

Regulatory Announcement

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Company Intl. Biotechnology Trust PLC
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International Biotechnology Trust Plc

The Board of International Biotechnology Trust Plc ("IBT") today announces its unaudited Interim Results for the six months ended 28 February 2007.

Summary

- Net asset value (NAV) per Ordinary share increased 9.4% from 145.25p to 155.56p
- Share price of the IBT Ordinary shares rose 19.8% from 130.0p to 155.75p while the Nasdaq Biotech Index (NBI) rose by 1.2% in sterling terms
- Discount to net assets at which the Ordinary shares of IBT trade narrowed from 8.75%, to just above par
- Net assets rose by £6.2m, with positive contributions from M&A activity in both the quoted and unquoted portfolios
- At the end of the Interim period, 7.5% of net assets were invested in unquoted companies and a further 6.8% of NAV (£5.0m) was committed to further investments in unquoted companies
- Discount control mechanism implemented.
- At the end of the Interim period, IBT Ordinary shares had investments in 48 companies - 37 quoted (representing 87% of NAV) and 11 unquoted companies (representing 7.5% of NAV)
- The remaining 5.7% comprised cash, money market instruments and other net assets (£4.1m)
- Geographical split of the Ordinary share portfolio at 28 February 2007 was: U.S. (63%), Australia (4%) and Europe (33%).

C Share Issue

- C Share issue completed in February and £36.1m raised net of fees
- Market capitalisation now over £100m
- At 28 February 2007 59.5% of the proceeds of the C-share issue had been invested
- C Share proceeds managed as separate pool until either 85% invested, or six months after admission to the London Stock Exchange.

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CHAIRMAN'S STATEMENT

PERFORMANCE

It is pleasing to report positive returns for International Biotechnology Trust's Ordinary Shareholders in the six months to 28 February 2007. The net asset value per Ordinary share (NAV) increased by 9.4%, rising from 142.25p to 155.56p over the six months. Over the same period the Ordinary share price rose by 19.8% while the Nasdaq Biotech Index rose by 1.2%, both in Sterling terms.

Shareholders will be aware that the Company undertook a secondary issue of shares ("C" shares) in early February 2007; further information on this is given below. The shares were issued at a price of 150.00p, raising circa £36 million, over half of which had been invested by the end of the month. At the end of the period, the net asset value of the "C" shares had decreased by 5.0% to 142.50p while the share price had risen by 0.3%; the decrease was largely accounted for by the 4.00p per "C" share cost of the issue.

Over the six months under review, the discount to the NAV at which the Ordinary shares trade fell from 8.75%, ending the period at a small premium. Net assets attributable to the Ordinary shareholders rose by £6.2 million with positive contributions from merger and acquisition ("M&A") activity in both the quoted and unquoted portfolios. There was one valuation change in the unquoted portfolio resulting from the acquisition of PowderMed by Pfizer. The effect of currency changes reduced the net assets by £0.8 million.

The quoted portfolio, calculated on an unweighted basis ignoring the timing of

transactions showed an increase of 14.8%.

In the six months to 28 February 2007 there has been only one initial public offering (IPO) from the unquoted portfolio: Achillon Pharmaceuticals Inc., reflecting the lacklustre appetite of investors generally for new biotechnology issues. In recent years the pace of M&A activity has resulted in more biotechnology companies being acquired than going public through an IPO. This has been exemplified by the acquisitions of PowderMed, Domatis and Arrow (the latter two were not IBT investments) by Pfizer, GlaxoSmithKline and AstraZeneca respectively.

At 28 February 2007 the level of cash and the investment in money market instruments and other assets was £4.1 million or 5.7% of net assets, while £5.0 million, or 6.8% of net assets, was committed to future investment in unquoted securities. At our half year end two quoted companies in which we have holdings, Tanox and New River Pharmaceuticals, were subject to acquisition, which in the first case had been agreed by shareholders but waiting regulatory clearance and in the second case awaiting approval by the acquiring company's shareholders. These close-to-cash assets represented £4.5 million or 6.2% of net assets.

"C" SHARE ISSUE

The Board issued a circular to shareholders on 12 January 2007 convening an Extraordinary General Meeting (EGM) to be held in February 2007 and announced that it was considering increasing the Company's size through an issue of "C" shares in view of recent performance and the favourable long-term outlook for the biotechnology sector. The Board determined that the issue would allow investors to acquire ordinary shares in the Company arising on conversion free of restraints of market liquidity and enable it to spread its fixed operating expenses over a larger number of issued shares, whilst the timing was opportune for investing the proceeds of the issue in accordance with the investment objective of the Company, thereby providing the prospect of long-term capital growth.

