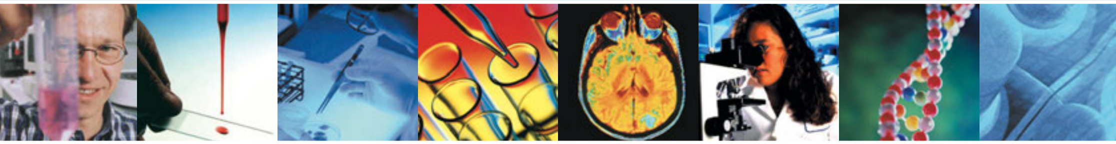
International Biotechnology Trust plc

Half Yearly Report

Six months ended 29 February 2016



Why invest in International Biotechnology Trust plc (IBT or the Company)?

The biotechnology market

Biotechnology and novel techniques are increasingly utilised in the healthcare industry. These techniques are becoming essential in the development of innovative new drugs, which can have the potential to generate billion dollar revenues. The healthcare industry is large and continues to grow: in 2014 the US spent $£3.0trn on healthcare.

Despite the setbacks in the global markets, and in the Biotechnology sector in particular since the beginning of 2016, the valuations of Biotechnology companies remain attractive in comparison to the S&P and are based on strong fundamentals. Increasing scientific knowledge continues to be a driver for growth, and innovation is leading to new and better treatments for a number of diseases. Biotechnology stocks have a history of outperforming over the longer term – over the last five years the NBI has outperformed the S&P 500 Index by 133.2%.

The biotechnology sector's future remains bright. The characteristics that have made it successful to date remain and there are still many diseases without effective treatment. Worldwide total prescription drug sales are expected to grow by 5% per annum to 2020.

IBT offers an excellent opportunity to invest in the biotechnology market

IBT is focused on identifying innovative drugs and medical devices that meet unmet medical needs. There are particular opportunities in complex disease areas, such as diabetes and cancer, which are substantial features of modern society, often associated with increasing longevity and unhealthy lifestyles.

Spending on specialty drugs increased by 26.5% to $124bn in 2014. It now accounts for one third of spending on medicines in the US, driven by a wave of recent innovations in the treatment of autoimmune diseases, hepatitis C and cancer. Rare diseases, which represent more than 20% of pharmaceutical costs also present attractive investment opportunities. They offer the possibility of gaining market exclusivity and a streamlined path to market, often paving the way to entry into large patient populations with similar disease mechanisms.

Drugs that can cure or alleviate disease have the potential to generate superior investment returns. But drug development is a long-term business: the process of taking novel ideas through to approved and marketed products can take up to fifteen years. Significant value increasing events can occur throughout the drug development process. IBT, with its ability to invest in both unquoted and quoted companies, together with its closed ended investment trust structure which is particularly well suited to investing in such companies. Its portfolio approach provides risk diversification whilst still giving access to potentially exciting returns.

Whilst the larger biotechnology companies are now stable and highly cash generative, drug development remains risky. Successfully picking the winners from the losers requires deep medical knowledge and extensive industry contacts, and this remains a market for specialist investors, if the best opportunities are to be identified and exploited. IBT offers investors access to the expertise required to invest in this sector successfully.

Portfolio approach

IBT gives investors exposure to this important global sector. Currently the biotechnology sector is dominated by US companies. Investing in smaller biotechnology and emerging medical device companies carries higher risk than investment in 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.

IBT is able to invest across a whole range of opportunities with differing investment characteristics; from early-stage innovation and product development in smaller companies to strong earnings driven growth in mid and large-cap companies.

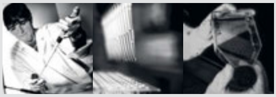
Investing in a portfolio of companies across different sub-sectors: drug development, medical devices and also healthcare service companies, allows IBT to gain exposure to both strong earnings growth and new technologies, while minimising the exposure to company specific risk.

Specialist management

IBT has appointed the specialist Investment Manager SV Life Sciences Managers LLP (SVLS). SVLS invests across the life sciences universe from small start-ups to large publicly quoted companies with very substantial revenues and profits. The core team is located in London, with other specialists located on the East and West coasts of the USA. These regions are important biotechnology innovation centres, allowing SVLS access to vital new opportunities, contacts and information.

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

Investment Objective and Investment Policy & Strategy



Investment objective

The Company's investment objective is to achieve long-term capital growth by investing in biotechnology and other life sciences companies.

Investment policy

The Company will seek to achieve its objective by investing in a diversified portfolio of companies which may be quoted or unquoted and whose shares are considered to have good growth prospects, with experienced management and strong potential upside through the development and/or commercialisation of a product, device or enabling technology. The portfolio is diversified by geography, industry sub-sector and investment size with no single investment normally accounting for more than 15% of the portfolio at the time of investment.

The portfolio is split between large, mid and small-capitalisation companies, primarily listed on stock exchanges in North America, where the most established and commercial biotech companies are based, though investments will also be made in Europe, Asia and Australia. Investments will also be made into selected unquoted companies where the Investment Manager has expertise.

The Company may invest through equities, index-linked securities and debt securities, cash deposits, money market instruments and foreign currency exchange transactions. Forward or derivative transactions are not used by the Company.

Investment strategy

The Company has delegated responsibility for day-to-day investment of its assets to the Alternative Investment Fund Manager (AIFM), SVLS. Consistent with the Company's investment policy SVLS makes the majority of its investments in biotechnology companies focused on drug discovery and development. Investments are also made in related sectors such as medical devices or healthcare services.

While the Company's portfolio is held as one pool of assets, for operational purposes there is a quoted portfolio and an unquoted portfolio. SVLS uses a bottom up approach focused on assessing the fundamentals of each investment. The universe of possible investments is assessed and reduced to take into account a number of key criteria such as disease area target and market, unmet medical need, management team, stock liquidity, market capitalisation, product portfolio and competition. The risk/reward of each investment is assessed on its own merits.

The Company has a £35.0m overdraft facility in place with HSBC Bank plc. This facility provides the Company with funds to take advantage of investment opportunities that occur from time to time on occasions when the portfolio is otherwise fully invested. It is the intention of the Board that borrowings are made to exploit specific investment opportunities, rather than to apply long-term structural gearing to the Company's portfolio of investments.

