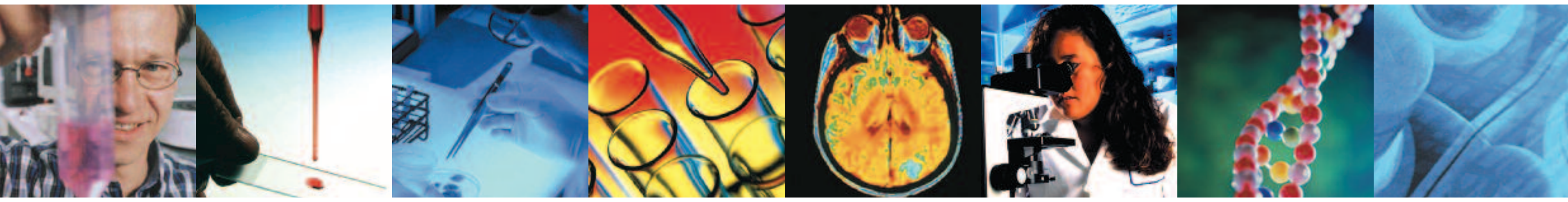
INTERNATIONAL BIOTECHNOLOGY TRUST PLC

Half Yearly Report

Six months ended 28 February 2009



THE BIOTECHNOLOGY SECTOR

The biotechnology sector has matured significantly since the first companies were started in the United States ("US") in the 1970s. More than half the drugs under review by the US Food and Drugs Administration ("FDA") continue to be derived and/or licensed from biotechnology companies.

There are increasing levels of dependency between the pharmaceutical and biotechnology industries, driven by the large increase in patent expiries and pharmaceutical companies' need for new medicines and growth. As a result the biotechnology industry has experienced a dramatic increase in merger and acquisition ("M&A") activity as pharma companies have sought to buy biotechnology companies in order to replenish their pipelines.

In addition to the increased appetite of pharmaceutical companies to acquire biotechnology companies, the underlying trends in the life sciences markets are also encouraging. US Healthcare spending is predicted to grow to 18% of GDP, or $3.4 trillion, by 2013 driven by the ageing population, hitherto unmet medical needs and technology advances.

The biotechnology sector is also becoming broader from a geographical perspective. While the historical centres remain the West and East Coasts of the US, viable industry centres now exist in Europe, Australia and Canada. Emerging biotechnology markets have also been developing in Japan, China and India.

The rewards for commercially successful biotechnology companies are great, with highly profitable drugs meeting previously unmet clinical needs; the sector today combines the defensive characteristics of the pharmaceutical industry with the high growth dynamics of the technology sector.

However, the biotechnology industry is higher risk than the pharmaceutical sector since biotechnology companies typically have more limited pipelines and cash resources, so that product successes or failures have a significant effect on prospects for the companies. Overall industry statistics for successful drug development remain challenging, with 90% of drugs tested in man failing to get approved for sale.

PORTFOLIO APPROACH TO INVESTMENT

Given the high volatility of the biotechnology sector, access to a specialist team is an important aspect of the decision to invest in biotechnology. Investing in biotechnology is difficult for investors who are not dedicated to the sector and do not have the resources to monitor and evaluate new drug developments.

The Company has appointed SV Life Sciences as Investment Manager to the Company. SV Life Sciences is a dedicated life sciences team of professionals based in Boston, London and San Francisco. In addition to the Company, SV Life Sciences manages or advises four life sciences focused venture capital funds with total commitments of $1.4 billion.

The Company offers investors access to the team at SV Life Sciences and the portfolio aims to capture the best prospects of clinical, regulatory and commercial success from a diversified portfolio of public and private biotechnology investments.

Investment Objective and Investment Policy & Strategy

INVESTMENT OBJECTIVE

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. 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 POLICY & STRATEGY

The Company has delegated responsibility for day-to-day investment of its assets to the Investment Manager. Consistent with the Company's investment objective, the Investment Manager makes the majority of its investments in biotechnology companies focused on drug discovery and development. A small proportion of investments is sometimes made in related sectors such as medical devices or healthcare services.

The majority of the Company's assets are generally invested in small and mid capitalisation quoted companies. The Investment Manager seeks to invest up to 30% of the Company's assets in unquoted companies with a current guideline of approximately 40% unquoted company exposure (after allowing for valuation write-ups and further follow-on investments).

For unquoted investments, the Investment Manager seeks to generate gains that represent multiples of invested cost primarily through the sale of these unquoted companies to strategic buyers including major pharmaceutical companies or, in some cases, through a flotation. Quoted holdings are made with an expectation that these companies may benefit from a significant re-rating when they achieve clinical trial success and/or receive regulatory approvals in the US for their products.

The Investment Manager has made the majority of its investments in the US, which is the most mature and established market for drugs. However, the best investments worldwide are sought so the Company will usually have some investments in Western Europe and occasionally elsewhere such as Australia or Asia.