As announced after the EGM held on 7 February 2007, the resolutions relating to the issue of "C" shares by way of a placing and open offer for subscription, to amendments to the Articles of Association and to authorising the Company to buy-back its own shares, were duly passed by shareholders.

I am pleased to report that a total of 24,777,433 C shares were allotted on 12 February 2007. Having raised £36.1 million (net of costs), the Manager adopted a measured approach to investing the proceeds, being wary of the decline in quoted US biotechnology stocks that took place in early March 2007. At the period end 59.5% of the proceeds had been invested while at the time of writing this had risen to over 75%. Three new unquoted investments have been made since the end of February and are detailed in the Manager's Review. The proceeds from the "C" share issue will continue to be managed as a separate pool of investments until either 85% of the proceeds have been invested or until 12 August 2007, being six months after admission to the Official List of the London Stock Exchange.

VALUATIONS

In the period to 28 February 2007, the net effect of the changes in the Directors' valuation of unquoted securities was a rise in net assets of £2.5 million. By the end of the period, 7.5% of net assets were invested in the securities of unquoted companies - against a current guideline on making unquoted investments of 40% of net assets. The unquoted exposure at any one time will be dependent on the level of stock markets generally and of biotechnology stocks specifically and on investment activity in the portfolio.

SHARE BUY-BACKS

In the period since 31 August 2006, the Company did not buy-back any shares either for cancellation or for retention in Treasury. As announced on 16 November 2006, following completion of the issue, the Company has sought to maintain the discount to the net asset value per share at which the C shares and the Ordinary shares are quoted on the London Stock Exchange at no greater than 8%. Given the nature of the Company's portfolio, and 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 company ratings, it will be necessary for the Board to review this target discount level from time to time and to maintain the same at either a narrower or wider level as appropriate.

PROSPECTS

In recent times, following a period during which our Manager, SV Life Sciences, readjusted the portfolio and dealt with certain legacy investments, a rather more consistent pattern of returns has been earned. Based on the promising outlook for the biotechnology sector and on our Manager's experience and resources in the sector, your Board has confidence that it can continue to produce attractive returns for shareholders over the longer term.

Andrew Barker

Chairman

12 April 2007

INVESTMENT MANAGER'S REVIEW

MARKET REVIEW

At the start of IBT's year in September 2006, stock market sentiment appeared fairly bullish and the broad U.K. and U.S. market indices rose by about 10%. Then, during the last week in February the markets suffered a correction of approximately 5%. This weakness was driven by a fall in the Chinese stock market concerns over the stability of sub-prime lenders in the U.S. and the threat of future weakness in the U.S. economy. The Nasdaq Composite (Technology) Index and the NBI followed the broad market rise until mid-February, but the correction in the broad markets was amplified in the NBI. In dollar terms, the NBI finished the six months to 28 February 2007 up just under 5%.

This lacklustre backdrop for U.S. biotechnology investments has extended now for nearly two years as generalist investors have shied away from this relatively risky sector. Driving this risk aversion has been the continuing number of biotechnology drugs that either fail to work in late stage clinical trials or fail to be approved for sale by the regulators. While clinical and regulatory failures are far from unusual in pharmaceuticals or biotechnology, most generalist investors have yet to appreciate the opposing positive driver of M&A that seems to be permeating through the biotechnology sector.

It is important to note that investors in IBT have not had the torrid two years of many other biotechnology investors because of the geographic diversification, the concentration of M&A activity in the portfolio and the unquoted exposure.

M&A activity in the quoted market seems to have focussed largely on the U.S. for assets. While in the unquoted market, the U.K. seems to have been the source of acquisitions, for example, PowderMed (acquired by Pfizer), Domantis (acquired by

GlaxoSmithKline) and Arrow (acquired by AstraZeneca) in the six months to 28 February 2007.

In the quoted market in mid-October 2006, Lilly announced that it would acquire its partner in its erectile dysfunction joint venture, Icos Corp. Then in late October, Merck announced that it would acquire Sirna Therapeutics to access its small interfering RNA technology platform and intellectual property. In late December 2006, GlaxoSmithKline announced that it would acquire Praecis Pharmaceuticals to gain access to early cancer therapies. In continental Europe the M&A activity seems to have had more of a consolidation theme among mid-sized acquirers and targets such as Schwarz Pharma (acquired by UCB) and Serono (acquired by Merck KGaA).

