Press Release

BTG plc: Interim Results

London, UK, 8 November 2012: BTG plc (LSE: BTG), the specialist healthcare company, today announces its interim results for the six months ended 30 September 2012.

Financial highlights

- Revenue 30% higher at £143.4m (H1 11/12: £110.6m)
- Gross profit 33% higher at £105.3m (H1 11/12: £79.4m)
- Underlying operating profit[1] 45% higher at £59.5m (H1 11/12: £41.1m)
- Profit after tax for the period 44% higher at £18.3m (H1 11/12: £12.7m)
- Basic earnings per share increased by 44% to 5.6p (H1 11/12: 3.9p)
- Cash and cash equivalents, together with cash on fixed term deposits, of £150.7m at 30 September 2012 (31 March 2012: £111.9m)

Strong operating progress

- **Specialty Pharmaceuticals**
  - Strong performance from CroFab® (crotalidae polyvalent immune fab (ovine)) and DigiFab® (digoxin immune fab (ovine))
  - Voraxaze® (glucarpidase) launched in the US
- **Interventional Medicine**
  - Varisolve® (polidocanol endovenous microfoam (PEM)) well advanced towards US NDA submission
  - Good start to selling LC Bead™ in the US
  - DC Bead® regulatory submission accepted for review in China
- **Licensing & Biotechnology**
  - Marketing applications submitted by Johnson & Johnson for Zytiga® (abiraterone acetate) in the US and EU, to extend use to chemo-naïve patients
  - Lemtrada™ (alemtuzumab) marketing application for multiple sclerosis submitted in the EU by Genzyme/Sanofi

Louise Makin, BTG's CEO, commented:

"BTG's excellent financial performance reflects the continued transition to a commercially led specialist healthcare business. These results benefited from a good performance from CroFab®, continued geographic expansion of DigiFab® and the US launch of Voraxaze®. We are also starting to see the positive financial impact of selling LC Bead™ directly in the US.

Following positive Varisolve® Phase III data we are completing the NDA dossier and have formed a commercial launch team to prepare for an anticipated H1 2014 launch. Our DC Bead® dossier has been accepted for review in China and we have a clear pathway to potential approval in Japan.

We continuously evaluate a wide variety of opportunities to add both marketed products and late-stage programmes to our existing portfolios. With our strong balance sheet and sustainable cash generation, we are well positioned to continue to execute our growth strategy both organically and by acquisition."

[1] Operating profit before acquisition adjustments and reorganisation costs

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A meeting for analysts will take place today at 9.30am at FTI Consulting. For details, please call Mo Noonan on +44 (0)20 7269 7116.

About BTG

BTG is an international specialist healthcare company that is developing and commercialising products targeting critical care, cancer and other disorders. The Group is seeking to acquire new products to develop and market to specialist physicians, and is building a sustainable business financed by revenues from sales of its own marketed products and from royalties and milestone payments on partnered products.

OVERVIEW

FINANCIAL REVIEW

Revenue increased by 30% to £143.4m (H1 11/12: £110.6m), reflecting a strong performance from CroFab® and DigiFab®, the US launch of Voraxaze®, the transition to direct sales of LC Bead™ in the US and a strong contribution from the Licensing & Biotechnology business segment.

The key contributors to revenue were:

Business segment	Product	H1 12/13 (£m)	H1 11/12 (£m)	Change (%)
Specialty Pharmaceuticals	CroFab®	50.5	41.2	+23
	DigiFab®	11.5	8.9	+29
	Voraxaze®/other	5.5	1.9	+189
		67.5	**52.0**	**+30**
Interventional Medicine	LC Bead™/DC Bead®	13.7	8.9	+54
	Brachytherapy products	4.0	4.2	-5
		17.7	**13.1**	**+35**
Licensing & Biotechnology	Zytiga®	23.4	4.3	+444
	BeneFIX®	14.0	16.0	-13
	Two-part hip cup	6.1	5.7	+7
	Other recurring royalties	8.6	9.7	-11
	Milestones/one-offs	6.1	9.8	-38
		58.2	**45.5**	**+28**
Total revenue		**143.4**	**110.6**	**+30**

Gross margin, at 73% (H1 11/12: 72%), delivered a 33% increase in gross profit to £105.3m (H1 11/12: £79.4m).

Operating profit of £26.2m (H1 11/12: £16.9m) includes a total of £26.0m of impairment charges against acquired intangible assets (H1 11/12: £12.4m) and £1.8m of impairment charges against property, plant and equipment (H1 11/12: £3.0m). The Group's underlying operating profit, excluding acquisition adjustments and reorganisation costs of £33.3m, was £59.5m (H1 11/12: £41.1m, excluding adjustments and costs of £24.2m).

Profit before tax increased to £27.7m (H1 11/12: £19.5m). Cash and cash equivalents, together with cash on fixed term deposits, increased to £150.7m at 30 September 2012 (31 March 2012: £111.9m).

Specialty Pharmaceuticals

Revenue of £67.5m compares with £52.0m earned in the six months to 30 September 2011. Revenue in the Specialty Pharmaceuticals operating segment is first-half weighted as the highest concentration of snake bites is seen in the months March to October and demand for CroFab® is therefore at its highest around this period. There are typically around 6,000 treated envenomations from snake bites per year in the US. Underlying revenue growth for CroFab® is generally mid-single digit. During the period, wholesaler inventories were higher than in the prior period, which together with modest price increases contributed to the strong performance.

Revenue in the current period has benefited from the approval of Voraxaze® in the US which was commercially launched in April and is being sold through BTG's own Specialty Pharmaceuticals sales force. Overall within Specialty Pharmaceuticals there was a positive impact of £2.0m from the movement in the UK£:US$ exchange rate.

Gross margin at 77% (H1 11/12: 75%) is slightly higher than in the prior year and has benefited from positive exchange rate movements and the launch of Voraxaze®. Selling, general and administrative expenses (SG&A) increased to £9.2m from £8.1m in the prior period, reflecting investment associated with the launch of Voraxaze®.

Interventional Medicine

Revenue increased to £17.7m (H1 11/12: £13.1m) predominantly as a result of the transition to direct sales of LC Bead™ in the US.

Gross profit of £14.5m increased from £8.0m in the prior period, representing an increase in gross margin to 82% from 61% in the prior period, which was adversely affected by a £2.1m fair value acquisition accounting adjustment relating to inventory.

