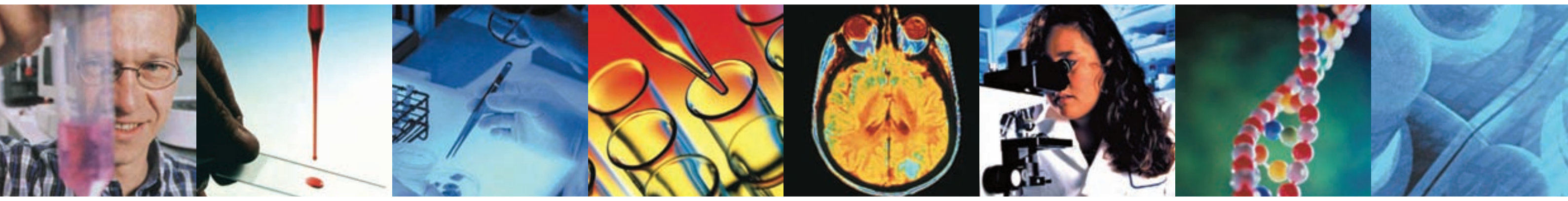
International Biotechnology Trust plc

Half Yearly Report

Six months ended 28 February 2013



The Biotechnology Sector

The biotechnology sector has matured significantly since the first companies were started in the United States ("US") in the 1970s. Its principal benchmark, the NASDAQ Biotechnology Index, comprises 119 companies with a combined market value of $513bn as at 28 February 2013. The Index contains a number of companies with market capitalisations of greater than $10bn. Drugs developed by biotechnology companies generate tens of billions of US dollars in sales annually. Approximately two thirds of all new drugs currently being approved by the US Food and Drug Administration ("FDA") have originated at biotechnology companies, rather than their more traditional large pharmaceutical company counterparts.

The ultimate driver for the biotechnology sector, as with the pharmaceutical sector, is the requirement for more effective novel drugs to treat the rapidly growing number of people afflicted by highly complex diseases, such as diabetes, cancer, heart and lung diseases associated with living longer or unhealthier lifestyles. At the same time, rapid advances in the understanding of human molecular genetics are also enabling the development of new drug treatments for highly debilitating early-onset diseases caused by relatively rare inherited genetic profiles.

According to the Centers for Medicare and Medicaid Services, spending on healthcare in the US – for the time being the world's largest healthcare market – topped $2.7 trillion (17.9% of GDP) in 2011 and on current projections is set to grow to $4.8 trillion (19.6% of GDP) in the 10 years to 2021. Under President Obama's recent healthcare legislation, the US's insurance based system is set to be expanded over the coming years to cover a greater proportion of the population, further enlarging the market.

Although the larger pharmaceutical and medical device companies are striving to deliver more effective healthcare products, their in-house research and development ("R&D") investment is struggling to meet the challenge. At the same time, the profitability of many of their branded drugs is being damaged by generic competition. The larger companies have become increasingly dependent on the innovation of their smaller biotechnology and emerging medical device counterparts, accessing new products through high value licensing deals or merger and acquisition ("M&A") activity.

Investing in smaller biotechnology and emerging medical device companies carries higher risk than their larger peers since earlier-stage companies typically have fewer products and more modest cash resources. Product successes or failures can therefore have a very significant effect on the prospects for these companies. While the odds are stacked against success in new drug development, the rewards for successful companies are very large, particularly for highly effective drugs and devices that treat largely unmet medical needs. This combination of high risk and high reward can create high variability in investment valuations.

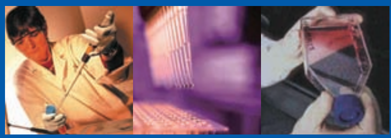
Portfolio Approach to Investment

Given the high volatility of the biotechnology sector, access to a specialist team is an important aspect of the decision to invest in biotechnology companies. 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 appointed SV Life Sciences as its Investment Manager. 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 approximately $2 billion.

Investment in the Company offers investors access to the skills and experience of the team at SV Life Sciences, which 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 primarily in biotechnology and other life sciences companies that are either quoted or unquoted and possess 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 is generally invested in smaller and mid-capitalisation quoted companies, with a minority in larger capitalisation quoted companies. The Investment Manager seeks to invest up to 30% of the Company's assets in unquoted companies, while allowing an upper limit of 40% as the point at which no investments would be made into new companies, though follow-on investments would continue to be made into existing portfolio companies to continue their development and/or protect an existing investment.

Investments are made in quoted public companies with an expectation that these companies will benefit from a significant re-rating in valuation when they achieve clinical trial success, receive regulatory approvals for their products or execute M&A or licensing deals. 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.

The Investment Manager has made the majority of its investments in the US, which is the most mature and established market for pharmaceutical drugs, and as a consequence has the most established commercial biotechnology industry with the broadest and deepest community of biotechnology companies. However, the best investments are sought worldwide, so the Company will usually have some investments in Western Europe and occasionally elsewhere, such as Australia or Asia.

