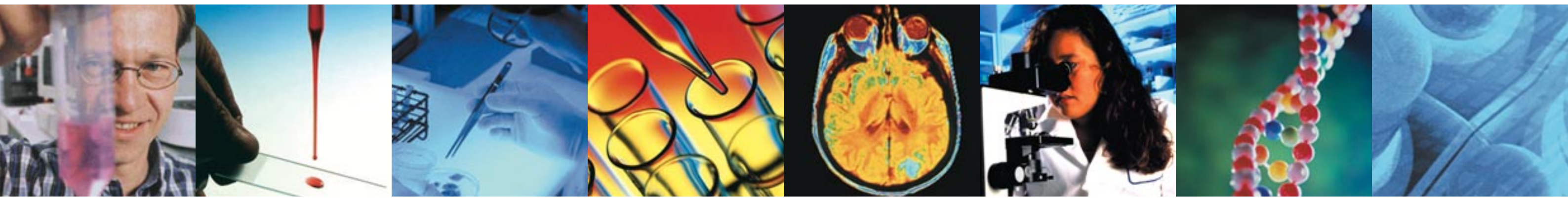
International Biotechnology Trust plc

Half Yearly Report

Six months ended 28 February 2010



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 Drug 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 $4.4bn, or 20.3% of GDP by 2018, from 2009 where $2.5bn will be spent representing 17.6% of GDP, 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.

Investment in biotechnology companies carries higher risks 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 human subjects failing to get approved for sale.

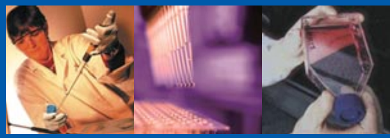
Portfolio Approach to Investment

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 team of dedicated life sciences professionals based in Boston, London and San Francisco. In addition to the Company, SV Life Sciences manages or advises five life sciences focused venture capital funds with total commitments of $1.4bn.

Investment in the Company offers investors access to the team at SV Life Sciences, and the Investment Manager aims to capture the best prospects for clinical, regulatory and commercial success through the construction of a diversified portfolio of public and private biotechnology investments.

Investment Objective and Investment Policy & Strategy



Investment Objective

The investment objective of International Biotechnology Trust plc (the "Company") is to achieve long-term capital growth by investing in development stage biotechnology companies that are either quoted or unquoted with the potential for high growth. 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 number of investments is also 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 while currently allowing an exposure of up to 40% in unquoted companies (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 acquired with an expectation that these companies may benefit from a significant re-rating when they achieve clinical trial success and/or receive regulatory approvals 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.

Contents

Further information on the Company may be found on the internet at **www.internationalbiotrust.com**

Financial Highlights

for the six months ended 28 February 2010

	(Unaudited) 28 February 2010	(Audited) 31 August 2009	% Change
Group Performance			
Shareholders' funds (£'000)	**101,119**	98,255	2.9
Ordinary shares in issue ('000)*	**61,633**	64,833	-4.9
Net asset value ("NAV") per share†	**164.07p**	151.55p	8.3
Share price	**131.00p**	120.75p	8.5
Share price discount	**(20.2)%**	(20.3)%	
Index Returns			
NASDAQ Biotechnology Index ("NBI") (Sterling-adjusted)	**576.76**	496.45	16.2
Russell 2000 Biotechnology Growth Index ("RGUHSBTG") (Sterling-adjusted)	**698.71**	666.51	4.7

**Excludes 3,200,000 Ordinary shares held in treasury (31 August 2009: 5,760,000).*

†The Company's assets were reduced during the six months ended 28 February 2010 by £3,950,000 utilised in the repurchase of 3,200,000 shares to be held in treasury, representing 4.9% of the number of Ordinary shares in issue at 31 August 2009. In broad terms, this represents the difference between the increase of 2.9% in shareholders' funds and the increase of 8.3% in the NAV per share.

Chairman's Statement

Summary

I am pleased to report an increase in both the net asset value ("NAV") per share and share price of the Company. While newsflow from the unquoted portfolio was quiet following the sale of ESBATech in September 2009, the quoted portfolio performed well to capture the renewed investor interest in the biotechnology sector, particularly benefiting the larger-cap companies.

The NAV per share increased by 8.3% to 164.1p per share during the period. This compares to Sterling-adjusted increases of 16.2%, and 4.7%, in the NASDAQ Biotechnology Index ("NBI") and the Russell 2000 Biotechnology Growth Index ("RGUHSBTG"), respectively. Broader markets as measured by the FTSE 100 and S&P500 indices increased by 9.1% and a Sterling-adjusted 15.7%, respectively.

The Company's share price increased by 8.5% over the period. The discount of the share price to the NAV per share was virtually unchanged at 20.2% at 28 February 2010 from 20.3% at 31 August 2009. As both the NAV per share and share price have increased, the continued existence of this discount level is disappointing and is discussed in some detail below.

Currency movements again provided a net benefit to the Company's NAV as the US Dollar strengthened against Sterling and a large percentage of the Company's assets is invested in Dollar-denominated assets. The Board's policy remains not to hedge the Company's currency exposure but to continue to keep the situation under review.