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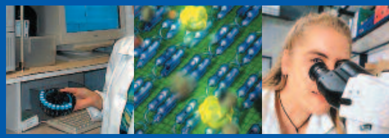
Financial Highlights

six months ended 28 February 2009



	(Unaudited) 28 February 2009	(Audited) 31 August 2008	% Change
COMPANY PERFORMANCE			
Net assets (£'000)	**89,499**	113,517	-21.2
Shares in issue ('000)	**64,833**	70,593	-8.2
Net asset value per share*	**138.1p**	160.8p	-14.1
Share price	**122.3p**	138.3p	-11.6
Share price discount	**(11.4)%**	(14.0)%	
INDEX RETURNS			
NASDAQ Biotechnology Index (£ adjusted)	**£452.6**	£486.5	-7.0
Russell 2000 Growth Biotechnology Research and Production Industry (£ adjusted)	**£35.2**	£44.8	-21.5

* The Company's assets were reduced during the six months ended 28 February 2009 by £6,927,000 utilised in the repurchase of 5,760,000 shares to be held in Treasury, representing 8.2% of the number of Ordinary shares in issue at 31 August 2008. In broad terms, this represents the difference between the fall of 21.2% in net assets and the 14.1% fall in net asset value per share.

Chairman's Statement

SUMMARY

I am able to report what the Board considers a solid performance for the Company in the context of exceptionally difficult markets. Your Investment Manager has worked hard to preserve capital through the adoption of a defensive asset allocation strategy.

The Company's net asset value ("NAV") decreased by 14.1% to 138.1p per share during the six months ended 28 February 2009. This compares to Sterling adjusted decreases of 7.0% and 21.5% in the NASDAQ Biotechnology Index and the Russell 2000 Growth Biotechnology Research and Production Industry (the "Russell Small Cap Biotech Index") respectively. Broader markets as measured by the FTSE 100 and S&P500 indices declined by 32.0% and a Sterling adjusted 27.1% respectively over the period in one of the most difficult periods for stock markets in memory.

The Company's share price fell by 11.6% over the period. The discount of the share price to NAV narrowed slightly to 11.4% at 28 February 2009 from 14.0% at 31 August 2008. The continued existence of this discount level is moderately disappointing but reflects weak markets rather than the health of the Company's assets.

The overwhelming factor affecting the Company's results was the decline in the value of stock markets. An overly indebted financial system was initially destabilised by the collapse in the sub-prime mortgage market, which caused stock markets to crash and which has led to deteriorating economic conditions. In general the prospects for our portfolio companies improved but it was not enough to offset the decline in stock market values.

A notable driver of performance in recent times has been valuation increases from portfolio companies – both quoted and unquoted – being acquired by larger competitors. Due to the market turmoil, merger and acquisition ("M&A") activity in the sector was understandably subdued for most of the period, though the Investment Manager has reported that activity picked up again in the first two months of 2009.

The Board's policy remains not to hedge the Company's foreign currency exposure. As reported last year, the depreciation of Sterling was of significant benefit given that a substantial proportion of the Company's assets is invested outside the UK. This benefit continued during the period under review and amounted to the equivalent of circa 24p per share. The Board continues to keep its policy towards the Company's foreign currency exposure under regular review.

Information about the Company's investments appears in the Investment Manager's Review on pages 5 to 7. The Investment Manager believes it has invested in some of the highest quality public and private-stage companies in the global biotechnology sector, and that the value of drug candidates or medical technologies being developed by these companies will be reflected in acquisitions by larger commercial-stage companies, in initial public offerings or in share price appreciation in the future.

At the end of the half year, the unquoted portfolio represented 27.1% of NAV. The Investment Manager seeks to invest up to 30% of the assets in unquoted companies with a guideline of no more than 40% unquoted company exposure (after allowing for valuation write-ups and further follow-on investments).

The net effect of the changes in the Directors' valuation of unquoted investments was a decrease in net assets of £0.8m or 1.2p per share, during the period. Both the fundamentals and valuations of unquoted biotechnology companies, typically funded in a serial fashion using equity rather than debt, are relatively insulated from market turmoil and have the potential to generate investment returns relatively uncorrelated with stock market returns.

At 28 February 2009, the Company held 7.9% of net assets in cash equivalents and other assets. While the outlook remains difficult for the broader economic environment, the liquidity provides the cash to exploit new investment opportunities as and when they arise.

Chairman's Statement

continued

LONGER-TERM RESULTS

In the last five years, the NAV per share has increased by 7.9% compared to a rise of 8.4% in the NASDAQ Biotechnology Index and a loss of 38.1% in the Russell Small Cap Biotech Index, both Sterling adjusted. The Company's share price has increased by 21.7%.

SHARE BUYBACKS

In the Company's prospectus relating to the C share issue published in January 2007, the Board set out its policy to maintain the discount to NAV at no greater than 8.0% in normal and stable market conditions. This policy has been reiterated at Annual General Meetings since this date.

Since 31 August 2008, the Company has repurchased a total of 5,760,000 shares into Treasury at a total cost of £6.9m and an average discount to the share price of 18.5%, resulting in an enhancement to NAV per share of circa 2p. The discount has narrowed from 14.0% to 11.4%.

Given the current market environment it is difficult to indicate a target for the discount as stock market conditions are presently extreme rather than normal or stable. The Board continues to monitor the position, however, and will take appropriate action, mindful of the interests of all shareholders, the needs of our investee companies and the opportunities in the market place.

CUSTODY, ADMINISTRATION AND COMPANY SECRETARY

During the period the Board agreed and implemented a change to the company secretarial function so that BNP Paribas Securities Services started to provide services to the Company from 1 March 2009. Furthermore, HSBC Securities Services became custodian as from 17 February 2009 and administrator as from 1 April 2009. The changes reflect a focus on streamlining the administrative processes of the Company.

PROSPECTS

The period under review has been exceptionally challenging for all investors. While some loss of the Company's value is to be expected given current market conditions, the Company's assets have together performed much better than the market, demonstrating the attractions of the sector, a diversified portfolio of quoted and unquoted investments and a flexible asset allocation strategy.