The Board has negotiated an overdraft facility. Borrowings are made on a relatively short-term basis to exploit specific investment opportunities, rather than to apply long-term structural gearing to the Company's portfolio of investments.

Contents

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

Financial Highlights

for the six months ended 28 February 2013

	(Unaudited) 28 February 2013	(Audited) 31 August 2012	% Change
Group Performance			
Total equity (£'000)	**146,165**	128,922	13.4
Ordinary shares in issue ('000)*	**55,458**	55,458	0.0
Net asset value ("NAV") per share	**263.56p**	232.47p	13.4
Share price	**216.50p**	204.50p	5.9
Share price discount	**(17.9)%**	(12.0)%	
Ongoing charges	**1.77%****	1.86%	
Index Values			
NASDAQ Biotechnology Index ("NBI") (Sterling-adjusted)	**1,015.16**	892.38	13.8
FTSE All-Share Index (Total Return)	**4,850.14**	4,247.77	14.2

* *Excludes those held in Treasury (28 February 2013: 300,000; 31 August 2012: 550,000).*

** *Annualised.*

Chairman's Statement

Summary

I am pleased to report a positive return for Shareholders over the half year to 28 February 2013. A 13.4% increase in NAV per share to 263.6p was offset by a widening of the discount from 12.0% to 17.9%, to generate a 5.9% increase in the Company's share price to 216.5p per share, the highest level since July 2001. Both the quoted and unquoted portfolios fared well over the half year period both returning 13.3%.

The quoted portfolio return was slightly behind the Sterling-adjusted performance of the NBI. Disappointing news for several portfolio investments – mostly notably Pharmaxis' failure to gain FDA approval for their cystic fibrosis treatment – was almost entirely offset by significant gains made elsewhere. The Investment Manager's confidence in the prospects for the large caps Celgene and Gilead, as well as the small caps Celldex Therapeutics, YM Biosciences and Aegerion, was justified and well rewarded.

The unquoted portfolio, representing 17.4% of NAV at the end of the period, benefited from valuation changes to four investments already exited for which the Company retains rights to receive future contingent performance-based payments. These changes, as well as uplifts to the carrying values of Ophthotech and Celerion on positive developments, outweighed the negative impact of the write-off of Lux Biosciences after disappointing clinical newsflow.

As mentioned in the Investment Manager's Review, the potential value of future receipts associated with certain Company unquoted investments already exited has previously been reported in the Company's accounts. The re-evaluation of the current fair carrying value of these contingent receipts has been undertaken in accordance with International Financial Reporting Standards ("IFRS") and the International Private Equity and Venture Capital Valuation Guidelines ("IPEV") – December 2012 edition – which we believe give a better estimate of the fair value than our previous method which was to value them at close to zero.

The Company's exposure to the Dollar was of benefit during the period as currency movements – including the Dollar strengthening against Sterling – had a positive impact of £6.5m or 11.7p per share. The Board regularly reviews the position but the present policy is not to hedge the Company's currency exposure.

At 28 February 2013, £1.0m of the Company's £15.0m overdraft facility was drawn down. This facility provides the Investment Manager with funds to take advantage of investment opportunities that occur from time to time – whether quoted or unquoted – on occasions when the portfolio is otherwise fully invested. It continues to be the policy of the Board that borrowings are made on a relatively short-term basis to exploit specific investment opportunities, rather than to apply long-term structural gearing to the Company's portfolio of investments.

Over the six month period, there were no share repurchases by the Company. At 28 February 2013, the Company held 300,000 Ordinary shares in Treasury. It is the intention of the Board to continue its policy of buying back shares whether for cancellation or into Treasury, to assist in reducing the volatility of the discount and to enhance the NAV for the Company's Shareholders.

Board

I would like to welcome Mr Jim Horsburgh to the Board of the Company, who recently joined as a non-executive Director with effect from 1 February 2013. With a career in investment management that started in 1977, and more recently included the position of chief executive of Witan Investment Trust plc from February 2004 to October 2008, Jim brings a wealth of investment experience and an excellent track record, making him an important appointment. We look forward to working with him and believe the Company will benefit from his thoughtful advice and valuable insights.

AIFMD

The Alternative Investment Fund Managers Directive ("AIFMD"), which will become UK Law from July 2013, is actively being considered by the Board. Transitional provisions mean that there is a twelve month period from July 2013 in which to act upon the provisions of this new European directive and the Board anticipates being able to provide an assessment of its impact on the Company in the year end accounts to 31 August 2013.

Prospects

Your Board continues to remain very positive about the future investment outlook for the Company. With growing and ageing populations in both developed and emerging economies, the demand for innovative new drugs, diagnostics and medical devices to prevent and treat modern complex diseases will continue to grow. An industry coming of age as the recent proliferation of drug discovery and development technologies begins to deliver a new product cycle suggests that companies in the biotechnology industry have never been better positioned to meet this demand.