Outside of the IBT portfolio there appeared to be a lower number of regulatory and clinical events than the previous six months, although bad news still predominated.

In late October 2006, Avanir disappointed investors when it received an approvable letter from the FDA for its lead drug Zenvia. In the U.K., Protherics received at least a 12 month delay to its sepsis product, Cytofab, as partner AstraZeneca and the FDA determined that an additional phase II study was required before proceeding to phase III. Soon after this clinical disappointment, Protherics was then forced to withdraw their Biologics Licence Application (BLA) for cancer product Voraxaze, after the FDA requested more data on the drug's manufacturing process.

Also in the UK, AIM-listed Evolutec reported negative phase II studies in both allergic Rhinitis and post-cataract surgery in early December 2006 and is now exploring 'strategic options'. In the U.S., the most anticipated clinical event of last year occurred on Boxing Day, when Telik reported the failure of its lead drug in three phase III clinical studies; in second- and third-line ovarian cancer, and in lung cancer. Also in oncology, in late January, Canadian company YM Biosciences terminated the phase III study of its lead product Tescmilifene, after it failed to show a survival benefit. In early October, Biocompatibles in the U.K. was hit hard when it revealed that its partner Abbott would not be commercialising the ZoMaxx stent on which Biocompatibles would have received royalties.

In late September the FDA approved Amgen's anti-EGFR monoclonal antibody Vectibix, for the treatment of metastatic colorectal cancer. The approval of this latest biotechnology drug came with a cap on the price, when used by patients for over one year. This move was an attempt to head off sensitivities on the price of cancer therapies. A similar initiative had been instigated by Genentech and Roche for their anti-VEGF monoclonal antibody, Avastin. Other notable clinical and regulatory events of the last six months include the failure of Cerovive from Renovis in a phase III trial for stroke, and the non-approvable letter issued by the FDA for Replidyne's antibiotic faropenem, for bacterial infections.

OUTLOOK

Since the latter part of 2006, healthcare investors have had an additional concern with healthcare reforms instigated by the Democratic Party majorities in the U.S. Congress. While legislation on Medicare drug price negotiation, generic biologicals and post-approval drug safety are pending in the U.S., the biggest issue likely to hang over the largest capitalisation biotechnology companies is the prospect of either generic, or follow-on biological drugs.

In the U.S., the first biotechnology molecules to be prescribed were approved under the legislation used for traditional, small molecule drugs. These first

biological drugs such as insulin, human growth hormone (hGH) and erythropoietin are either now approaching the end of their patent life, or their patents have expired. Since the political changes in the U.S., we have started to see an acceleration of these threats to the biotechnology companies with the oldest drugs. Joining these political and legislative challenges are the additional pressures from the generic companies and managed care payers. It is becoming clear that the first biotechnology drugs will one day be available in the U.S. at a lower cost than they are today. In Europe, while there has already been one generic biologic approved hGH and the approval has been as a bio-similar compound which is similar although not equivalent to the original biologic drug and required clinical trials to be conducted. In the short term, this will likely set a precedent and the U.S. market may follow suit.

The prospect of generic and follow-on biologics will be a concern for all biotechnology investors, as companies such as Amgen, Genzyme and Genentech all have blockbuster biologics products. In almost all cases, IBT invests in companies that are at a much earlier stage to those that have mature biologic products and will strive to avoid these pressures and threats.

The previous year to 31 August 2006 was characterised by an increased pace of M&A activity, much of which was captured in the IBT portfolio, and this was contrasted by the performance of the NBI which was held back by the large number of late-stage clinical trial failures and regulatory disappointments. As detailed below, the M&A activity has continued since 31 August 2006 with both quoted and unquoted IBT portfolio companies.

SUMMARY PORTFOLIO COMPANY NEWS

QUOTED COMPANIES

In early October 2006, portfolio company Gilead Sciences announced that it would acquire Myogen. Myogen had finished the year to 31 August 2006 as a medium weight IBT holding. However two weeks prior to the announcement of their acquisition by Gilead, we increased our holding in Myogen, making it our third largest in the fund after the acquisition was announced. In early November, Genentech announced that they would acquire their partner, in the anti-asthma drug Xolair, Tanox. Tanox had also been a mid-range IBT holding which rose to IBT's sixth largest holding after the acquisition was announced.

