

Cyprotex PLC
("Cyprotex" or "the Company")

Interim Results 2011

Strong revenue growth

Cyprotex PLC (LSE: CRX), the preclinical ADME Tox services company, today reports its interim results for the half year to 30 June 2011.

Financial Highlights

- Revenues up 43%* to £3.54m (H1 2010: £2.48m)
- US site revenues grow to £1.27 million
- Over 12% revenue growth in our UK operations excluding the loss of the Company's largest customer due to their facility closures
- Reliance on individual large customers has been reduced, dropping from 22% in 2009, to 16% in 2010, to an expected 11% in 2011
- Cash generation increased with EBITDA of £261,000 (H1 2010: £166,000)
- Continuing profitability with operating profit of £23,000 (H1 2010: £54,000)
- Cash generated from operations at £91,000 (H1 2010: £237,000)
- Growth of new customer base continues into second half of 2011

**Including acquisitions*

Operational Highlights

- Cyprotex's *in vitro* toxicology services have seen a substantial increase in volume with higher than expected sales of our proprietary CellCiphr™ assay
- Investments in automation and improving the toxicity prediction process underlying the CellCiphr™ technology substantially reduced labour costs, decreased turnaround time by 9 working days and improved prediction accuracy
- Sales and marketing team realignment resulting in a near doubling of our new-customer base for our Macclesfield operations to 38 (H1 2010: 21).
- 36 New-customer contracts in H1 2011 for our Watertown operations
- Strategic partnership with Solvo Biotechnology, a contract research organisation specialising in drug transporter assays which has increased significantly due to new FDA guidance
- Four new strategic customers (i.e., 12 month revenues in excess of £250,000)
- Significant investments have been made in a new innovative product line that will be announced at a major international scientific meeting in the Autumn of 2011
- With continuing growth in our US operations we plan to expand into a larger laboratory facility in the same building in early 2012

Steve Harris, Chairman of Cyprotex PLC, said:

"We have delivered a 43% increase in revenues and a seventh consecutive period of profitability despite a tough industry and macro-economic environment. The acquisition of Apredica and our new business efforts have helped drive this growth which more than offset the unexpected loss of our largest customer. We are focused on continuing to drive revenues in the traditionally stronger second half whilst continuing to explore potential bolt on acquisitions in a highly fragmented market."

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Notes to Editors:

Cyprotex PLC

Cyprotex is the world's largest contract research organisation (CRO) specialising in ADME Tox, which is the analysis of the Absorption, Distribution, Metabolism, Excretion, and Toxicity properties of drugs, cosmetics, and agrochemicals. It is the only company in the world with in-house capabilities for both *in vitro* (test tube) and *in silico* (computer modelling) ADME Tox. Cyprotex was founded in 1999 and listed on the AIM in 2002. It has laboratories in Macclesfield, Cheshire, UK (near Manchester), and Watertown, Massachusetts, USA (near Boston), making it one of only three ADME Tox CROs with international operations.

Chairman's Statement

In the first half of 2011, Cyprotex experienced strong revenue growth primarily due to its new *in vitro* toxicology offerings, increased US sales following its acquisition of US-based Apredica, and an expansion of our new customer base.

Revenue growth of 43% in the first half of 2011 was impressive given the general decline in drug-discovery R&D spending that commenced in 2010. Growth was concentrated in our US site where a large proportion of our *in vitro* toxicology assays are performed, in particular from our proprietary CellCiphr™ high content toxicology product. Indeed, our overall expansion into *in vitro* toxicology services has proven to be a wise investment.

Whilst Cyprotex continued to be profitable and cash-generative in the period, the level of profitability was impacted by the unexpected loss at the beginning of the year of Cyprotex's largest customer due to the customer's closure of a facility. However, following a realignment of Cyprotex's UK sales and marketing organisation at the beginning of 2011, our new-customer base has increased substantially with 38 new customers for the Company's Macclesfield laboratory in the first half of the year compared with 21 during the same period in 2010. If the current rate of new customer growth continues, the Board expects to offset the revenue gap during the second half of 2011 and profitability will return to its long-term trend.

With the integration of the Apredica and Cellumen acquisitions completed, we have seen increased demand for services from our US-based laboratory and management anticipates expanding that laboratory to a larger laboratory facility in the same building in early 2012.

