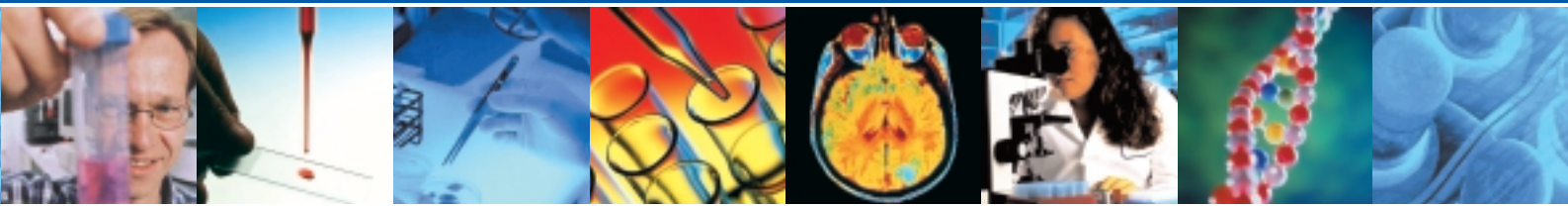


INTERNATIONAL BIOTECHNOLOGY TRUST PLC

Interim Report

Six months ended 28 February 2002



The investment objective of the Company is to achieve long term capital growth by investing in high growth, development stage biotechnology companies that are publicly listed or approaching flotation or trade sale. IBT invests in companies that are undervalued and/or under-resourced, with experienced management and strong potential upside through the commercialisation of a product, device or enabling technology.

Administration, Contents and Directors



ADMINISTRATION

Registered Office

31 Gresham Street, London EC2V 7QA.
(Registered Number 2892872, England).

Investment Manager and Secretary

Schroder Investment Management Limited,
31 Gresham Street, London EC2V 7QA.
Telephone 020 7658 3206

Investment Adviser

Schroder Ventures Life Sciences Advisers (UK) Limited,
71 Kingsway, London WC2B 6ST.
Telephone: 020 7421 7070

Bankers

Schroder & Co,
31 Gresham Street, London EC2V 7QA.

Custodian

JP Morgan Chase plc,
100 Wood Street, London EC2V 7EN.

Auditor

KPMG Audit Plc,
8 Salisbury Square, London EC4Y 8BB.

Registrar

Lloyds TSB Registrars Scotland,
PO Box 28448, Finance House, Orchard Brae,
Edinburgh EH4 1WQ.

Stockbroker

UBS Warburg,
1 Finsbury Avenue, London EC2M 2PP.

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1

DIRECTORS

Andrew Barker (Chairman)
Alan Clifton
Peter Collacott
Alex Hammond-Chambers
Ian Macgregor

Financial Highlights

Six months to 28 February 2002



	28 February 2002 unaudited	31 August 2001 audited	%
			Change
Net assets (£'000)	75,768	98,739	(23.26)
Shares in issue ('000)	48,615	48,615	
Net Asset Value per share	155.85p	203.10p	(23.26)
Share price	131.50p	176.50p	(25.50)
Discount to Net Asset Value	(15.62)%	(13.10)%	
Index performance			
Nasdaq Biotech Index (\$)	745.14	878.04	(15.14)
Nasdaq Biotech Index (£)	526.82	605.34	(12.97)
Bloomberg UK Biotech Index (£)	44.19	62.57	(29.38)

Chairman's Statement



*IBT Chairman,
Andrew Barker.*

PERFORMANCE

During the six months to 28 February 2002, the share price of International Biotechnology Trust plc ("IBT") fell by 25.5% from 176.5p to 131.5p, alongside a fall in the net asset value ("NAV") per share of 23.3% from 203.1p to 155.9p. This compares to a fall in the NASDAQ Biotechnology Index of 13.0% in sterling terms and a fall in the Bloomberg UK Biotechnology Index of 29.4% during the same period.

Whilst the fall in the NAV during the period under review was largely due to the continuing correction in the biotech market, a significant element of the fall in the NAV was due to write-downs in value of some of the inherited unquoted companies in the portfolio. The net effect of the change in the valuations of unquoted companies was a reduction in net assets of £6.5 million during the period under review, equivalent to 6.6% of net assets at 31 August 2001.