In mid-November, former private investment Solexa announced that it was to be acquired by Illumina in an all stock transaction. We divested our Solexa holding post the acquisition announcement and before the end of calendar 2006.

In late September 2006, IBT's largest holding at the end of the interim period, GPC Biotech, reported very positive phase III data for its lead drug Satraplatin in second line hormone-refractory prostate cancer. The first oral platinum chemotherapeutic agent, Satraplatin reduced the risk of disease progression by 40%. The trial met its primary endpoint, which was conducted under a Special Protocol Assessment, agreed with the FDA. The NDA was subsequently filed and GPC Biotech looks forward to commercialising Satraplatin in 2007.

The six months ending 28 February 2007, has been punctuated by positive regulatory and corporate events for mid-portfolio holding New River Pharmaceuticals. In early-October New River and partner Shire announced an approvable letter for New River's lead drug Vyvanse, previously NRP-104, without the requirement for any additional clinical studies. Many market participants had expected a non-approvable letter yet the share price of New River rose strongly from October through to late February, when Vyvanse was approved by the FDA. During this period, New River and Shire received a second approvable letter for Vyvanse and just prior to approval, Shire announced that it would acquire New River. This propelled IBT's holding into New River, to ninth

position, up from a mid-tier holding.

It is almost impossible to have biotechnology exposure and avoid all negative clinical or regulatory events, since the outcome of these events is never certain. IBT is managed in order to reduce some of these risks by having a portfolio diversified across a number of biotechnology stocks and ultimately this reduces the weighting in each investment. However, negative clinical events were seen in the following portfolio holdings; Achillion, Adolor and Nuvelo in the six months to 28 February 2007. Achillion, and partner Gilead Sciences, reported good antiviral activity but some toxicity in their clinical stage agent, for the treatment of hepatitis C virus infection. The two companies have since moved to a second-generation compound, which aims to be free of these toxicities. In early November, Adolor received a second approvable letter and a requirement for a post-marketing safety program for its lead drug partnered with GlaxoSmithKline, Entereg. The share price of Adolor also suffered in early September when the two companies announced that Entereg failed in two out of three studies in a different indication. In early December, Nuvelo announced negative results in two late-stage clinical trials for its clot digesting enzyme partnered with Bayer. This product was responsible for most of the valuation of the company.

UNQUOTED COMPANIES

The M&A transactions from the portfolio started in early October, with the announcement of the sale of PowderMed from the unquoted portfolio to Pfizer. After a hectic eighteen months for the unquoted portfolio with many divestments, the focus since August 2006 has been to refresh the unquoted portfolio. Although no new unquoted investments were made to the six months to 28 February 2007, three were made in the month after our interim period end. These investments were Ricerca, EUSA and Affinium.

Positive progress in the unquoted portfolio continues to be made, for example, by Archemix which in the six months to 28 February 2007 has announced collaborations and licensing deals with Merck KGaA and Pfizer, as well as moving its own product into phase I clinical trials. Archemix is one of the leading companies in the development of aptamers which can be thought of as nucleic acid antibodies.

PORTFOLIO SUMMARY AT 28 FEBRUARY 2007

At the end of our interim period, IBT had investments in 48 companies: 37 quoted (representing 86.8% of NAV) and 11 unquoted companies (representing 7.5% of NAV). The remaining 5.7% comprised cash, money market instruments and other net assets (£4.1m), of which 6.8% of NAV (£5.0m) was committed to further investments in unquoted companies.

Members of SVLS sat on the Board of eleven portfolio companies at the end of the interim period, which were Affibody, Archemix, Dynogen, ESBATech, Intranasal Therapeutics, GTx, Lux Biosciences, Micromet, Oxagen, Santarus, and Spinal Kinetics.

The geographical split of the portfolio at 28 February 2007 was tilted towards the U.S. where 63.1% of NAV was invested. IBT had one investment, CSL, in Australia 3.9% while 33.0% of NAV was invested in Europe, which was about equally split between the U.K. and continental Europe. By sub-sector, 75.6% of NAV was invested in biopharmaceuticals, 6.0% in drug delivery and 6.8% in medical devices with cash, money market instruments and other net assets making up the balance.

Although IBT is focussed on small- to mid-capitalisation and unquoted biotechnology companies, most of IBT's investments have products in late stage clinical development, or are in the early stage of commercialisation. At the end of the interim period twenty companies had at least one product on the market, four had filed for regulatory approval, six had products in phase III clinical development and eleven had products in phase II development. None had a product in the earliest phase of clinical development (phase I), three were in pre-clinical testing and four were classified as having either platforms or medical devices in development of sale.

