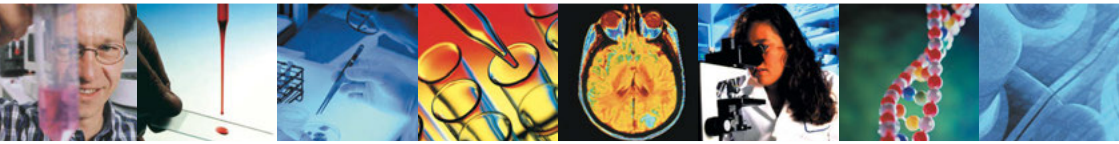


International Biotechnology Trust plc

Half Yearly Report

Six months ended 28 February 2015



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

The biotechnology market

Biotechnology encompasses the application of novel techniques within the healthcare industry, which includes the creation and/or improvement of innovative drugs with the potential to generate billion dollar revenues.

Market capitalisations have kept pace with the increased profitability and growth potential of the sector. By the end of 2014 US quoted biotech companies within the NASDAQ Biotechnology Index were valued in total at \$945.1bn. Over the last five years the NASDAQ Biotechnology Index outperformed the S&P 500 Index and the NASDAQ 100 Technology Index by 212% and 185% respectively. In 2014 the US spent 36% more on healthcare than the whole of the UK GDP (Gross Domestic Product – which is the total value of all goods and services produced over a twelve month period).

The sector's future remains bright because all the characteristics that have made it successful to date remain, with many diseases either without treatment or with poor treatment. From 2003 to 2013 two-thirds of all new drugs approved by the Food and Drug Administration (FDA) originated from biotechs rather than more traditional pharmaceutical companies.

IBT offers an excellent opportunity to invest in the biotechnology market

IBT is focused on identifying innovative drugs and medical devices that meet medical needs in complex disease areas such as diabetes and cancer – often associated with increasing longevity and unhealthy lifestyles. IBT may also invest in healthcare service companies that provide services to biotech and medical device businesses.

Drugs that can cure or alleviate disease have the long-term potential to generate superior investment returns. But drug development is a risky business. Picking the winners from the losers requires the deep medical expertise and extensive industry contacts possessed by IBT.

Given the long-term nature of drug development, the closed ended investment trust structure is very well suited to investing in companies from a novel idea to approved and marketed products. Value increasing events may occur throughout the drug development process. IBT has a portfolio approach which provides both very good risk management whilst also giving access to the potential for exciting returns.

While some biotechnology companies have become stable and highly cash generative, this is a market for specialist investors. IBT offers investors access to the expertise required to invest in this sector successfully in both public and private stocks.

The IBT strategy

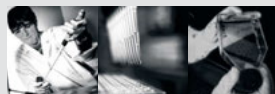
Portfolio approach – IBT gives investors exposure to this important global sector. Currently the biotechnology sector is dominated by US companies. Investing in smaller biotechnology and emerging medical device companies carries higher risk than investment in their larger peers since earlier-stage companies 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.

The Company is able to invest across a whole range of opportunities 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 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 in Boston and San Francisco. These cities are important biotechnology innovation centres, allowing SVLS access to vital new opportunities, contacts and information.

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 £30.0m overdraft facility in place with HSBC. 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 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.

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

Financial Summary

for the six months ended 28 February 2015



	(Unaudited) 28 February 2015	(Audited) 31 August 2014	% Change
Group Performance			
Total equity (£'000)	238,823	214,970	11.1
Ordinary shares in issue ('000)*	41,768	54,333	(23.1)
Net asset value (NAV) per share	571.79p	395.66p	44.5
Share price	495.00p	314.50p	57.4
Share price discount	(13.4)%	(20.5)%	
Ongoing charges (excluding performance fee)**	1.7%	1.7%	
Ongoing charges (including performance fee)**	2.6%	1.7%	
Index Values			
NASDAQ Biotechnology Index (NBI) (sterling-adjusted)	2,284.01	1,741.81	31.1
FTSE All-Share Index (Total Return)	5,800.24	5,572.21	4.1

*Excludes those held in treasury (28 February 2015: 2,995,000; 31 August 2014: 1,425,000).

