

For immediate release

International Biotechnology Trust backs Drug Delivery Business

24 August 2001, London, UK: International Biotechnology Trust plc, (LSE: IBT), the biotechnology investment trust advised by Schroder Ventures Life Sciences (SVLS), announced that it has invested US\$ 2 million in Aradigm Corporation's (NASDAQ: ARDM) US\$ 14.6 million PIPE (private investment in public equity). IBT is investing alongside a group of institutional investors including New Enterprise Associates and Vertical Ventures.

Aradigm, based in California, USA, is working to improve the quality of life for patients by developing aerosol-based drug delivery alternatives to injectable therapeutics. The company's advanced pulmonary delivery technologies provide leading pharmaceutical partners with effective drug delivery solutions. Current development programmes focus on diabetes, pain management and the pulmonary delivery of existing and emerging biotech therapies.

Richard Thompson, president and CEO of Aradigm, commented:

“This private placement provides us with the additional financial resources to further support our development programs. We are nearing the completion of Phase 2b testing with the AERx™ Pain Management System and we are preparing for the initiation of Phase 3 trials with the AERx insulin Diabetes Management System (iDMS) with our partner Novo Nordisk.”

The proceeds will also be used to fund additional research and development, expansion of manufacturing capacity, operating expenses and other corporate activities.

Kate Bingham, general partner of Schroder Ventures Life Sciences, investment adviser to IBT, added:

“There is a growing market for alternative drug delivery technologies for poorly treated major diseases, such as diabetes. As a leader in pulmonary drug delivery with two late stage development programmes, strong collaborative partnerships and an experienced management team, we believe that Aradigm is in a strong position to exploit this market.”

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Notes to Editors:

International Biotechnology Trust plc

<http://www.internationalbiotrust.com>

International Biotechnology Trust plc (IBT) was launched to take advantage of the investment opportunities arising in mid-stage life science companies, with emphasis on investing in relatively few companies, and involving a close working relationship with investee companies through the provision of strategic management support and sector expertise.

Key Data

- Founded in 1994
- Net asset value £102.56 million at 21 August 2001
- NAV per share of 210.97p as at 21 August 2001
- Listed on London Stock Exchange (IBT.L)
- Advised by Schroder Ventures Life Sciences Advisers (UK) Limited and managed by Schroders Investment Management Ltd

Schroder Ventures Life Sciences

<http://www.svlifesciences.com>

Schroder Ventures* has been investing in life science companies since 1983. Schroder Ventures Life Sciences** (SVLS) was established in 1994, as the dedicated life sciences arm of Schroder Ventures. SVLS has established itself as a leading international life sciences investor with a team of 18 dedicated professionals in London and Boston. SVLS advises funds of approximately \$600m and has invested in more than 100 life sciences companies world-wide.

*Schroder Ventures is a leading international private equity group advising 25 funds world-wide with committed capital totalling \$7 billion. To date, Schroder Ventures' funds have invested in over 400 companies in a mixture of early stage transactions and buy-outs.

** Schroder Ventures Life Sciences Advisers (UK) Limited is regulated by IMRO.

Aradigm

For further information on Aradigm please visit <http://www.aradigm.com>.