In terms of the cash positions of the portfolio companies, it was estimated that at 28 February 2007, 31 companies were either profitable or had two or more years of cash remaining, ten had more than one, but less than two years of cash remaining, and seven had less than one year of cash remaining. Of those seven, four were unquoted with impending funding events in which IBT may participate and one, PowderMed, represented the escrow holding.

Most of the divestments since 31 August 2006 have been through M&A activity with AnorMED, Myogen, Solexa and PowderMed exiting the portfolio after being acquired and Tanox and New River Pharmaceuticals awaiting completion of their transactions. Two investments were divested after our review subsequent to negative clinical or regulatory events (Nuvelo and Adolor), while continuing review of the investment case and valuation has led to the divestment of Auxilium and the partial divestment of Actelion.

VALUATION

At 28 February 2007, the IBT unquoted portfolio (value £5.5m) represented 7.5% of net assets, compared to 22.7% twelve months previously. No new investments were made in the six months to 28 February 2007, although follow-on investments were made in PowderMed and Lux Biosciences in the period. Three new unquoted investments were made in the month after the end of the interim period. These investments will be detailed further in the annual report at the end of our year and were Ricerca, a U.S. contract research organisation, EUSA, a specialty pharmaceutical company, and Affinium, a Canadian antibiotic development company.

During the period under review, the net effect of the change in the Directors' valuations of unquoted companies was a decrease in NAV of £0.8m representing 1.1% of net assets at the start of the period. The valuation of PowderMed was written up by £2.5m in early October to reflect the acquisition by Pfizer and a portion of the proceeds remain in escrow.

SV Life Sciences Managers LLP

12 April 2007

Ten Largest Equity Holdings

Ordinary Share Portfolio at 28 February 2007

Company	Value of Holdings £'000	% of Ordinary Shares Shareholders Funds	Country
1 GPC Biotech	3,041	4.2	Germany
2 CSL	2,819	3.9	Australia

3	GTx	2,815	3.8	USA
4	Progenics Pharmaceuticals	2,700	3.7	USA
5	Micromet	2,667	3.6	USA
6	Noven Pharmaceuticals	2,574	3.5	USA
7	Shire	2,473	3.4	UK
8	MGI Pharma	2,410	3.3	USA
9	New River Pharmaceuticals	2,324	3.2	USA
10	Tanox	2,301	3.1	USA
Total		26,124	35.7	

C Share Portfolio at 28 February 2007

Company	Value of Holdings £'000	% of C Shares Shareholders Funds	Country
1 Tanox	1,293	3.7	USA
2 New River Pharmaceuticals	1,269	3.6	USA
3 Progenics Pharmaceuticals	1,258	3.6	USA
4 Noven Pharmaceuticals	1,226	3.5	USA
5 Shire	1,115	3.2	UK
6 Barr Pharmaceuticals	1,078	3.1	USA
7 MGI Pharmaceuticals	1,076	3.0	USA
8 Alexion Pharmaceuticals	1,039	2.9	USA
9 MorphoSys	1,022	2.9	Germany
10 GPC Biotech	1,015	2.9	Germany
Total	11,391	32.4	

Consolidated Balance Sheet

2006	31 August 2006	28 February 2007		28 February
(Unaudited)	(Audited)	(Unaudited)		
Group	Note Group	Company Ordinary Shares £'000	Company C Shares £'000	Group £'000
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Non current assets				
Investments held at fair value through profit or loss		69,077	20,678	89,755
61,489	58,022			
Current assets				
Debtors		415	2,513	2,928
65	2,000			
Investments		4,506	17,510	22,016
3,630	6,022			
Cash at bank		2,042	-	2,042
4,340	1,074			

8,035	9,096	6,963	20,023	26,986	
Creditors					
Amount falling due within one year					
(947)	(167)	(2,826)	(5,393)	(7,708)	
Net current assets					
7,088	8,929	4,137	14,630	19,278	
Net assets					
68,577	66,951	73,214	35,308	109,033	
Capital and reserves					
Called up share capital					
-Ordinary Shares					
11,766	11,766	11,766	-	11,766	
Called up share capital -C Shares					
-	-	-	18,583	18,583	
Capital redemption reserve					
11,231	11,231	11,231	-	11,231	
Share premium					
-	-	-	17,594	17,594	
Share purchase reserve					
65,565	65,564	65,564	-	65,564	
Capital reserves					
(8,896)	(9,944)	(3,017)	(819)	(3,325)	
Revenue reserve					
(11,089)	(11,666)	(12,330)	(50)	(12,380)	
Equity shareholders' funds					
68,577	66,951	73,214	35,308	109,033	
Net asset					

value per share	4	155.56p	142.50p	-
145.70p	142.25p			
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Consolidated Income Statement