**Annualised.

Chairman's Statement



Summary

I am pleased to report another excellent return for Shareholders for the six months ended 28 February 2015. The NAV per share rose 44.5%, ending at a period high of 571.8p per share. The share price was up 57.4%, driven by very strong performance of both the unquoted and quoted parts of the portfolio, and share buybacks. This result has generated performance fees for our Investment Manager from both sections of the portfolio and a total fee of £2.0m has been accrued in these accounts.

The quoted portfolio of IBT, which represents the vast bulk of the Company's net assets - see the Investment Manager's Review for the detail - had an excellent six months, with a gain of 38%. The unquoted section, meanwhile, also performed outstandingly well, returning 43%. The effect of exchange rate movements positively impacted the results, with an overall gain of £18.2m recorded. The Company's policy is not to hedge the foreign currency exposure of our investments, although this policy remains under continuous review.

The first half of the financial year was supported by several positive news stories, from major mergers and acquisition announcements to promising clinical trial results from numerous fund holdings. There were six companies within the fund's portfolio which were the subject of acquisitions in the period under review; three from the quoted portfolio (Cubist Pharmaceuticals, NPS Pharmaceuticals and Salix Pharmaceuticals), with a fourth deal (AbbVie's acquisition of quoted company Pharmacyclics) announced shortly after the half year end, and three from the unquoted portfolio. Celerion was acquired in October 2014, Oncoethix in December 2014 and Convergence in January 2015. In addition, the unquoted company Entellus was floated on the NASDAQ in January 2015 and the Company received further contingent payments from previously exited companies, ESBATech and Affinium.

In last year's Annual Report the Board announced its intention to refrain from making investments in unquoted companies for an undisclosed duration. We will continue to review this decision, taking into account major Shareholders' views, the performance and outlook of the quoted markets and the opportunities which emerge in the unquoted sector.

Longer-term Results

The Company's performance since our new lead investment manager, Carl Harald Janson, joined the SVLS team in the latter half of 2013 has greatly improved. This is evident in a much better showing against both our benchmark index, the NBI, and our sector peer group of funds. Shareholders will, however, 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 five years the Company's NAV increased by some 247%, versus a return of 65% from the UK market as a whole.

Share buybacks and discount

During the six months ended 28 February 2015, the Company bought back a total of 12,565,000 shares, reducing the outstanding share capital by 23.1%. Together with the improved performance demonstrated, the buybacks helped to lower the discount at which our shares trade in relation to their underlying NAV by 7.1% from 20.5% to 13.4%. Looking ahead, the Board aims to dampen the volatility of the shares' discount to NAV, which has been an unwelcome feature of the Company's past trading patterns.

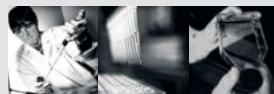
Prospects

The biotechnology sector has enjoyed a period of exceptional performance over the past three years, including the period under review. In my view, value creation in the biotechnology sector will continue for the foreseeable future, though it may be wise to anticipate a more moderate pace of advance in the near-term. IBT offers investors the opportunity to participate fully in this very attractive investment proposition, guided as it is by our experienced and skilled team at SVLS. I should re-iterate the Board's long held view, however, that our investors should be influenced essentially by the sector's long-term appeal rather than its current performance profile.

Alan Clifton
Chairman

14 April 2015

Investment Manager's Review



Summary

In the six months ended 28 February 2015, the Company's NAV per share increased by 44.5%. The NBI increased by 31.1%, while the S&P 500 Index and FTSE All-Share Index increased by 14% and 4.1%, respectively. All figures are sterling-adjusted.

By subsector, 91% of the portfolio was invested in therapeutics, 7% in specialty pharmaceuticals, 2% in life science tools, diagnostics and services and 3% in medical devices. Cash and other net liabilities were (3)% of NAV.