SHARE BUY-BACK FACILITY

To date, the Directors have not utilised the authority given to them during the year ended 31 August 2001 to purchase shares for cancellation, and no purchases have been made. Your Board will, however, continue to consider opportunities to purchase shares for cancellation in appropriate market conditions, at prices that would usefully enhance the net asset value for remaining shareholders.

DIRECTOR

Mr Howard Greene indicated in December last year that he did not wish to stand for re-election at the Annual General Meeting. Mr Greene had been a Director of the Company since its launch, and his knowledge of the biotech industry has been invaluable. He leaves with the thanks of all the Board for his significant contribution over the life of the Company.

OUTLOOK

IBT is well placed to take advantage of the current weak market sentiment and has cash available to build positions in attractively valued companies with a strong management team, scientific capability and growth prospects. The timing of a sustained recovery in the biotech market is difficult to predict but industry fundamentals remain strong – company balance sheets are generally very healthy and pipelines continue to broaden and mature. Nevertheless, the continuing volatility of the biotech market means that the importance of taking a long term view when investing in the sector, must be emphasised.

Andrew Barker
Chairman

Investment Review



MARKET OVERVIEW AND OUTLOOK

While the biotech market rallied towards the end of 2001, the first months of 2002 have seen investors moving money out of biotech and into cyclical and technology stocks. One of the most notable trends during the period under review was the increased level of consolidation within the industry. The fourth quarter of 2001 saw several large deals including Amgen/Immunex, Millennium/Cor Therapeutics and Medimmune/Aviron. However, sentiment has been dampened more recently by a number of high profile product setbacks including ImClone's cancer drug, which was not accepted for filing by the FDA. Only one biotech company, Zymogenetics, has gone public this year and the IPO window looks likely to remain closed for some time.

The disappointing news from the biotech sector in the first quarter of 2002 was largely company-specific and should not detract from the strong potential of the industry. The fundamentals of the biotech sector continue to improve with interesting product pipelines, increasing demand from large pharmaceutical companies for biotech products and compelling economics for companies launching new drugs to tackle unmet clinical needs. However, it is not clear when share prices within the sector will start to pick up and the market is likely to remain volatile.

INVESTMENT ACTIVITY

SUMMARY

During the period under review, new investments were made in four quoted companies and five existing quoted holdings were increased in size. Five quoted holdings were sold in their entirety and partial sales were made in two quoted holdings.

In the unquoted portfolio one new investment was made (subsequent to the end of the reporting period) and a follow-on investment was made in an existing unquoted holding. Two unquoted companies were sold – one for cash and the other for stock in a German biotech company, LION Bioscience.

The net effect of the change in the valuations of unquoted companies was a reduction in net assets of £6.5 million during the period under review. This included write-ups of Axxima Pharmaceuticals, Micromet and Delsys Pharmaceuticals (sold for £1.2m following a write-down to nil at the last year end) and write-downs of Entigen, ValiGen and Netgenics, which was taken over resulting in a write-down of £3.7m.

QUOTED COMPANIES

New Investments

Following the commitment made in August 2001, IBT invested £5.3m in **Essential Therapeutics** in October 2001, as detailed in the Annual Report. Kate Bingham of Schroder Ventures Life Sciences has a seat on the Board of the company.

In March 2002 Essential announced the acquisition of Maret Pharmaceuticals. Maret has programs in haematology, oncology and infectious disease and brings Essential a small molecule, Phase I stage compound which may have clinical uses in the prevention of thrombocytopenia, anemia and infection in patients following chemotherapy or bone marrow transplantation. This acquisition is a very positive step, moving Essential further towards becoming a clinical-stage company.

New investments were also made in Crucell (£1.9m), Alexion Pharmaceuticals (£0.8m) and 3-Dimensional Pharmaceuticals (£0.9m).

Crucell is a Dutch biotechnology company focused on the discovery and development of novel antibodies and vaccines. The Company uses a technology called MAbstract™ to discover very subtle differences between healthy and diseased cells, and antibodies that target these differences. Crucell has an agreement with Centocor (a Johnson & Johnson company) for an antibody designed for use in cancer indications. Crucell also have a proprietary human cell line, which can be used to produce human antibodies, vaccines, therapeutic proteins and gene therapy products. Merck & Co. has an exclusive licence to the cell line for the production of HIV vaccines and a vaccine candidate is in clinical trials. These two exciting platform technologies should allow Crucell to sign further attractive deals, driving investor interest.