Chairman’s Statement

continued

The performance of the Company’s NAV over the past few years has been particularly strong, with both the NAV and share price reaching levels not seen for over a decade. This strength reflects both substantial gains for the quoted biotechnology sector, as well as good asset allocation and stock selection on the part of the Investment Manager, ensuring that the Company has been positioned to participate in that success, while the portfolio of early-stage venture capital investments matures.

Our Investment Manager remains confident on the outlook for the quoted portfolio. The unquoted portfolio, meanwhile, provides Shareholders with an opportunity to generate absolute returns, whatever the direction of stock markets. In recent years the unquoted portfolio has marked time, and thus acted as a drag on NAV performance as stock markets have staged a dramatic recovery from the global financial crisis. In future years its influence on the Company’s performance, however, is expected to be quite different and significantly NAV enhancing.

The Board believes there is a number of exciting investments in the unquoted portfolio maturing over the next few years that could have a meaningful impact on the NAV. With the Company’s share price trading at a 17.1% discount to NAV at time of writing, and the unquoted portfolio comprising 17.4% of overall NAV, the market is assigning little value to the unquoted portfolio. The Board believes this offers investors an excellent opportunity.

Alan Clifton
Chairman

12 April 2013

Investment Manager's Review

Summary

The six months ended 28 February 2013 saw the Company's NAV per share increase by 13.4%. Broader equity markets performed strongly during the period under review, and the biotechnology sector continued to do well against this backdrop. The sector's strong fundamentals continue to generate investor demand as the leading companies are delivering robust, predictable earnings growth driven by a strong new product and technology cycle.

Quoted Portfolio

The return for the quoted portfolio over the half year period was 13.3%, versus the Sterling-adjusted NBI of 13.8%. The combined effect of gains and losses on quoted investments, including currency movements, was to increase the NAV by £15.3m or 27.6p per share. At 28 February 2013, the Company held investments in 41 quoted companies, representing 83.4% of NAV at £121.9m.

While the quoted portfolio experienced setbacks for several investments during the period, these were offset by some strong contributors elsewhere. Key detractors of quoted performance were investments in Pharmaxis, Oncothyreon, and Affymax, while key contributors to performance during the period were investments in Celgene, Gilead, Celldex Therapeutics, Biomarin, YM Biosciences and Aegerion.

Pharmaxis received a negative FDA panel approval recommendation for its cystic fibrosis drug Bronchitol which is already approved for use in Europe; Oncothyreon's Stimuvax failed to show any benefit in the treatment of lung cancer; and Affymax withdrew from commercial sale its drug Omontys to treat anaemia after signals of rare but very serious adverse reactions among patients taking the drug for the first time.

Meanwhile, Celgene management's upbeat articulation of its long-term growth aspirations combined with a series of positive clinical updates on several pipeline assets in the fields of cancer and inflammatory disease proved transformational for that company's share price during the period. Already IBT's largest investment, the positive impact on the Company's NAV was significant.

Gilead continued to announce positive clinical data for its exciting new treatment for HCV infection, underpinning a strong earnings growth outlook over the coming years. Celldex Therapeutics announced exciting data on its new drug candidate for the treatment of breast cancer; Biomarin – one of the world's leading companies in the field of rare genetic diseases – announced positive clinical data for a key new drug for the treatment of Morquio A syndrome – a rare genetic disorder of growth and development; YM Biosciences – a company developing a drug to treat myelofibrosis – was acquired by Gilead for $510m; and Aegerion received FDA approval for its drug Juxtapid for the treatment of a serious genetic disease that causes extremely high cholesterol levels.

Unquoted Portfolio

The return for the unquoted portfolio over the half year period was 13.3%. The combined effect of gains and losses on unquoted investments, including currency movements, was to increase the NAV by £3.0m or 5.5p per share. At 28 February 2013, the Company held investments in 26 unquoted companies, representing 17.4% of NAV at £25.4m.

The main contributor to performance came from the upwards revaluation of four investments (ESBATech, EUSA Pharma, Ikano Therapeutics and Itero Holdings) which increased the NAV by £3.6m or 6.5p per share. These companies have already been exited but IBT retains rights to receive future contingent performance based payments. After these changes, the Company currently recognises £4.0m of fair value for future milestone payments already exited. The receipt of these payments is contingent on pre-agreed, and legally binding, operational or clinical development milestones being achieved. If paid in full, these milestone payments are estimated to amount to £17.0m on current exchange rates, representing £13.0m of additional unrecognised value beyond that currently incorporated in the NAV.