Share Buybacks and the Discount

Over the course of the last six months the Company repurchased a total of 3,200,000 Ordinary shares into treasury at a total cost of £4.0m and at an average discount of 20.4%, resulting in an enhancement to the NAV per share of approximately 1.5p. Despite these purchases, the discount of the share price to the NAV per share as at 28 February 2010 was 20.2%.

The Board has devoted a considerable amount of time in recent months to considering share buybacks and the level of the discount, mindful of the statement made to the Company's shareholders at the time of the C Share issue in February 2007, and feedback from shareholders.

In the Prospectus for the C Share issue dated 12 January 2007, the Board stated that it would seek to maintain the discount of the share price to the NAV per share at no greater than 8% but there was no guarantee that this level would be achieved. In my Chairman's letter to shareholders at the time I also wrote:

> *"Given the nature of the Company's portfolio, 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 ratings, it will be necessary to review this target discount level from time to time and to maintain the same at either a narrower or a wider level as appropriate".*

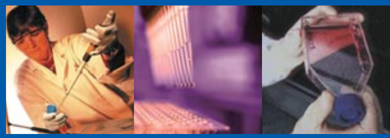
Although the discount remained narrower than the target level for about twelve months from the C Share issue through to March 2008, the discount since has generally widened despite the Company repurchasing 9.0m Ordinary shares (equivalent to 39.7% of the Ordinary shares converted from the C Share issue) at a total cost of £10.9m. These buybacks in total have added 4.0p to the NAV per share.

There are a number of reasons why the discount has widened, including the following:

> Stock market conditions have become less stable and investors are more risk adverse. Most importantly, investors tend to put a higher discount on the underlying value of unquoted shares than quoted shares, particularly in uncertain times, as they are considered less immediately realisable, harder to value and higher risk. The Board considers that the unquoted portfolio, which now represents 21.4% of the NAV, has very good prospects and the considerable discount that investors are currently applying to these investments should narrow as stock market conditions improve and as the unquoted portfolio matures.
>
> Another factor, which has led to a wider discount, is that when managing an unquoted portfolio there are often long periods of time when the Board and the Investment Manager are privy to potentially price sensitive information. This has the effect of making us "insiders", thus imposing restrictions on our ability to buy back shares. For example, in 2009 during negotiations to sell ESBATech to Alcon – ultimately achieving a deal with a potential return of 6.8x cost – the Board was considered "inside" and unable to buy back shares.

Chairman's Statement

continued



The Board considers that it is unrealistic that the target level of discount can be achieved in the near-term, at least whilst investors are very risk adverse, especially towards unquoted investments. However we will strive to achieve the target level over the medium and longer-term.

The Board, with its legal advisers, has also considered ways of overcoming the restrictions on buying back shares when the Board and the Investment Manager may be "inside". We have now put in place an arrangement that will remove these restrictions. Under this arrangement a further 200,000 Ordinary shares have been bought back since 28 February 2010.

Longer-term Results

Given the circumstances of the past five years, we are pleased with the progress made by the Investment Manager. Since 28 February 2005, the NAV per share has increased by 35.6% compared to an increase of 59.6% in the NBI and an increase of 6.1% in the RGUHSBTG, both Sterling-adjusted.

Prospects

With the quoted portfolio performing well, investors are understandably focused on the prospects for the unquoted portfolio which, aside from a potentially very valuable structured exit for ESBATech, had another relatively quiet period.

The previous twelve months have seen the refinancing of many of the Company's unquoted investments. Although aggressive pricing on the part of new investors has caused a decrease in the carrying value of the unquoted portfolio overall, it is the Investment Manager's view that, being now well-capitalised, the Company's investments are in a strong position, and should begin to generate attractive returns in the near-future.

The Board recognises that the unquoted portfolio is relatively immature, with 17 of the 23 investments having been made since the C Share issue in February 2007. It is the Board's view that the Investment Manager's long-term performance in the life sciences venture capital investment space justifies confidence as these investments begin to mature over the next few years.

The historical returns from the Company's unquoted investments have been strong. Under the current Investment Manager, all fully realised investments (whether successfully sold or written-off) have returned 2.2x invested capital at an internal rate of return of 49.7%.

Both the fundamentals and valuations of unquoted biotechnology companies, typically funded in a serial fashion using equity rather than debt, are relatively uncorrelated to stock market returns. The Board continues to view the unquoted portfolio as a unique and exciting investment proposition. The Investment Manager believes that improving fundamentals for the quoted portfolio are yet to be reflected in valuations.

The near-term outlook for the Company continues to be promising. US healthcare reform remains less of a threat than investors have been expecting, and the Investment Manager believes the quantity of significant newsflow expected over the coming year will attract more investors to the sector.

Andrew Barker
Chairman

8 April 2010

Investment Manager's Review

Performance Summary

The six months ended 28 February 2010 saw the Company's share price increase by 8.5% and the NAV per share increase by 8.3%. By comparison the NBI rose by 16.2%, and the RGUHSBTG by 4.7%, while the FTSE 100 and S&P500 indices increased by 9.1% and 15.7%, respectively. All figures are Sterling-adjusted.

With broader market sentiment becoming more stable over the period, the Company's performance was driven by the quoted portfolio which returned 11.0%, while the unquoted portfolio returned 3.4%. 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-denominated securities. The effect during the period was to increase the NAV by 6.2% or 9.8p per share. Share buybacks during the period also enhanced the NAV.