Alexion Pharmaceuticals is a US-based company focused on the development of a novel class of anti-inflammatory compounds known as complement inhibitors. Alexion's lead compound is an antibody in Phase III clinical trials to reduce the risk of complications during coronary artery bypass graft surgery with cardiopulmonary bypass, and Phase II clinical trials in myocardial infarction. Another antibody is in clinical trials for rheumatoid arthritis and kidney disease. At the time of writing, given the late stage nature of the clinical programs and the strong cash position, Alexion's valuation appears compelling. Subsequent to the end of the reporting period a further £0.7m was invested in the company, increasing the total invested to £1.5m.

Investment Review continued



3-Dimensional Pharmaceuticals (3DP) is a chemistry-focused drug discovery company based in the USA. 3DP uses its drug discovery platform DiscoverWorks™ to translate drug targets into orally available small molecule drug candidates and to provide discovery services to partners. The company has a very interesting, early stage pipeline including an oral thrombin inhibitor partnered with Centocor and a thrombopoetin mimetic peptide intended to stimulate the production of platelets for the treatment of thrombocytopenia, a consequence of many cancer treatments. The valuation of the company is expected to re-rate with time as an increasing number of 3DP's compounds enter the clinic and move into later stage clinical trials.

Follow-on Investments

In December 2001, IBT participated in a PIPE (public investment in private equity) in **Epimmune**, increasing its investment by £1.4m to £6.2m. Mike Ross of Schroder Ventures Life Sciences has joined the Board of the company. Epimmune has designed therapeutic drug candidates to treat disease by stimulating the body's immune system to respond aggressively to infections such as HIV, hepatitis C and B and certain tumour types. The company has also designed preventative drug candidates to protect against disease by teaching the immune system to react quickly when exposed to infectious agents. Epimmune hopes to move HIV and lung cancer vaccines into human clinical trials in 2002. This is an early stage company, with a market capitalisation of \$22m and just under \$20m in cash at the time of writing. The technology and early stage programs are expected to translate into a very interesting clinical portfolio over time.

A further £2.7m was invested in **Aspect Medical** (total investment £3.4m), £1.1m in **AnorMED** (total investment £5.8m), £0.7m in **Novuspharma** (total investment £2.6m), and £0.6m in **Atrix Laboratories** (total investment £2.0m).

Sales

The holding in **Biocompatibles** was sold in its entirety during the period, along with the remaining holdings in **CeNeS Pharmaceuticals**, **Onyx Pharmaceuticals** and **Vernalis Group**. In December 2001, Medimmune acquired Aviron, which resulted in a net gain of £1.1m for IBT.

Partial sales of the holdings in OSI Pharmaceuticals and Corvas International were made in order to reduce the size of the largest quoted holdings in the portfolio.

UNQUOTED COMPANIES

New Investments

In March 2002, subsequent to the end of the reporting period, IBT invested £2.1m in **CancerVax**, an unquoted US-based company, as part of a £35m fundraising round. Mike Carter of Schroder Ventures Life Sciences is on the Board of the company. CancerVax's patented, core technology is based on the development of allogeneic, whole cell vaccines that express multiple antigens associated with melanoma and other tumors. The lead candidate is a therapeutic cancer vaccine called Canvaxin™, which contains at least 20 known tumor and melanoma-associated antigens. Unlike chemotherapy, Canvaxin™ does not directly kill cancer cells, but instead activates immune system responses to cancer. Canvaxin™ has been administered to over 2,000 patients in Phase II clinical trials and is currently in Phase III clinical trials for melanoma. Advanced stage melanoma is a disease for which there are few effective or well-tolerated treatments. The incidence of melanoma is increasing at an annual rate of approximately 3% to 5% worldwide, faster than any other cancer.

Follow-on Investments

In October 2001 a follow-on investment of £0.3m was made in the German company, **Axxima Pharmaceuticals**, as part of a £21m financing round. This increased IBT's total investment in Axxima to £1.4m. Axxima is an unquoted infectious disease drug discovery company focused on small molecule compounds. These compounds block signal transduction pathways, for example those required by pathogens for survival. This novel drug discovery strategy aims to generate a new spectrum of drugs with a reduced chance of resistance. Axxima is focusing its activities on HIV, hepatitis B and C, flu and tuberculosis.

Sales

During the six months under review, two of the unquoted US-based companies in the portfolio were sold to trade buyers, however the returns on both investments were disappointing.