The Company has decided that it is appropriate to place fair value estimates on these contingent future returns. This valuation has now been based on a conservative assessment of likely returns within the context of regular reporting upon the programmes that continue within these acquired companies. These have been combined with biotechnology industry development success statistics which allow external validation of assumptions. The Investment Manager receives regular updates on the progress of each of the programmes being developed within the agreements governing these contingent performance based payment situations and makes recommendations to the Board as to the most appropriate net present value of these payments. These valuations are regularly reviewed by the Investment Manager and adjusted for any material change in the circumstances of the programmes.

The key detractor to unquoted performance came from the Company's investment in Lux Biosciences which announced that a pivotal late-stage clinical study for its key drug candidate for the treatment of uveitis (eye inflammation) failed to show any treatment benefit. With no clear way forward for the asset or the company, the value of this investment was written down from £1.3m to zero during the period.

More positively, portfolio company Ophthotech announced strong mid-stage clinical data on its experimental drug to treat age-related progressive vision loss. The compelling efficacy data was received warmly by the ophthalmic expert physician

Investment Manager's Review

continued

community and potential corporate partners. Based on expressions of corporate interest, the value of the Company's investment was written up during the period. Celerion – a clinical research organisation – continues to perform operationally far in excess of expectations, and the value of the Company's investment has been written up in-line with public market comparable company valuations.

Two new unquoted investments were made during the six months under review into NCP Holdings, operating as Nordic Consulting Partners, a healthcare IT consulting business, and Autifony, a spin-out from GlaxoSmithKline focused on developing drugs to treat hearing loss. Follow-on investments were also made into nine existing holdings. Investments into all unquoted holdings totalled £2.2m during the period. At the half year, there were formal commitments to further invest in unquoted companies (based on certain operational or clinical milestone achievements) totalling £1.6m; we also have estimated reserves an additional £6.0m for existing unquoted portfolio companies.

Outlook

We believe the recent strong performance of the global biotechnology sector is set to continue. Not only are the fundamentals of the industry continuing to strengthen with every clinical trial success, FDA approval and commercial launch – each serving to ratchet up the value of the sector – but, importantly, the market environment for the allocation of capital towards the industry for the time being remains favourable.

At the highest level, healthcare is an industry set to experience sustained long-term growth - austerity and slow economic growth cannot halt the demographic trend of ageing and sickening populations. While the escalating costs of healthcare provision in the current economic environment is probably unsustainable, this is placing increasing pressure on healthcare payors and providers to innovate – to achieve more with less, and this will force the adoption of new, more effective, medical technologies and products.

With the pace of medical innovation accelerating as advances in medical understanding meet rapid progress in the fields of engineering and information technology, small entrepreneurial R&D-intensive companies are well positioned to deliver the required innovation. A full late-stage biotechnology-based drug pipeline and a number of exciting medical technologies approaching widespread commercial adoption provide for plenty of high profile newsflow over the coming few years to sustain investor interest.

More broadly, the current environment characterised by low interest rates and low economic growth rates is conducive for investment capital to be put to work in the high-risk high-reward biotechnology sector. With substantial follow-on financings now commonplace, and an increasing number of biotechnology companies able to execute an IPO (albeit at low valuations and with considerable insider support), risk-tolerant capital is clearly available for the highest quality assets.

While investment in very early-stage biotechnology companies remains the preserve of specialist investors, the increasing number of companies becoming "de-risked" through clinical and or regulatory success is attracting less specialist investment capital, of which there is a substantially larger quantity. Furthermore, the larger established biotech companies offer strong predictable and stable earnings growth – a rarity in the current economic environment.

The Company's quoted portfolio retains a weighting to the larger profitable biotech companies as they currently offer attractive earnings growth at low valuations by comparison to both absolute historical and relative current standards. However, the focus for new investment remains on companies making the transition to sustainable growth and profitability through the launch of paradigm-changing new drug or device products, as well as on smaller development-stage companies with under-appreciated assets.

While the Company's quoted portfolio gives Shareholders exposure to an industry sector that has outperformed the broader equity market over the long-term, the unquoted venture portfolio continues to mature. The Company's venture portfolio has been built up since the C Share issue in February 2007. The Investment Manager expects exits from the unquoted portfolio to drive NAV returns and Shareholder value in the near and medium-term.

