

THE BIOTECH GROWTH TRUST PLC

Interim Management Statement – 3 months to 31 December 2008 (unaudited)

The Biotech Growth Trust PLC seeks capital appreciation through investment in the worldwide biotechnology industry principally by investing in emerging biotechnology companies.

Trust Characteristics

In the three month period ended 31 December 2008 the Company's net asset value per share rose by 6.2% compared to a rise of 6.6% in the Company's benchmark, the NASDAQ Biotechnology Index, measured in sterling terms. The Company's share price rose by 4.0% during the three-month period as the discount of share price to net asset value per share widened from 7.2% to 9.1%. During the period a total of 1,834,500 shares were repurchased for cancellation at a cost of £2.03m (including expenses) at an average discount of 9.7%. For the calendar year to 31 December 2008, the Company's share price performance, measured on a total return basis, was ranked third out of 247 listed investment companies (source: Winterflood Securities Limited).

In the period from 31 December 2008 to 12 February 2009, the Company's net asset value per share rose by 11.9% and the share price by 10.0 %, due in part to strong performance from take over target Tepnel Life Sciences. The Company's benchmark rose by 7.1% during the same period. During this period a further 473,450 shares were repurchased for cancellation at a cost of £605,000 (including expenses) at an average discount of 9.2%.

The Board has implemented a discount control mechanism to establish a maximum level of 6% discount of share price to net asset value per share. It remains possible, however, for the share price discount to net asset value per share to be greater than 6% on any one day as the Company's share price is influenced by overall supply and demand in the secondary market. The average share price discount to net asset value per share during the 3 month period ended 31 December 2008 was 7.2%. The Board believes that the number of shares bought back during the quarter was the result of profit taking, following the Company's continued strong absolute performance, and also that certain of its large institutional shareholders have had to raise cash to cover redemptions from their own funds.

With regard to the Company's investment in Caduceus Asia Partners, a venture capital fund that makes private investments in Asian healthcare companies, managed by OrbiMed Capital LLC, the Company's Investment Manager, a second capital call representing 5% of the commitment (or US\$250,000) was made on 18 December 2008.

	31 December 2008	30 September 2008
Number of Holdings	31	34
Net Assets (£m)	72.6m	70.6m
Gearing (AIC basis)	104	102
Share Price (p)	122.25	117.50
NAV (p)	134.53	126.64
(Discount)/Premium	(9.1%)	(7.2%)

Source: Frostrow Capital LLP

Geographical Analysis

	% of investment portfolio at 31 December 2008	% of investment portfolio at 30 September 2008
North America	89.3	90.9
Continental Europe	2.0	2.1
Unquoted	1.8	2.1
UK Listed	4.9	4.9
Far East	2.0	-
Total	100.0	100.0

Source: Frostrow Capital LLP

10 Largest Investments

Name	% of investment portfolio at 31 December 2008	% of investment portfolio at 30 September 2008
Amgen	13.6	11.6
Gilead Sciences	11.7	8.6
Genentech	8.0	7.1
Celgene	6.4	5.2
Vertex	5.3	4.8
Genzyme	4.9	5.9
Biogen Idec	4.7	4.1
Allos Therapeutics	4.2	4.2
Onyx Pharmaceuticals	3.7	3.2
Infinity Pharmaceuticals	3.6	3.5
Total	66.1	58.2

Source: Frostrow Capital LLP

Performance to 31 December 2008

	3 Months	1 Year	3 Years	5 Years
Share Price	+4.0%	+12.7%	+1.2%	+45.5%
NAV per share	+6.2	+18.2%	+9.3%	+28.1%
Benchmark*	+6.6%	+18.9%	+8.9%	+23.3%

Source: Bloomberg & Fundamental Data

* Benchmark – NASDAQ Biotechnology Index measured in sterling terms.

Past performance is not a guide to future performance.

This Interim Management Statement has been prepared solely to provide information to meet the requirements of the UK Listing Authority's Disclosure and Transparency Rules.

This Interim Management Statement is available on the Company's website www.biotechgt.com.

The Company's net asset value per share is announced daily and is available, together with the share price, on the TrustNet website at www.trustnet.com

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Frostrow Capital LLP
Company Secretary
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