In August 2001, Elan announced that **Delsys Pharmaceuticals** would merge with one of its subsidiaries. The transaction realised £1.2m for IBT. Delsys was an investment made in April 2000 at a cost of £6.3m. The holding was written down to zero at the last year-end due to concerns about the future of the company. The sale resulted in a write-up of £1.2m during the period under review.

Investment Review continued



In January 2002, **Netgenics** was sold to the German company LION Bioscience, and IBT received stock worth £1.1m at the time of the transaction. IBT invested £3.0m in Netgenics in March 1998, with follow-on investments of £0.3m in August 2000 and £0.3m in August 2001 – a total investment of £3.6m. The sale resulted in a write-down of £3.7m during the six months under review.

PORTFOLIO SUMMARY AT 28 FEBRUARY 2002

IBT has investments in 32 companies – 24 quoted companies (making up 66% of the NAV) and eight unquoted companies (making up 20% of the NAV). The remaining 14% of the NAV is made up of cash, money market instruments and other net current assets.

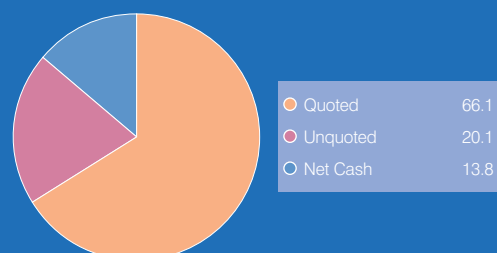
Of the 24 quoted investments, seven were made by the previous Manager, and these make up 27% of the NAV. They include holdings in AnorMED and Epimmune, both of which were increased in size during the period under review. The other five holdings are Corvas International, OSI Pharmaceuticals, Targeted Genetics, Inflazyme Pharmaceuticals and Ribozyme Pharmaceuticals. These holdings represent good value at current share price levels and all (excluding Inflazyme) have been reduced in size in order to diversify the portfolio into new holdings. It should be noted that IBT does own a large number of shares in some of these companies, which makes these holdings in particular, very illiquid.

In terms of the unquoted portfolio, four of the eight current investments were made by the previous Investment Manager – Sunesis Pharmaceuticals, Axxima Pharmaceuticals, Entigen and ValiGen. Sunesis is held at cost, Axxima has been written up and Entigen and ValiGen have both been written down. Of the four other investments, Aderis Pharmaceuticals, Affibody and Eyetech Pharmaceuticals are held at cost and Micromet has been written up.

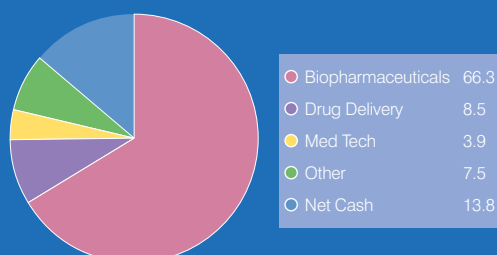
In terms of the geographical split of the portfolio, 61% of the NAV is invested in the US, 6% in Canada, 6% in the UK/Ireland and 14% in Europe. By sub-sector, 66% of the NAV is invested in biopharmaceuticals, 9% in drug delivery, 4% in medtech, 8% in other areas. The remaining 14% of the NAV is made up of cash, money market instruments and other net current assets.

A member of SVLS is on the Board of seven of the portfolio companies – Aderis Pharmaceuticals, Affibody, CancerVax (investment made subsequent to the end of the reporting period), Epimmune, Essential Therapeutics, Eyetech Pharmaceuticals and Micromet.

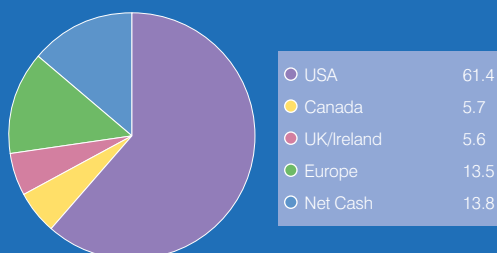
IBT: Investment by Sector (%)



IBT: Investment by Sub Sector (%)



IBT: Investment by Geography (%)