SV Life Sciences Managers LLP
Investment Manager

12 April 2013

Ten Largest Investments

as at 28 February 2013

	Investment	Country	Sector classification	Market value of holding £'000	% of Shareholders' funds
1	Celgene	USA	Biotechnology	11,903	8.1
	A company engaged in the discovery, development and commercialisation of innovative therapies designed to treat cancer and immunological diseases. The company has several marketed products including Revlimid, Thalomid, Vidaza, Abraxane, and Pomalyst, and a strong pipeline of drug candidates in development. Total revenues were $5.5bn in 2012.				
2	Amgen	USA	Biotechnology	10,629	7.3
	A company that pioneered the development of novel products based on advances in molecular biology. Amgen markets several multi-billion Dollar drugs to treat anaemia, rheumatoid arthritis and autoimmune diseases. Newly launched bone drugs Xgeva and Prolia could be the next major products for the company. Total revenues were $17.3bn in 2012.				
3	Gilead	USA	Biotechnology	8,472	5.8
	A company with an industry-leading franchise in HIV drug development and commercialisation. In recent years the company has diversified its R&D and commercial portfolio into new disease areas, including hypertension, cystic fibrosis and most recently hepatitis C through its acquisition of Pharmasset. Total revenues were $9.7bn in 2012.				
4	Onyx	USA	Biotechnology	6,793	4.7
	A company developing new drugs for the treatment of cancer. Lead product Nexavar inhibits the growth of blood vessels to tumours as well as their multiplication and is used in the treatment of kidney and liver cancers. The company's latest product Kyprolis is used for the treatment of multiple myeloma. Total revenues were $362m in 2012.				
5	Aptiv Solutions*	USA	Medical Research Services	5,877	4.0
	A company formed from the acquisition and integration of a number of contract research businesses. Aptiv provides facilities and expertise for pharmaceutical and biotechnology companies looking to outsource early-stage research and development projects. Total revenues were $147m in 2012.				
6	Celldex	USA	Biotechnology	5,148	3.5
	A company developing new drugs for the treatment of cancer. The company's lead programme is a cancer vaccine for the treatment of brain cancer. A second programme – a drug candidate for the treatment of late-stage breast cancer – holds significant promise, with clinical data due in 2015.				
7	Alexion	USA	Biotechnology	4,569	3.1
	A company whose main drug product Soliris for the treatment of rare autoimmune disorders marked by red blood cell depletion was first approved in 2007. The company is also investigating the efficacy of Soliris in other related rare diseases, potentially transforming it into a multi-billion dollar "blockbuster" drug. Total revenues were $1.1bn in 2012.				
8	Insulet	USA	Medical Devices	4,470	3.1
	A company which developed and is commercialising the OmniPod, a continuous insulin infusion pump system. The device offers better diabetes management compared to standard insulin injections and insulin pumps, and is rapidly gaining widespread adoption. The company reported sales of $211m in 2012.				
9	Biogen Idec	USA	Biotechnology	4,135	2.8
	A company developing and commercialising drugs primarily for inflammatory and autoimmune diseases as well as cancer. The company's major marketed products include Avonex and Tysabri for the treatment of multiple sclerosis; and Rituxan for the treatment of blood-based cancers, and rheumatoid arthritis. Total revenues were $5.5bn in 2012.				
10	Biomarin	USA	Biotechnology	3,972	2.7
	A company developing and commercialising drugs for rare genetic diseases of growth and metabolism. The company's product portfolio comprises four approved products – Naglazyme, Aldurazyme, Kuvan and Firdapse, and multiple clinical and preclinical drug candidates. Total revenues were $500m in 2012.				
	Total			**65,968**	**45.1**

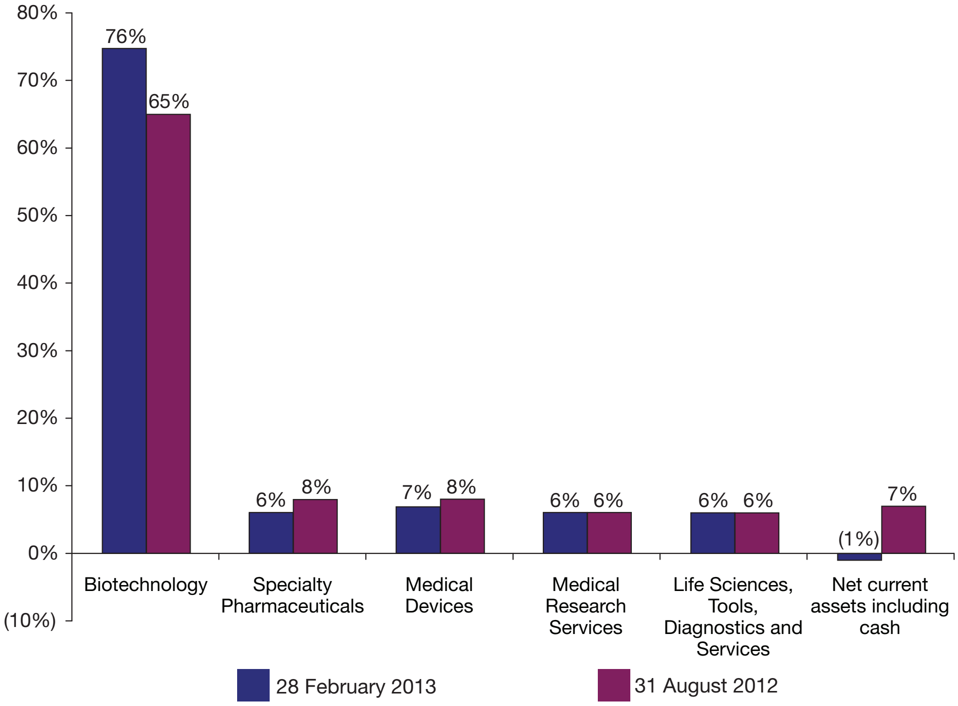
At 31 August 2012, the ten largest investments represented 38.8% of the NAV.