As anticipated, SG&A expenses were higher than in the previous period at £7.2m (H1 11/12: £4.7m), reflecting the investment in the US sales force and associated support functions to effect direct sales of LC Bead™.

Licensing & Biotechnology

Revenue of £58.2m, £12.7m ahead of the prior period, reflected recurring royalty revenues of £52.1m (H1 11/12: £35.7m) and one-off milestone income of £6.1m (H1 11/12: £9.8m). Within recurring revenue the most significant contributor was Zytiga® at £23.4m (H1 11/12: £4.3m), marketed by the Janssen Pharmaceutical Companies of Johnson & Johnson. A £14.0m final royalty payment has been received relating to BeneFIX®, concluding the royalties received by BTG on sales of inventory held by Pfizer at the patent expiry date (H1 11/12: £16.0m). Other royalty streams have performed broadly in line with expectations for the period.

Subsequent to the announcement on 8 August 2012 that AZD9773 (CytoFab™) had not met the endpoints of a Phase IIb study, resulting in AstraZeneca's decision to discontinue development, the total remaining deferred income associated with previously received milestones of £5.4m was released to the income statement. The total amount of deferred income released in the period was £6.1m (H1 11/12: £0.7m).

The gross margin of 66% (H1 11/12: 72%) reflects the mix of licences contributing to revenue, as each of the royalty streams has its own onwards payment obligation to the original inventors. Excluding AZD9773 and the final BeneFIX® royalty, the gross margin would be 52%, which is indicative of the anticipated gross margin in this business segment in future periods.

SG&A in this segment includes the overheads specific to the management of the royalty business but also some centrally managed support functions and corporate costs. This has increased by £3.2m to £11.1m in the period.

Research and development

Expenditure on research and development of £17.0m (H1 11/12: £19.0m) related principally to PEM, investment in the PRECISION and PARAGON pre-loaded drug-eluting bead programmes and lifecycle management for marketed products. Expenditure is expected to be higher in the second half of the year as investment continues in PEM NDA submission activities and pre-launch manufacturing, together with development programmes supporting the Bead products. Over the full year, expenditure is expected to be in line with guidance at around £40m.

Operating profit

Before acquisition adjustments and reorganisation costs, the Group achieved an operating profit of £59.5m (H1 11/12: £41.1m), reflecting the additional profit contributions from the three operating segments. Acquisition adjustments and reorganisation costs of £33.3m (H1 11/12: £24.2m) included impairment charges of £26.0m (H1 11/12: £12.4m) that related principally to the Group's carrying value of AZD9773 in the current period and the GLP-1 development stage asset in the prior period. An impairment charge of £1.8m has also been taken against the tangible fixed assets associated with AZD9773.

Net financial income

Net financial income of £1.5m (H1 11/12: £2.6m) includes £0.6m interest received on cash deposits and a gain of £0.8m (H1 11/12: loss of £1.5m) in the mark-to-market of foreign exchange forward contracts. Additional fair value gains were recorded in the prior year period of £3.9m in relation to Contingent Value Notes and borrowings.

Profit before tax

The reported profit before tax increased by 42% to £27.7m (H1 11/12: £19.5m). This primarily reflects an increased profit contribution from the Group's operating segments of £19.1m and £2.0m lower R&D investment, offset by higher amortisation and impairments of acquired intangible assets of £12.9m.

Tax

The tax charge in the period reflects the anticipated full-year effective tax rate of 34%. The tax charge of £9.4m (H1 11/12: £6.8m) includes current tax of £3.7m (H1 11/12: £4.8m) that mainly relates to the UK, where taxable profits are anticipated to arise in subsidiary companies that do not have brought-forward tax losses. Deferred tax of £5.7m (H1 11/12: £2.0m) principally reflects the reduction of deferred tax assets as the Group continues to utilise its brought-forward US tax losses, offset by a reduction in the deferred tax liability recognised on acquired intangible assets as these assets are amortised or impaired.

Earnings per share

Basic earnings per share were 5.6p (H1 11/12: 3.9p) on the profit after tax of £18.3m (H1 11/12: £12.7m). The basic underlying earnings per share, excluding acquisition adjustments and reorganisation costs, were 11.2p (H1 11/12: 7.7p).

Balance sheet

Current assets have increased by £48.9m since 31 March 2012 to £223.2m at 30 September 2012. This increase includes a net £38.8m increase in cash and held to maturity financial assets (which represent fixed-term cash deposits). An increase of £11.3m in receivables is principally due to incremental additional accrued royalties on Zytiga®.

Non-current assets have reduced from £331.5m at 31 March 2012 to £302.9m at 30 September 2012. The principal movements are: amortisation, impairments and depreciation of £37.9m; additions of £6.4m, including £3.1m for the Beads and PEM manufacturing facility and £1.8m in respect of EU distribution rights to Wellstat's uridine triacetate development asset; recognition of a pension asset of £4.0m; and a net foreign exchange loss of £1.1m arising on retranslation of foreign currency denominated assets.

The Group's defined benefit pension fund liability, as measured under IAS19 – *Employee Benefits*, has moved from a liability of £0.1m at 31 March 2012 to an asset of £4.0m at 30 September 2012. The principal movements are cash contributions by the company of £2.3m and actuarial gains of £2.0m, offset by an income statement charge of £0.2m. The actuarial deficit at 31 March 2010, the date of the last formal valuation and measured in accordance with guidelines set by the Pensions Regulator, was £13.9m.

Current and non-current liabilities have decreased by £0.6m in the six month period. The principal movements are release of the deferred income associated with AZD9773 of £6.1m and other working capital movements within trade payables of £2.1m, offset by the recognition of an additional £1.2m current tax liability and an increase in the deferred tax liability of £6.6m.

Cash flow

The Group's operating profit of £26.2m (H1 11/12: £16.9m) was converted to net cash inflow from operating activities of £44.7m (H1 11/12: £24.9m). Non-cash income statement charges for depreciation, amortisation, impairments and share-based payments totalling £40.1m (H1 11/12: £27.3m) have been partially offset by additional cash contributions to the defined benefit pension fund of £2.0m (H1 11/12: £3.0m) and a working capital outflow of £17.4m (H1 11/12: £16.2m). Tax payments of £2.2m have been paid in the period (H1 11/12: £0.1m). Of the working capital movements the most significant movement is within trade and other receivables which, as explained above, are higher at 30 September 2012 due principally to incremental accrued royalties in respect of Zytiga®.