Quoted Portfolio Summary

At 28 February 2010, the quoted portfolio represented 78.1% of the NAV at £79.0m. Key positive contributions during the period came from investments in Micromet, Celgene, Insulet, Santarus and Alexion, with negative contributions from Poniard, Nanosphere, ProStrakan, Halozyme and Hansen Medical. There were 35 investments in the quoted portfolio at the end of the period against 39 at the start.

During the period under review, the combined effect of gains and losses on quoted investments, including currency movements, was to increase the NAV by £7.7m or 12.5p per share. The return for the quoted portfolio over the period was 11.0%. Descriptions of the Company's top quoted investments are presented on page 9.

Unquoted Portfolio Summary

At 28 February 2010, the unquoted portfolio represented 21.4% of the NAV at £21.6m. Three new investments were made during the period – £307k into Ophthotech, £1.5k into Antiva and £53k into Delenex, while eleven follow-on investments were made with a value of £3.3m into Affinium, Allocure, EBR Systems, Entellus, Ikano Therapeutics, Itero, Lux Biosciences, Oxagen, Spinal Kinetics, TransEnterix and Ricera.

As previously communicated during the period under review, one sale was achieved for portfolio company ESBATech in a structured deal for an upfront payment of £1.9m with a further £6.8m possibly upon the achievement of future clinical milestones which represents a potential 6.8x return on invested capital. Three investments were written down: Archemix, EUSA Pharma and Ricerca, and one investment, Itero, was written up.

The combined effect of these valuation changes, including currency movements, was to increase the NAV by £0.8m or 1.2p per share. The return for the unquoted portfolio only over the period was 3.4%. Descriptions of the Company's top unquoted investments are presented on page 9.

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 Board has set this guideline and considers this level is appropriate.

Portfolio Summary February 2010

At 28 February 2010, the Company held investments in 58 companies: 35 quoted (representing 78.1% of the NAV) and 23 unquoted companies (representing 21.4% of the NAV). The remaining 0.5% comprised cash, money market instruments and other net assets. 1.9% of the NAV is legally committed to further investments in unquoted companies, while 14.5% is investment committee approved or reserved for further investment in unquoted companies.

By subsector, 63% of the NAV was invested in the biotechnology sector, 17% of the NAV in the medical device sector, 12% in the speciality pharmaceuticals sector and 7% in the life sciences tools and diagnostics sector, emphasising the diversified nature of the Company's investments.

Members of the Investment Manager's team sat on the boards of 23 portfolio companies (20 unquoted and 3 quoted) at the end of the period, unchanged from 31 August 2009. An active board seat on private companies remains an important aspect of the Investment Manager's investing activities in early-stage unquoted biotechnology companies.

Market Review

After a strong recovery through the middle part of 2009 on the back of an improvement in investor confidence, valuations in the biotechnology sector pulled back early in the interim period as investors took profits from a rally that appeared to have gone too far and too fast in the short-term. In addition a glut of relatively large follow-on financings for some of the later-stage biotechnology companies over the summer and early autumn of 2009 appeared to soak up a significant amount of buying interest in the sector.

Investment Manager's Review

continued

After the sector experienced a significant correction in October, it moved higher into the year end as the follow-on financings were digested and broader market confidence appeared more robust than many had feared. Clinical development and regulatory news during the second half of 2009 was on balance positive. Investors appeared more comfortable increasing allocations to the sector, and perhaps closed out short positions going into the year end.

The biotechnology sector enjoyed a positive start to the new year with the larger-cap companies such as Amgen, Celgene and Gilead pre-announcing solid fourth quarter earnings and issuing financial guidance for 2010 in-line with, or slightly better than, investors' expectations. With continued uncertainty over the macro-economic outlook, it appears that investors are again becoming attracted to the defensive growth characteristics of the larger biotechnology companies.

After a surprisingly strong performance through the middle part of 2009 from the oversold levels seen in March 2009, the smaller-cap biotechnology stocks have performed less strongly recently, suggesting that appetite for investment in higher-risk biotechnology companies has waned slightly at the start of the new year as investors have begun to question the sustainability of the remarkable recovery in the broader market.

While performance of the smaller-cap biotechnology group has been muted, it is notable that the higher quality early-stage companies continue to be able to replenish cash reserves from equity offerings to groups of specialist investors. Indeed the second half of 2009 was notable for the significant quantity of capital that biotechnology companies were able to raise. Public biotechnology companies raised a total of $3.7bn in the second half of 2009 versus $2.5bn in the first half according to Credit Suisse estimates. In a difficult market environment, this has been a strong positive for an industry that is primarily characterised by heavy investment in research and development.

This robust fundraising environment in the public markets has extended to the venture capital space. In total, $7.8bn was invested into venture capital-stage healthcare companies in 2009, down from the $8.9bn invested in 2008, according to Dow Jones VentureSource data. While the overall level of venture capital investment declined in 2009 versus the previous year, the trend through the course of 2009 has been for increasing investment. In particular the fourth quarter of 2009 was strong, which bodes well for the coming year.

Interestingly, allocations to healthcare venture capital investment increased over the course of 2009 at the expense of allocations to other industry groups. For the first time in a decade, venture capital funding for healthcare companies at 38% of the total actually surpassed that for IT companies. Within healthcare, investment into biotechnology companies continues to be the majority allocation at 58%.