Contents

Financial Summary

for the six months ended 29 February 2016

	(Unaudited) 29 February 2016 Company†	(Audited) 31 August 2015 Company	% Change
Performance			
Total equity (£'000)	**188,271**	235,490	-20.1
Ordinary shares in issue ('000)*	**39,088**	40,248	-2.9
Net asset value (NAV) per share	**481.7p**	585.1p	-17.7
Share price	**425.0p**	551.5p	-22.9
Share price discount	**11.8%**	5.7%	
Ongoing charges (excluding performance fee)**	**1.4%**	1.5%	
Ongoing charges (including performance fee)**	**1.4%**	2.0%	
Index Values			
NASDAQ Biotechnology Index (NBI) (sterling-adjusted)	**1,908.85**	2,327.37	-18.0
FTSE All-Share Index (Total Return)	**5,375.62**	5,442.06	-1.2

†The trading subsidiary, IBT Securities Limited was dissolved and removed from the Companies House Register on 16 February 2016. As such, there is no longer a Group in existence and therefore the financial statements, including comparatives, have been presented on a Company only basis. For a reconciliation of the Company and Group results in comparative periods, and an explanation of the impact of the dissolution of IBT Securities Limited, refer to Note 7.
Excludes those held in treasury (29 February 2016: 3,805,000; 31 August 2015: 4,215,000).
***Annualised.*

Investors Chronicle and Financial Times Investment and Wealth Management Awards 2015
Winner

Best Specialist Fund
International Biotechnology Trust

Chairman's Statement

Summary

During the six months to 29 February 2016, the NAV per Ordinary share of IBT fell by 17.7% from 585.1p to 481.7p. Over the same period, the Ordinary share price of IBT fell by 22.9% from 551.5p to 425.0p. This compares with a decline in the NBI of 18.0% and a fall in the FTSE All-Share Index of 1.2%.

Following six years of growth, the first six months of the year have been a period of setback for Biotechnology stocks due to uncertainties triggered by the political response to unconscionable price hikes for certain drugs. The reasons for the NAV fall in the period are fully explained in the Investment Manager's report.

The effect of exchange rate movements positively impacted the Company, with an overall gain of £18.4m recorded. The Company's policy is not to hedge the foreign currency exposure of our investments, although this policy remains under continuing review.

Longer-term Results

The Company's performance since our lead investment manager, Carl Harald Janson, joined the SVLS team in the latter half of 2013 has materially improved. This is evident in a much better showing against both our benchmark index, the NBI, and our sector peer group of funds. As a result of the stellar performance achieved in the previous year, IBT received two awards, Tech Fund Manager of the Year award at the UK Tech Awards 2015 and Best Specialist Fund at the Investment and Wealth Management Awards. Shareholders will also be particularly pleased by our very substantial outperformance of the broader UK equity market, as measured by the FTSE All-Share Index. Over the last three years, our NAV is up by 89%, versus a return of 12% from the UK market as a whole.

Unquoted portfolio

The Board paused new investments into the unquoted portfolio in 2014 as opportunities were judged to be more attractive in quoted biotechnology shares. This decision has recently been reviewed and now individual opportunities brought to the Board by the Investment Manager will again be considered on their merits. No new investments into unquoted companies have been made in the first half year and, in any event, the Board does not expect the unquoted portfolio to increase above its current guideline range of 10-15% of total investments.

Buybacks and discount

The Company bought back 1.2m shares at a cost of £5.4m during this six month period, as part of discount management for the benefit of shareholders. This reduced the overall Company NAV, but enhanced the NAV per share by 1.9p because the shares were bought at a discount to NAV that averaged approximately 13%.

The buybacks helped to manage the discount at which our shares trade in relation to their underlying NAV. The discount closed on 11.8%, up from 5.7% at the previous year end and the average discount was kept within low to mid-teens range. It is the Board's long-term intention to continue to narrow the discount and reduce volatility in the average discount as market conditions allow.

Marketing

A key part of our marketing strategy is an increasing emphasis on retail investors. As a part of this, we are renewing and enhancing our digital marketing strategy. Our efforts have been supported by increased resources at the Investment Manager, with the appointment of Lucy Costa Duarte as Vice President of Investor Relations in February 2016.

Performance fee

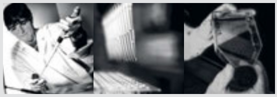
Further to the announcement on 9 December 2015, the Directors have agreed with the Investment Manager certain amendments to the performance fees payable under the Investment Management Agreement and the inclusion of certain key man provisions. The quoted and unquoted portfolios continue to be measured separately for performance purposes. The quoted portfolio, as before, will be measured relative to the NBI, with a hurdle of 0.5%. The changes are explained in full in Note 6 Related Parties.

Prospects

Despite the recent setbacks, biotechnology sector returns have been stellar over the past six years and have outperformed every other sector due to strong fundamentals and growth. I continue to hold the view that the sector retains its strong growth characteristics and attractive valuations, particularly so after the recent setbacks in share prices. The current political situation in the United States ahead of the next Presidential election is weighing heavily on sentiment towards the healthcare sector, biotechnology stocks included, as the debate about drug pricing has captured headlines. The true driver of healthcare costs is not in fact drug price increases, but demographic changes as the population ages and demands greater use of the healthcare system. Scientific developments continue to be made, allowing more effective drugs to be brought to the market for lower R&D outlays. Innovative medicines for diseases with unmet medical need will continue to drive growth in the sector in the longer-term.

Alan Clifton
Chairman
18 April 2016

Investment Manager's Review



Summary

In the six months ended 29 February 2016, the Company's NAV per share fell by 17.7%. The NBI fell by 18.0%, while the S&P 500 Index increased by 9.3% and FTSE All-Share Index decreased by 1.2%, the latter taken from 28 August 2015 close. All figures are sterling-adjusted.

By subsector, 86% of the portfolio was invested in therapeutics, 6% in specialty pharmaceuticals, 1% in life science tools, diagnostics and services and 6% in medical devices. Cash and other net assets were 1% of NAV.

Quoted and Unquoted performance

At 29 February 2016, for financial reporting the quoted portfolio represented 88.1% of NAV at £166.3m. The unquoted portfolio represented 11.5% of NAV at £21.2m. For the purposes of performance measurement, companies that were first invested in from the unquoted pool and have now become quoted but which suffer from illiquidity or other restrictions on trading are retained in the unquoted portfolio. This adjustment mirrors the performance fee arrangements and the responsibilities of the quoted and unquoted fund managers from SVLS. On this basis the quoted portfolio returned -20.3%, whilst the unquoted portfolio fell by 1.0%.