The Group's investing activities include the purchase of the Beads and PEM manufacturing site in the UK for £3.1m plus other capital expenditure around the Group's manufacturing sites of £1.2m, and the purchase of EU commercial rights to Wellstat's uridine triacetate for an initial payment of US$3.0m.

The net cash inflow for the period was £39.0m, resulting in a closing cash balance of £145.7m. The seasonality of the business, with a concentration of income from CroFab® in the first half of the year, means that management does not expect to match this level of cash inflow in the second half of the year.

OPERATING REVIEW

Specialty Pharmaceuticals

The Specialty Pharmaceuticals business has had a strong first half, with a good performance from CroFab® and DigiFab® and the addition of Voraxaze®.

Following its approval in January 2012, Voraxaze® was launched nationwide in the US in April 2012. This product is an antidote to life-threatening toxicity associated with the use of the chemotherapy treatment high-dose methotrexate in patients with renal impairment. This occurs on average in around 200 to 300 patients per year in the US. An education campaign at launch has enabled fast penetration of this niche market, for which BTG estimates annual US peak sales of around $15m in the US and $10m additional revenue from other markets. Non-US revenues currently arise from named patient sales although BTG is exploring potential pathways for regulatory approvals in other territories.

The Centers for Medicare & Medicaid Services has granted a temporary New Technology Add-on Payment (NTAP) for Voraxaze®, effective 1 October 2012, under which the US government will pay up to 50% of the cost of Voraxaze® to hospitals in addition to the standard diagnosis-related group (DRG) reimbursement payment. Voraxaze® is only the third drug product to qualify for an NTAP since the scheme was launched. The NTAP will help hospitals cover costs associated with the use of Voraxaze® and will last two to three years until the standard DRGs are recalibrated to include this new technology.

DigiFab® revenues continue to benefit from the withdrawal last year of the only competitor product; hence growth has been faster than the average mid-to-high single digit percentage.

BTG is implementing a leadership strategy for these products, which aims to forge strong relationships with the healthcare community and to facilitate appropriate stocking and usage of BTG's antidote products by investing in physician education, product enhancements and added value services. Examples include help with navigating reimbursement procedures and support for the Annals of Emergency Medicine Resource Center, an online resource for clinicians and toxicologists involved in the treatment and management of poisoning and the selection and administration of the most appropriate antidotes.

Wellstat Therapeutics Corporation's product candidate, uridine triacetate, continues to progress towards a planned US New Drug Application (NDA) in H2 2013. This is in development for use as a treatment for life-threatening accidental overexposure to the chemotherapeutic 5-fluorouracil (5-FU), which is estimated to occur in around 2,000 patients in the US each year. If approved, BTG would sell uridine triacetate through its existing Acute Care field force.

Interventional Medicine

Within Interventional Medicine, a strong first half included good progress with PEM and Beads clinical development while continuing the US commercial activities to support the transition to direct sales.

The transition to direct sales of LC Bead™ in the US has gone well. Inventory that was in the supply chain as the team commenced selling is now being depleted, and ordering/stocking patterns are returning to more normal levels.

Humanitarian Use Designation (HUD) was granted in August 2012 for PRECISION Bead®, loaded with doxorubicin, for the treatment of patients with uveal melanoma with hypervascularised hepatic metastases. A Humanitarian Device Exemption (HDE) seeking authority to sell the product in this

indication is now planned for submission in H1 2013. If successful, this would be the first ever embolic microsphere pre-loaded with drug for use in precision transarterial chemoembolisation (TACE).

BTG also plans to request an HUD for PARAGON Bead®, loaded with irinotecan, to treat patients with intrahepatic cholangiocarcinoma (ICC). If granted, an HDE submission is anticipated in H1 2013.

Investigator-led studies remain core to BTG's strategy to explore additional uses for the Bead products. During the period, two new studies in patients with hepatocellular carcinoma (HCC), the main form of primary liver cancer, and one in patients with metastatic colorectal cancer (mCRC), the most common secondary liver cancer, were approved and are expected to commence during 2013.

If successful, these studies may lead to registration trials to seek formal approvals to market the products in additional indications. Based on encouraging data from recent exploratory studies, BTG is planning three Phase III registration trials, of which one should commence recruitment during 2013. Two of the studies are of PRECISION Bead® in HCC, one in patients eligible for surgery/transplant and the other in patients with unresectable disease. The third study is using the PARAGON Bead® to explore its use in combination with systemic chemotherapy in unresectable patients with mCRC.

Progress continues to be made in important Asian markets, where the incidence of primary liver cancer is many times higher than in the western world because of high rates of infection with hepatitis B and C viruses.

In China, where BTG's partner is SciClone, a DC Bead® regulatory application was submitted in October 2012 and has been accepted for review. In Japan, where DC Bead® is partnered with Eisai, the regulator has requested additional safety data in five patients with primary liver cancer. BTG expects to submit this data in H1 2013, which could lead to potential approval within 12 months. Reimbursement negotiations are continuing in South Korea to seek inclusion of a broad patient population.

PEM, BTG's experimental treatment for varicose veins, continues to progress towards a planned US NDA submission around the end of 2012. During the period, positive top-line data were reported from the second pivotal US Phase III trial. Full data from both pivotal Phase III trials is scheduled to be presented at the 26th Annual Congress of the American College of Phlebology during November 2012. The data support PEM's positioning as the first comprehensive treatment that can treat both the incompetent great saphenous vein (GSV), responsible for the symptoms experienced by patients, in addition to the associated visible varicosities above and below the knee.

Manufacturing of PEM has been transferred to BTG's Farnham site, where the interventional oncology Bead products are made, and from where PEM would be supplied to the US and any other markets if approved.

A PEM commercial launch team has been established to prepare for an anticipated H1 2014 US approval and launch.

Licensing & Biotechnology

The Licensing & Biotechnology business segment is expected to continue to generate significant revenues for the Group over the medium-to-long term.

The rapid penetration of Zytiga® for men with advanced metastatic castration-resistant prostate cancer (mCRPC) has made this product, which is licensed to Johnson & Johnson, the most successful global oral oncology launch and BTG's current largest royalty contributor. The product is currently approved in more than 50 countries for use in men who have progressed from standard chemotherapy. Zytiga® had an estimated patient share of ~67% in the US in this market in Q3 2012 and ~81% share in the five largest overseas markets in Q2 2012. It is under review in the US and EU for chemo-naïve patients, a market that is estimated to be three times larger than the post-chemo mCRPC market, with potential US approval in December 2012.