		Six months ended 28 February 2007 (Unaudited)			Six months ended 28 February 2007 (Unaudited)		
February		Ordinary Shares			C Shares		
Group	Revenue	Capital	Total	Revenue	Capital	Total	
	£'000	£'000	£'000	£'000	£'000	£'000	
Gains/(loss) on investments held at fair value	-	7,851	7,851	-	(819)	(819)	
Exchange gains/(losses) on currency balances	(13)	(13)	(13)	-	-	-	
Income	118	-	118	10	-	10	
	118	7,019	7,137	10	(819)	(809)	
Performance fee	(400)	(400)	(400)	-	-	-	
Investment Management fee	(481)	-	(481)	(27)	-	(27)	
Administrative expenses	(351)	(989)	(1,340)	(33)	(989)	(1,022)	
(Deficit)/return on ordinary activities before taxation	(714)	5,630	4,916	(50)	(1,808)	(1,858)	
Tax on return on	-	-	-	-	-	-	

ordinary activities							
(Deficit)/return on ordinary activities after tax	(664)	7,438	6,774	(50)	(1,808)	(1,858)	
(714)	5,630	4,916					
(Deficit)/return per share	(1.41p)	15.80p	-	(0.20p)	(7.30p)	-	

Consolidated Income Statement (continued)

the year ended 31 August 2006	For the six months ended 28 February 2006			For	
(Audited)	(Unaudited)				
Group	Group				
Revenue	Capital	Total	Revenue	Capital	Total
£'000	£'000	£'000	£'000	£'000	£'000
Gains/(loss) on investments held at fair value					
-	10,638	10,638	-	11,620	11,620
Exchange gains/(losses) on currency balances					
-	(66)	(66)	-	-	-
Income					
701	-	701	547	-	547
701	10,572	11,273	547	11,620	12,167
Performance fee					
Investment Management fee					
(855)	-	(855)	(395)	-	(395)
Administrative expenses					
(567)		(567)	(296)	-	(296)

(Deficit)/return on ordinary activities before taxation	(721)	10,572	9,851	(144)	11,620	11,476
Tax on return on ordinary activities	-	-	-	-	-	-
(Deficit)/return on ordinary activities after tax	(721)	10,572	9,851	(144)	11,620	11,476
(Deficit)/return per share	(1.52p)	22.32p	20.80p	(0.30p)	24.38p	24.08p

The total column of this statement represents the Group's Income Statement prepared in accordance with IFRS.

The revenue and capital return columns are supplementary to this and are prepared under guidance published by Association of Investment Companies.

The Group has no recognised gains or losses other than those disclosed in the Consolidated Income Statement and the Consolidated Statement of Changes in Equity.

All items in the above statement derive from continuing operations.

Consolidated Statements of Changes in Equity

		Group				
		For the six months ended 28				
February 2006		(Unaudited)				
	Revenue	Share Capital Total	Capital redemption reserve	Share purchase reserve	Share premium	Capital reserve
	unrealised	£'000	£'000	£'000	£'000	realised £'000
	£'000		£'000	£'000		£'000
Balance at 31 August 2005	(27,253)	11,954	11,043	66,467	-	6,737
		(10,945)	58,003			

Buy back of ordinary shares		(188)	188	(902)	-	-
-	-	(902)				
Net (loss)/profit for the year		-	-	-	-	(5,792)
17,412	(144)	11,476				
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-----	-----	-----	-----	-----	-----	-----
Balance at 28 February 2006		11,766	11,231	65,565	-	945
(9,841)	(11,089)	68,577				
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Group
Year ended 31

August 2006						(Audited)
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-----	-----	-----	-----	-----	-----	-----
reserve	Share Capital Total	Capital	Share	Share	Capital	Capital
unrealised	£'000	redemption	purchase	premium	reserve	
£'000	reserve	£'000	reserve	£'000	realised	£'000
		reserve	£'000		£'000	
		£'000	£'000		£'000	
-----	-----	-----	-----	-----	-----	-----
-----	-----	-----	-----	-----	-----	-----
Balance at 31 August 2005		11,954	11,043	66,467	-	6,737
(27,253)	(10,945)	58,003				
Buy back of ordinary shares		(188)	188	(903)	-	-
-	-	(903)				
Net (loss)/profit for the year		-	-	-	-	(2,584)
13,156	(721)	9,851				
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Balance at 31 August 2006		11,766	11,231	65,564	-	4,153
(14,097)	(11,666)	66,951				
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Group
ended 28 February 2007