Quoted portfolio

As noted above, the return of the quoted portfolio was -20.3%, which underperformed the benchmark index, the NBI which returned -18.0%.

In November 2015, AstraZeneca acquired ZS Pharma for $2.7bn. ZS Pharma was selected for inclusion in the IBT portfolio on the basis of its wholly owned asset, ZS-9, a late stage treatment for hyperkalemia. Our position in ZS Pharma contributed £0.9m to the NAV as a result.

Also in November 2015, Genmab AS, based in Denmark, received FDA approval for Darzalex (daratumumab) for multiple myeloma. This was the first monoclonal antibody approved for multiple myeloma and the first US sale shortly after approval triggered receipt of a $45m milestone payment from partner Johnson&Johnson. IBT's holding of Genmab contributed £2.2m to the NAV over the period.

Ophthotech, a former investment from the unquoted portfolio that the fund managers chose to remain invested in, contributed £3.1m in the six months to 29 February 2016. Following a fall in share price in October that was not supported by the fundamentals, the manager doubled the fund's position in the company after recognising the fall as a buying opportunity. Despite the difficult market conditions in 2016, the Ophthotech share price remains above cost.

In December 2015, Chimerix announced that their lead asset brincidofovir did not achieve its primary endpoint in the phase 3 SUPPRESS trial. This event, combined with the market falls in the autumn, led to an overall reduction in the value of the portfolio of £5.1m.

Regeneron was also negatively affected in the period after warning that Eylea sales were expected to slow in 2016. The launch of Praluent was also slower than anticipated, with only $7m generated in fourth quarter end-user sales. Combined with the market decline, this led to a £2.7m decrease in the NAV over the period.

In January 2016, an FDA advisory panel voted against approval of Duchenne muscular dystrophy asset, Kyndrisa, the drug BioMarin acquired through the purchase of biotechnology company Prosensa in 2014 for up to $840m. BioMarin will continue to pursue ongoing Kyndrisa studies, however the negative news flow, combined with market conditions, led to a decrease in NAV of £2.6m.

Unquoted portfolio

The return for the unquoted portfolio over the six months ended 29 February 2016 was a fall of £0.3m or 1.0%. The combined effect of gains and losses on the unquoted investments was to decrease NAV by 0.7 pence per share. As at 29 February 2016, the Company held investments in eleven unquoted portfolio companies plus interests in six further companies that have been sold, but where there are further receipts dependent on reaching drug development or financial milestones set at the point when those companies were acquired, representing 3% of NAV. The Company also holds investments in two quoted companies that have listed, but which as described above are still reported for performance purposes within the unquoted portfolio, Entellus and TransEnterix, representing £6.7m or 3.6% of NAV.

Changes in the valuation inputs led to slight increases in the valuation of Reshape and ESBATech, and decreases in the valuation of EBR Systems and OncoEthix.

The probability of receipt of certain milestone payments from Convergence, which was sold to Biogen in 2015, increased following the presentation of data at the Biogen R&D day in January 2016.

Investment Manager's Review

The final payment of £0.1m was received from Celerion, a previously exited investment, in February 2016.

During the period, the value of Atopix/Oxagen was written down by 50% due to a lack of clinical efficacy in the Phase 2 trials for CRTH2 in moderate to severe atopic dermatitis. Phase 2 trials are ongoing for CRTH2 in asthma, supporting the remaining value of the investment. Novartis have validated the mechanism in severe asthmatics with a similar molecule and have recently commenced Phase 3 trials. The write down led to a reduction of £0.7m in the NAV.

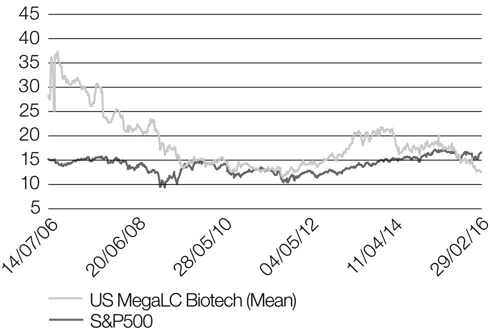
The decreases in valuation and write down of Atopix/ Oxagen were offset by foreign exchange gains of £2.0m in the period.

Outlook

A number of factors contributed to the dramatic falls seen across the biotechnology sector since 1 September – the beginning of the Company's financial year. The sector took a tumble in autumn on the back of the price gouging scandal by Turing Pharmaceuticals sparking the infamous 'Hillary tweet'. However the sector recovered well moving into the calendar year end. At the start of 2016, it then suffered a dramatic downturn as a significant level of funds flowed out of risk assets in January. This was thought to be driven in part by the broad selling from Sovereign Wealth Funds as a consequence of the oil price declines.

Compared to the previous market crash in 2008, the biotechnology sector has matured and many of the companies which were pre-revenue are now turning profitable. The fundamentals and growth prospects of many biotechnology companies remain attractive in the current market, with valuations of mega-cap companies at a discount to the S&P 500 based on forward price to earnings multiple. Sales and earnings for these more established companies are both predictable and visible. Often new drugs are launching into markets with known pricing and an established patient population but with better efficacy and safety. Once launched, sales should continue until the drug's patent expires or competing drugs enter the market. We continuously assess competitive products that may be developed and could impact the sales of current products and adjust the portfolio risk accordingly.

Valuation – "Mega LC" Biotech –10 year NTM P/E



Source: EvercoreISI

The forthcoming US Presidential election in November 2016 has added further pressure to the NBI. Rising healthcare costs including the cost of prescription drugs have become a key area of debate for US politicians, patients and the media, and a source of worry for investors. Total healthcare spend in 2014 was $3.0trn, the highest of any developed nation at more than 17% of gross domestic product (GDP). Prescription drugs made up approximately 10% of the total healthcare cost, a ratio which has remained broadly consistent since the year 2000. Despite prescription drugs representing a relatively small proportion of overall spend, high launch prices and exceptional price hikes in the specialty drugs category, with limited supply, have led to negative news headlines and increased scrutiny on drug pricing.

In September 2015, Turing Pharmaceuticals acquired Daraprim, an old, off-patent drug used to treat toxoplasmosis. Turing raised the price from $13.50 per tablet to $750 per tablet, an increase of more than 5000%. In the outcry following this decision, Hillary Clinton the Democratic Presidential hopeful tweeted "Price gouging like this in the specialty drug market is outrageous. Tomorrow I'll lay out a plan to take it on. – H" This comment sparked a short-term sell off in the NBI of -20%. It is important to note, that in the tweet and in subsequent discussions, the target was not innovative medicines but specifically the act of taking old, off-patent drugs and ramping up the price.