**Unquoted company investment.*

Classification of Investments

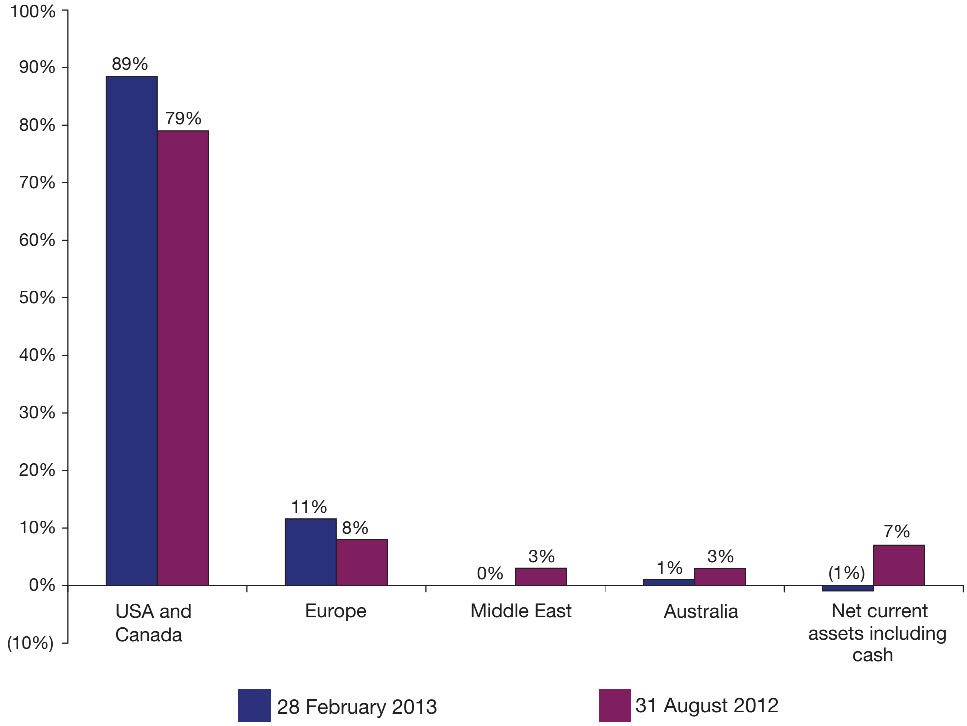
Classification of Investments by Sector

at 28 February 2013



Classification of Investments by Region

at 28 February 2013



Group Statement of Comprehensive Income

for the six months ended 28 February 2013

	Notes	**(Unaudited) For the six months ended 28 February 2013 Group Revenue £'000**	**Group Capital £'000**	**Group Total £'000**	(Unaudited) For the six months ended 29 February 2012 Group Revenue £'000	Group Capital £'000	Group Total £'000	(Audited) For the year ended 31 August 2012 Group Revenue £'000	Group Capital £'000	Group Total £'000
Gains on investments held at fair value		**–**	**18,322**	**18,322**	–	25,021	25,021	–	39,683	39,683
Exchange losses on currency balances		**–**	**(25)**	**(25)**	–	(225)	(225)	–	(179)	(179)
Income	2	**140**	**–**	**140**	67	–	67	380	260	640
Expenses										
Management fees		**(742)**	**–**	**(742)**	(567)	–	(567)	(1,269)	–	(1,269)
Performance fee		**–**	**–**	**–**	–	(767)	(767)	–	–	–
Administrative expenses		**(425)**	**–**	**(425)**	(392)	–	(392)	(802)	–	(802)
(Loss)/profit before finance costs and tax		**(1,027)**	**18,297**	**17,270**	(892)	24,029	23,137	(1,691)	39,764	38,073
Finance costs										
Interest payable		**(11)**	**–**	**(11)**	(19)	–	(19)	(20)	–	(20)
(Loss)/profit on ordinary activities before tax		**(1,038)**	**18,297**	**17,259**	(911)	24,029	23,118	(1,711)	39,764	38,053
Taxation		**(16)**	**–**	**(16)**	(18)	–	(18)	(42)	–	(42)
(Loss)/profit for the period attributable to owners of the parent		**(1,054)**	**18,297**	**17,243**	(929)	24,029	23,100	(1,753)	39,764	38,011
(Loss)/earnings per Ordinary share	3	**(1.90)p**	**32.99p**	**31.09p**	(1.67)p	43.18p	41.51p	(3.16)p	71.58p	68.42p

The Group Total column of this statement represents the Group's Statement of Comprehensive Income prepared in accordance with IFRS as adopted by the European Union.

