

THE BIOTECH GROWTH TRUST PLC

Interim Management Statement – 3 months to 31 December 2011 (unaudited)

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

In the three month period ended 31 December 2011 the Company's net asset value per share rose by 14.2% compared to a rise of 12.9% in the Company's benchmark, the NASDAQ Biotechnology Index, measured in sterling terms. The Company's share price rose by 11.8% during the three-month period as the discount of share price to net asset value per share widened from 5.2% to 7.3%. The Company's strong performance was in large part due to the acquisition of Pharmasset, the Company's largest emerging biotechnology position, by Gilead Sciences, also a significant holding in the portfolio, at an 89% premium to Pharmasset's closing share price on 18 November. Other contributors to our out-performance included Anadys, which was taken over by Roche, and Amgen following the completion of a share buyback programme. Negative contributors to performance included Chinese biopharmaceutical company 3SBio which was a victim of the general weakness that has affected emerging market stocks and also concerns about pricing pressure on drugs in China.

During the period 749,279 shares were repurchased by the Company for cancellation at an average discount of 9.9%.

In the period from 31 December 2011 to 6 February 2012, the Company's net asset value per share rose by 17.8% and the share price by 17.7%. The Company's benchmark rose by 14.5%. During this period a further 880,832 shares were repurchased for cancellation by the Company at an average discount of 9.7%. As at 6 February 2012 there were 62,240,426 shares in issue.

Our performance in the 2011 calendar year has been good. In research published by Winterflood Securities covering a universe of 230 listed investment trust companies, the Company was judged to have been the third best performing investment trust in terms of its net asset value performance (+18.0%) and the fifth best in terms of its share price performance (+14.6%).

Trust Characteristics

	31 December 2011	30 September 2011
Number of Holdings	39	42
Net Assets (£m)	132.0m	116.9m
Gearing (AIC basis)	100	100
Share Price (p)	194.00	173.50
NAV (p)	209.17	182.96
Discount of share price to net asset value per share	7.3%	5.2%

Source: Frostrow Capital LLP

Geographical Analysis

	% of portfolio at 31 December 2011	% of portfolio at 30 September 2011
North America	90.2	85.4
Continental Europe	6.2	8.0
Israel	-	2.7
Unquoted	1.5	1.4
Far East	<u>2.1</u>	<u>2.5</u>
Total	100.0	100.0

Source: Frostrow Capital LLP

10 Largest Investments

Name	% of portfolio at 31 December 2011	% of portfolio at 30 September 2011
Pharmasset	9.8	10.2
Gilead Sciences	8.7	10.0
Celgene	5.5	2.9
Incyte	5.1	4.6
Amgen	4.2	4.4
Ariad Pharmaceuticals	4.2	0.9
Biogen Idec	4.0	2.2
Alexion Pharmaceuticals	4.0	4.4
VIVUS	3.4	2.2
Life Technologies	3.4	4.1
Total	52.3	45.9

Source: Frostrow Capital LLP

Performance to 31 December 2011

	3 Months	1 Year	3 Years	5 Years
Share Price	+11.8%	+14.6%	+58.7%	+72.4%
NAV per share	+14.2%	+18.0%	+55.5%	+82.7%
Benchmark*	+12.9%	+12.4%	+39.7%	+71.4%

Source: Bloomberg & Morningstar

* 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 Company's website www.biotechgt.com and the TrustNet website at www.trustnet.com

SEDOL Code:

Ordinary shares - 0038551

ISIN –

Ordinary Shares GB0000385517

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Frostrow Capital LLP

Company Secretary

7 February 2012