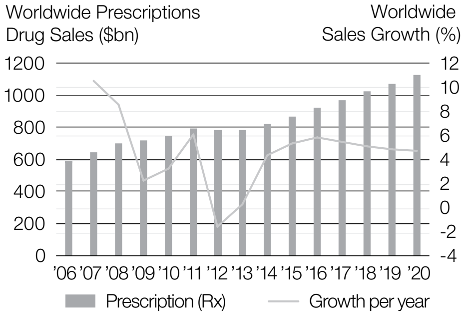
Investment Manager's Review

It is the Investment Manager's view that in order for new political legislation to truly impact drug pricing, it is probable that both the House and Senate would need to have a Democratic majority. This is believed to be unlikely in the short to medium-term. What is more likely is continuing pricing pressure resulting from stronger negotiation power by payers, enhanced by the ongoing payer sector consolidation. This is particularly prevalent in pockets of the pharmaceutical market, for example, diabetes and respiratory diseases. Both these areas have an abundance of undifferentiated 'me-too' drugs i.e. drugs that do not show material benefits in either safety or efficacy. This is not a new phenomenon, but we expect this to intensify.

It should be remembered that scientific progress is the main driver behind most of the value creation in the biotechnology/pharma sector. It is our view that innovative drug development with significant benefits to patients will continue to lead to high margin products offering attractive investment opportunities in the future, not only in the next few years, but also for several decades ahead. The medical need remains high in areas such as Alzheimer´s Disease and Parkinson´s Disease. A vast number of cancers also remain without a cure. We anticipate these advancements will lead to an increasing numbers of drug approvals by the FDA, and falling development costs. Drugs which offer significant improvement to patients' lives and reduce or eliminate ongoing care costs are an attractive cornerstone of the healthcare strategy where demographic trends continue to push costs higher.

Several large cap pharma and biotech companies remain cash rich, are cash generative, and are in a position to acquire smaller innovative companies to expand their pipelines. With attractive valuations we expect strategic acquisitions and mergers (M&A) to continue to be a major theme for the sector, especially in the view of the failure of the Pfizer/Allergan merger. It is important to note that premiums paid for biotechnology companies have remained steady over time, regardless of the market backdrop. As part of our investment strategy, we focus on identifying companies that have the rights to drugs for novel targets in areas with little or no competition, as they are most likely to benefit from M&A activity.

Worldwide Total Prescription Drug Sales 2006-2020

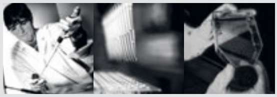


Source: EvaluatePharma® (1 JUN 2014) Sales forecasts to 2020 based on a consensus of leading equity analysts' estimates for company product sales and segmental sales

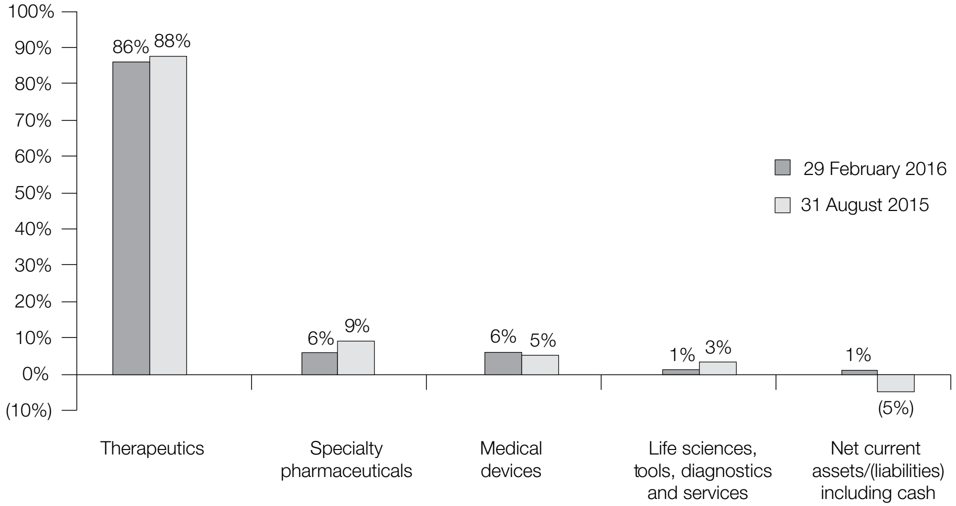
Despite the recent challenges in the equity market, we remain excited about the biotechnology sector. Each year brings scientific breakthroughs, either through individual drug success stories like the one we have seen with Genmab's Darzalex, or through the advances of new technology platforms such as T-cell therapies and immunoncology. While healthcare costs will remain high on the agenda of public debate, we continue to believe in the future growth of the biotechnology sector. This belief is based on the significant value creation that is achieved through meeting high medical need with significant benefits for patients, allowing them to lead longer and healthier lives.