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

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

All items in the above statement derive from continuing operations.

The notes on pages 13 to 14 form part of these Financial Statements.

Group Balance Sheet

as at 28 February 2013

	Notes	**(Unaudited) At 28 February 2013 Group £'000**	(Unaudited) At 29 February 2012 Group £'000	(Audited) At 31 August 2012 Group £'000
Non-current assets				
Investments held at fair value through profit or loss		**147,264**	105,547	120,389
		147,264	105,547	120,389
Current assets				
Current asset investments		**2**	6,508	6,043
Receivables		**104**	1,158	355
Cash and cash equivalents		**86**	1,770	2,334
		192	9,436	8,732
Total assets		**147,456**	114,983	129,121
Current liabilities				
Borrowings		**(1,012)**	–	–
Payables		**(279)**	(972)	(199)
		(1,291)	(972)	(199)
Net assets		**146,165**	114,011	128,922
Equity attributable to equity holders				
Called up share capital	4	**13,939**	14,827	14,002
Share premium account		**18,805**	18,805	18,805
Capital redemption reserve		**27,878**	26,990	27,815
Share purchase reserve		**45,596**	45,596	45,596
Capital reserves	5	**62,562**	28,530	44,265
Revenue reserve		**(22,615)**	(20,737)	(21,561)
Total equity		**146,165**	114,011	128,922
Net asset value per Ordinary share	6	**263.56p**	205.58p	232.47p

The notes on pages 13 to 14 form part of these Financial Statements.

Group Statement of Changes in Equity

	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
Group For the six months ended 28 February 2013 (Unaudited)							
Balance at 31 August 2012	**14,002**	**18,805**	**27,815**	**45,596**	**44,265**	**(21,561)**	**128,922**
Total Comprehensive Income:							
Profit/(loss) for the period	**–**	**–**	**–**	**–**	**18,297**	**(1,054)**	**17,243**
Transactions with owners, recorded directly to equity:							
Shares cancelled from Treasury	**(63)**	**–**	**63**	**–**	**–**	**–**	**–**
Balance at 28 February 2013	**13,939**	**18,805**	**27,878**	**45,596**	**62,562**	**(22,615)**	**146,165**

	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
Group For the six months ended 29 February 2012 (Unaudited)							
Balance at 31 August 2011	15,089	18,805	26,728	46,449	4,501	(19,808)	91,764
Total Comprehensive Income:							
Profit/(loss) for the period	–	–	–	–	24,029	(929)	23,100
Transactions with owners, recorded directly to equity:							
Shares bought back and held in Treasury	–	–	–	(853)	–	–	(853)
Shares cancelled from Treasury	(262)	–	262	–	–	–	–
Balance at 29 February 2012	14,827	18,805	26,990	45,596	28,530	(20,737)	114,011

	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
Group For the year ended 31 August 2012 (Audited)							
Balance at 31 August 2011	15,089	18,805	26,728	46,449	4,501	(19,808)	91,764
Total Comprehensive Income:							
Profit/(loss) for the period	–	–	–	–	39,764	(1,753)	38,011
Transactions with owners, recorded directly to equity:							
Shares bought back and held in Treasury	–	–	–	(853)	–	–	(853)
Shares cancelled from Treasury	(1,087)	–	1,087	–	–	–	–
Balance at 31 August 2012	14,002	18,805	27,815	45,596	44,265	(21,561)	128,922

The notes on pages 13 to 14 form part of these Financial Statements.

Group Cash Flow Statement

	(Unaudited) For the six months ended 28 February 2013 Group £'000	(Unaudited) For the six months ended 29 February 2012 Group £'000	(Audited) For the year ended 31 August 2012 Group £'000
Cash flows from operating activities			
Profit before finance costs and tax	**17,270**	23,137	38,073
Exchange losses on currency balances	**25**	225	179
Adjustments for:			
Increase in investments	**(26,875)**	(9,680)	(24,522)
Decrease/(increase) in current asset investments	**6,041**	(6,508)	(6,043)
Decrease in receivables	**251**	4,269	5,072
Increase/(decrease) in payables	**76**	(585)	(1,349)
Taxation	**(16)**	(18)	(42)
Net cash flows (used in)/from operating activities	**(3,228)**	10,840	11,368
Cash flows from financing activities			
Share repurchase costs	**–**	(853)	(853)
Interest paid on bank overdrafts	**(7)**	(19)	(29)
Net cash used in financing activities	**(7)**	(872)	(882)
Net (decrease)/increase in cash and cash equivalents	**(3,235)**	9,968	10,486
Effect of foreign exchange losses	**(25)**	(225)	(179)
Cash and cash equivalents at beginning of period	**2,334**	(7,973)	(7,973)
Cash and cash equivalents at end of period	**(926)**	1,770	2,334

The notes on pages 13 to 14 form part of these Financial Statements.