It is notable that companies within the unquoted portfolio have managed to raise capital as needed during the financial crisis. The pricing of new investment rounds by investors joining existing syndicates has become more aggressive, which has contributed to the decline in valuations seen for investments within the Company's portfolio, but the significant amounts of capital raised enable these companies to reach the next value-inflection point, whether the generation of clinical data, or deal-making activity.

The recent trend for venture capital-stage investment has been towards investing in later-stage companies or supporting current investments in tight syndicates of strong co-investors. This trend continues to be mirrored in the public markets where investors continue to shun relatively early-stage and unfamiliar companies. While seasoned companies continue to be able to attract follow-on financing, there is limited appetite for biotechnology company IPOs.

While larger companies such as Talecris and Ironwood Pharmaceuticals have managed to complete IPOs, these commercial or post-clinical development-stage companies are characterised by a much lower risk profile than the traditional development-stage biotechnology company. Several earlier clinical-stage companies have filed for IPOs but we remain cautious on their near-term prospects in the current market environment.

The level of M&A and product licensing in the sector remains robust. In recent weeks two large pharmaceutical companies – GlaxoSmithKline and AstraZeneca – have announced their intention to reduce their investment in internal research and development, while increasing their level of outsourcing of new drug candidates from biotechnology companies. AstraZeneca's $1.2bn deal with Rigel Pharmaceuticals for a new drug candidate to treat rheumatoid arthritis illustrates a core theme – biotechnology companies are providing the innovation required to meet the healthcare challenges of the current century.

Investment Manager’s Review

continued

Healthcare Reform

On 21 March 2010, the US House of Representatives voted narrowly to pass the US Senate’s controversial healthcare reform bill. Democrats behind President Obama’s healthcare reform agenda managed to garner 219 votes to defeat 212 members of Congress set against the proposals, including some 34 Democrats, and all of the Republican Congress members. A relieved President signed this major piece of domestic policy into law just two days later. At an estimated cost of $940bn over the next decade, the landmark Patient Protection and Affordable Care Act will extend healthcare coverage to 32m Americans currently without healthcare insurance.

As expected, to get the bill passed, significant compromises were made, and the final version is nowhere near as radical as the rhetoric surrounding the early proposals made last year. At the same time as pharmaceutical and biotechnology companies have gained 32m new consumers, the potentially negative impact on the profitability and growth of the US drug industry is much less than investors have feared. Healthcare reform will have more of an impact on those industries brokering access to healthcare, such as the healthcare insurance and managed care companies, rather than those providing the content.

As part of negotiations between Washington and industry, pharmaceutical companies had already pledged to spend $80bn in assisting patients with the cost of drug treatments. President Obama’s healthcare reform bill will increase this by another $10bn. Increased rebates on drugs prescribed under the government’s Medicaid system and increased subsidies to help Medicare patients cover the “doughnut-hole” gap in treatment reimbursement will result in a mid-single digit percentage hit to earnings for pharmaceutical and biotechnology companies on various research estimates, but arguably has already been reflected in investor earnings forecasts.

A major positive is the abandonment of a government-sponsored insurance scheme or “public plan”. Pharmaceutical and biotechnology companies had feared the size of this scheme would have given the government too much power when negotiating drug prices. While rebates have been increased in the Medicaid system, they have not been extended to the Medicare system as had been feared. Medical device companies will however see a low single-digit percentage sales tax on certain products, and cuts to hospital budgets may lead to further pricing pressure for devices and surgical procedures generally.

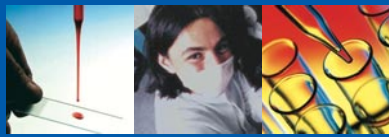
We have long viewed biotechnology drug pricing as relatively insulated from the effects of healthcare reform. Many biotechnology therapies treat serious life-threatening diseases with significant efficacy, often in relatively small numbers of patients, and often with no other treatment alternatives, meaning that the overall cost burden on the healthcare system is relatively low. Certainly in specialist areas such as HIV, Hepatitis C, cancer or genetic diseases, we expect drug pricing to remain robust for effective therapies.

Investors have also been inordinately concerned over the prospect of the introduction of biosimilars or follow-on biologics legislation, regarding it as a threat to the future growth and profitability of the biotechnology sector. This is because some of the largest biotechnology companies rely heavily on patent-expired (or imminently expiring) drugs for growth and profitability, protected in part by the absence of a regulatory framework for developing and approving generic versions.

However, the healthcare reform bill gives biotechnology companies twelve years’ marketing exclusivity for their biological molecules, over and above basic patent protection, which is significantly longer than many Democrats, including President Obama, had been pushing for. Even more importantly, companies developing biosimilars will be unable to use the safety and efficacy data of the original innovator’s drug except in limited circumstances. This denies biosimilar competition a fast track to market as new clinical data will need to be generated, taking time and significant investment, and, of course, involving risk.