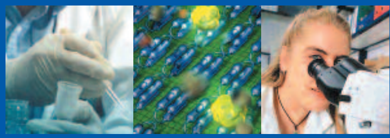
In the near-term the early-stage biotechnology industry appears to be facing multiple challenges, particularly gaining access to risk-tolerant capital. However, the Board notes the majority of the Company's portfolio companies are well capitalised, being either already profitable or having the cash required to develop drug candidates and/or the technologies to meet important value-creating milestones.

The Investment Manager believes investor concerns regarding the threats to the growth prospects and profitability of the biotechnology industry are overdone. The combination of weak stock markets and the recent negative reaction to President Obama's healthcare reform proposals has suppressed biotechnology company valuations, creating an attractive opportunity for new investment into one of the most innovative global growth industries.

While recent stock market volatility has reduced the risk appetite of many investors, the Investment Manager is seeing more opportunities than ever to invest in high quality biotechnology assets at attractive valuations. One of the key advantages of investment trusts – a stable register of long-term orientated shareholders – should enable the Investment Manager to exploit these opportunities to the full.

Andrew Barker
Chairman
20 April 2009

Investment Manager's Review



PERFORMANCE SUMMARY

The six month period ended 28 February 2009 saw the Company's share price decrease 11.6% and NAV per share decrease 14.1%. By comparison the NASDAQ Biotechnology Index and the Russell Small Cap Biotech Index decreased by 7.0% and 21.5% respectively, while the FTSE 100 and S&P500 indices declined 32.0% and 27.1%, respectively. All figures are Sterling adjusted.

The overwhelming factor affecting the value of the Company's quoted investment portfolio during the period was the decline in value of stock markets. However, the Company's NAV continued to benefit on an absolute basis from currency moves as a significant proportion of the portfolio is invested in Dollar and Euro denominated securities.

QUOTED PORTFOLIO SUMMARY

At 28 February 2009, the quoted portfolio represented 65.0% of NAV at £58.2m. Key positive contributions during the period came from investments in Gilead Sciences, Infinity Pharmaceuticals and VNUS Medical Technologies, with negative contributions from Micromet, Biomarin, Hansen Medical and Altus Pharmaceuticals. Three new investments were made during the period – TranS1, Genzyme and VNUS Medical Technologies.

During the period under review, the combined effect of gains and losses on quoted investments, including currency movements, was to reduce the NAV by £19.1m or 29.4p per share. The return for the quoted portfolio over the period was a fall of 18.1%.

UNQUOTED PORTFOLIO SUMMARY

At 28 February 2009, the unquoted portfolio represented 27.1% of NAV at £24.2m. One new investment of £1.2m was made into ReShape, which is developing an endoscopically placed device for the treatment of obesity. A further £2.5m was invested in eight existing holdings.

As previously communicated during the period under review, two investments (Affibody and Dynogen) were written down to zero, two further investments (Ikano – previously known as Intranasal, and Ricerca) were partially written down, and one investment (Cadent) was written up.

The combined effect of valuation losses and currency gains was to increase the NAV by £2.9m or 4.5p per share. The return for the unquoted portfolio only over the period was an increase of 13.6%.

PORTFOLIO SUMMARY AT 28 FEBRUARY 2009

At 28 February 2009, the Company held investments in 54 companies: 31 quoted (representing 65.0% of NAV) and 23 unquoted companies (representing 27.1% of NAV). The remaining 7.9% comprised cash, money market instruments and other net assets. 2.5% of NAV is legally committed to further investments in unquoted companies, while 10.6% is investment-committee approved or reserved for further investment in unquoted companies.

By subsector, 66.2% of NAV was invested in the biopharmaceutical sector, 14.1% of NAV in the medical device sector, 8.2% in speciality pharmaceuticals and 3.6% in the life sciences tools and diagnostics sector, emphasising the diversified nature of the Company's investments.

Representatives of the Investment Manager sat on the boards of 27 portfolio companies (21 unquoted and 6 quoted) at the end of the half year. An active board seat on private companies remains a strategy for the Investment Manager's investing activities in early-stage unquoted biotechnology companies.

MARKET REVIEW

The start of the Company's current financial year (1 September 2008) marked the beginning of one of the largest global financial crises in memory. In September 2008 the implosion of the sub-prime mortgage lending market in the US led to unprecedented drama unfolding in the global financial services sector. The quoted biotechnology sector was unavoidably caught in the downdraft as broader markets fell 30.0% to mid-October in just a few weeks as investors feared for the stability of the global financial system, and further, contemplated the prospect of a major global recession.

The NASDAQ Biotechnology Index and the Russell Small Cap Biotech Index (the latter Index representing small and mid-cap biotech companies) fell 30.0% and 40.0%, respectively, through September to a low on 20 November, in line with the broader market thereby erasing the positive performance seen earlier in the year.

After the panic selling subsided, global equities rallied from their November lows into year-end. The biotechnology sector outperformed the broader market as investors began to appreciate the defensive growth qualities of the larger-cap companies, and the deeply discounted valuations among the smaller-cap companies.

Investment Manager's Review

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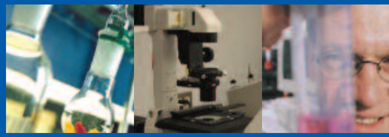


The start of the calendar year 2009 saw broader markets resume a downward trajectory as emerging economic data began to confirm investors' worst fears about the seriousness of the impending global recession, while the actions of central banks and governments failed to reassure investors.

