

The Driving Force Propelling The Biotech Sector

- **M&A activity tops the list, says International Biotechnology Trust plc**

For immediate release – 27 September 2006: M&A activity is a key driver of the biotech industry at the moment. It is fuelling the sector and boosting returns, says International Biotechnology Trust plc (IBT), the investment trust managed by SV Life Sciences ('SVLS') that invests in high growth, development stage biotechnology companies.

The sector is seeing large pharmaceutical companies acquiring or merging with smaller biotech companies in an attempt to bring in-house the innovation these companies possess. With valuations so low the big pharma companies are seizing the opportunity to acquire productivity and expertise, rather than build these areas itself. It certainly makes sense and with carefully chosen stocks in the IBT portfolio, the trust is already reaping excellent returns.

Andy Smith, Investment Manager at IBT, said: "The biotech sector hasn't been this exciting in a long while – at least not with an abundance of M&As. In fact, we are witnessing M&A activity overtaking IPOs – right now the former is seen as the primary exit option. The vast activity across the sector has provided many great investment opportunities and IBT itself has seen gains from exits in the unquoted portfolio."

M&A activity is a global trend – from the US to the UK, from Canada to Switzerland – competition is fierce and takeover rumours are a-plenty, though often misleading.

Andy continued: "The biotech industry has shown itself to be more productive than the pharma industry in terms of NDAs approved for dollars

spent. In 2005 there were 50 per cent more drugs approved from the biotech industry versus those approved from the pharma industry, yet the biotech R&D budget represents less than one third of the pharma industry R&D budget.”

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About IBT

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 companies that are undervalued, with experienced management and strong potential upside through the development and/or commercialisation of a product, device or enabling technology.

About SV Life Sciences

SV Life Sciences™ ('SVLS'), previously known as Schroder Ventures Life Sciences, is a life sciences focused venture capital adviser and manager. SVLS advised funds invest in companies requiring funding within the human life sciences sector including biotechnology and pharmaceuticals, medical devices and instruments, healthcare IT and services. SVLS was established in 1993 and currently has offices in Boston, London and San Francisco.