Investment Manager's Review

continued



Copycat versions of biotechnology drugs, whether biosimilars, follow-on biologics, or "biobetters" – will no doubt emerge in time, but we reiterate our view that this new competition is unlikely to have a significant negative impact on existing biotechnology drug products in the near or even medium-term. There are still significant technical challenges to overcome and the regulatory pathways are still to be developed and refined. Furthermore, the lesson from Europe, where a handful of biosimilar products have been launched, is that biosimilars pricing is much less aggressive than small molecule generic pricing, and market share capture is much less significant.

Outlook

Twelve months ago we wrote that the sector appeared to be facing multiple challenges. Closed capital markets were threatening to starve the industry of investment in early-stage research and development. Risk appetite in broader markets was at record lows, limiting the amount of risk-tolerant capital available for investment in the sector.

Both of these situations have improved over the intervening period. Further, the FDA – as the gatekeeper for new medicines and medical technologies – as an organisation is beginning to work more effectively under new leadership and significant investment in infrastructure and staffing, though the regulatory process continues to be robust and challenging for even the strongest new drug applications.

Uncertainty over the impact of healthcare reform in the US – the world's largest healthcare market – has acted as a significant overhang over the biotechnology sector for the past twelve months or so. With the passing of a healthcare reform bill, we expect the increased clarity on the sector's future growth and profitability to attract non-specialist investors.

With decreased risk to the biotechnology sector's long-term growth and profitability, and a more stable market backdrop, we believe it is an excellent time to be investing in the sector. Biotechnology companies have shown excellent defensive growth characteristics through the economic downturn, in most cases reporting consistently solid financial results and issuing confident financial guidance.

With the large-cap biotechnology company group trading on a forward price to earnings multiple of just 14x versus the S&P500 of 18x while offering above-market growth prospects, valuations have yet to catch up with events. Furthermore, relative to the broader market, biotechnology valuations are at historical lows. While valuing earlier-stage biotechnology companies is always more difficult, the prospect of high-value M&A and product licensing is a clear value driver for many of these companies, and continues to generate considerable excitement.

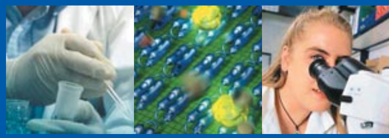
We note the coming year should see significant late-stage clinical and regulatory newsflow – more than in previous years – which should improve investor sentiment towards the sector. Several major new biotechnology products and companies are set to emerge over the coming months, expanding the group of top-tier biotechnology companies who have successfully developed drugs with multi-billion Dollar sales potential.

SV Life Sciences Managers LLP
Investment Manager

8 April 2010

Ten Largest Investments

as at 28 February 2010

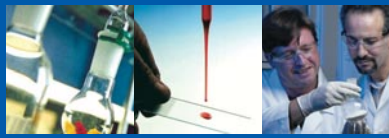


	Investment	Country	Sector classification	Market value of holding £'000	% of shareholders' funds
1	Micromet	USA	Biotechnology	9,016	8.9
	A biotechnology company focused on the development of antibody-based therapeutics for cancer. Its proprietary BiTE technology platform directs the body's own immune system against cancer cells. The lead product candidate Blinatumomab has shown very encouraging early clinical data in patients suffering from a severe form of blood cancer. Total revenues were $21m in 2009.				
2	Celgene	USA	Biotechnology	7,325	7.2
	A company 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 $2.7bn in 2009.				
3	Amgen	USA	Biotechnology	5,922	5.9
	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 anaemia, rheumatoid arthritis and other autoimmune diseases. Lead pipeline candidate Prolia for the treatment of osteoporosis could be the next biotechnology blockbuster. Total revenues were $14.6bn in 2009.				
4	Gilead Sciences	USA	Biotechnology	4,826	4.8
	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 $7.0bn in 2009.				
5	Genzyme	USA	Biotechnology	4,049	4.0
	A profitable large-cap biotechnology company focused on the development and commercialisation of therapeutics for rare genetic disorders, renal disease, osteoarthritis, and immune-mediated diseases. 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. Total revenues were $4.5bn in 2009.				
6	Alexion Pharmaceuticals	USA	Biotechnology	3,848	3.8
	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.				
7	Shire	UK	Speciality Pharmaceuticals	3,260	3.2
	A global speciality biopharmaceutical company marketing products in the areas of attention deficit disorder, gastrointestinal disease, renal diseases and rare genetic disorders. Sales and marketing is the company's core competence, targeting prescribers with relatively small but focused sales forces. Shire avoids direct involvement in early-stage discovery research preferring later stage, lower risk projects in areas where the company already has a commercial presence. Total revenues were $3.0bn in 2009.				
8	EUSA Pharma*	UK	Speciality Pharmaceuticals	2,942	2.9
	A speciality pharma company with a strong and growing pharmaceuticals portfolio of hospital medicine focused on oncology, pain control and critical care. It has been built through the acquisition of Talisker Pharmaceuticals, OPi and NASDAQ listed Cytogen in May 2008. Cost £2.3m: 31 December 2008 Audited accounts – revenue $64.0m; net loss $49.5m; Shareholders' equity $(77.6)m.				
9	Oxagen*	UK	Biotechnology	2,909	2.9
	An early stage biotechnology company developing a pipeline of novel drugs to treat inflammatory diseases. The company's portfolio includes a lead drug programme with the potential to treat asthma and other respiratory and inflammatory conditions with a once daily pill.				
10	Insulet	USA	Medical devices	2,909	2.9
	An early-stage medical device company commercialising the OmniPod, a continuous insulin infusion pump system made simple and discreet with no tubing and fully-automated needle insertion. The device is differentiated and offers better diabetes management compared to standard insulin injections and insulin pumps. Total revenues were $66.0m in 2009.				
	Total			**47,006**	**46.5**