The lacklustre appetite for biotechnology investments that had prevailed for several years previously was swept aside as generalist investors sought the defensive qualities of healthcare, and particularly biotechnology, with the larger companies offering investors highly visible defensive growth using little to no debt-finance, and the smaller companies the possibility of M&A-driven returns.

However, the outperformance of the biotechnology sector proved unsustainable as the Company's half year drew to a close. The sector was already beginning to look vulnerable against a backdrop of deteriorating economic newsflow and increasingly nervous stock markets, and the first details of President Obama's proposals for reform of the US healthcare system announced in late February alarmed generalist investors who had been increasingly using the sector for its defensive growth properties.

For specialist healthcare investors there was nothing unexpected in the proposals as healthcare reform has long been expected of a new Democrat administration. A combination of lack of detail, uncertainty as to how far the administration intends to control drug pricing within government-supported healthcare plans, and incrementally more aggressive language on the administration's enthusiasm for biosimilars legislation, led to a dramatic sell-off across the broader healthcare sector in the last few days of the Company's half year.

Capital markets were effectively closed during the period – there were no biotechnology company IPOs in either the US or Europe – and the level of PIPE (private investment in public equity) and other secondary fundraisings was severely depressed. However, higher quality companies were able to attract financings, typically from small syndicates of specialist healthcare investors. Small-cap companies such as Micromet, Xenoport, Pharmasset and Affymax (all investments by the Company) were able to replenish cash reserves ahead of initiating key value-driving drug development programs.

The venture capital funding environment has remained surprisingly robust during the market turmoil. The larger and more established life-science specialist venture capital firms still have capital to commit to early-stage investment. Although the level of biotech venture capital financing pulled back to approximately $5bn in 2008, this is similar to the levels seen from 2004 to 2006.

After a burst of activity through the middle of 2008, the level of deal flow in the sector unsurprisingly slowed dramatically during the period of market turbulence. Product and technology licensing deals and M&A picked up again in early 2009 helping the biotechnology sector to outperform the broader market as investors speculated on the next strategic moves of rival pharmaceutical companies as competition for specialist biotech drug assets intensifies.

During the period under review, notable M&A transactions included Lilly's acquisition of ImClone for $6.5bn in September and Pfizer's $68bn acquisition of Wyeth in January. The focus for the sector for much of the period was Roche's bid for the remainder of Genentech it does not already own. Roche surprised the market in January with a renewed offer for Genentech, which at a total value of $42bn came in at a lower price than the original offer made in July last year.

Clinical data during the period were predictably mixed, the highlights being positive late-stage data for Amgen's Denosumab for the treatment of osteoporosis announced in September, further positive data for OSI Pharma's Tarceva for the treatment of lung cancer announced in November, and positive data for Merck-Serono's oral cladribine for the treatment of multiple sclerosis announced in January.

The period under review saw no real change in behaviour at the FDA, with companies struggling to receive timely or straightforward approvals from a seemingly dysfunctional agency averse to approving drug applications. The appointment of a new FDA Commissioner, and therefore new leadership, at the Agency over the coming months should act as a catalyst for change, and the Agency has already been investing in new infrastructure and staff over the past year in an attempt to improve performance.

While the debate over the potential impact of healthcare reform in the US increased in intensity ahead of the US election in early November, background investor cautiousness descended into panic-selling of the healthcare sector in late February as President Obama sketched the first outline plans of healthcare reform as part of his Democrat administration's 2010 budget proposal.

The healthcare reform proposals reignited investors' concerns over the implementation of greater government control over drug pricing, as well as the administration's enthusiasm for the creation of an approval pathway for generic or "biosimilar" versions (generic versions of biotechnology drugs) of the biological molecule-based therapies that have been a key driver of growth and profitability for the biotechnology industry over the past few decades.

Investment Manager's Review

continued

OUTLOOK

On the face of it, the biotechnology sector appears to be facing multiple challenges. Closed capital markets are threatening to starve the industry of investment in early-stage research and development. More generally, risk appetite in broader markets is at record lows, limiting the amount of speculative risk capital available for investment in the sector.

Drug discovery and development remains a relatively high-risk commercial pursuit. It still appears to be difficult to get drugs approved for commercialisation by the FDA, and investors fear much-needed healthcare reform in the US is threatening the long-term growth and high profitability of the drug industry.

However, we believe these conditions create hugely compelling opportunities for investment into the sector for experienced specialist investment managers with a diversified portfolio in the highest quality biotech companies and, importantly, a long-term investment view.

The Investment Manager believes closed capital markets will initiate natural selection among the hundreds of biotechnology companies that comprise the industry, leading to evolution of the sector. To some degree it has been too easy to finance biotech companies over the past few years, and we believe that a bloated, inefficient small-cap biotech sector is ripe for restructuring and consolidation.

We expect the sector to emerge stronger as weaker companies, assets and executive management teams fall by the wayside. Ultimately, the severe restriction of capital will result in much more efficient allocation of what remains. With only the highest quality companies, R&D and management teams remaining, this will be good for investors and ultimately patients.

Quoted biotechnology company valuations are affected by the risk appetite of investors. After the stock market correction last year, risk appetite is currently low, but as stability in the financial system returns and signs of economic recovery begin to emerge, risk appetite will improve and more risk-tolerant capital will become available.

We believe valuations across the market cap spectrum within the biotechnology sector are compelling. Clinical data and regulatory approvals for new drugs will drive value creation in the near-term. Valuations among emerging medical technology, life sciences tools and diagnostics companies also look attractive from a long-term perspective.