SV Life Sciences Managers LLP
Investment Manager
18 April 2016

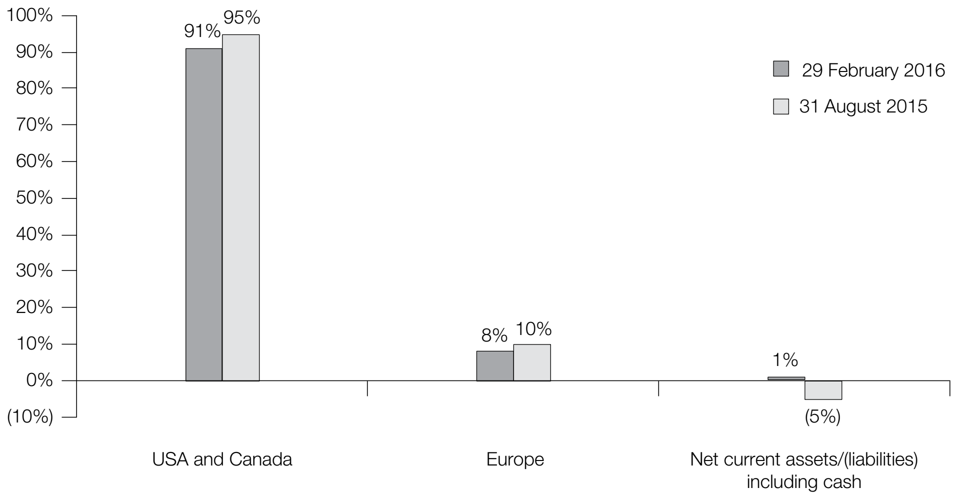
Classification of Investments



Classification of Investments by Sector
at 29 February 2016



Classification of Investments by Region
at 29 February 2016



Ten Largest Investments

as at 29 February 2016

	Investment	Country	Sector classification	Market value of holding £'000	% of shareholders' funds
1	Celgene	USA	Biotechnology	17,318	9.2
	A company engaged in the discovery, development and commercialisation of innovative therapies designed to treat cancer and immunological diseases. The company has six main marketed products: Revlimid, Pomalyst, Otezla, Thalomid, Vidaza, Abraxane and a full pipeline of drug candidates in clinical development. Total revenues were $9.3bn in 2015.				
2	Amgen	USA	Biotechnology	15,676	8.3
	A company that pioneered the development of novel products based on advances in molecular biology. Amgen markets products which are used to treat oncology/haematology, cardiovascular, inflammation, bone health and nephrology. The company also has an advanced pipeline of biosimilars in late stage development. Total revenues were $21.7bn in 2015.				
3	Gilead	USA	Biotechnology	15,419	8.2
	A company with an industry-leading franchise in hepatitis C and HIV drug development and commercialisation. In recent years the company has diversified its R&D and commercial portfolio into new disease areas, including oncology and rheumatoid arthritis. Total revenues were $32.6bn in 2015.				
4	Biogen	USA	Biotechnology	15,247	8.1
	A company developing, manufacturing and commercialising biologic drugs primarily for inflammatory and autoimmune diseases as well as cancer. The company's major marketed products include Tecfidera, Avonex, and Tysabri for the treatment of multiple sclerosis; and Rituxan for the treatment of blood-based cancers and rheumatoid arthritis. Total revenues were $10.8bn in 2015.				
5	Regeneron	USA	Biotechnology	11,361	6.0
	A company with two significant marketed drugs. The first, Eylea, is indicated to treat age-related macular degeneration and Praluent for patients with elevated cholesterol. Eylea is partnered with Bayer ex-US and Praluent is partnered with Sanofi. The company also has a development deal with Sanofi. Total revenues were $4.1bn in 2015.				
6	Alexion	USA	Biotechnology	8,934	4.7
	A company whose main drug product Soliris is approved for the treatment of PNH and aHUS, both are rare "orphan" disease indications.The company recently embarked on two global launches for two additional rare disease medicines, Kanuma and Strensiq which the company gained from its recent acquisition of Synageva. Total revenues were $2.6bn in 2015.				
7	Medivation	USA	Biotechnology	8,117	4.3
	Medivation is a profitable biotechnology company whose lead asset Xtandi is partnered with Japanese Pharmaceutical company Astellas. The drug is used to treat patients with prostate cancer and generated $1.9bn in sales for 2015. Both companies are running trials to investigate Xtandi's benefits for earlier stages of prostate cancer which could markedly increase the size of the opportunity. Total revenues were $700m in 2015.				
8	Incyte	USA	Biotechnology	5,892	3.1
	A company focused on oncology and inflammation. The company's lead product, Jakafi, is approved in the USA for the treatment of myeloflbrosis and polycythemia vera. Total revenues were $754m in 2015.				

Ten Largest Investments

as at 29 February 2016

	Investment	Country	Sector classification	Market value of holding £'000	% of shareholders' funds
9	Genmab	Denmark	Biotechnology	5,800	3.1
	Genmab is a Danish antibody company who struck a major deal, with the potential value in excess of $1.1bn, in 2012 with Johnson & Johnson for their lead asset Darzalex for the treatment of multiple myeloma. The drug was approved in November 2015 under an accelerated approval pathway and it is expected to reach sales in the billions at peak. Total revenues (including milestone payments) were DKK1.1bn in 2015.				
10	Ophthotech	USA	Biotechnology	5,184	2.8
	Ophthotech is a development stage biotechnology company based in Boston (SVLS venture backed company). Their lead asset is in phase three development for the eye disease, age related macular degeneration. The asset is partnered with Roche and Novartis with data expected towards the end of this year.				
	Total			**108,948**	**57.8**

At 31 August 2015, the ten largest investments represented 51.0% of the NAV.

All of the above investments are in quoted companies.

Statement of Comprehensive Income

for the six months ended 29 February 2016

		(Unaudited) For the six months ended 29 February 2016 Company			(Unaudited) For the six months ended 28 February 2015 Company			(Audited) For the year ended 31 August 2015 Company		
	Notes	**Revenue return £'000**	**Capital return £'000**	**Total £'000**	Revenue return £'000	Capital return £'000	Total £'000	Revenue return £'000	Capital return £'000	Total £'000
(Losses)/gains on investments held at fair value through profit or loss		**–**	**(39,027)**	**(39,027)**	–	77,455	77,455	–	83,559	83,559
Exchange losses on currency balances		**–**	**(1,438)**	**(1,438)**	–	(446)	(446)	–	(425)	(425)
Income	2	**334**	**–**	**334**	111	–	111	409	–	409
Expenses										
Management fee		**(999)**	**–**	**(999)**	(1,236)	–	(1,236)	(2,360)	–	(2,360)
Performance fee		**–**	**–**	**–**	–	(1,988)	(1,988)	–	(1,348)	(1,348)
Administrative expenses		**(550)**	**–**	**(550)**	(579)	–	(579)	(1,136)	–	(1,136)
(Loss)/profit before finance costs and tax		**(1,215)**	**(40,465)**	**(41,680)**	(1,704)	75,021	73,317	(3,087)	81,786	78,699
Finance costs										
Interest payable		**(129)**	**–**	**(129)**	(88)	–	(88)	(166)	–	(166)
(Loss)/profit on ordinary activities before tax		**(1,344)**	**(40,465)**	**(41,809)**	(1,792)	75,021	73,229	(3,253)	81,786	78,533
Taxation		**(52)**	**–**	**(52)**	(16)	–	(16)	(54)	–	(54)
(Loss)/profit for the period attributable to owners of the Company		**(1,396)**	**(40,465)**	**(41,861)**	(1,808)	75,021	73,213	(3,307)	81,786	78,479
(Loss)/earnings per Ordinary share	3	**(3.52)p**	**(101.96)p**	**(105.48)p**	(3.84)p	159.30p	155.46p	(7.52)p	186.06p	178.54p

The total column of this statement represents the Company's Statement of Comprehensive Income prepared in accordance with IFRS as adopted by the EU.