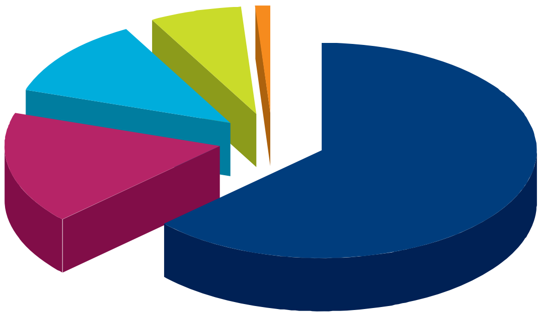
At 31 August 2009, the ten largest investments represented 42.9% of shareholders' funds.

**Unquoted company investment.*

Classification of Investments

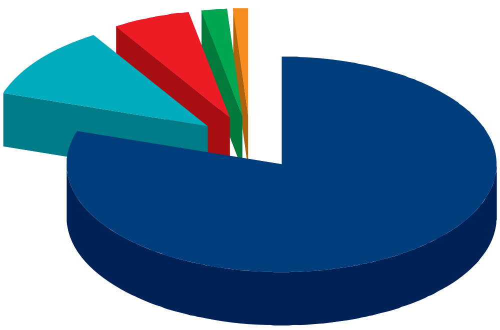


Classification of Investments by Sector
as at 28 February 2010



- Biotechnology (63%)
- Medical Devices (17%)
- Speciality Pharmaceuticals (12%)
- Life Sciences Tools, Diagnostics and Services (7%)
- Net current assets (including cash) (1%)

Classification of Investments by Region
as at 28 February 2010



- USA (80%)
- UK (11%)
- Rest of Europe (6%)
- Australia (2%)
- Net current assets (including cash) (1%)

Consolidated Statement of Comprehensive Income

for the six months ended 28 February 2010

	Notes	**(Unaudited) For the six months ended 28 February 2010** Group revenue return £'000	Group capital return £'000	Group total £'000	(Unaudited) For the six months ended 28 February 2009 Group revenue return £'000	Group capital return £'000	Group total £'000	(Audited) For the year ended 31 August 2009 Group revenue return £'000	Group capital return £'000	Group total £'000
Gains/(losses) on investments held at fair value		**–**	**8,419**	**8,419**	–	(16,166)	(16,166)	–	(6,949)	(6,949)
Exchange losses on currency balances		**–**	**(21)**	**(21)**	–	(44)	(44)	–	(196)	(196)
Income	2	**18**	**–**	**18**	144	–	144	291	–	291
Expenses										
Investment management fees	3	**(650)**	**–**	**(650)**	(688)	–	(688)	(1,309)	–	(1,309)
VAT on investment management fees recoverable		**–**	**–**	**–**	–	–	–	540	–	540
Performance fee		**–**	**(554)**	**(554)**	–	–	–	–	–	–
Administrative expenses		**(398)**	**–**	**(398)**	(328)	–	(328)	(703)	–	(703)
Net profit/(loss) before finance costs and taxation		**(1,030)**	**7,844**	**6,814**	(872)	(16,210)	(17,082)	(1,181)	(7,145)	(8,326)
Finance costs										
Interest payable	3	**–**	**–**	**–**	(9)	–	(9)	(9)	–	(9)
Net profit/(loss) on ordinary activities before taxation		**(1,030)**	**7,844**	**6,814**	(881)	(16,210)	(17,091)	(1,190)	(7,145)	(8,335)
Taxation on ordinary activities		**–**	**–**	**–**	–	–	–	–	–	–
Net profit/(loss) after taxation attributable to equity shareholders		**(1,030)**	**7,844**	**6,814**	(881)	(16,210)	(17,091)	(1,190)	(7,145)	(8,335)
Net profit/(loss) per Ordinary share	4	**(1.62)p**	**12.34p**	**10.72p**	(1.30)p	(23.93)p	(25.23)p	(1.80)p	(10.78)p	(12.58)p

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

The Group does not have any other comprehensive income and hence the net profit for the year, as disclosed above, is the same as the Group's total comprehensive income.

The revenue and capital columns are supplementary to this and are prepared under guidance published by The Association of Investment Companies (the "AIC").

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 15 to 17 form part of these Financial Statements.

Consolidated Balance Sheet

as at 28 February 2010

	Notes	**(Unaudited) At 28 February 2010 Group £'000**	(Unaudited) At 28 February 2009 Group £'000	(Audited) At 31 August 2009 Group £'000
Non-current assets				
Investments held at fair value through profit or loss		**100,637**	82,481	94,049
		100,637	82,481	94,049
Current assets				
Other receivables		**1,036**	36	584
Current asset investments		**1,801**	4,500	3,512
Cash and cash equivalents		**425**	3,460	574
		3,262	7,996	4,670
Total assets		**103,899**	90,477	98,719
Current liabilities				
Other payables		**(2,780)**	(978)	(464)
Net assets		**101,119**	89,499	98,255
Equity attributable to equity holders				
Called up share capital	5	**16,208**	17,648	17,648
Share premium account		**18,746**	18,746	18,746
Capital redemption reserve		**25,609**	24,169	24,169
Share purchase reserve		**54,687**	58,637	58,637
Capital reserves	6	**2,596**	(14,313)	(5,248)
Revenue reserve		**(16,727)**	(15,388)	(15,697)
Equity shareholders' funds		**101,119**	89,499	98,255
Net asset value per Ordinary share	7	**164.07p**	138.05p	151.55p

The notes on pages 15 to 17 form part of these Financial Statements.