NB: Net Cash is Cash and other Current Assets less Current Liabilities

Ten largest Equity Holdings

at 28 February 2002



Company	Value of Holdings £'000	% of Shareholders' Funds	Country	Business activity
1 Essential Therapeutics	4,520	5.97	USA	A drug discovery and development company focused on small molecules in the anti-infective, hematology/oncology markets.
2 Corvas International	4,420	5.83	USA	A biopharmaceutical company focused on the development of drugs that target serine proteases, the largest human protease gene family, for the treatment of cardiovascular disease and cancer.
3 OSI Pharmaceuticals	4,035	5.32	USA	A leading drug discovery company with a substantial pipeline focused on small molecules. Lead compound is a cancer drug in Phase III trials.
4 Targeted Genetics	3,740	4.94	USA	A leader in gene delivery technology and in the development of therapeutic products based on gene delivery.
5 Aderis Pharmaceuticals* (formerly Discovery Therapeutics)	3,535	4.67	USA	A biopharmaceutical company with product candidates in development for six indications with a number of development and commercialisation partnerships. Focus on CNS, cardiovascular and renal diseases.
6 Sunesis Pharmaceuticals*	3,535	4.67	USA	Sunesis has developed and implemented novel technologies that reproducibly deliver high-affinity, small-molecule, non-peptidic ligands to important drug targets in a rapid time frame.
7 Micromet*	3,223	4.25	Germany	Micromet develops novel drugs to empower the patients immune system to tackle life-threatening and severe chronic diseases.
8 Aradigm	3,005	3.97	USA	A drug delivery company that develops novel, liquid formulation based, pulmonary systems designed to enhance the delivery and effectiveness of existing and development-stage drugs.
9 Aspect Medical Systems	2,958	3.90	USA	A consciousness monitoring company whose core technology provides a direct measure of the effects of anaesthetic and sedative agents on the brain.
10 AnorMED	2,412	3.18	Canada	The company's core strength involves the application of chemistry, biochemistry and biology to the discovery and development of small molecule therapeutics for the treatment of diseases including inflammation, cancer and HIV.
Total	35,383	46.70		

* Unquoted investments.

Statement of Total Return



	For the six months ended 28 February 2002 (unaudited)		
	Revenue £'000	Capital £'000	Total £'000
Realised(losses) gains on sale of investments	–	(12,309)	(12,309)
Decrease in unrealised appreciation on investments	–	(10,201)	(10,201)
Exchange profit/(losses) on currency	–	169	169
Performance fee and termination costs	–	–	–
Dividend income	–	–	–
Income from current asset investments	131	–	131
Deposit interest	16	–	16
	147	(22,341)	(22,194)
Administrative expenses (note 2)	(777)	–	(777)
Deficit before finance costs and taxation	(630)	(22,341)	(22,971)
Interest payable	–	–	–
Deficit on ordinary activities before and after taxation	(630)	(22,341)	(22,971)
Deficit per ordinary share (note 3)	(1.30)p	(45.95)p	(47.25)p

The revenue column of this statement is the profit and loss account of the Company.
 All revenue and capital items in the above statement derive from continuing activities.

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The notes on page 12 form an integral part of these financial statements.

Statement of Total Return continued

For the six months ended 28 February 2001 (unaudited)			For the year ended 31 August 2001 (audited)		
Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
–	49,813	49,813	–	50,942	50,942
–	(138,774)	(138,774)	–	(173,782)	(173,782)
–	(1,147)	(1,147)	–	(1,359)	(1,359)
–	(2,160)	(2,160)		(2,160)	(2,160)
–	–	–	2	–	2
1,952	–	1,952	2,194	–	2,194
396	–	396	504	–	504
2,348	(92,268)	(89,920)	2,700	(126,359)	(123,659)
(2,990)	–	(2,990)	(3,861)	–	(3,861)
(642)	(92,268)	(92,910)	(1,161)	(126,359)	(127,520)
(15)	–	(15)	(15)	–	(15)
(657)	(92,268)	(92,925)	(1,176)	(126,359)	(127,535)
(0.84)p	(117.93)p	(118.77)p	(1.86)p	(199.60)p	(201.46)p