(Unaudited)						Six months
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-----	-----	-----	-----	-----	-----	-----
Capital	Share Revenue Total	Share	Capital	Share	Share	Capital

Balance at 28 February 2007	11,766	11,231	65,564	-	5,322
(8,339)	(12,330)	73,214			

C Shares

ended 28 February 2007

Six months

(Unaudited)

Capital reserve unrealised £'000	Revenue reserve £'000	Share Capital Total £'000	Capital redemption reserve £'000	Share purchase reserve £'000	Share premium £'000	Capital reserve realised £'000
Balance at 31 August 2006	-	-	-	-	-	-
Movement in the period (819)		(819)				
Issue of shares 37,166		18,583			18,583	
Issue expenses (989)					(989)	
Net loss for the period (50)	(50)					
Balance at 28 February 2007 (819)	(50)	18,583			17,594	
		35,308				

Consolidated Cash Flow Statements

Group for the Six months ended 28 February 2007 (Unaudited) £'000	Group for the Six months ended 28 February 2006 (Unaudited) £'000	Group Year ended 31 August 2006 (Audited) £'000	Ordinary Shares For the Six months ended 28 February 2007 (Unaudited) £'000	C Shares For the Six months ended 28 February 2007 (Unaudited) £'000	For the Six months ended 28 February 2007 (Unaudited) £'000

Cash flows from operating activities				
Net				
profit/(loss)				
before tax				
			6,774	(1,858)
4,916	11,476	9,851		
Adjustments for:				
(Increase) in				
investments				
(47,727)	(8,489)	(7,707)	(9,539)	(38,188)
(Increase)/Dec				
rease in				
receivables				
(928)	(133)	(1,939)	1,585	(2,513)
Increase in				
payables				
6,178	(592)	(564)	2,148	4,030

Net cash flows				
from operating				
activities				
(37,561)	2,262	(359)	968	(38,529)
Cash flows from financing activities				
Purchase of				
own shares for				
cancellation				
-	(258)	(903)	-	-
Issue of C				
Shares				
37,166	-	-	-	37,166

Net (Decrease)				
in Cash and				
Cash				
Equivalents				
(395)	2,004	(1,262)	968	(1,363)
Cash and cash				
equivalents at				
beginning of				
period				
1,074	2,336	2,336	1,074	-

Cash and Cash				
Equivalents at				
end of period				
679	4,340	1,074	2,042	(1,363)

Notes to the Financial Statements

1. Accounting Policies

This interim consolidated financial information has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, which comprises standards and interpretations approved by the International Accounting Standards Board (IASB) and International Accounting Standards Committee (IASC) as adopted by the European Union.

The Income Statement is only presented in consolidated form, as provided by S230 of the Companies Act 1985.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Group operates.

(a) Basis of accounting

The Group accounts consolidate the accounts of the Company and its wholly-owned subsidiary, IBT (2004) Limited. These financial statements have been prepared on the historical cost basis, except for the revaluation of certain financial instruments. The principal accounting policies adopted are set out below. Where presentational guidance set out in the Statement of Recommended Practice ("the SORP") for investment trusts issued by the Association of Investment Companies ("the AIC") in January 2003 and revised in December 2005 is consistent with the requirements of IFRS, the Directors have sought to prepare the financial statements on a basis compliant with the recommendations of the SORP.

(b) Presentation of Income Statement

In order to better reflect the activities of an investment trust company, and in accordance with guidance issued by the AIC, supplementary information which analyses the Income Statement between items of a revenue and capital nature has been presented alongside the Income Statement. In accordance with the Company's status as a UK investment company under Section 266 of the Companies Act 1985, net capital return may not be distributed by way of dividend. Additionally, the net revenue is the measure the Directors believe appropriate in assessing the Group's compliance with certain requirements set out in Section 842 Income and Corporation Taxes Act 1988.

(c) Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiary) made up to 31 August each year. Control is achieved where the Company has power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

(d) Dividend and other income

Dividends receivable on equity shares are recognised as revenue for the period on an ex-dividend basis. Income from current asset investments are included in the revenue for the period on an accrual basis.