A regulatory application seeking approval for Lemtrada™ (alemtuzumab) in multiple sclerosis is under review in the EU. Following a refusal to file notice in the US, on the grounds that the data needed to

be reorganised to enable the FDA to better navigate the application, BTG's licensee Sanofi/Genzyme plans to resubmit the application and will make a further announcement in due course.

SUMMARY AND OUTLOOK

The Group has had a good first half producing strong financial results and making pipeline progress.

The Specialty Pharmaceuticals business is performing well. Although the markets for CroFab®, DigiFab® and Voraxaze® are bounded and relate to the number of poisoning events that occur, BTG is confident that its leadership strategy will strengthen customer relationships and help ensure appropriate stocking and optimum usage of the products. BTG reiterates its guidance that on average these products are expected to grow year-on-year at a rate of mid-to-high single digits.

Progress has been good in the Interventional Medicine business segment, with the completion of the transition to direct US sales of LC Bead™. The full financial benefit of selling directly in the US should be evident in the financial year beginning in April 2013. The brachytherapy business, which saw 20% growth last year, continues to be challenged by the relatively flat overall market for brachytherapy products and its competitive nature. Nevertheless, there are opportunities to continue to enhance revenues and margins in future years.

The Licensing & Biotechnology segment had a strong first half. Final revenues have been received relating to BeneFIX®, the loss of which means the gross margin in this segment is expected to decline from 66% in this period and to revert to historical average levels of around 52%. Zytiga® is continuing to grow and may grow significantly if approved for use in chemo-naïve mCRPC patients.

Over the full year, revenues are expected to be in the range £205m to £215m. The Group expects to generate significant cash to enable continued investment in development and acquisition activities, and BTG remains very well placed to continue to execute its growth strategy.

CONDENSED CONSOLIDATED INCOME STATEMENT
for the six months ended 30 September 2012

	Note	Six months ended 30 September 2012 Results before acquisition adjustments and reorganisation costs £m	Acquisition adjustments and reorganisation costs £m	Total £m	Six months ended 30 September 2011 Results before acquisition adjustments and reorganisation costs £m	Acquisition adjustments and reorganisation costs £m	Total £m
Revenue	2	**143.4**	**-**	**143.4**	110.7	(0.1)	110.6
Cost of sales	2	**(38.1)**	**-**	**(38.1)**	(29.1)	(2.1)	(31.2)
Gross profit	2	**105.3**	**-**	**105.3**	81.6	(2.2)	79.4
Operating Expenses:							
Amortisation and impairment of acquired intangible assets	7, 9	**-**	**(33.8)**	**(33.8)**	-	(20.9)	(20.9)
Foreign exchange gains	3	**0.5**	**-**	**0.5**	2.3	-	2.3
Selling, general and administrative expenses	2	**(27.5)**	**-**	**(27.5)**	(20.7)	-	(20.7)
Operating expenses: total		**(27.0)**	**(33.8)**	**(60.8)**	(18.4)	(20.9)	(39.3)
Research and development		**(17.0)**	**-**	**(17.0)**	(19.0)	-	(19.0)
Amounts written off property, plant and equipment	9	**(1.8)**	**-**	**(1.8)**	(3.0)	-	(3.0)
Acquisition and reorganisation costs		**-**	**0.5**	**0.5**	-	(1.1)	(1.1)
Amounts written off investments		**-**	**-**	**-**	(0.1)	-	(0.1)
Operating profit		**59.5**	**(33.3)**	**26.2**	41.1	(24.2)	16.9
Financial income	4	**1.5**	**-**	**1.5**	3.1	1.1	4.2
Financial expense	4	**-**	**-**	**-**	(1.6)	-	(1.6)
Profit before tax		**61.0**	**(33.3)**	**27.7**	42.6	(23.1)	19.5
Tax	5			**(9.4)**			(6.8)
Profit for the period				**18.3**			12.7
Basic earnings per share	6			**5.6p**			3.9p
Diluted earnings per share	6			**5.5p**			3.9p

All activity arose from continuing operations

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the six months ended 30 September 2012

	Note	Six months ended 30 September 2012 £m	Six months ended 30 September 2011 £m
Profit for the period		**18.3**	12.7
Other comprehensive income			
Foreign exchange translation differences		**(1.3)**	2.0
Actuarial gain on defined benefit pension scheme	8	**2.0**	1.8
Deferred tax on defined benefit pension scheme asset		**(1.0)**	(0.6)
Other comprehensive income for the period		**(0.3)**	3.2
Total comprehensive income for the period		**18.0**	15.9

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 30 September 2012

	Note	**30 September 2012 £m**	31 March 2012 £m	30 September 2011 £m
ASSETS				
Non-current assets				
Goodwill	7	**59.2**	59.2	59.2
Intangible assets	7, 9	**212.7**	246.0	258.5
Property, plant and equipment		**22.7**	22.0	21.3
Other investments		**3.0**	3.0	2.9
Deferred tax asset		**1.2**	1.0	0.9
Employee benefits	8	**4.0**	-	2.8
Biological assets		**0.1**	0.3	0.3
		302.9	331.5	345.9
Current assets				
Inventories		**19.9**	21.8	17.6
Trade and other receivables		**51.4**	40.1	46.0
Taxation		**-**	-	1.0
Derivative instruments		**1.2**	0.5	0.9
Held to maturity financial assets		**5.0**	5.0	2.7
Cash and cash equivalents		**145.7**	106.9	90.2
		223.2	174.3	158.4
Total assets		**526.1**	505.8	504.3
EQUITY				
Share capital		**32.8**	32.7	32.7
Share premium account		**188.3**	188.3	188.3
Merger reserve		**317.8**	317.8	317.8
Other reserves		**(5.3)**	(4.0)	(1.7)
Retained earnings		**(106.5)**	(128.6)	(127.8)
Total equity attributable to equity holders of the parent		**427.1**	406.2	409.3
LIABILITIES				
Non-current liabilities				
Trade and other payables		**1.0**	5.0	6.2
Employee benefits	8	**-**	0.1	-
Deferred taxation		**41.8**	35.2	34.1
Provisions		**1.0**	1.0	1.0
		43.8	41.3	41.3
Current liabilities				
Trade and other payables		**51.2**	55.4	47.3
Derivative instruments		**-**	-	0.3
Taxation		**3.3**	2.1	5.0
Provisions		**0.7**	0.8	1.1
		55.2	58.3	53.7
Total liabilities		**99.0**	99.6	95.0
Total equity and liabilities		**526.1**	505.8	504.3