Balance Sheet



	As at 28 February 2002 (unaudited) £'000	As at 28 February 2001 (unaudited) £'000	As at 31 August 2001 (unaudited) £'000
Fixed assets			
Investments	65,291	126,043	88,524
Current assets			
Debtors	86	2,489	219
Investments (note 4)	7,786	3,511	4,677
Cash at bank and short-term deposits	3,005	4,810	7,157
	10,877	10,810	12,053
Current liabilities			
Creditors: amounts falling due within one year	400	3,504	1,838
Net current assets	10,477	7,306	10,215
Net assets	75,768	133,349	98,739
Capital and reserves			
Called up share capital	12,154	12,154	12,154
Capital redemption reserve	10,843	10,843	10,843
Share purchase reserve	67,083	–	–
Share premium account	–	67,083	67,083
Capital reserve	(6,959)	49,473	15,382
Revenue reserve	(7,353)	(6,204)	(6,723)
Equity shareholders' funds	75,768	133,349	98,739
Net asset value per share (note 5)	155.85p	274.29p	203.10p

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The financial statements were approved by the Board of Directors on 15 April 2002.

The notes on page 12 form an integral part of these financial statements.

Cash Flow Statement



	For the six months ended 28 February 2002 (unaudited) £'000	For the six months ended 28 February 2001 (unaudited) £'000	For the year ended 31 August 2001 (unaudited) £'000
Operating Activities			
Dividend income received	–	–	2
Current asset investment income received	63	2,453	2,639
Deposit interest received	16	392	504
Management fee paid	(389)	(1,995)	(3,043)
Performance fee	–	(6,596)	(4,440)
Other cash payments	(387)	(1,370)	(2,138)
Net cash outflow from operating activities	(697)	(7,116)	(6,476)
Servicing of finance			
Interest paid	–	(13)	(15)
Cash outflow from servicing of finance	–	(13)	(15)
Taxation			
UK income tax suffered	–	(67)	(67)
Tax paid	–	(67)	(67)
Capital expenditure and financial investments			
Purchase of investments	(15,654)	(20,128)	(49,124)
Sale of investments	15,076	69,147	101,152
Net cash (outflow)/inflow from capital expenditure and financial investment	(578)	49,019	52,028
Net cash (outflow)/inflow before management of liquid resources and financing	(1,275)	41,823	45,470
Management of liquid resources	(3,046)	86,407	85,319
Financing			
Repurchase of shares following Tender Offer	–	(121,828)	(121,828)
Stamp Duty	–	(609)	(609)
Net cash outflow from financing	–	(122,437)	(122,437)
Net cash (outflow)/inflow	(4,321)	5,793	8,352

The notes on page 12 form an integral part of these financial statements.

Notes to the Financial Statements



1. These financial statements have been prepared using accounting policies consistent with those used for the audited financial statements as at 31 August 2001.

The valuation policies of the Company are consistent with the current guidelines issued by the British Venture Capital Association ("BVCA").

Quoted investments are valued at mid-market price at the balance sheet date. If an investment is subject to restrictions affecting its disposal, a discount of generally between 5% and 25% to that price will be applied.

Unquoted investments are included at Directors' valuation, which will generally be cost less any appropriate provisions, unless there has been a clear indication, whether from recent dealing prices, stockbrokers valuations or net asset values, that demonstrates a higher value.

2. Administrative expenses include management fees of £430,000 (28 February 2001: £1,650,000; 31 August 2001: £2,171,000).

3. The revenue deficit per ordinary share is based on the net deficit on ordinary activities after interest payable and taxation of £630,000 (28 February 2001: deficit of £657,000; 31 August 2001: deficit of £1,176,000) and on 48,615,467 (28 February 2001: 78,237,076; 31 August 2001: 63,304,539) ordinary shares being the weighted average number of shares in issue during the period.

The capital deficit per ordinary share is based on the net capital deficit of £22,341,000 (28 February 2001: deficit of £92,268,000; 31 August 2001: deficit of £126,359,000); on 48,615,467 (28 February 2001: 78,237,076; 31 August 2001: 63,304,539) ordinary shares being the weighted average number of shares in issue during the period.

4. Short term investments at 28 February 2002 of £7,786,000 are made up entirely of a holding in the Liberty International Money Fund, listed on the Dublin Stock Exchange.

5. The basic net asset value per share is based on 48,615,467 (28 February 2001 and 31 August 2001: 48,615,467) shares in issue and on £75,768,000 (28 February 2001: £133,349,000 and 31 August 2001: £98,739,000) net assets attributable to ordinary shares.

6. The Company is committed to a further investment of SEK 20m in Affibody, due in August 2002, and a commitment subject to achieving certain milestones, to invest a further \$2.5m in Eyetech Pharmaceuticals in August 2002.