The perceived threats to the biotechnology sector from healthcare reform in the US are overplayed, in our view. Biotech drug pricing should be relatively well insulated from greater government control as many biotech therapies treat serious life-threatening diseases with significant efficacy, often in relatively small numbers of patients, and often with no other treatment alternatives, meaning that the overall burden on the healthcare system is relatively low.

Biosimilars will emerge in time, but we believe this new form of competition is unlikely to have a significantly negative impact on the growth and profitability of biotech drug products in the near-term. There are significant technical challenges to overcome in the development of these drugs. Furthermore, the regulatory review and approval pathways are still to be developed and refined.

We believe that the sell-off in biotechnology companies' shares – following the US budget announcement in February – was overdone and has created an excellent buying opportunity for long-term investors. However we expect the confusion and uncertainty over US healthcare reform to remain until the details in their final form are resolved.

Finally, we are already seeing positive developments with respect to the new Democratic administration's attitude to early-stage research in the US. Stem-cell research has recently regained government support, and President Obama's economic stimulus package includes multi-billions of Dollars allocated to new investment into early stage medical research. At a basic level, expanded healthcare coverage in the US – the ultimate aim of the Obama administration – should have the effect of increasing volumes, which should help to offset pricing challenges.

SV Life Sciences Managers LLP
Investment Manager
20 April 2009

Ten Largest Investments

as at 28 February 2009

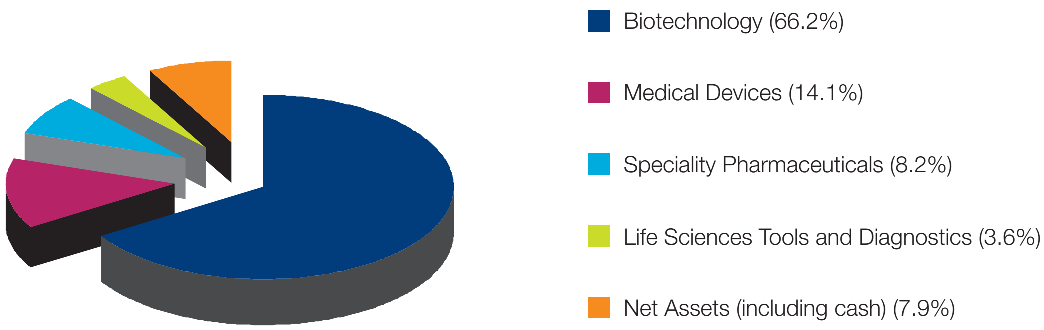
	Investment	Country	Sector classification	Market value of holding £'000	% of shareholders' funds
1	Gilead Sciences	USA	Biotechnology	5,546	6.2
	A global biopharmaceutical company with an industry-leading franchise in HIV drug development and commercialisation. In recent years the company has diversified its portfolio into new diseases, including hypertension and cystic fibrosis. The company recorded revenues of $5.3bn in 2008.				
2	Micromet	USA	Biotechnology	4,973	5.6
	A biotechnology company focused on the development of antibody-based therapeutics for cancer, inflammatory and auto-immune diseases. Its proprietary BITE technology directs the human body's immune system against cancer cells and has shown encouraging early clinical data.				
3	Celgene	USA	Biotechnology	4,900	5.5
	Engaged in the discovery, development and commercialisation of innovative therapies designed to treat cancer and immunological diseases. The company has three marketed products, Revlimid, Thalomid and Vidaza and a full pipeline of drug candidates in clinical development. Total revenues were $2.2bn in 2008.				
4	Oxagen*	UK	Biotechnology	4,697	5.2
	An early-stage biotechnology company developing a pipeline of novel drugs to treat inflammatory diseases. The company's portfolio includes a lead drug candidate programme with the potential to treat asthma and other respiratory and inflammatory conditions with a convenient once daily pill.				
5	Amgen	USA	Biotechnology	4,252	4.8
	A leading biotechnology company that pioneered the development of novel products based on advances in molecular biology. The company markets products which are used to treat anemia, rheumatoid arthritis and other autoimmune diseases. Lead pipeline candidate denosumab for the treatment of osteoporosis could be the next biotech blockbuster. Total revenues were $15bn in 2008.				
6	EUSA Pharma*	USA	Speciality Pharmaceuticals	3,354	3.7
	A specialty pharma company with a strong and growing Pharmaceuticals portfolio of specialty hospital medicines. It has been built through the acquisition of Talisker Pharmaceuticals in July 2006 and OPi in March 2007. In addition the company has an active development pipeline including candidates in rheumatoid arthritis and Alzheimer's disease, schizophrenia and Lambert Eaton Syndrome.				
7	Alexion Pharmaceuticals	USA	Biotechnology	2,843	3.2
	A therapeutic product development company whose main drug product Soliris was approved for the treatment of PNH – a rare autoimmune disorder marked by red blood cell depletion – by the FDA in March 2007 and the EMEA in June 2007. Approximately 8,000 patients worldwide suffer from PNH and a third of those are potential candidates for Soliris. Peak sales are estimated to be in the range of $500m-$1bn.				
8	Affymax	USA	Biotechnology	2,396	2.7
	Develops peptide-based drugs for the treatment of anaemia associated with chronic kidney disease. The main drug candidate Hematide has generated positive clinical data in renal and oncology related anaemia patients. Hematide works by the same mechanism as Amgen's EPO but has a unique protein structure, allowing a better administration profile and should be cheaper to manufacture. Affymax has a worldwide commercialisation agreement with Takeda.				
9	Cadent*	USA	Medical Devices	2,350	2.6
	Has developed proprietary computer aided design applications for the orthodontist and dental markets, which are deployed via a web-based service model on a pay-per-use basis. The first product is a digital computerised image that replaces conventional plaster casts for diagnosis, planning and bracket replacement. The second product is a crown and bridge product that provides exact oral measurements that are sent electronically to the manufacturer.				
10	Genzyme	USA	Biotechnology	2,247	2.5
	A profitable large-cap biotech company focused on the development and commercialisation of therapeutics for rare genetic disorders, renal disease, osteoarthritis, and immune-mediated diseases. Total revenues were $4.6bn in 2008. The company has an active deal-making strategy and has partnered a drug development candidate for the treatment of high cholesterol, and also stem-cell based technology.				