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
for the six months ended 30 September 2012

	Six months ended 30 September 2012 £m	Six months ended 30 September 2011 £m
Profit after tax for the period	**18.3**	12.7
Tax	**9.4**	6.8
Financial income	**(1.5)**	(4.2)
Financial expense	**-**	1.6
Operating profit	**26.2**	16.9
Adjustments for:		
Amounts written off property, plant and equipment	**1.8**	3.0
Amounts written off associates and investments	**-**	0.1
Amortisation and impairment of intangible assets	**34.7**	21.7
Depreciation on property, plant and equipment	**1.4**	1.5
Share-based payments	**2.2**	1.0
Pension scheme funding	**(2.0)**	(3.0)
Cash from operations before movements in working capital	**64.3**	41.2
Decrease in inventories	**2.0**	0.5
Increase in trade and other receivables	**(11.2)**	(13.2)
Decrease in trade and other payables	**(8.1)**	(2.7)
Decrease in provisions	**(0.1)**	(0.8)
Cash from operations	**46.9**	25.0
Taxation paid	**(2.2)**	(0.1)
Net cash inflow from operating activities	**44.7**	24.9
Investing activities		
Interest received	**0.6**	0.3
Purchases of intangible assets	**(2.1)**	(4.7)
Purchases of property, plant & equipment	**(4.3)**	(1.2)
Expenditure on investments	**-**	(0.1)
Proceeds on held to maturity financial assets	**-**	7.5
Other	**0.1**	-
Net cash (outflow)/inflow from investing activities	**(5.7)**	1.8
Cash flows from financing activities		
Repayment of finance leases	**(0.1)**	(0.2)
Proceeds of share issues	**0.1**	0.1
Net cash outflow from financing activities	**-**	(0.1)
Increase in cash and cash equivalents	**39.0**	26.6
Cash and cash equivalents at start of period	**106.9**	63.7
Effect of exchange rate fluctuations on cash held	**(0.2)**	(0.1)
Cash and cash equivalents at end of period	**145.7**	90.2

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the six months ended 30 September 2012

	Share capital £m	Share premium £m	Merger reserve £m	Other reserves £m	Retained earnings £m	Total equity £m
At 1 April 2011	32.7	188.2	317.8	(3.7)	(142.7)	392.3
Profit for the period	-	-	-	-	12.7	12.7
Other comprehensive income	-	-	-	2.0	1.2	3.2
Total comprehensive income for the period	-	-	-	2.0	13.9	15.9
Transactions with owners:						
Issue of BTG plc ordinary shares	-	0.1	-	-	-	0.1
Share-based payments	-	-	-	-	1.0	1.0
At 30 September 2011	32.7	188.3	317.8	(1.7)	(127.8)	409.3

	Share capital £m	Share premium £m	Merger reserve £m	Other reserves £m	Retained earnings £m	Total equity £m
At 1 April 2012	32.7	188.3	317.8	(4.0)	(128.6)	406.2
Profit for the period	-	-	-	-	18.3	18.3
Other comprehensive income	-	-	-	(1.3)	1.0	(0.3)
Total comprehensive income for the period	-	-	-	(1.3)	19.3	18.0
Transactions with owners:						
Issue of BTG plc ordinary shares	0.1	-	-	-	-	0.1
Movement in shares held by the Trust	-	-	-	-	0.6	0.6
Share-based payments	-	-	-	-	2.2	2.2
At 30 September 2012	**32.8**	**188.3**	**317.8**	**(5.3)**	**(106.5)**	**427.1**

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. Basis of preparation

Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting.* They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 March 2012.

These condensed unaudited consolidated interim financial statements were approved by the Board of Directors on 7 November 2012.

Comparative financial information

The comparative figures for the year ended 31 March 2012 do not constitute the Group's statutory accounts for that financial year. Statutory accounts for the year ended 31 March 2012, prepared in accordance with International Financial Reporting Standards as adopted by the EU ('Adopted IFRSs'), have been reported on by the Group's auditors and delivered to the Registrar of Companies. The report of the auditors was (i) unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

Accounting policies

Except as described below, the accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements for the year ended 31 March 2012.

No accounting standards or other amendments adopted in the period have had a significant effect on the reported results or financial position of the Group.

Acquisition adjustments and reorganisation costs

The Condensed Consolidated Income Statement includes a separate column to disclose significant acquisition adjustments and reorganisation costs arising on corporate acquisitions. Adjustments relate to the acquisitions of:

- Biocompatibles International plc in January 2011; and
- Protherics PLC in December 2008.

The costs relate to the following:

- The release of the fair value uplift of inventory acquired;
- Amortisation and impairment arising on intangible assets acquired;
- Transaction costs incurred with professional advisors in relation to the completion of corporate acquisitions; and
- Reorganisation costs comprising acquisition related redundancy programmes, property costs and asset impairments.

Going concern and liquidity

After making reasonable enquiries, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Interim Financial Statements

This conclusion has been reached having considered the effect of liquidity risk on the Group's ability to operate effectively. Currently, liquidity risk is not considered a significant business risk to the Group given its level of net cash and cash flow projections. The Group does not currently require significant levels of debt financing to operate its business. The key liquidity risks faced by the Group are considered to be the failure of banks where funds are deposited and the failure of key licensees, distributors or insurers.

In addition to the liquidity risk considered above, the directors have also considered the following factors when reaching the conclusion to continue to adopt the going concern basis:

- The Group's principal licensees are global industry leaders in their respective fields and the Group's royalty-generating intellectual property covers a broad portfolio of both licensees and industries;
- The Group does not have a significant exposure to the Eurozone; and
- The Group's sales products are life-saving in nature, providing some protection against the current uncertain economic outlook.

Seasonality of the business

Revenues from the Group's marketed products are dependent on both the timing of shipments of product to the Group's distributors and the underlying demand for the products. CroFab®, in particular, demonstrates seasonality since the main snake biting season, when the product is in highest demand, runs from March to October.

The Group's royalty income is derived from a number of different licensees and underlying products and markets. Typically it does not demonstrate a highly cyclical pattern but is dependent on the timing of milestones due from licensees upon completion of certain contractual development or sales milestones. These, by their very nature, are not predictable.