7. The results for the six months to 28 February 2002 and 28 February 2001, which are unaudited, constitute non-statutory accounts within the meaning of Section 240 of the Companies Act 1985. The latest audited accounts which have been delivered to the Registrar of Companies are for the year ended 31 August 2001. The report of the auditors thereon was unqualified and did not contain a statement under Section 237 (2) or (3) of the Companies Act 1985. The abridged financial statements shown above for the year ended 31 August 2001 are an extract from the published accounts.

Independent Review Report by KPMG Audit Plc



TO THE MEMBERS OF INTERNATIONAL BIOTECHNOLOGY TRUST PLC

INTRODUCTION

We have been instructed by the company to review the financial information set out on pages 8 to 12 and we have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

DIRECTORS' RESPONSIBILITIES

The interim report, including the financial information contained therein, is the responsibility of, and has been approved by the directors. The Listing Rules of the Financial Services Authority require that the accounting policies and presentation applied to the interim figures should be consistent with those applied in preparing the preceding annual accounts except where there are to be changes in the next annual accounts in which case any changes, and the reasons for them, are to be disclosed.

REVIEW WORK PERFORMED

We conducted our review in accordance with guidance contained in Bulletin 1999/4 "Review of Interim financial information" issued by the Auditing Practices Board. A review consists principally of making enquiries of management and applying analytical procedures to the financial information and underlying financial data and based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review is substantially less in scope than an audit performed in accordance with Auditing Standards and therefore provides a lower level of assurance than an audit. Accordingly we do not express an audit opinion on the financial information.

REVIEW CONCLUSION

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the six months ended 28 February 2002.

KPMG Audit plc
Chartered Accountants
Registered Auditor
London

15 April 2002

Classification of Investments by Sector

at 28 February 2002



	£'000	% of NAV
Equities – USA		
Biopharmaceuticals	33,069	50.65
Bioinformatics	728	1.12
Drug delivery	4,828	7.39
Medtech	2,958	4.53
Other	4,938	7.56
Equities – Canada		
Biopharmaceuticals	4,337	6.64
Equities – UK & Ireland		
Biopharmaceuticals	2,603	3.99
Drug delivery	1,616	2.48
Medtech		
Equities – Europe		
Biopharmaceuticals	10,214	15.64
Total	65,291	100.00

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Classification of Investments by Value

at 28 February 2002

	£'000	% of NAV
Equities – USA		
Quoted	37,683	57.71
Unquoted	8,838	13.54
Equities – Canada		
Quoted	4,337	6.64
Equities – UK & Ireland		
Quoted	4,219	6.46
Equities – Europe		
Quoted	3,857	5.91
Unquoted	6,357	9.74
Total	65,291	100.00

Company Summary



THE COMPANY

International Biotechnology Trust plc is an investment trust listed on the London Stock Exchange. It is an independent investment trust managed by Schroder Investment Management Limited, advised by Schroder Ventures Life Sciences Advisers (UK) Limited and administered by Schroder Investment Management Limited.

Investment trust companies are able to switch investments without liability for capital gains tax. This, together with the advantages of professional management and spread of risk, makes investment trusts a valuable investment medium.

The Articles of Association of the Company contain provisions requiring the Directors to put a proposal for the continuation of the Company to Shareholders at the Company's Annual General meeting in the year 2003 and thereafter at two yearly intervals.

PRICE INFORMATION AND INTERNET

The Company's shares are listed on the London Stock Exchange. The prices of the shares are quoted daily in the Financial Times, The Daily Telegraph and The Times.

The Company maintains a Web Site, which is located at www.internationalbiotrust.com. The Site includes details of Investee companies, copies of recent Press Releases, information on the Board of Directors, net asset value and share price information and copies of the Annual Report and Interim Report.

There is also a factsheet, which is updated quarterly and is available to shareholders, in printed form, on request from the Secretary of the Company.

The Company releases its net asset value to the London Stock Exchange on a weekly basis.