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

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

The notes on pages 14 to 18 form part of these Financial Statements.

Balance Sheet

as at 29 February 2016

	Notes	**(Unaudited) At 29 February 2016 Company £'000**	(Unaudited) At 28 February 2015 Company £'000	(Audited) At 31 August 2015 Company £'000
Non-current assets				
Investments held at fair value through profit or loss		**187,498**	247,000	246,929
		187,498	247,000	246,929
Current assets				
Receivables		**8,369**	1,920	14,456
Cash and cash equivalents		**2,465**	250	296
		10,834	2,170	14,752
Total assets		**198,332**	249,170	261,681
Current liabilities				
Borrowings		**–**	(5,187)	(21,864)
Payables		**(10,061)**	(5,671)	(4,327)
		(10,061)	(10,858)	(26,191)
Net assets		**188,271**	238,312	235,490
Equity attributable to equity holders				
Called up share capital		**10,723**	11,191	11,116
Share premium account		**18,805**	18,805	18,805
Capital redemption reserve		**31,094**	30,626	30,701
Capital reserves	4	**158,617**	205,763	204,440
Revenue reserve		**(30,968)**	(28,073)	(29,572)
Total equity		**188,271**	238,312	235,490
NAV per Ordinary share	5	**481.66p**	570.57p	585.10p

The notes on pages 14 to 18 form part of these Financial Statements.

Statement of Changes in Equity

Company For the six months ended 29 February 2016 (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 1 September 2015	**11,116**	**18,805**	**30,701**	**–**	**204,440**	**(29,572)**	**235,490**
Total Comprehensive Income:							
Loss for the period	**–**	**–**	**–**	**–**	**(40,465)**	**(1,396)**	**(41,861)**
Transactions with owners, recorded directly to equity:							
Shares bought back and held in treasury	**–**	**–**	**–**	**–**	**(5,358)**	**–**	**(5,358)**
Shares cancelled from treasury	**(393)**	**–**	**393**	**–**	**–**	**–**	**–**
Balance at 29 February 2016	**10,723**	**18,805**	**31,094**	**–**	**158,617**	**(30,968)**	**188,271**

Company For the six months ended 28 February 2015 (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 1 September 2014	13,939	18,805	27,878	42,497	137,605	(26,265)	214,459
Total Comprehensive Income:							
Profit/(loss) for the period	–	–	–	–	75,021	(1,808)	73,213
Transactions with owners, recorded directly to equity:							
Shares bought back and held in treasury	–	–	–	(4,064)	(1,310)	–	(5,374)
Shares bought back and cancelled	(2,748)	–	2,748	(38,433)	(5,553)	–	(43,986)
Balance at 28 February 2015	11,191	18,805	30,626	–	205,763	(28,073)	238,312

Company For the year ended 31 August 2015 (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 1 September 2014	13,939	18,805	27,878	42,497	137,605	(26,265)	214,459
Total Comprehensive Income:							
Profit/(loss) for the year	–	–	–	–	81,786	(3,307)	78,479
Transactions with owners, recorded directly to equity:							
Shares bought back and held in treasury	–	–	–	(4,064)	(9,398)	–	(13,462)
Shares bought back and cancelled	(2,748)	–	2,748	(38,433)	(5,553)	–	(43,986)
Shares cancelled from treasury	(75)	–	75	–	–	–	–
Balance at 31 August 2015	11,116	18,805	30,701	–	204,440	(29,572)	235,490

The notes on pages 14 to 18 form part of these Financial Statements.

Cash Flow Statement

	(Unaudited) For the six months ended 29 February 2016 Company £'000	(Unaudited) For the six months ended 28 February 2015 Company £'000	(Audited) For the year ended 31 August 2015 Company £'000
Cash flows from operating activities			
(Loss)/profit before tax	**(41,809)**	73,229	78,533
Adjustments for:			
Decrease/(increase) in investments	**59,431**	(22,277)	(22,206)
Decrease/(increase) in receivables	**6,087**	(1,030)	(13,566)
Increase/(decrease) in payables	**5,734**	(2,466)	(3,810)
Taxation	**(52)**	(16)	(54)
Net cash flows generated from operating activities	**29,391**	47,440	38,897
Cash flows from financing activities			
Share repurchase costs	**(5,358)**	(49,360)	(57,448)
Net cash used in financing activities	**(5,358)**	(49,360)	(57,448)
Net increase/(decrease) in cash and cash equivalents	**24,033**	(1,920)	(18,551)
Cash and cash equivalents at beginning of period	**(21,568)**	(3,017)	(3,017)
Cash and cash equivalents at end of period	**2,465**	(4,937)	(21,568)

The notes on pages 14 to 18 form part of these Financial Statements.

Notes to the Financial Statements

1. Accounting policies

The 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 (EU) and are presented in sterling, as this is the principal currency of the primary economic environment in which the Company operates.

The financial information for each of the six month periods ended 29 February 2016 and 28 February 2015 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 2015 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 has reviewed the guidance issued by the Financial Reporting Council (FRC) in order to determine whether the going concern basis should be used in preparing the Financial Statements for the six months ended 29 February 2016. The Directors have reviewed the likely operational costs and cash flows for the Company for the 12 months from the date of this Half Yearly Report and are of the opinion that the Company has adequate resources to continue in operational existence for the foreseeable future. The Directors believe that it is appropriate to adopt the going concern basis in the preparation of the Financial Statements as there are no material uncertainties related to events or conditions that may cast significant doubt about the Company's ability to continue as a going concern.

The Company's principal risks and uncertainties remained unchanged to those described in the Annual Report for the year ended 31 August 2015. These include market risk, investment and strategy risks, currency risk, discount to the NAV, tax, legal and regulatory risks and operational risks. These risks, and the way in which they are managed, are described in more detail under the heading "Principal risks and uncertainties" within the Strategic Report in the Company's Annual Report for the year ended 31 August 2015 as well as Note 23 entitled "Financial Instruments and Risk Management".

The Company's accounting policies have not varied from those described in the Annual Report for the year ended 31 August 2015.