2. Operating segments

Following the acquisition of Biocompatibles International plc in January 2011, the Group aligned behind three reportable segments, being Specialty Pharmaceuticals, Interventional Medicine and Licensing & Biotechnology, effective from 1 April 2011.

In assessing performance and making resource allocation decisions, the Leadership Team (which is BTG's chief operating decision-making body) reviews contribution by segment. Contribution is defined as being gross profit less directly attributable selling, general and administrative costs (SG&A). The Licensing & Biotechnology operating segment includes SG&A relating to the Group's centrally managed support functions and corporate overheads. This reflects the management structure and stewardship of the business. No allocation of central overheads is made across the Specialty Pharmaceuticals or Interventional Medicine operating segments. Research and development continues to be managed on a global basis, with investment decisions being made by the Leadership Team as a whole. It is not managed by reference to the Group's operating segments, though each programme within the pipeline would ultimately provide revenues for one of the operating segments if successful.

	Six months ended 30 September 2012			
	Specialty Pharmaceuticals	**Interventional Medicine**	**Licensing & Biotechnology**	**Total**
	£m	**£m**	**£m**	**£m**
Revenue	**67.5**	**17.7**	**58.2**	**143.4**
Cost of Sales*	**(15.2)**	**(3.2)**	**(19.7)**	**(38.1)**
Gross Profit	**52.3**	**14.5**	**38.5**	**105.3**
Selling, general and administrative expenses	**(9.2)**	**(7.2)**	**(11.1)**	**(27.5)**
Contribution	**43.1**	**7.3**	**27.4**	**77.8**
Amortisation and impairment of acquired intangibles				**(33.8)**
Foreign exchange gains				**0.5**
Research and development				**(17.0)**
Amounts written off property, plant and equipment				**(1.8)**
Acquisition and reorganisation costs				**0.5**
Operating profit				**26.2**
Financial income				**1.5**
Financial expense				**-**
Profit before tax				**27.7**
Tax				**(9.4)**
Profit for the period				**18.3**
Unallocated assets				**526.1**

	Six months ended 30 September 2011			
	Specialty Pharmaceuticals	Interventional Medicine	Licensing & Biotechnology	Total
	£m	£m	£m	£m
Revenue	52.0	13.1	45.5	110.6
Cost of Sales*	(13.2)	(5.1)	(12.9)	(31.2)
Gross Profit	38.8	8.0	32.6	79.4
Selling, general and administrative expenses	(8.1)	(4.7)	(7.9)	(20.7)
Contribution	30.7	3.3	24.7	58.7
Amortisation and impairment of acquired intangibles				(20.9)
Foreign exchange gains				2.3
Research and development				(19.0)
Amounts written off property, plant and equipment				(3.0)
Acquisition and reorganisation costs				(1.1)
Amounts written off investments				(0.1)
Operating loss				16.9
Financial income				4.2
Financial expense				(1.6)
Profit before tax				19.5
Tax				(6.8)
Profit for the period				12.7
Unallocated assets				504.3

*Six months ended 30 September 2011 includes a £2.1m release of the fair value uplift of inventory purchased on the acquisition of Biocompatibles International plc in January 2011 within the Interventional Medicine operating segment.

Revenue analysis

An analysis of revenue, based on the geographical location of customers and the source of revenue is provided below:

Geographical analysis	Six months ended 30 September 2012 £m	Six months ended 30 September 2011 £m
USA	**128.6**	95.2
UK	**6.5**	4.4
Europe (excluding UK)	**6.3**	9.2
Other regions	**2.0**	1.8
	143.4	110.6

Revenue from major products and services	Six months ended 30 September 2012 £m	Six months ended 30 September 2011 £m
Product sales	**85.7**	65.8
Royalties	**51.6**	35.0
Other	**6.1**	9.8
	143.4	110.6

Major customers

The Group's marketed products are sold both directly and also through several distribution agreements in the US, Europe and Asia Pacific. Two customers individually generated product income in excess of 10% of Group revenue of £17.3m and £15.6m respectively (H1 11/12: two customers individually generated product income of £16.7m and £14.9m respectively).

Products that utilise the Group's Intellectual Property Rights are sold by licensees. Royalty income is derived from over 70 licences. One licence individually generated royalty income in excess of 10% of Group revenue of £23.4m (H1 11/12: one licence individually generated £16.0m).

3. Foreign exchange gains and losses in the income statement

During the six months ended 30 September 2012 the Group recognised foreign exchange gains of £0.5m (H1 11/12: gains of £2.3m) within operating profit. These arose from the retranslation of foreign currency balance sheet amounts, transactional exchange gains and losses in the period and the settlement of the Group's foreign exchange forward contracts during the period.

Included within "Financial income" of £1.5m (H1 11/12: included within "Financial expense": £1.6m) is £0.8m (H1 11/12: included within "Financial expense": £1.5m) which represents the movement in the fair value of the Group's foreign exchange forward contracts.

4. Financial income and expense

	Six months ended 30 September 2012 £m	Six months ended 30 September 2011 £m
Interest receivable on money market and bank deposits	**0.6**	0.3
Fair value movement on Contingent Value Notes (i)	**-**	1.1
Fair value movement on borrowings (ii)	**-**	2.8
Fair value movement on foreign exchange forward contracts	**0.8**	-
Other	**0.1**	-
Financial income	**1.5**	4.2
Interest payable on finance lease and hire purchase agreements	**-**	0.1
Fair value movement on foreign exchange forward contracts	**-**	1.5
Financial expense	**-**	1.6

(i) Contingent Value Notes

As part of BTG's acquisition of Biocompatibles in January 2011, 487 Biocompatibles shareholders elected to receive in aggregate 10,722,465 Contingent Value Notes (CVNs) providing a right to a payment of the Sterling equivalent of €0.56 per Biocompatibles share if AstraZeneca exercised its option to enter a licence agreement

relating to CM-3 on the pre-agreed terms. In May 2011 AstraZeneca decided to terminate the development and option agreement and it is highly unlikely that any payment will be made in relation to the CVNs. The payment obligation would only now arise if BTG enters into another form of licence, sale or other disposal of the GLP-1 asset to AstraZeneca prior to 31 December 2012. The BTG Board does not believe that there is any realistic possibility that this will occur. Accordingly, in the prior year, the Group derecognised a liability of £1.1m in relation to the CVN through the Income Statement in Financial Income in the acquisition adjustments and reorganisation costs column.