CAPITAL GAINS TAX INFORMATION

The acquisition costs of the shares and warrants for capital gains tax purposes based upon initial dealings are as follows:

- for the benefit of those shareholders who acquired their holdings in the original Offer for Subscription, with initial dealings on 6 May 1994:

Each ordinary share of 25p each	92.38p
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- for the benefit of those shareholders who acquired their holdings in the first C share issue, with initial dealings on 21 March 1996:

Each ordinary share of 25p each	95.15p
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- for the benefit of those shareholders who acquired their holdings in the second C share issue, with initial dealings on 9 June 1997:

Each ordinary share of 25p each	97.75p
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ASSOCIATION OF INVESTMENT TRUST COMPANIES

The Company is a member of the Association of Investment Trust Companies, which produces monthly publications of detailed information on the majority of investment trusts. Copies of these publications can be obtained by subscription on application to the Association of Investment Trust Companies, Durrant House, 8-13 Chiswell Street, London EC1Y 4YY.

The aims of the Association are to protect and promote the interests of member companies and their shareholders by:

- taking specific action to safeguard and to improve the fiscal and regulatory regime for member companies and their shareholders
- improving investor awareness of investment trusts through education, publicity and the provision of reliable statistical and other information
- encouraging commitment to good practice and high professional standards in the industry.

SCHRODER INVESTMENT TRUST DEALING SERVICE

The Schroder Investment Trust Dealing Service provides a convenient and cost effective means of investing in the ordinary shares of the Company. The Service offers investors:

- a regular investment option from a minimum of £50 per month
- a lump sum investment option from a minimum of £1,000
- daily dealing
- competitive charges
- the option to reinvest income.

Other investment trusts which are available through this service are Schroder AsiaPacific Fund plc, Schroder Emerging Countries Fund plc, Schroder Income Growth Fund plc, Schroder Japan Growth Fund plc, Schroder Split Investment Fund plc, Schroder Split ZDP plc, Schroder UK Growth Fund plc and Schroder Ventures International Investment Trust plc.

Company Summary continued



INDIVIDUAL SAVINGS ACCOUNT – SCHRODER MAXI ISA PLAN

Schroders are providing a non CAT standard investment trust ISA, which includes International Biotechnology Trust plc. The investment trust ISA is designed as a maxi account, made up entirely of a stocks and shares component; a cash or insurance component is not offered. The Schroder ISA offers investors:

- lump sum investments in the ordinary shares of the Company from a minimum of £1,000 to a maximum of £7,000 in the current tax year
- a regular investment option from a minimum of £50 per month
- competitive charges
- the option to reinvest income
- the option to include other trusts.

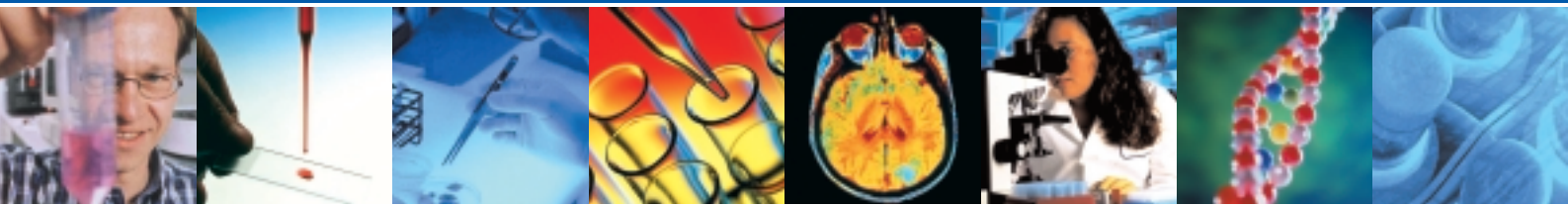
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If you would like further information about the Schroder Investment Trust Dealing Service or the Schroder Maxi ISA, please contact the Secretary of the Company at 31 Gresham Street, London EC2V 7QA or call Schroder Investor Services on freephone 0800 718 777.

REGISTRAR SERVICES

Communications with share holders are mailed to the address held on the register. Any notifications and enquiries relating to registered share holdings, including a change of address or other amendment should be directed to Lloyds TSB Registrars Scotland at PO Box 28448, Finance House, Orchard Brae, Edinburgh EH4 1WQ. The Helpline telephone number of Lloyds TSB Registrars is 0870 601 5366.

Lloyds TSB Registrars Scotland maintain a web-based enquiry service for shareholders. Currently the "Shareview" site (address below) contains information available on public registers. Shareholders will be invited to enter their name, shareholder reference (account number) and post code and will be able to view information on their own holding. Visit www.shareview.co.uk for more details.



For further information contact:

International Biotechnology Trust plc

31 Gresham Street

London EC2V 7QA

Telephone 020 7658 3206

www.internationalbiotrust.com