A major factor in the decision to join Apredica with Cyprotex was the expectation that Cyprotex's expertise in laboratory automation and the prediction of pharmacokinetic properties using computer modelling could be applied to substantially improve the efficiency and accuracy of the CellCiphr™ product. Through automation of the prediction engine that is at the core of the CellCiphr™ product, substantial labour costs have been removed, turnaround time has been reduced by 9 working days and the accuracy of toxicity prediction has been improved. We anticipate that these improvements will allow the Company to deliver improved returns on future CellCiphr™ services.

We have continued to invest not only in our new *in vitro* toxicology business, but also our core ADME business. During H1 2011 the Company made substantial investments in a new innovative product line based on assets and intellectual property we acquired early in the year. In Autumn 2011 we will be announcing the launch of this product line at a major international scientific meeting, which we believe will further advance Cyprotex's position as a world leader in ADME Tox.

In last year's interim statement I noted that our immediate focus was to integrate our acquisitions and establish ourselves in the growing *in vitro* toxicology market. I am pleased to report that both of these objectives have been successfully achieved. Given the success of last year's acquisition in the US and the trend towards consolidation in the ADME Tox market; we are looking at new opportunities to grow the business by buying assets or companies that complement our fields of expertise.

Customer relationships

Our approach to business development has continued to make good progress. We have signed four new 'strategic' customers in the period (defined as delivering 12 month revenues greater than £0.25 million) and lost one due to closure of its facilities. We have also seen our new customer base increase significantly. A major contract with the US Environmental Protection Agency (EPA) was awarded to Cyprotex, as CellCiphr™ technology was selected to be one of several technologies the EPA is using as part of their ToxCast program.

In July we began a strategic partnership with Solvo Biotechnology to enable us to expand the range of drug transporter assays we offer. Recent FDA guidance on drug transporters has caused a marked increase in demand for these formerly infrequently performed assays.

We have engaged in cross selling the Cyprotex and Apredica services and have been rewarded in selling CellCiphr™ services to several existing Cyprotex customers. We have also succeeded in growing our existing customer revenues in many cases.

As a result of our business development restructuring, we have reduced our reliance on our single largest customer year on year since 2008 and we expect our single largest customer to be approximately 11% of total revenue for this financial year.

We have refocused our business development activities with Dr Baxter taking responsibility for all sales and marketing activities following the departure of the Company's Chief Commercial Officer.

We continue to engage with our customers to listen to what they expect from partners engaged in assisting them in advancing their drug discovery programs. With this we expect to announce further strategic partnerships over the next year as we widen and strengthen our portfolio of ADME Tox technologies.

Financial performance

Revenues are 43% higher than the comparative period driven in large part to sales from our new US subsidiary Apredica. Apredica's revenues have more than doubled when compared to the prior comparative period, driven in part by sales based on CellCiphr™ toxicology services. For the second consecutive year, January started slowly and we experienced the loss of our largest customer shortly after the New Year who had performed services to the value of £497,000 in H1 2010. By refocusing our sales and marketing efforts, developing and expanding our offerings particularly in the toxicology market we experienced significantly improved performance of our US business and excluding this lost customer, grew underlying revenues by over 12% in the UK. Sales at our US site in the six month period to 30 June 2011 grew to £1.27 million up from £546,000 in the five months ended 31 December 2010. In parallel we implemented a controlled cost reduction programme in the UK and have maintained levels of operating profitability consistent with the prior period.

The Company's cash balances stand at £535,000 at the period end down from £1,037,000 at the end of 2010, due in part to an unusually high level of trade receivables in the US, which absorbed cash resources at the end of June 2011. The Company has subsequent to the period returned to a more normalised level of working capital by end of July 2011, which led to an inflow of funds. The Company continues to generate cash from operations and we have settled in full in the period deferred payments due as part of the Apredica acquisition of £406,000, and continue to invest in technology and associated assets.

Our underlying trading performance remains positive and robust.

Outlook

For the first time in many decades, pharmaceutical R&D spend has fallen in the past year due to R&D cuts implemented by many large pharmaceutical companies in response to many years of low productivity of internal R&D with the background to patents expirations and generic pressures, among other factors. However, increased cost-control efforts are causing increasing numbers of drug-discovery firms to look both to outsourcing and to implement earlier *in vitro* technologies to improve the cost efficiency of their R&D efforts.