*Unquoted company investment

Classification of Investments

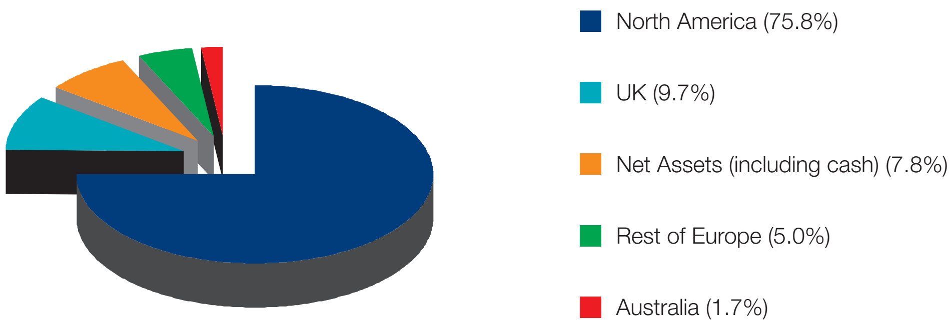
CLASSIFICATION OF SHAREHOLDERS' FUNDS BY SECTOR

at 28 February 2009



CLASSIFICATION OF SHAREHOLDERS' FUNDS BY REGION

at 28 February 2009



Consolidated Income Statement

	Note	Group revenue return £'000	Group capital return £'000	Group total £'000	Group revenue return £'000	Group capital return £'000	Group total £'000	Group revenue return £'000	Group capital return £'000	Group total £'000
		(Unaudited) For the six months ended 28 February 2009			(Unaudited) For the six months ended 29 February 2008			(Audited) For the year ended 31 August 2008		
(Losses)/gains on investments held at fair value		**–**	**(16,166)**	**(16,166)**	–	(9,791)	(9,791)	–	13,670	13,670
Exchange losses on currency balances		**–**	**(44)**	**(44)**	–	(43)	(43)	–	(35)	(35)
Income	2	**144**	**–**	**144**	200	–	200	488	–	488
Expenses										
Management fees	3	**(688)**	**–**	**(688)**	(692)	–	(692)	(1,339)	–	(1,339)
Performance fee		**–**	**–**	**–**	–	–	–	–	(966)	(966)
Administrative expenses		**(328)**	**–**	**(328)**	(328)	–	(328)	(631)	–	(631)
Net (loss)/profit before finance costs and taxation		**(872)**	**(16,210)**	**(17,082)**	(820)	(9,834)	(10,654)	(1,482)	12,669	11,187
Finance costs										
Interest payable	3	**(9)**	**–**	**(9)**	(22)	–	(22)	(25)	–	(25)
Net (loss)/profit on ordinary activities before taxation		**(881)**	**(16,210)**	**(17,091)**	(842)	(9,834)	(10,676)	(1,507)	12,669	11,162
Taxation on ordinary activities		**–**	**–**	**–**	–	–	–	–	–	–
Net (loss)/profit after taxation attributable to equity shareholders		**(881)**	**(16,210)**	**(17,091)**	(842)	(9,834)	(10,676)	(1,507)	12,669	11,162
Net (loss)/profit per Ordinary share	4	**(1.3)p**	**(23.9)p**	**(25.2)p**	(1.2)p	(13.9)p	(15.1)p	(2.1)p	17.9p	15.8p

The total column of this statement represents the Group's Income Statement prepared in accordance with International Financial Reporting Standards ("IFRS").

The Revenue and Capital columns are supplementary to this and are prepared under guidance published by The Association of Investment Companies. The Group has no recognised gains and losses other than those disclosed in the Consolidated Income Statement and the Consolidated Statement of Changes in Equity.

All income is attributable to the equity holders of the parent company. There are no minority interests.

All items in the above statement derive from continuing operations.

The notes on pages 14 and 15 form part of these Financial Statements.

Consolidated Balance Sheet

	Note	**(Unaudited) At 28 February 2009 Group £'000**	(Unaudited) At 29 February 2008 Group £'000	(Audited) At 31 August 2008 Group £'000
Non-current assets				
Investments held at fair value through profit or loss		**82,481**	72,624	102,816
		82,481	72,624	102,816
Current assets				
Other receivables		**36**	2,652	31
Investments held for trading		**4,500**	11,189	11,838
Cash and cash equivalents		**3,460**	6,705	1
		7,996	20,546	11,870
Total assets		**90,477**	93,170	114,686
Current liabilities				
Other payables		**(978)**	(1,491)	(1,169)
Net assets		**89,499**	91,679	113,517
Equity attributable to equity holders				
Called up share capital	5	**17,648**	17,648	17,648
Share premium account		**18,746**	18,746	18,746
Capital redemption reserve		**24,169**	24,169	24,169
Share purchase reserve		**58,637**	65,564	65,564
Capital reserve	6	**(14,313)**	(20,606)	1,897
Revenue reserve		**(15,388)**	(13,842)	(14,507)
Equity shareholders' funds		**89,499**	91,679	113,517
Net asset value per Ordinary share	7	**138.1p**	129.9p	160.8p

The notes on pages 14 and 15 form part of these Financial Statements.