Consolidated Statement of Changes in Equity

Group
For the six months ended 28 February 2010 (Unaudited)

	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Share purchase reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
Balance at 31 August 2009	**17,648**	**18,746**	**24,169**	**58,637**	**(5,248)**	**(15,697)**	**98,255**
Net profit for the period	**–**	**–**	**–**	**–**	**7,844**	**(1,030)**	**6,814**
Shares bought back and held in treasury	**–**	**–**	**–**	**(3,950)**	**–**	**–**	**(3,950)**
Shares cancelled from treasury	**(1,440)**	**–**	**1,440**	**–**	**–**	**–**	**–**
Balance at 28 February 2010	**16,208**	**18,746**	**25,609**	**54,687**	**2,596**	**(16,727)**	**101,119**

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 reserves £'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 year ended 31 August 2009 (Audited)

	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Share purchase reserve £'000	Capital reserves £'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 year	–	–	–	–	(7,145)	(1,190)	(8,335)
Shares bought back and held in treasury	–	–	–	(6,927)	–	–	(6,927)
Balance at 31 August 2009	17,648	18,746	24,169	58,637	(5,248)	(15,697)	98,255

The notes on pages 15 to 17 form part of these Financial Statements.

Consolidated Cash Flow Statement

	(Unaudited) For the six months ended 28 February 2010 Group £'000	(Unaudited) For the six months ended 28 February 2009 Group £'000	(Audited) For the year ended 31 August 2009 Group £'000
Cash flows from operating activities			
Net profit/(loss) before finance costs and taxation	**6,814**	(17,082)	(8,326)
Exchange losses on currency balances	**21**	44	196
Adjustments for:			
(Increase)/decrease in investments	**(6,588)**	20,335	8,767
Decrease in current asset investments	**1,711**	7,338	8,326
(Increase) in receivables	**(452)**	(5)	(553)
Increase/(decrease) in payables	**2,055**	(949)	(705)
Net cash flows from operating activities	**3,561**	9,681	7,705
Cash flows from financing activities			
Share buybacks	**(3,689)**	(6,169)	(6,927)
Interest paid on bank overdrafts	**–**	(9)	(9)
Net cash used in financing activities	**(3,689)**	(6,178)	(6,936)
Net (decrease)/increase in cash and cash equivalents	**(128)**	3,503	769
Effect of foreign exchange losses	**(21)**	(44)	(196)
Cash and cash equivalents at beginning of period	**574**	1	1
Cash and cash equivalents at end of period	**425**	3,460	574

The notes on pages 15 to 17 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 Sterling. The consolidated Financial Statements have been prepared on a going concern basis, in accordance with International Accounting Standard 34 "Interim Financial Reporting", as adopted by the European Union and are presented in Sterling, as this is the principal currency of the primary economic environment in which the Group operates.

The financial information for each of the six month periods ended 28 February 2010 and 28 February 2009 comprises non-statutory accounts within the meaning of Sections 434 - 436 of the Companies Act 2006 (the "Act"). The financial information for the year ended 31 August 2009 has been extracted from the published Annual Report that has been delivered to the Registrar of Companies and on which the report of the auditors was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under Section 498(2) or (3) of the Act.

The Company's principal risks and uncertainties remained unchanged to those described in the Financial Statements for the year ended 31 August 2009.

The Group's accounting policies have not varied from those described in the Annual Report for the year ended 31 August 2009.

2. Income

	(Unaudited) For the six months ended 28 February 2010 £'000	(Unaudited) For the six months ended 28 February 2009 £'000	(Audited) For the year ended 31 August 2009 £'000
Income from investments held at fair value through profit or loss:			
Unfranked dividends	**2**	22	41
	2	22	41
Other income:			
Income from current asset investments	**8**	119	131
Interest on deposits	**–**	3	3
VAT reclaim interest	**8**	–	114
Other income	**–**	–	2
	18	144	291

3. Investment management fees and interest payable

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

Notes to the Financial Statements

continued

4. Profit/(loss) per Ordinary share

	(Unaudited) For the six months ended 28 February 2010 £'000	(Unaudited) For the six months ended 28 February 2009 £'000	(Audited) For the year ended 31 August 2009 £'000
Net revenue loss	**(1,030)**	(881)	(1,190)
Net capital profit/(loss)	**7,844**	(16,210)	(7,145)
	6,814	(17,091)	(8,335)

	(Unaudited) For the six months ended 28 February 2010	(Unaudited) For the six months ended 28 February 2009	(Audited) For the year ended 31 August 2009
Weighted average number of Ordinary shares in issue	**63,567,857**	67,752,995	66,280,828
Revenue loss per Ordinary share	**(1.62)p**	(1.30)p	(1.80)p
Capital profit/(loss) per Ordinary share	**12.34p**	(23.93)p	(10.78)p
Total profit/(loss) per Ordinary share	**10.72p**	(25.23)p	(12.58)p

5. Called up share capital

During the six months ended 28 February 2010, the Company bought back 3,200,000 Ordinary shares to be held in treasury, at a cost of £3,950,000, which reduced the number of Ordinary shares in issue from 64,832,664 shares to 61,632,664. A further 5,760,000 shares held in treasury were cancelled, leaving 3,200,000 shares in treasury. Since the half year end, the Company has bought back a further 200,000 Ordinary shares which are held in treasury.