At 28 February 2015, the quoted portfolio, at £229.4m, represented 92.6% of NAV. The unquoted portfolio, at £17.6m, represented 7.4% of NAV.

Share Buybacks

The Company bought back 12.6m shares at a cost of £49.4m during this six month period, as part of the Board's discount management strategy. This reduced the overall Company NAV but enhanced the NAV per share by 20.5p because the shares were bought at a discount to NAV that averaged approximately 20%.

Quoted and Unquoted performance

For the purposes of performance measurement, companies which 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 mirrors the incentive fee arrangements and the responsibilities of the fund managers from SVLS of the two portfolios. The performance review below reflects this analysis. At the period end the difference in analysis is represented by investments in Entellus and TransEnterix, representing £7.3m or 3% of NAV.

Quoted Portfolio

During the six months under review, the quoted portfolio contributed a gain in NAV of £66.7m, or 159.7p per share. The return of the quoted portfolio was 38.0% which outperformed the benchmark index, the sterling denominated NBI which returned 31.1%.

In the last two days of August 2014, InterMune was acquired by Roche for \$8.3bn which set the tone for the first six months of IBT's year, with M&A being the major theme. A number of technology driven acquisitions not only helped the fund's performance in their own right, but also had a positive effect on the sector as a whole.

The main event within the quoted portfolio during the period was the acquisition of Cubist by Merck for \$8.4bn.

Names such as Cempra and Tetrphase (both in the anti-infectives arena) came into focus for investors as possible M&A targets for big pharmaceutical companies. Cempra announced strong data from their phase 3 trial Solitaire in January 2015 and Tetrphase gave the markets reason to buy the stock with the announcement that their lead drug candidate eravacycline could benefit patients with multi-resistant antibiotic infections. Chimerix, a major position for the fund, performed well driven by continued progress of brincidofovir's (anti-viral drug) late stage trials.

Following the acquisition of Cubist in December 2014, Shire Pharmaceuticals announced the acquisition of orphan, gastro-intestinal (GI) disease company NPS Pharmaceuticals for \$5.2bn in January 2015. GI company Salix was bought at the end of the interim period by Valeant.

Continuing the M&A theme, rumours that portfolio company Pharmacyclics was in a competitive bidding process drove its share price higher. In March 2015, after the Company's reporting period, Pharmacyclics was acquired by AbbVie for \$21bn.

Aside from M&A news, the sector saw some positive developments for major clinical trials. Biogen and Neurocrine (both holdings within IBT) announced positive data, with Biogen releasing early clinical results in the treatment of Alzheimer's disease. Neurocrine also proved their drug elagolix could treat endometriosis related pain which will open up a large market.

During the first half of the period under review, we continued to meet with companies intending to raise capital through initial public and secondary offerings, with no sign of abating despite an incredibly strong twelve months in the year to 31 August 2014. This has been driven partly by a resurgence of interest in the sector and also the introduction of US Legislation, The JOBS Act 2012, which made it easier for companies to obtain private financing and reduced the regulatory burden of smaller companies joining a US stock market.

Unquoted Portfolio

The return for the unquoted portfolio over the six months ended 28 February 2015 was £10.8m or 42.7%. The net effect of gains and losses on the unquoted investments was to increase NAV by 25.8 pence per share. As at 28 February

Investment Manager's Review



2015, the Company held 7% in investments in thirteen active unquoted or classified as unquoted portfolio companies plus 3% in interests in seven further companies that have been sold, but where further gains are possible contingent on reaching drug development or financial milestones set at the point when those companies were acquired. The main contributors to performance within the unquoted portfolio came from Convergence, Oncoethix, Entellus and Sutro. In December 2014 Oncoethix was acquired by Merck which resulted in IBT receiving £2.0m upfront with contingent further payments of up to £14.6m which will be paid if the company hits a series of drug development milestones, which are currently valued at £2.3m based upon our assessment of the likelihood of achievement as of this reporting date.