Consolidated Statement of Changes in Equity

Group
For the six months ended 28 February 2009 (Unaudited)

	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Share purchase reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 31 August 2008	**17,648**	**18,746**	**24,169**	**65,564**	**1,897**	**(14,507)**	**113,517**
Net loss for the period	**–**	**–**	**–**	**–**	**(16,210)**	**(881)**	**(17,091)**
Shares bought back and held in Treasury	**–**	**–**	**–**	**(6,927)**	**–**	**–**	**(6,927)**
Balance at 28 February 2009	**17,648**	**18,746**	**24,169**	**58,637**	**(14,313)**	**(15,388)**	**89,499**

Group
For the six months ended 29 February 2008 (Unaudited)

	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Share purchase reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 31 August 2007	17,648	18,751	24,169	65,564	(10,772)	(13,000)	102,360
Net loss for the period	–	–	–	–	(9,834)	(842)	(10,676)
Share issue costs	–	(5)	–	–	–	–	(5)
Balance at 29 February 2008	17,648	18,746	24,169	65,564	(20,606)	(13,842)	91,679

Group
For the year ended 31 August 2008 (Audited)

	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Share purchase reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 31 August 2007	17,648	18,751	24,169	65,564	(10,772)	(13,000)	102,360
Net profit for the year	–	–	–	–	12,669	(1,507)	11,162
Share issue costs	–	(5)	–	–	–	–	(5)
Balance at 31 August 2008	17,648	18,746	24,169	65,564	1,897	(14,507)	113,517

The notes on pages 14 and 15 form part of these Financial Statements.

Consolidated Cash Flow Statement

	(Unaudited) For the six months ended 28 February 2009 Group £'000	(Unaudited) For the six months ended 29 February 2008 Group £'000	(Audited) For the year ended 31 August 2008 Group £'000
Cash flows from operating activities			
Net (loss)/profit before finance costs and taxation	**(17,082)**	(10,654)	11,187
Exchange losses on currency balances	**44**	43	35
Adjustments for:			
Decrease/(increase) in investments	**20,335**	29,150	(1,042)
Decrease/(increase) in current asset investments	**7,338**	(10,670)	(11,319)
(Increase)/decrease in receivables	**(5)**	(840)	1,781
Decrease in payables	**(949)**	(248)	(578)
Net cash flows from operating activities	**9,681**	6,781	64
Cash flows from financing activities			
Share issue costs	**–**	(5)	(5)
Share buybacks	**(6,169)**	–	–
Interest paid on bank overdrafts	**(9)**	(30)	(25)
Net cash used in financing activities	**(6,178)**	(35)	(30)
Net increase in cash and cash equivalents	**3,503**	6,746	34
Effect of foreign exchange losses	**(44)**	(43)	(35)
Cash and cash equivalents at beginning of period	**1**	2	2
Cash and cash equivalents at end of period	**3,460**	6,705	1

The notes on pages 14 and 15 form part of these Financial Statements.

Notes to the Financial Statements

1. Accounting policies

The Group's functional currency and the currency used for the presentation of these Financial Statements is pounds Sterling, as that is the currency of the primary economic environment in which the Group operates.

The financial information for each of the six month periods ended 28 February 2009 and 29 February 2008 comprises non-statutory accounts within the meaning of Sections 434 - 436 of the Companies Act 2006. The financial information for the year ended 31 August 2008 has been extracted from published accounts that have been delivered to the Registrar of Companies and on which the report of the auditors was unqualified. The Half Yearly Financial Statements have been prepared on the same basis as the Annual Financial Statements.

The Group's accounting policies have not varied from those described in the Annual Report and Financial Statements for the year ended 31 August 2008.

2. Income

	(Unaudited) For the six months ended 28 February 2009 £'000	(Unaudited) For the six months ended 29 February 2008 £'000	(Audited) For the year ended 31 August 2008 £'000
Income from investments held at fair value through profit or loss:			
Franked dividends	**–**	12	21
Unfranked dividends	**22**	20	50
	22	32	71
Other income:			
Income from current asset investments	**119**	132	370
Interest on deposits	**3**	36	47
	144	200	488

3. Management fees and interest payable

The investment management fee and any finance costs on borrowings for investment purposes are apportioned 100% to the revenue return.

4. Profit/(loss) per Ordinary share

	(Unaudited) For the six months ended 28 February 2009 £'000	(Unaudited) For the six months ended 29 February 2008 £'000	(Audited) For the year ended 31 August 2008 £'000
Net revenue loss	**(881)**	(842)	(1,507)
Net capital (loss)/profit	**(16,210)**	(9,834)	12,669
	(17,091)	(10,676)	11,162
Weighted average number of ordinary shares in issue	**67,752,995**	70,592,664	70,592,664
Revenue loss per Ordinary share	**(1.3)p**	(1.2)p	(2.1)p
Capital (loss)/profit per Ordinary share	**(23.9)p**	(13.9)p	17.9p
Total (loss)/profit per Ordinary share	**(25.2)p**	(15.1)p	15.8p

Notes to the Financial Statements

continued

5. Issued share capital

During the six months ended 28 February 2009, the Company repurchased 5,760,000 Ordinary shares to be held in Treasury, at a cost of £6,927,000, which reduced the number of Ordinary shares in issue from 70,592,664 shares to 64,832,664. The Ordinary shares held in Treasury have no voting rights and are not entitled to dividends.