Notes to the Financial Statements

1. Accounting Policies

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 2013 and 29 February 2012 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 2012 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, 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 Annual Report for the year ended 31 August 2012.

The Group's accounting policies have not varied from those described in the Annual Report for the year ended 31 August 2012.

2. Income

	(Unaudited) For the six months ended 28 February 2013 £'000	(Unaudited) For the six months ended 29 February 2012 £'000	(Audited) For the year ended 31 August 2012 £'000
Revenue:			
Income from investments held at fair value through profit or loss:			
Franked dividends	**–**	1	3
Unfranked dividends	**143**	111	276
Interest on debt securities	**159**	–	108
	302	112	387
Other income:			
Income from current asset investments	**(162)**	(45)	(7)
	140	67	380
Capital:			
Special dividends allocated to capital	**–**	–	260

3. Earnings per Ordinary Share

	(Unaudited) For the six months ended 28 February 2013 £'000	(Unaudited) For the six months ended 29 February 2012 £'000	(Audited) For the year ended 31 August 2012 £'000
Net revenue loss	**(1,054)**	(929)	(1,753)
Net capital profit	**18,297**	24,029	39,764
	17,243	23,100	38,011

Notes to the Financial Statements

continued

3. Earnings per Ordinary Share (continued)

	(Unaudited) For the six months ended 28 February 2013	(Unaudited) For the six months ended 29 February 2012	(Audited) For the year ended 31 August 2012
Weighted average number of Ordinary shares in issue	**55,457,663**	55,652,993	55,554,794
Revenue loss per Ordinary share	**(1.90)p**	(1.67)p	(3.16)p
Capital profit per Ordinary share	**32.99p**	43.18p	71.58p
Total profit per Ordinary share	**31.09p**	41.51p	68.42p

4. Called Up Share Capital

During the six months ended 28 February 2013, 250,000 shares held in Treasury were cancelled, leaving 300,000 shares in Treasury. The Ordinary shares held in Treasury have no voting rights and are not entitled to dividends.

5. 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 2013 £'000	(Unaudited) At 29 February 2012 £'000	(Audited) At 31 August 2012 £'000
Capital reserve – on investments sold	**36,426**	24,357	34,617
Capital reserve – on investments held	**26,136**	4,173	9,648
	62,562	28,530	44,265

6. Net Asset Value per Ordinary Share

	(Unaudited) At 28 February 2013	(Unaudited) At 29 February 2012	(Audited) At 31 August 2012
Net assets attributable to Ordinary Shareholders (£'000)	**146,165**	114,011	128,922
Ordinary shares in issue at end of period	**55,457,663**	55,457,663	55,457,663
Net asset value per Ordinary share	**263.56p**	205.58p	232.47p

7. 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 month period to 28 February 2013.

Directors' Responsibility Statement

In respect of the Half Yearly Report for the six months ended 28 February 2013, 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 Conduct Authority's Disclosure and Transparency Rules.

The Half Yearly Report for the six months ended 28 February 2013 was approved by the Board and the above Responsibility Statement has been signed on its behalf by:

Alan Clifton
Chairman
12 April 2013

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.

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 2013 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 and The 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 AIC. Further information on the AIC can be found at its website, **www.theaic.co.uk**.

2013 Financial Calendar

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

Shares in Issue

As at 12 April 2013, the Company had 55,757,663 Ordinary Shares of 25p each in issue, which included 600,000 Ordinary Shares held in Treasury.

Website

The Company maintains a website, which is located at **www.ibtplc.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

Alan Clifton (Chairman)
John Aston
Véronique Bouchet
David Clough
Jim Horsburgh

Advisers

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Chartered Accountants and Statutory Auditor
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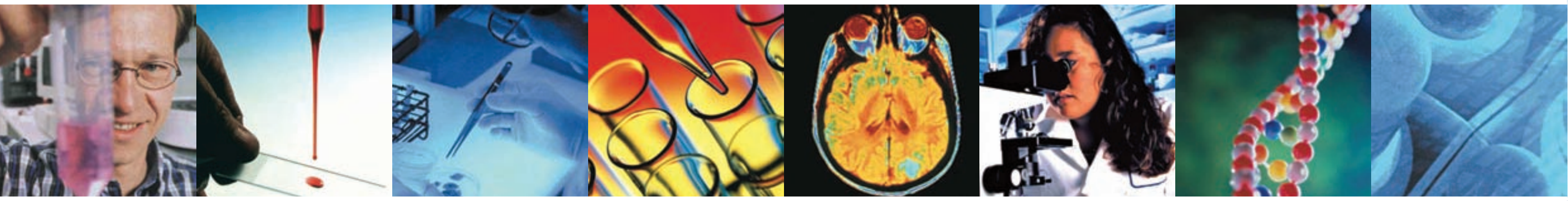

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