(e) Expenses

Administrative expenses (excluding the performance fee) are charged to the revenue account on an accruals basis. The performance fee is charged to the capital account as it is primarily attributable to the capital performance of the Company's investments.

(f) Non-current asset investment held at fair value

Investments are recognised on a trade date when purchases or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value.

All the Group's and Company's investments are defined by IFRS as investments held at fair value through profit or loss.

All investments are designated upon initial recognition as held at fair value through profit or loss, and are measured at subsequent reporting dates at fair value, which is either the bid price or the last traded price, depending on the convention of the exchange on which the investment is quoted. Gains or losses arising thereon are recognised in the Income Statement.

In respect of unquoted investments, or where the market for a financial instrument is not active, fair value is established by using various valuation techniques, in accordance with International Private Equity and Venture Capital ("IPEVC") Valuation Guidelines. These may include using recent arm's length market transactions between knowledgeable, willing parties, if available and reference to the current fair value of another instrument that is substantially the same. Where there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, that technique is utilised. Gains or losses arising thereon are recognised in the Income Statement.

Current asset held for trading

Current asset investments are measured at fair value with gains and losses arising from their changes in fair value being included in the Income Statement as a revenue item.

Transaction costs incurred on the acquisition or disposal of investments are expensed and included in the capital column.

2. Administrative Expenses

ended	For the six months to 28 February 2007	For the six months to 28 February 2007	Capital C Shares C Shares	For the six months to 28 February 2006	Year 31 August 2006
Revenue	Revenue Ordinary Shares £'000	Revenue C Shares C Shares £'000	Revenue Group £'000	Revenue Group £'000	Revenue Group £'000
Management fees	454	27	-	395	
Other administrative expenses	318	33	989	296	
	855				
					567

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1,422	772	60	989	691
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3. (Deficit)/Revenue per Share

Earnings per share can be further analysed between revenue and capital as set out below:

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Group	Ordinary shares	C shares	Group	Year
ended 31	For the six	For the six	For the six	
August	months to 28	months to 28	months to 28	
2006	February 2007	February 2007	February 2006	
-----	-----	-----	-----	-----

Revenue				
Deficit on ordinary activities before tax (£'000) (721)	(664)	(50)	(144)	
Weighted average number of shares ('000) 47,357	47,065	24,777	47,065	
	Pence	Pence	Pence	
Pence Revenue deficit per share (1.52)p	(1.41)p	(0.20)p	(0.30)p	
-----	-----	-----	-----	-----

Capital Return/(deficit) on ordinary activities before tax (£'000) 10,572	7,438	(1,808)	11,620	
Weighted average number of shares ('000) 47,357	47,065	24,777	47,654	
	Pence	Pence	Pence	
Pence Capital				

return/(deficit) per share 22.32p	15.80p	(7.30)p	24.38p	
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Total earnings per share 20.80p	14.39p	(7.50)p	24.08p	
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4. Net Asset Value per Share

The calculation of the net asset value per share is based on the following:

	For the six months to 28 February 2007 Ordinary Shares 2007	For the six months to 28 February 2007 C Shares 2007	For the six months to 28 February 2006 Group 2006	Year ended 31 August 2006 Group 2006
-----	-----	-----	-----	-----
Net asset value (£'000)	73,214	35,308	68,577	66,951
Number of shares in issue ('000)	47,065	24,777	47,065	47,065
Basic Net Asset Value per share	155.56p	142.50p	145.70p	142.25p
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5. Issue of C shares

During the period 24,777,433 C Shares were issued at 150 pence per share. A total of £36,113,941 was raised net of expenses.

6. Comparative Information

The results for the six months to 28 February 2007 and 28 February 2006, which are unaudited, constitute non-statutory accounts within the meaning of Section 240 of the Companies Act 1985.

The comparative figures for the financial year ended 31 August 2006 are not the Group's statutory accounts for that financial year. Those accounts have been reported on by the Group's auditors and delivered to the registrar of companies. The report of the auditors was unqualified and did not contain a statement under section 237(2) or (3) of the Companies Act 1985.

This statement was approved by the Board of Directors on 12 April 2007.

The Interim Report will be mailed to registered shareholders in May 2007 and from the date of release copies of the Interim Report will be made available to the public at the Company's Registered Office at 31 Gresham Street, London EC2V 7QA.

This information is provided by RNS
The company news service from the London Stock Exchange

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