In January 2015 Biogen acquired Convergence which resulted in IBT receiving £2.0m upfront with contingent further payments of up to £10.4m which will be paid if the company hits a series of drug development milestones, which are currently valued at £3.4m based upon our assessment of the likelihood of achievement as of this reporting date.

Entellus listed on the NASDAQ in January 2015, this generated a £0.9m gain on the unquoted valuation at IPO which has subsequently increased by a further £1.1m in its first month of trading to the period end. Sutro was written up by £1.1m in the year due to a change in valuation based on SVLS' assessment of the company as a result of validating collaboration deals signed with Celgene and Merck.

Amounts of £0.2m and £1.3m were received from contingent milestones associated with drug development programmes in the previously sold portfolio companies Affinium and ESBATech in the period.

There were no write downs or write offs of note in the period.

Outlook

The biotechnology sector has had a strong run in recent years. This has generated both interest and concern from the investment community. Some believe that stocks are overvalued, future earnings are unpredictable and pricing power may evaporate. Taking each point in turn: the sector price / earnings ratios (P/E) for profitable companies are not stretched, with forward P/E at 20x to buy a compound annual growth rate of 17% for years 2015 to 2018. We think this is not expensive and certainly not in bubble territory.

Secondly, sales and earnings 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 levels. Once launched, sales should continue until its patent expires. We assess competitive products that are being developed and may impact the sales of current products and adjust the portfolio accordingly.

Finally the pricing debate. It is fair that investors are concerned about this topic. This year we have seen an increase in focus on the importance of reimbursement, specifically where similar products compete in a specific disease area. Gilead and AbbVie have been battling it out with insurance companies in the US over the inclusion or exclusion of their hepatitis C (HCV) drugs on the insurance company's formulary lists. However, despite such attempts at bringing costs down, Gilead's HCV franchise has sales projections of \$15.3bn this calendar year, and actual results of \$10.3bn for 2014. Sales of Gilead's Harvoni and Sovaldi have created substantial cash which could be used to acquire small innovative companies that may contribute towards future growth of the business. It is interesting to note that although new drugs are introduced at great cost, many drugs go off patent each year, resulting in savings of an equivalent amount to the new spend. In addition, this does not take into account the long term savings from curing diseases that without treatment or a cure create long term treatment costs for the healthcare services.

A further reason for holding an interest in a portfolio of biotechnology stocks such as IBT is to provide investors with access to many companies with exposure to all phases of development, both in commercial phase and in development phase, giving an extra layer of protection, and gain, when scientific advances are made.

We remain excited and positive about the sector going forward. Each year brings a scientific breakthrough, either through individual drug success stories such as Biogen's recent Alzheimer's data or through the advances of new technology platforms such as gene therapy, cell therapies and gene editing. We are optimistic that the sector's performance will continue, not just for the next year but for the longer-term.