The Ordinary shares held in treasury have no voting rights and are not entitled to dividends.

6. Capital reserves

The capital reserve account comprises both realised gains on investments sold and unrealised gains and losses on investments held, which are analysed as follows:

	(Unaudited) At 28 February 2010 £'000	(Unaudited) At 28 February 2009 £'000	(Audited) At 31 August 2009 £'000
Capital reserve – on investments sold	**(1,257)**	(10,439)	409
Capital reserve – on investments held	**3,853**	(3,874)	(5,657)
	2,596	(14,313)	(5,248)

Notes to the Financial Statements

continued

7. NAV per Ordinary share

	(Unaudited) At 28 February 2010	(Unaudited) At 28 February 2009	(Audited) At 31 August 2009
Net assets attributable to Ordinary shareholders (£'000)	**101,119**	89,499	98,255
Ordinary shares in issue at end of period	**61,632,664**	64,832,664	64,832,664
NAV per Ordinary share	**164.07p**	138.05p	151.55p

8. Related party transactions

There have been no related party transactions that have materially affected the financial position or the performance of the Group during the six months ended 28 February 2010.

Directors' Responsibility Statement

In respect of the Half Yearly Report for the six months ended 28 February 2010, we confirm that, to the best of our knowledge:

– the condensed set of Financial Statements contained within have been prepared in accordance with IAS 34 "Interim Financial Reporting"; 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 2010 was approved by the Board and the above Responsibility Statement has been signed on its behalf by:

Andrew Barker
Chairman
8 April 2010

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.

Sector Indicies

The sector indicies are the NASDAQ Biotechnology Index ("NBI") and the Russell 2000 Biotechnology Growth Index ("RGUHSBTG") (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 2011 Annual General Meeting.

Share Price and NAV 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 Times and the Daily Telegraph.

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 AIC. Further information on the AIC can be found at its website, **www.theaic.co.uk**.

2010 Financial Calendar

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

Shares in Issue

As at 7 April 2010, the Company had 61,432,664 Ordinary shares of 25p each in issue, which included 3,400,000 Ordinary shares held in treasury.

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.

Directors

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

Advisers

Investment Manager
SV Life Sciences Managers LLP
71 Kingsway, London WC2B 6ST
Telephone: 020 7421 7070

Company Secretary and Registered Office
BNP Paribas Secretarial Services Limited
55 Moorgate, London EC2R 6PA
Telephone: 020 7410 3132
Email: secretarialservice@uk.bnpparibas.com

Administrator, Banker and Custodian
HSBC Bank PLC
8 Canada Square, London E14 5HQ

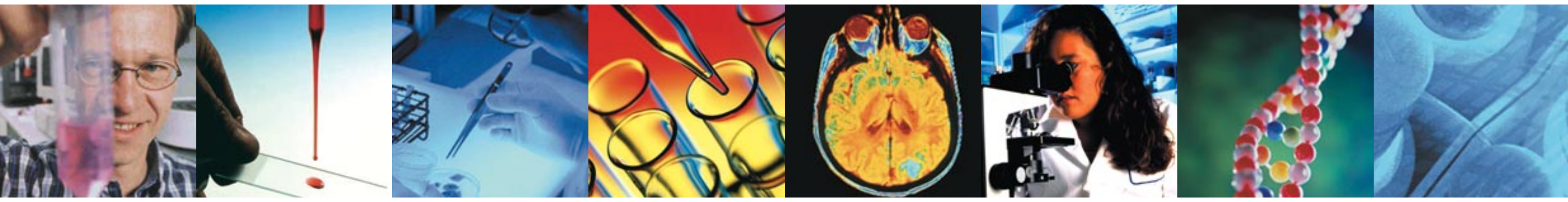
Solicitor
Slaughter and May
One Bunhill Row, London EC1Y 8YY

Independent Auditor
PricewaterhouseCoopers LLP
Hay's Galleria,1 Hay's Lane, London SE1 2RD

Stockbroker
Cenkos Securities Limited
6.7.8 Tokenhouse Yard, London EC2R 7AS

Registrar
Equiniti Limited
Aspect House, Spencer Road
Lancing, West Sussex BN99 6DA
Shareholder Helpline: 0871 384 2624*
Website: www.shareview.co.uk

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



For further information:
www.internationalbiotrust.com

SV Life Sciences Managers LLP
71 Kingsway
London WC2B 6ST

Telephone: 020 7421 7070
Fax: 020 7421 7077

BNP Paribas Secretarial Services Limited
55 Moorgate
London EC2R 6PA

Telephone: 020 7410 3132
Fax: 020 7410 4449