The trading subsidiary, IBT Securities Limited was dissolved and removed from the Companies House Register on 16 February 2016. As such, there is no longer a Group in existence and therefore the Financial Statements, including comparatives, have been presented on a Company only basis. For a reconciliation of the Company and Group results in comparative periods, and an explanation of the impact of the dissolution of IBT Securities Limited, refer to Note 7.

Notes to the Financial Statements

2. Income

	(Unaudited) For the six months ended 29 February 2016 Company £'000	(Unaudited) For the six months ended 28 February 2015 Company £'000	(Audited) For the year ended 31 August 2015 Company £'000
Revenue:			
Income from investments held at fair value through profit or loss:			
Unfranked dividends	**334**	98	363
Interest on debt securities	**–**	13	46
	334	111	409

3. Net (loss)/earnings per Ordinary share

	(Unaudited) For the six months ended 29 February 2016 Company £'000	(Unaudited) For the six months ended 28 February 2015 Company £'000	(Audited) For the year ended 31 August 2015 Company £'000
Net revenue loss	**(1,396)**	(1,808)	(3,307)
Net capital (loss)/profit	**(40,465)**	75,021	81,786
	(41,861)	73,213	78,479
Weighted average number of Ordinary shares in issue	**39,687,223**	47,093,630	43,955,896
Revenue loss per Ordinary share	**(3.52)p**	(3.84)p	(7.52)p
Capital (loss)/profit per Ordinary share	**(101.96)p**	159.30p	186.06p
Total (loss)/earnings per Ordinary share	**(105.48)p**	155.46p	178.54p

Notes to the Financial Statements

4. 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) For the six months ended 29 February 2016 Company £'000	(Unaudited) For the six months ended 28 February 2015 Company £'000	(Audited) For the year ended 31 August 2015 Company £'000
Capital reserve – on investments sold	**159,580**	137,296	172,168
Capital reserve – on investments held	**(963)**	68,467	32,272
	158,617	205,763	204,440

5. Net asset value per Ordinary share

	(Unaudited) At 29 February 2016 Company	(Unaudited) At 28 February 2015 Company	(Audited) At 31 August 2015 Company
Net assets attributable to Ordinary shareholders (£'000)	**188,271**	238,312	235,490
Ordinary shares in issue at end of period	**39,087,663**	41,767,663	40,247,663
NAV per Ordinary share	**481.66p**	570.57p	585.10p

6. Related party transactions

During the period, the Directors have agreed with the Company's investment manager, SV Life Sciences Managers LLP (the Investment Manager), amendments to the performance fees payable under an amended and restated investment management agreement (the IMA).

Under the IMA, the management fee payable to the Investment Manager (0.9% per annum of net asset value) remains unchanged as do the key principles of the annual performance fee:

- The portfolio consists of two investment pools: quoted and unquoted.
- The fee on the quoted pool is 10% of relative outperformance above the sterling-adjusted NASDAQ Biotechnology Index (NBI) (the Benchmark) plus a 0.5% hurdle.
- The fee on the unquoted pool is 20% of net realised gains, taking into account any unrealised losses but not unrealised gains.
- Total performance fees will continue to be subject to a cap and losses on both portfolios will continue to be carried forward but both on changed terms.

Notes to the Financial Statements

Under the terms of the IMA, the annual payment of the performance fee is now subject to new limits which include a reduction in the performance fee cap (from 3% to 2% of net assets), any underperformance of the quoted portfolio against the Benchmark being carried forward for the current financial period plus two preceding periods, performance fees in excess of the performance fee cap being carried forward for the current financial period plus two preceding periods and being offset against any carried forward underperformance before being paid out and the removal of a high water mark for the quoted portfolio. Further details on the changes are outlined below.

The Board and the Investment Manager have agreed that the amendments to the performance fee will be implemented as if having taken effect from 1 September 2015. As at 29 February 2016, no performance fee is payable to the Investment Manager under the proposals or would have been payable under the previous performance fee arrangements.

Further details on the revised performance fee arrangements:

- *Revised performance fee cap* – The maximum performance fee in any one year is reduced to 2% of the net assets as at the financial year end for the relevant period (the Performance Fee Cap). This Performance Fee Cap will be split pro-rata between the quoted and unquoted pool;
- *Underperformance is carried forward* – In the case of the quoted pool, any underperformance of the Benchmark (excluding the hurdle) within a relevant financial year, will be carried forward for the current financial period plus two preceding s periods of the Company and, if a performance fee becomes payable for the quoted pool in such future period, such performance fee will first be offset against any carried forward underperformance before being paid;
- *Excess performance over the Performance Fee Cap is carried forward* – Any performance fee that is earned in excess of the Performance Fee Cap in any performance period is carried forward and, in the case of the quoted pool proportion, used to offset future underperformance of the quoted portfolio for the current financial period plus two preceding periods. In a subsequent year where a performance fee is due, and provided all historic carried forward underperformance has been offset, then any remaining carried forward performance fee will also be paid (subject to the prevailing Performance Fee Cap). Any carried forward performance fee that has not been offset against historic underperformance or otherwise paid out will be paid to the Investment Manager in the third year after it became payable, subject to the Performance Fee Cap;
- *Payment of performance fees on termination* – On termination of the Investment Manager other than for cause, any unpaid performance fees will become payable, subject to a cap of 4% of net assets for the performance period in which the Investment Manager's appointment is terminated. This will allow the Investment Manager to be paid any historic fees that were previously deferred; and
- *Removal of high water mark* – The performance fee will no longer be subject to a high water mark on the quoted portfolio. If after accounting for any carried forward underperformance and adding back any carried forward performance fees in a particular period, the current period's performance is still negative, no performance fee will be payable in that period.

The amendment to the performance fees payable to the Investment Manager, who is a related party of the Company under the Listing Rules, amounts to a smaller related party transaction under Listing Rule 11.1.10R.

Notes to the Financial Statements

7. Subsidiary Undertaking

The Company had an investment in the entire issued ordinary share capital, fully paid, of £100 in its wholly owned subsidiary undertaking, IBT Securities Limited, which was registered in England and Wales and operated in the United Kingdom. The subsidiary company was placed into members voluntary liquidation on 16 February 2016. Therefore the Financial Statements are no longer prepared on a consolidated basis and Company only accounts will be produced.