SV Life Sciences Managers LLP

Investment Manager

14 April 2015

Ten Largest Investments

as at 28 February 2015



	Investment	Country	Sector classification	Market value of holding £'000	% of shareholders' funds
1	Biogen 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 Avonex, Tecfidera and Tysabri for the treatment of multiple sclerosis; and Rituxan for the treatment of blood-based cancers and rheumatoid arthritis. Total revenues were \$6.7bn in 2014.	USA	Biotechnology	19,906	8.3
2	Celgene A company engaged in the discovery, development and commercialisation of innovative therapies designed to treat cancer and immunological diseases. The company has five marketed products: Revlimid, Thalomid, Vidaza, Abraxane, Pomalyst and a full pipeline of drug candidates in clinical development. Total revenues were \$7.6bn in 2014.	USA	Biotechnology	19,007	8.0
3	Gilead 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 hypertension, oncology and cystic fibrosis. Total revenues were \$24.5bn in 2014.	USA	Biotechnology	14,769	6.2
4	Amgen A company that pioneered the development of novel products based on advances in molecular biology. Amgen markets products which are used to treat anaemia, rheumatoid arthritis and autoimmune diseases. In 2013, the Company bought Onyx Pharmaceuticals to gain access to its growing oncology franchise. Total revenues were \$20.1bn in 2014.	USA	Biotechnology	11,236	4.7
5	Chimerix A company focused on developing novel, oral anti-viral drugs. The Company has a phase three drug called Brincidofovir, which may be effective in treating Ebola. The company has an excellent management team who previously worked at Pharmasset which was sold to Gilead for \$11.0bn in 2014.	USA	Biotechnology	11,158	4.7
6	Vertex A Company engaged in the discovery and development of small molecule drugs for serious diseases. Vertex's pipeline is focused on cystic fibrosis, inflammation and cancer. The key value driver is Kalydeco which was launched in 2012 for the treatment of cystic fibrosis. Total revenues were \$0.6bn in 2014.	USA	Biotechnology	11,083	4.6
7	Pharmacyclics A company focused on the development and commercialisation of novel therapies intended to improve quality of life and resolve serious medical needs of those suffering from cancer and immune-mediated inflammatory disease. IMBRUVICA is the company's first therapy, which is a BTK inhibitor helping to prevent B-cell activation and reduce the number of cancer cells. Total revenues were \$0.7bn in 2014.	USA	Biotechnology	8,660	3.6
8	Regeneron A company with marketed drug called Eylea, indicated to treat age-related macular degeneration. Eylea is partnered with Bayer ex-US. The Company also has a development deal with Sanofi, with whom there is a collaboration on a lead asset for cardiovascular disease. Total revenues were \$2.8bn in 2014.	USA	Biotechnology	8,550	3.6
9	Alexion A company whose main drug product Soliris was approved for the treatment of PNH, a rare autoimmune disorder marked by red blood cell depletion, by US and European regulators in 2007. The Company has successfully expanded the number of diseases treated with the drug, potentially transforming Soliris into a "blockbuster". Total revenues were \$2.2bn in 2014.	USA	Biotechnology	7,292	3.1
10	Cempra A clinical-stage pharmaceutical company focused on developing antibacterials to meet critical medical needs. Two lead antibacterial products, both in the treatment of infectious diseases, address the urgent and increasing need for new treatments targeting drug-resistant bacterial infections in both the hospital and the community. Total revenues were \$15.2m in 2014.	USA	Biotechnology	7,047	3.0
	Total			118,708	49.8

At 31 August 2014, the ten largest investments represented 54.1% of the NAV.

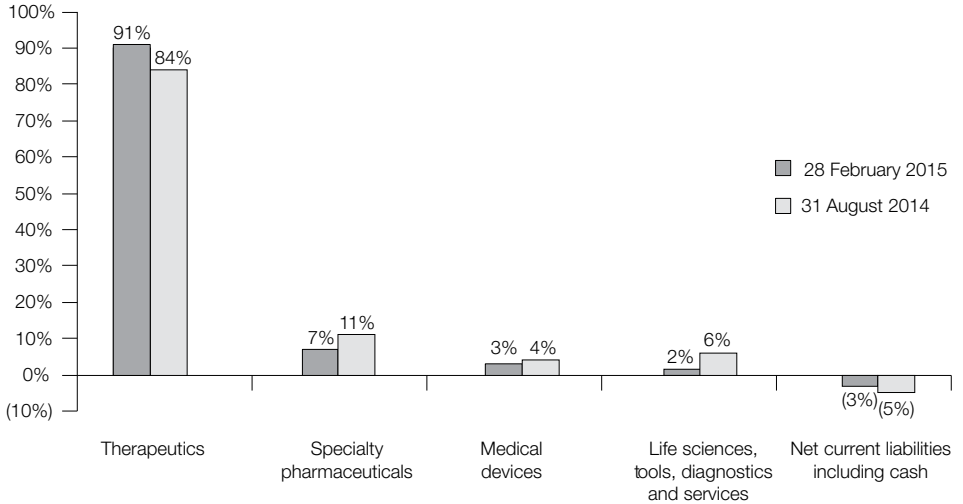
All of the above investments are in quoted companies.

