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**The Biotech Growth Trust PLC**

**16 November 2009**

## **Proposed Placing and Offer for Subscription**

### **Introduction**

On 25 September 2009 the Board announced that it was considering raising additional funds through a placing and offer for subscription of ordinary shares. The Biotech Growth Trust PLC (the “**Company**”) today announces proposals for an issue to raise up to £50 million of New Ordinary Shares by way of a Placing and Offer for Subscription. The Company is also publishing today a prospectus and circular (the “**Prospectus**”) in connection with the Proposals. The Prospectus also includes a detailed description of the Company and information on how Shareholders can participate in the Issue if they wish to apply for New Ordinary Shares.

### **The Proposals**

The Company is seeking to raise a maximum of £50 million through the Placing and Offer for Subscription. The number of Shares being made available under the Issue has been determined so as to seek to avoid the need to scale back applications. The Issue is not being underwritten. The net proceeds of the Issue will be invested in accordance with the Company’s investment policy.

The Issue Price will be the Net Asset Value per Share of the Company on the Calculation Date plus a premium to reflect all the estimated expenses of the Issue and thus ensure that the interests of existing Shareholders are not diluted. The Ordinary Shares should be eligible to be held in a stocks and shares ISA, subject to applicable annual subscription limits. The Issue will, *inter alia*, enable the Company to spread its fixed operating costs over a larger number of Shares, enhance liquidity in the Shares and will be well-timed for investing the proceeds of the Issue in a sector considered to have good growth prospects.

### **The Resolutions**

In order to proceed with the Issue, it will be necessary for Shareholders to pass the appropriate Resolutions (specifically, the Issue is conditional upon the passing of Resolutions 1, 2 and 3) in accordance with the requirements of the 2006 Act and the Listing Rules to be proposed at the General Meeting to be held on 4 December 2009. In addition Shareholders are being asked to approve changes to the Articles (as deemed amended following the coming fully into effect of the 2006 Act) and to update the Company’s authority to repurchase shares, both in accordance with the requirements of the 2006 Act, and to release the Directors from their obligation to propose a continuation resolution at the annual general meeting to be held in 2010, which is a special resolution as required to vary the Articles. The notice convening the General Meeting is set out in the Prospectus.

## **Benefits of the Proposals**

The Board believes that the Proposals have the following principal benefits:

- Shareholders and new investors will be able to acquire Shares in the Company free of restraints of market liquidity, dealing spreads, secondary market commissions and stamp duty costs;
- the market capitalisation of the Company will increase following the Issue and it is anticipated that the liquidity of the Shares will therefore be enhanced through the wider shareholder base;
- the Issue will increase the size of the Company and enable it to spread its fixed operating expenses over a larger number of Shares, thus allowing its total expense ratio to fall;
- the timing is opportune for investing the proceeds of the Issue in accordance with the investment objective of the Company and providing the prospect of long term capital growth; and
- the proposed updating of the Board's buyback and issuance powers in line with the increased size of the Company will provide scope for the Board to continue its active discount management policy and if possible further to enlarge the Company without incurring significant costs.

## **Costs and expenses**

The costs incurred by the Company in connection with the Issue, which are estimated to be £0.98 million if the Issue is fully subscribed, will effectively be borne by the investors in the New Ordinary Shares through the premium to the Net Asset Value per Share included in the Issue Price.

## **Expected Timetable**

	2009
Latest time and date for receipt of Application Forms under the Offer	1.00 pm on 1 December
Latest time and date for receipt of Forms of Proxy	10.00 am on 2 December
Issue Price calculated	as at close of business on 2 December
General Meeting	10.00 am on 4 December
Issue Price and results of the Issue announced	4 December
Admission and dealings in the new Shares commence and CREST accounts credited in respect of new Ordinary Shares issued in uncertificated form	8.00 am on 9 December
Certificates for New Ordinary Shares	week commencing 14 December

despatched

Capitalised terms which are not defined in this announcement are defined in the Prospectus.

A copy of the Prospectus has been submitted to the UK Listing Authority and will shortly be available for inspection at the UK Listing Authority's Document Viewing Facility, which is situated at:

The Financial Services Authority  
25 the North Colonnade  
Canary Wharf  
London E14 5HS

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