(ii) Borrowings

In the prior period, following the withdrawal of the Novabel® product from the market and subsequent impairments recognised within tangible and intangible assets, the Group derecognised a £2.8m loan from Merz as there was no obligation for this to be repaid. The loan was received to fund the purchase of tangible assets for use in the manufacture of Novabel® and was repayable out of revenues.

5. Tax

	Six months ended 30 September 2012 £m	Six months ended 30 September 2011 £m
Current tax		
Current tax charge	**3.7**	4.8
Deferred tax		
Increase in net deferred tax liability	**5.7**	2.0
	9.4	6.8

Tax for each six-month period has been provided on the basis of the anticipated effective rate for the full year. The current tax charge of £3.7m (H1 11/12: £4.8m) principally relates to UK corporation tax and US state taxes and Alternative Minimum Tax.

The deferred tax charge of £5.7m (H1 11/12: £2.0m) principally reflects the reduction of deferred tax assets as the Group utilises its brought forward US tax losses against forecast taxable profits, offset by a reduction in the deferred tax liability recognised on acquired intangible assets as these assets are amortised or impaired.

6. Earnings per share

The calculation of basic and diluted earnings per share is based on the following data:

	Six months ended 30 September 2012	Six months ended 30 September 2011
Profit for the period (£m)	**18.3**	12.7
Earnings per share (p)		
Basic	**5.6**	3.9
Diluted	**5.5**	3.9
Number of shares (m)		
Weighted average number of shares – basic	**326.7**	325.8
Effect of share options in issue	**4.1**	3.4
Weighted average number of shares – diluted	**330.8**	329.2

The denominators used are the same as those above for both basic and diluted earnings per share.

The calculation of basic and diluted earnings per share from underlying earnings is based on the following data:

	Six months ended 30 September 2012	Six months ended 30 September 2011
Profit for the period from operations (£m)	**18.3**	12.7
Add back:		
Fair value adjustment on acquired inventory	**-**	2.1
Fair value adjustment on royalty income	**-**	0.1
Amortisation of acquired intangible fixed assets	**18.8**	10.2
Acquisition and reorganisation costs including CVN writeback	**(0.5)**	-
Underlying earnings	**36.6**	25.1
Profit per share (p)		
Basic	**11.2**	7.7
Diluted	**11.1**	7.6

Adjustments to profit are shown after taking into account the anticipated tax effect of such adjustments.

7. Goodwill and intangible assets

(a) Goodwill

Goodwill of £59.2m relates to the acquisitions of Biocompatibles International plc in January 2011 and Protherics PLC in December 2008.

(b) *Intangible assets*

Net book value	30 September 2012 £m	31 March 2012 £m	30 September 2011 £m
Developed technology (i)	**197.7**	205.0	211.3
Contractual relationships (i)	**1.8**	26.6	29.5
In-process research and development (i)	**3.0**	5.1	9.0
Computer Software	**0.2**	0.5	0.2
Patents	**2.6**	2.7	3.1
Purchase of contractual rights (ii)	**7.4**	6.1	5.4
	212.7	246.0	258.5

(i) Developed technology, Contractual relationships and In-process research and development

Intangible assets comprising developed technology, contractual relationships and in-process research and development relate to assets acquired on the purchase of Biocompatibles International plc in January 2011 and Protherics PLC in December 2008. Movements in these categories of intangible assets between 31 March 2012 and 30 September 2012 are predominately driven by (1) amortisation and impairment charges and (2) foreign exchange retranslation of the assets denominated in foreign currencies at the closing exchange rate at 30 September 2012.

An impairment charge of £22.5m within 'contractual relationships' has been recognised within the acquisition adjustments and reorganisation costs column in the Income Statement in relation to AZD9773 (see note 9).

(ii) Purchase of contractual rights

In May 2012, BTG signed an agreement with Wellstat Therapeutics Corporation to acquire the rights to distribute uridine triacetate on a named patient supply basis in Europe for an upfront payment of $3.0m, together with an option to market uridine triacetate following EU regulatory approval, under pre-agreed financial terms including a multi-million dollar exercise fee.

8. Defined benefit pension fund

The Group has recognised an asset of £4.0m on the Group's balance sheet in accordance with IAS19 – *Employee benefits* in relation to the BTG Pension Fund (31 March 2012: liability of £0.1m; 30 September 2011: asset of £2.8m). The £4.1m movement since 31 March 2012 relates principally to cash contributions made by the Group and to actuarial gains, which are recognised in the condensed consolidated statement of comprehensive income.

In July 2011 the Group finalised the triennial actuarial valuation of the BTG Pension Fund as at 31 March 2010. The valuation showed a deficit of £13.9m and the Group committed to deficit repair payments of £12.1m in

aggregate over the three years ending 31 March 2014. In the period to 30 September 2012, deficit repair payments of £1.9m have been made.

The Group also agreed to place a total of £1.5m into an escrow account, in three annual instalments of £0.5m commencing July 2011, to be used in the event of a wind-up of the BTG Pension Fund before 1 November 2013. If a wind-up has not commenced by 1 November 2013, the funds return to the Group.

9. AZD9773

On 8 August 2012 BTG announced the top-line data from a global Phase IIb study of AZD9773 in patients with severe sepsis and/or septic shock, conducted by AstraZeneca. The study failed to meet primary or secondary endpoints. AstraZeneca has given notice to terminate its licence agreement and associated arrangements with BTG and is in the process of handing the asset back to BTG. BTG does not anticipate conducting any further development of AZD9773. Consequently the following transactions have been recognised.

- The release of deferred income associated with previously received milestones from AstraZeneca in relation to AZD9773 work streams of £5.4m to the income statement within the Licensing and Biotechnology segment;
- An impairment charge of £22.5m has been recognised in amortisation and impairment of acquired intangibles in the acquisition adjustments and reorganisation costs column;
- Property, plant and equipment write-downs associated with assets used in the development of AZD9773 of £1.8m have been recognised in amounts written off property, plant and equipment;
- Committed costs associated with the development programme of £0.4m have been recognised within research and development.