Classification of Investments



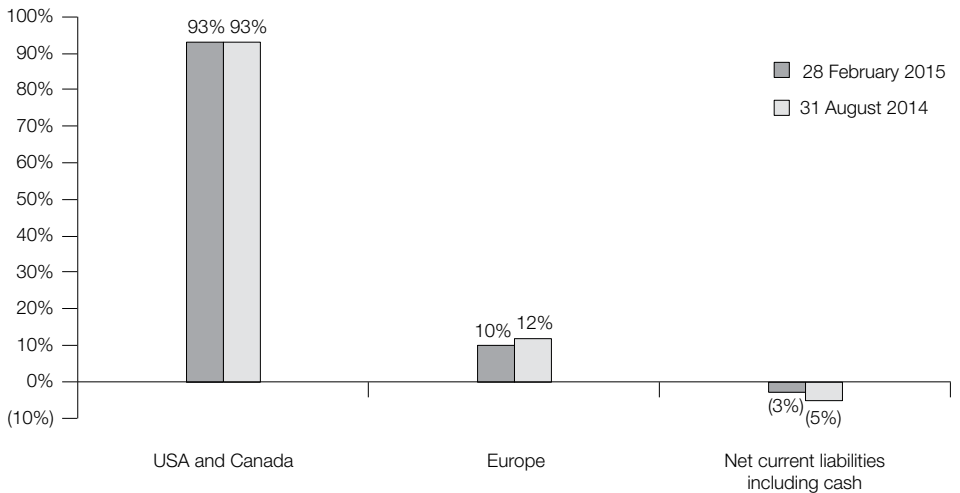
Classification of Investments by Sector

at 28 February 2015



Classification of Investments by Region

at 28 February 2015



Group Statement of Comprehensive Income

for the six months ended 28 February 2015

Notes	(Unaudited) For the six months ended 28 February 2015			(Unaudited) For the six months ended 28 February 2014			(Audited) For the year ended 31 August 2014			
	Revenue return £'000	Capital return £'000	Total £'000	Revenue return £'000	Capital return £'000	Total £'000	Revenue return £'000	Capital return £'000	Total £'000	
Gains on investments held at fair value through profit or loss	-	77,455	77,455	-	38,505	38,505	-	47,426	47,426	
Exchange (losses)/gains on currency balances	-	(446)	(446)	-	(37)	(37)	-	8	8	
Income	2	111	-	111	250	-	250	536	-	536
Expenses										
Management fees	(1,236)	-	(1,236)	(1,032)	-	(1,032)	(2,145)	-	(2,145)	
Performance fee	-	(1,988)	(1,988)	-	-	-	-	-	-	
Administrative expenses	(579)	-	(579)	(475)	-	(475)	(962)	-	(962)	
(Loss)/profit before finance costs and tax	(1,704)	75,021	73,317	(1,257)	38,468	37,211	(2,571)	47,434	44,863	
Finance costs										
Interest payable	(88)	-	(88)	(45)	-	(45)	(109)	-	(109)	
(Loss)/profit on ordinary activities before tax	(1,792)	75,021	73,229	(1,302)	38,468	37,166	(2,680)	47,434	44,754	
Taxation	(16)	-	(16)	(16)	-	(16)	(35)	-	(35)	
(Loss)/profit for the period attributable to owners of the parent	(1,808)	75,021	73,213	(1,318)	38,468	37,150	(2,715)	47,434	44,719	
Basic and diluted (loss)/earnings per Ordinary share	3	(3.84)p	159.30p	155.46p	(2.39)p	69.74p	67.35p	(4.94)p	86.24p	81.30p

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

The Group does not have any other comprehensive income and hence the net (loss)/profit for the period, 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 AIC.

The notes on pages 12 to 14 form part of these Financial Statements.