Prior to its dissolution, following the decision by the Directors, the intercompany receivable of £511,000 from IBT plc was derecognised. As a result, the corresponding creditor in IBT plc's Company Financial Statements was also released to the Profit & Loss Account (P&L). IBT Securities Limited was being carried at a value of £100 in IBT plc's Company accounts. This amount was written off to the P&L upon dissolution. These were the only reconciling items between the Group and Company accounts.

Directors' Responsibility Statement

In respect of the Half Yearly Report for the six months ended 29 February 2016, we confirm that, to the best of our knowledge:

– the condensed set of Financial Statements contained within, which have been prepared in accordance with IAS 34 "Interim Financial Reporting", gives a true and fair view of the assets, liabilities, financial position and profit and loss of the Company; and

– the Chairman's Statement and the Investment Manager's Review includes 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 has not been reviewed or audited by the Company's auditors.

The Half Yearly Report for the six months ended 29 February 2016 was approved by the Board and the above Responsibility Statement has been signed on its behalf by:

Alan Clifton
Chairman
18 April 2016

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: GB0004559349; EPIC Code: IBT). The Company is registered in England and Wales with a Company 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 2017 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 Daily Telegraph and the Financial Times.

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

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

2016 Financial Calendar

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

Shares in Issue
As at 15 April 2016, the Company had 42,342,663 Ordinary shares of 25p each in issue, which included 3,780,000 Ordinary shares held in treasury.

The Company's Ordinary shares can continue to be recommended by Financial advisers to their ordinary retail clients under the Non-Mainstream Pooled Investment Rules which became effective from 1 January 2014.

Directors
Alan Clifton (Chairman)
John Aston (Audit Committee Chairman)
Dr Véronique Bouchet
Caroline Gulliver
Jim Horsburgh

Advisers
Investment Manager and AIFM
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Independent Auditor
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Chartered Accountants and Statutory Auditor
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Registrar
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Aspect House, Spencer Road
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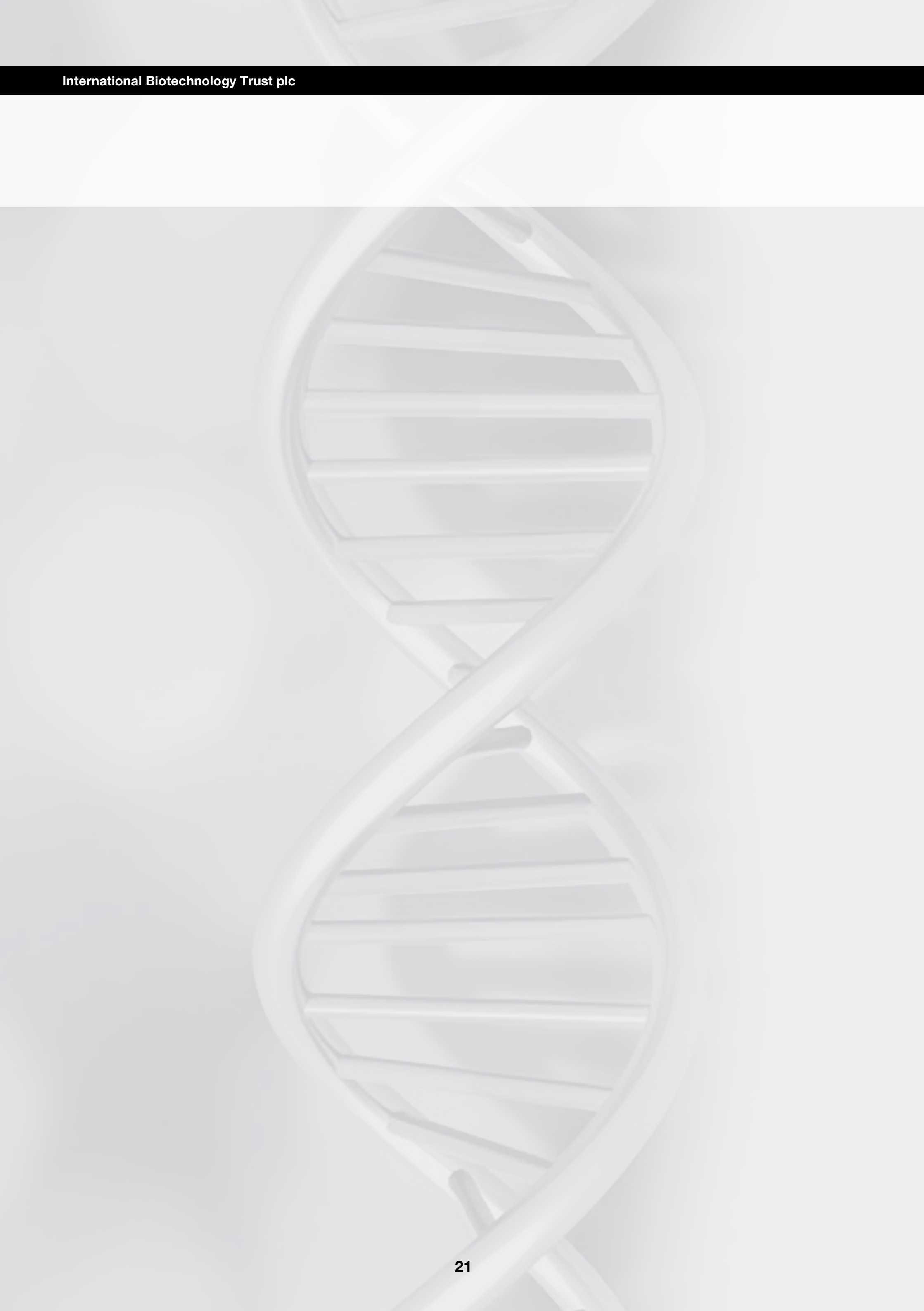
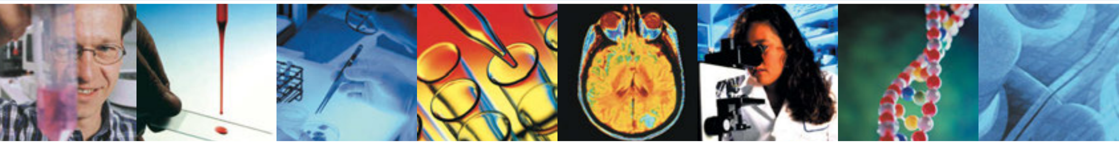
Website: www.shareview.co.uk

**Lines are open from 8.30am to 5.30pm Monday to Friday (excluding UK public holidays).*

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.





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