10. Related parties

Giles Kerr, a non-executive director of BTG plc, is also the Director of Finance for Oxford University and a director of Isis Innovations Limited, a wholly-owned subsidiary of Oxford University. Wholly owned subsidiaries of BTG plc entered into revenue sharing agreements with these organisations prior to Giles Kerr joining the BTG Board. The BTG Group has licensed the intellectual property covered by these agreements to third party companies that are developing and/or selling the licensed products. Under these licence agreements, BTG is entitled to receive milestone payments and/or a royalty on sales of the products made by the third party licensees. Payments in the six months to 30 September 2012 under these agreements were £1.5m and amounts still outstanding and payable at 30 September 2012 were £nil.

Under the various revenue sharing agreements, the BTG Group pays a share of any income it receives to Oxford University and Isis Innovations, depending on the specific technology that generated the income. As the revenue sharing agreements do not permit these organisations to have any input over the commercialisation of the licensed products or the amount payable under the relevant revenue sharing agreement, Giles Kerr is not able to influence the amounts received in his position outside BTG. Because he has no influence over any aspect of these agreements in his role outside the BTG Group, the Company considers that his independence in relation to the BTG Group is not compromised.

Within the BTG Group, to avoid any possible conflict of interest, it has been agreed that Giles Kerr will not participate in any discussions concerning the relevant agreements either within the Board meetings of BTG plc or in any other discussions or meetings with the executives of BTG plc and its subsidiaries. The Board has considered, and is satisfied with, this separation of duties.

Principal risks and uncertainties

The principal risks and uncertainties faced by the Group for the remaining six months of the year have not changed from those set out on pages 26 to 29 of the BTG plc Annual Report and Accounts 2012, available from the Group's website at www.btgplc.com. These include but are not limited to: interruption of product supply including reliance on third-party contractors for the supply of key manufacturing materials and services; patent validity and infringement challenges and the inherent risks of managing an intellectual property portfolio; product liability; competition for new programmes and projects; general market competition affecting product sales or royalty income; pricing and reimbursement issues; the inherent uncertainty of drug development; the highly regulated nature of the pharmaceuticals industry; and movements in foreign exchange rates.

Responsibility statement of the directors in respect of the interim financial report

We confirm that to the best of our knowledge:

- the condensed set of financial statements has been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the European Union;
- the interim management report includes a fair review of the information required by:

  (a) DTR 4.2.7R of the *Disclosure and Transparency Rules*, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and

  (b) DTR 4.2.8R of the *Disclosure and Transparency Rules*, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

The Board

The Board of Directors that served during the six-month period to 30 September 2012 and their respective responsibilities can be found on pages 36 to 37 of the BTG plc Annual Report and Accounts 2012.

By order of the Board

Dr Louise Makin	Chief Executive Officer
Rolf Soderstrom	Chief Financial Officer

7 November 2012

Independent Review Report to BTG plc

Introduction

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2012 which comprises the Group's condensed consolidated income statement, condensed consolidated statement of comprehensive income, condensed consolidated statement of financial position, condensed consolidated statement of cash flows and the condensed statement of changes in equity and the related explanatory notes. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the Company in accordance with the terms of our engagement to assist the Company in meeting the requirements of the Disclosure and Transparency Rules ('the DTR') of the UK's Financial Services Authority ('the UK FSA'). Our review has been undertaken so that we might state to the Company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our review work, for this report, or for the conclusions we have reached.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the DTR of the UK FSA.

As disclosed in note 1, the annual financial statements of the Group are prepared in accordance with IFRSs as adopted by the EU. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the EU.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Auditing Practices Board for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2012 is not prepared, in all material respects, in accordance with IAS 34 as adopted by the EU and the DTR of the UK FSA.

David Bills
For and on behalf of KPMG Audit Plc
Chartered Accountants
15 Canada Square
London E14 5GL

7 November 2012

Shareholder information

Financial calendar

Interim management statement	January 2013
Announcement of annual results for year ended 31 March 2013	May 2013

Capita share dealing services

A quick and easy share dealing service is available from Capita Registrars, to either buy or sell more shares. An online and telephone dealing facility is available providing shareholders with an easy-to-access and simple-to-use service. For further information on this service, or to buy and sell shares, please contact: www.capitadeal.com (online dealing) or +44 (0) 871 664 0446 (telephone dealing) – calls cost 10p per minute plus network extras, lines are open 8am - 4.30pm Monday - Friday. Full terms, conditions and risks apply and are available on request or by visiting www.capitadeal.com.

This is not a recommendation to buy or sell shares. The price of shares can go down as well as up, and you are not guaranteed to get back the amount that you originally invested.

Shareholder change of address

The Company offers the facility, in conjunction with Capita Registrars, our Registrars, to conduct a number of routine matters via the web including the ability to notify any change of address. If you are a shareholder and are either unable or would prefer not to use this facility, please do not send the notification to the Company's registered office. Please write direct to Capita Registrars, at their address shown below, where the register is held.

Relating to beneficial owners of shares with 'information rights'

Please note that beneficial owners of shares who have been nominated by the registered holder of those shares to receive information rights under section 146 of the Companies Act 2006 are required to direct all communications to the registered holder of their shares rather than to the Company's registrar, Capita Registrars, or to the Company directly.

Addresses for correspondence

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Fax: +44 (0)20 7575 0010
Email: info@btgplc.com

Website: www.btgplc.com

Registered number 2670500

Registrars
Capita Registrars
The Registry
34 Beckenham Road
Beckenham
Kent
BR2 4TU

Tel (callers from the UK) 0871 664 0300
(please note that calls cost 10p per minute, plus network extras, lines are open 8.30am - 5.30pm Monday - Friday)
Tel (callers outside UK) +44 208 639 3399

Cautionary statement regarding forward-looking statements

This Interim Report and Accounts may contain certain projections and other forward-looking statements with respect to the financial condition, results of operations and businesses of BTG plc ("BTG"). These statements are based on current expectations and involve risk and uncertainty because they relate to events and depend upon circumstances that will occur in the future. There are a number of factors which could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements. Although BTG currently believes that the assumptions underlying these forward-looking statements are reasonable, any of the assumptions could prove inaccurate or incorrect and therefore there can be no assurance that any results contemplated in the forward-looking statements will actually be achieved. Nothing contained in this Interim report should be construed as a profit forecast or profit estimate. Investors or other recipients are cautioned not to place undue reliance on any forward-looking statements contained herein. BTG undertakes no obligation to update or revise (publicly or otherwise) any forward-looking statement, whether as a result of new information, future events or other circumstances. This Interim Report and Accounts does not constitute an invitation or inducement to any person to subscribe for or otherwise acquire securities in BTG.