Group Balance Sheet

as at 28 February 2015

	(Unaudited) At 28 February 2015 Group £'000	(Unaudited) At 28 February 2014 Group £'000	(Audited) At 31 August 2014 Group £'000
Notes			
Non-current assets			
Investments held at fair value through profit or loss	247,000	215,152	224,723
	247,000	215,152	224,723
Current assets			
Receivables	1,920	2,001	890
Cash and cash equivalents	250	–	–
	2,170	2,001	890
Total assets	249,170	217,153	225,613
Current liabilities			
Borrowings	(5,187)	(2,043)	(3,017)
Payables	(5,160)	(5,288)	(7,626)
	(10,347)	(7,331)	(10,643)
Net assets	238,823	209,822	214,970
Equity attributable to equity holders			
Called up share capital	11,191	13,939	13,939
Share premium account	18,805	18,805	18,805
Capital redemption reserve	30,626	27,878	27,878
Share purchase reserve	–	44,918	42,497
Capital reserves	4 206,274	129,150	138,116
Revenue reserve	(28,073)	(24,868)	(26,265)
Total equity	238,823	209,822	214,970
NAV per Ordinary share	5 571.79p	380.40p	395.66p

The notes on pages 12 to 14 form part of these Financial Statements.

Group Statement of Changes in Equity

	Group 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	138,116	(26,265)	214,970
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	-	206,274	(28,073)	238,823

	Group For the six months ended 28 February 2014 (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 2013	13,939	18,805	27,878	44,918	90,682	(23,550)	172,672
Total Comprehensive Income:							
Profit/(loss) for the period	-	-	-	-	38,468	(1,318)	37,150
Balance at 28 February 2014	13,939	18,805	27,878	44,918	129,150	(24,868)	209,822

	Group For the year ended 31 August 2014 (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 2013	13,939	18,805	27,878	44,918	90,682	(23,550)	172,672
Total Comprehensive Income:							
Profit/(loss) for the year	-	-	-	-	47,434	(2,715)	44,719
Transactions with owners, recorded directly to equity:							
Shares bought back and held in treasury	-	-	-	(2,421)	-	-	(2,421)
Balance at 31 August 2014	13,939	18,805	27,878	42,497	138,116	(26,265)	214,970

The notes on pages 12 to 14 form part of these Financial Statements.

Group Cash Flow Statement

	(Unaudited) For the six months ended 28 February 2015 Group £'000	(Unaudited) For the six months ended 28 February 2014 Group £'000	(Audited) For the year ended 31 August 2014 Group £'000
Cash flows from operating activities			
Profit before tax	73,229	37,166	44,754
Adjustments for:			
Increase in investments	(22,277)	(46,714)	(56,285)
(Increase)/decrease in receivables	(1,030)	822	1,933
(Decrease)/increase in payables	(2,466)	5,064	7,402
Taxation	(16)	(16)	(35)
Net cash flows generated from/(used in) operating activities	47,440	(3,678)	(2,231)
Cash flows from financing activities			
Share repurchase costs	(49,360)	–	(2,421)
Net cash used in financing activities	(49,360)	–	(2,421)
Net decrease in cash and cash equivalents	(1,920)	(3,678)	(4,652)
Cash and cash equivalents at beginning of period	(3,017)	1,635	1,635
Cash and cash equivalents at end of period	(4,937)	(2,043)	(3,017)

The notes on pages 12 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 2015 and 28 February 2014 comprises non-statutory accounts within the meaning of Sections 434 - 436 of the Companies Act 2006. The financial information for the year ended 31 August 2014 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 28 February 2015. Notwithstanding the forthcoming continuation vote, 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 2014.

The Group's accounting policies have not varied from those described in the Annual Report for the year ended 31 August 2014.