Since 28 February 2009, the Company has not repurchased any further Ordinary shares for cancellation or to be held in Treasury.

6. Capital reserve

The capital reserve account comprises both realised and unrealised gains and losses on investments.

Only the "realised" profits may be distributed, which comprise gains and losses on the realisation of investments, together with changes in the fair value of investments that are considered to be readily convertible into cash without accepting adverse terms.

Accordingly, the split of capital reserve between realised and unrealised in order to determine distributable realised profits is as follows:

	(Unaudited) At 28 February 2009 £'000	(Unaudited) At 29 February 2008 £'000	(Audited) At 31 August 2008 £'000
Capital reserve – realised	**(10,439)**	(13,113)	12,256
Capital reserve – unrealised	**(3,874)**	(7,493)	(10,359)
	(14,313)	(20,606)	1,897

7. Net asset value per share

	(Unaudited) At 28 February 2009 £'000	(Unaudited) At 29 February 2008 £'000	(Audited) At 31 August 2008 £'000
Net assets attributable to ordinary shareholders (£'000)	**89,499**	91,679	113,517
Ordinary shares in issue at end of period	**64,832,664**	70,592,664	70,592,664
Net asset value per Ordinary share	**138.1p**	129.9p	160.8p

8. Contingent asset

HM Revenue and Customs ("HMRC") has declared its acceptance that fund management services to investment trusts are exempt from VAT. The Investment Managers have confirmed that they have lodged claims with HMRC to recover VAT paid from January 2001 onwards.

Until the exact recovery amount is certain there will be no recognition of an asset in the Financial Statements. However, the amount of VAT recoverable, whilst welcome, is considered unlikely to be material.

9. Related party transactions

There have been no related party transactions that have materially affected the financial position or the performance of the Group.

Directors' Responsibility Statement

In respect of the Half Yearly Report for the six months ended 28 February 2009, we confirm that, to the best of our knowledge:

– the Financial Statements contained within have been prepared in accordance with IFRS; and

– the Chairman's Statement and Investment Manager's Review include a fair review of the information required by 4.2.7R and 4.2.8R of the Financial Services Authority's Disclosure and Transparency Rules.

The Half Yearly Report for the six months ended 28 February 2009 was approved by the Board and the above Responsibility Statement has been signed on its behalf by:

Andrew Barker
Chairman
20 April 2009

Company Summary, Shareholder Information Directors and Advisers

COMPANY STATUS

The Company was established in 1994 as an independent investment trust whose shares are listed on the London Stock Exchange (Ordinary shares: ISIN No GB0004559349; EPIC Code IBT). The Company is registered in England and Wales with number 2892872.

BENCHMARKS

The Company's investment performance is compared to the NASDAQ Biotechnology Index and the Russell Small Cap Biotech Index (both Sterling adjusted).

DURATION

The Company's Articles of Association provide for Directors to put forward proposals for the continuation of the Company at the Company's Annual General Meeting at two-yearly intervals. Accordingly, such proposals will be put forward at the forthcoming Annual General Meeting, which is expected to be held in December 2009.

SHARE PRICE AND NET ASSET VALUE INFORMATION

The Company's shares are listed on the London Stock Exchange. The Company's share price is quoted daily in the Financial Times.

The Company releases its NAV per share to the market on a daily basis.

ASSOCIATION OF INVESTMENT COMPANIES

The Company is a member of the Association of Investment Companies ("AIC"). Further information on the AIC can be found at its website, **www.theaic.co.uk**.

2009 FINANCIAL CALENDAR

April	Half Yearly Results announced
31 August	Year End
October	Annual Results announced
December	Annual General Meeting held

SHARES IN ISSUE

As at 17 April 2009, the Company had 64,832,664 Ordinary shares of 25p each in issue.

WEBSITE

The Company maintains a website, which is located at **www.internationalbiotrust.com**. The site provides share price and NAV information as well as details of the Board of Directors and Investment Manager, information on investee companies, monthly fact sheets, the latest published Annual and Half Yearly Reports and access to recent market announcements.

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

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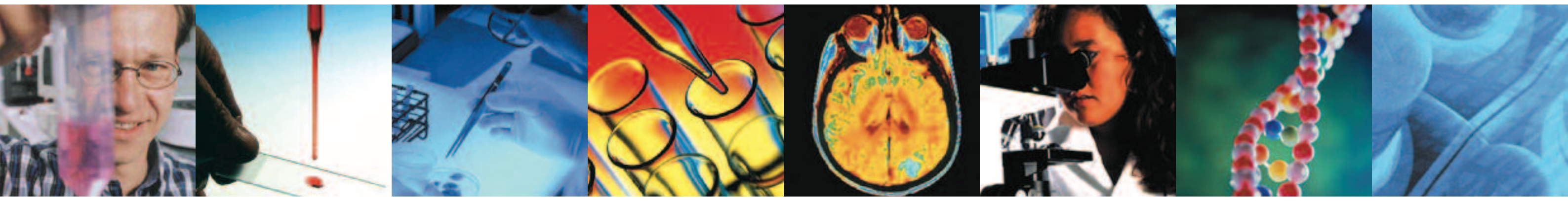
*Calls to this number are charged at 8p per minute from a BT Landline. Other telephone providers' costs may vary.



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