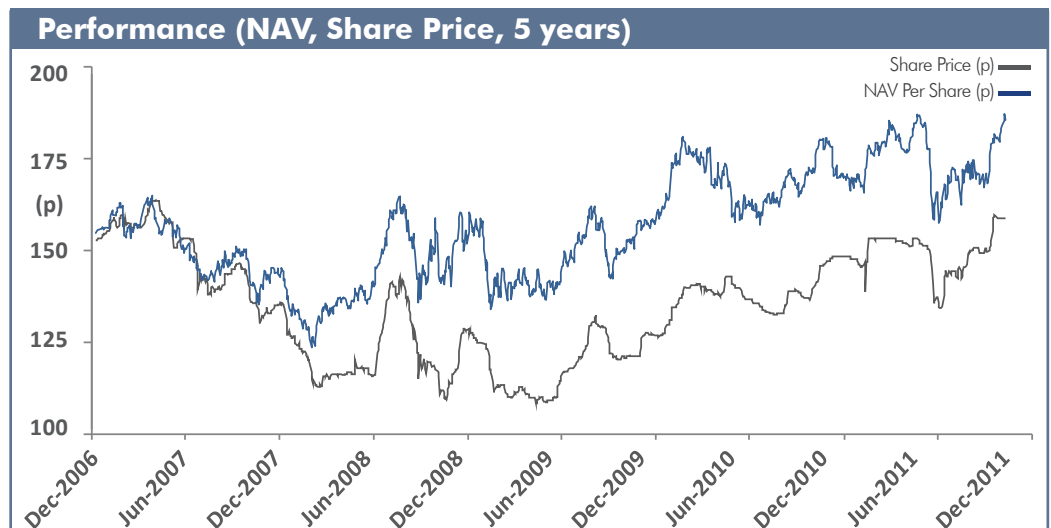
Equity markets finished the year on a steady course as encouraging economic data from the United States offset continued nervousness over European debt issues. However trading volumes were low reflecting seasonal factors as well as larger background macro uncertainties, with brokers reporting investors refraining from making strong asset allocation decisions into year-end.

The biotechnology sector as measured by the NBI had a solid end to the year, again outperforming the market as interest in the sector remained high following the previous month's excitement surrounding the record-breaking \$11bn acquisition of development-stage biotechnology company Pharmasset. A steady stream of deal-making and small-scale M&A activity supported investor interest into year-end.

The Company's NAV performed very strongly during the month, driven by broad-based strength across the quoted portfolio. Micromet's shares performed strongly after the company presented very exciting data on its lead drug for hematological cancers at a major medical conference; Pharmacyclics signed a \$1bn deal with J&J to co-develop and commercialise its new cancer drug; and Affymax received a positive FDA approval recommendation for its drug peginesatide. There were no material news events or changes in valuations for investments within the unquoted portfolio.

| Cumulative Performance 1m & 1, 3 & 5 years | | | | |
|--|------|-------|-------|-------|
| | 1 M | 1 YR | 3 YR | 5 YR |
| NAV per share (Cum) | 5.2% | 6.8% | 17.0% | 19.2% |
| Share Price | 5.3% | 8.7% | 30.1% | 3.9% |
| FTSE All-Share Index (Total Return) | 0.9% | -2.9% | 46.0% | 8.6% |

Source: Bloomberg, mid-mid (share price), quoted in sterling. Past performance is not a guide to future performance.

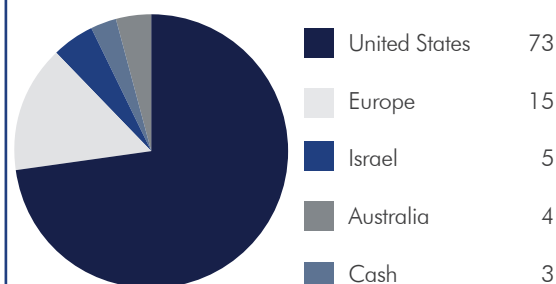
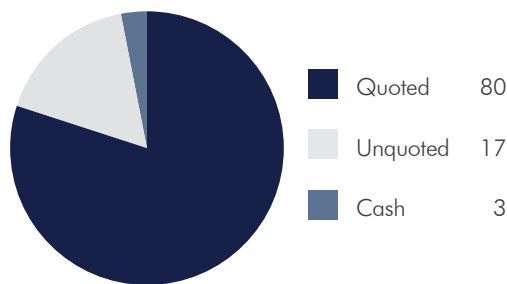
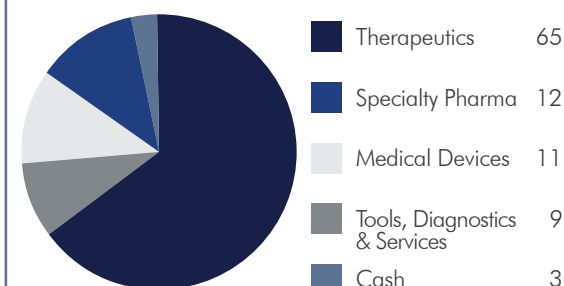


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Note: All performance data are quoted net of all costs to the Company

Top Ten Investments by NAV %

| | | | | | |
|---|----------|------|----|-----------|------|
| 1 | Gilead | 5.3% | 6 | Pharmaxis | 3.6% |
| 2 | Amgen | 4.8% | 7 | Celgene | 3.4% |
| 3 | Micromet | 4.7% | 8 | Shire | 3.3% |
| 4 | Teva | 4.6% | 9 | Alexion | 2.9% |
| 5 | Insulet | 4.0% | 10 | EUSA | 2.9% |

NAV % by Geography**NAV % by Quoted/Unquoted****NAV % by Subsector****Trust Characteristics**

- Annual Management Fee: 1.15% of the company's NAV
- Performance Fee: See Page 23 of 31 August 2011 Annual Report
- Continuation Vote: At AGM in 2013; every two years
- Year / Interim End: 31 August / 29 February
- Capital Structure: 55,557,663 Ordinary Shares of 25p

Investment Manager

SV Life Sciences Managers LLP was appointed Investment Manager of the Company 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 Investment Manager of the Company during that period, Schroder Investment Management Ltd.

SV Life Sciences provides finance to businesses at all stages of development and across the human life sciences sector. These sectors range from biotechnology and pharmaceuticals to medical devices and instruments, to healthcare information technology and services.

SV Life Sciences currently advises or manages six funds with capital commitments of approximately \$2 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 34 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 on our website www.svlsm.com

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COMPANY SECRETARY

BNP Paribas Secretarial Services Ltd

BROKER

Centkos Securities plc

AUDITOR

PricewaterhouseCoopers LLP

Disclaimer

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 the Company 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 NAV and it is not uncommon for the market price of such shares to trade at a substantial discount to their NAV.