2. Income

	(Unaudited) For the six months ended 28 February 2015 £'000	(Unaudited) For the six months ended 28 February 2014 £'000	(Audited) For the year ended 31 August 2014 £'000
Income from investments held at fair value through profit or loss:			
Unfranked dividends	98	110	247
Interest on debt securities	13	140	289
	111	250	536
Other income:			
Bank interest	-	-	-
	111	250	536

Notes to the Financial Statements

3. Net (loss)/earnings per Ordinary share

	(Unaudited) For the six months ended 28 February 2015 £'000	(Unaudited) For the six months ended 28 February 2014 £'000	(Audited) For the year ended 31 August 2014 £'000
Net revenue loss	(1,808)	(1,318)	(2,715)
Net capital profit	75,021	38,468	47,434
	73,213	37,150	44,719
Weighted average number of Ordinary shares in issue	47,093,630	55,157,663	55,003,553
Revenue loss per Ordinary share	(3.84)p	(2.39)p	(4.94)p
Capital profit per Ordinary share	159.30p	69.74p	86.24p
Total earnings per Ordinary share	155.46p	67.35p	81.30p

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 28 February 2015 £'000	(Unaudited) For the six months ended 28 February 2014 £'000	(Audited) For the year ended 31 August 2014 £'000
Capital reserve – on investments sold	137,807	78,198	90,009
Capital reserve – on investments held	68,467	50,952	48,107
	206,274	129,150	138,116

Notes to the Financial Statements

5. Net asset value per Ordinary share

	(Unaudited) At 28 February 2015	(Unaudited) At 28 February 2014	(Audited) At 31 August 2014
Net assets attributable to Ordinary Shareholders (£'000)	238,823	209,822	214,970
Ordinary shares in issue at end of period	41,767,663	55,157,663	54,332,663
NAV per Ordinary share	571.79p	380.40p	395.66p

6. 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 ended 28 February 2015.

Directors' Responsibility Statement

In respect of the Half Yearly Report for the six months ended 28 February 2015, 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 the Investment Manager's Review include a true and 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 2015 was approved by the Board and the above Responsibility Statement has been signed on its behalf by:

Alan Clifton

Chairman

14 April 2015

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 2015 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.

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.

2015 Financial Calendar

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

Shares in Issue

As at 14 April 2015, the Company had 44,762,663 Ordinary shares of 25p each in issue, which included 3,420,000 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.

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 (Audit Committee Chairman)
Dr Véronique Bouchet
Dr David Clough
Caroline Gulliver*
Jim Horsburgh

*Appointed on 1 April 2015

Advisers

Investment Manager and AIFM

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

Company Secretary and Registered Office

BNP Paribas Secretarial Services Limited
55 Moorgate, London EC2R 6PA
Telephone: 020 7410 5971
Email: secretarialservice@uk.bnpparibas.com

Administrator, Banker, Custodian and Depository

HSBC Bank PLC
8 Canada Square, London E14 5HQ

Independent Auditor

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditor
Atria One, 144 Morrison Street, Edinburgh, EH3 8EX

Stockbroker

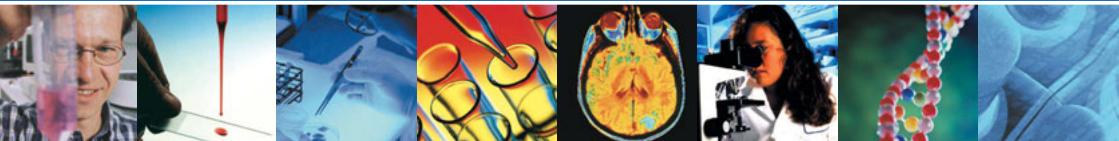
Centos Securities Limited
6.7.8 Tokenhouse Yard, London EC2R 7AS

Registrar

Equiniti Limited
Aspect House, Spencer Road
Lancing, West Sussex BN99 6DA
Shareholder Helpline: 0871 384 2624*
Overseas Helpline: +44 121 415 7047
Website: www.shareview.co.uk

*Calls to this number are charged at 8p per minute plus network extras.





For further information:

www.ibtplc.com

SV Life Sciences Managers LLP
71 Kingsway
London WC2B 6ST

Telephone: 020 7421 7070
Fax: 020 7421 7077

BNP Paribas Secretarial Services Limited
55 Moorgate
London EC2R 6PA

Telephone: 020 7410 5971
Fax: 020 7410 4449
Email: secretarialservice@uk.bnpparibas.com