Whilst a short-term consequence of this was a loss of a major customer due to its curtailment of R&D efforts and consequent site closures, this increased emphasis on cost control is causing growing numbers of drug-discovery firms to look both to outsourcing and to new *in vitro* technologies to improve the efficiency of their R&D efforts. It is also causing early-stage drug discovery to shift to smaller, more innovative and cost-efficient firms, with the larger pharmaceutical firms obtaining the intellectual property of the smaller firms at a later point in development. All of these are long-term positive trends for Cyprotex.

Revenue growth for the first half of 2011 has been strong with a substantial increase in our new customer base. If the current rate of growth continues, we believe that the Company is on course to return to our long-term trend of increasing revenues and profitability.

Steve Harris
Chairman

25 August 2011

Consolidated interim income statement
six months to 30 June 2011

	Note	Unaudited 6 months to 30 June 2011 £	Unaudited 6 months to 30 June 2010 £	Audited year to 31 December 2010 £
Continuing operations				
Revenue	4	3,540,258	2,476,599	5,924,387
Cost of sales		(621,054)	(379,236)	(868,068)
Gross profit		2,919,204	2,097,363	5,056,319
Administrative costs		(2,896,679)	(2,042,924)	(4,834,461)
Operating profit		22,525	54,439	221,858
Finance income		220	4,006	6,337
Finance cost		(22,087)	(7,964)	(26,855)
Profit before tax		658	50,481	201,340
Income tax		-	-	415,300
Profit for the period		658	50,481	616,640
Attributable to				
the equity holders of the parent		658	50,481	616,640
Earnings per share				
Basic earnings per share	5	0.00p	0.03p	0.31p
Diluted earnings per share	5	0.00p	0.03p	0.31p

Consolidated interim statement of comprehensive income
six months to 30 June 2011

		Unaudited 6 months to 30 June 2011 £	Unaudited 6 months to 30 June 2010 £	Audited year to 31 December 2010 £
Continuing operations				
Profit for the period		658	50,481	616,640
Other comprehensive income		-	-	-
Exchange differences on translation of overseas operations		(78,737)	-	(1,923)
Total comprehensive income for the period		(78,079)	50,481	614,717
Attributable to				
the equity holders of the parent		(78,079)	50,481	614,717

Consolidated interim statement of financial position
at 30 June 2011

		Unaudited 6 months ended 30 June 2011 £	Unaudited 6 months ended 30 June 2010 £	Audited year ended 31 December 2010 £
ASSETS				
	Note			
Non current assets				
Property, plant and equipment	7	2,086,788	1,564,684	2,148,013
Intangible fixed assets	9	3,484,902	-	3,485,218
Deferred taxation		397,494	-	397,494
		5,969,184	1,564,684	6,030,725
Current assets				
Inventories		270,708	160,942	290,126
Trade receivables		1,205,237	675,111	809,153
Other receivables		188,429	225,874	239,423
Cash and cash equivalents		534,967	1,977,595	1,036,888
		2,199,341	3,039,522	2,375,590
Total assets		8,168,525	4,604,206	8,406,315
LIABILITIES				
Current liabilities				
Trade payables		147,591	392,441	183,060
Other payables		554,536	235,899	415,914
Obligations under finance leases		73,939	-	98,101
Provisions		145,000	-	-
Short term borrowings		-	-	410,759
Current portion of long term borrowings		66,000	30,000	30,000
		987,066	658,340	1,137,834
Non current liabilities				
Long term borrowings		650,466	526,600	506,400
Obligations under finance leases		68,485	-	113,924
Other borrowings		150,000	-	150,000
Provisions		304,882	-	474,100
Deferred tax liabilities		299,078	-	308,980
		1,472,911	526,600	1,553,404
Total liabilities		2,459,977	1,184,940	2,691,238
Net Assets		5,708,548	3,419,266	5,715,077
EQUITY				
Equity attributable to equity holders of the parent				
Share capital	6	223,687	178,957	223,687
Share premium account		12,210,140	10,594,395	12,210,140
Other reserve		128,070	128,070	128,070
Share based payment reserve		633,060	490,410	561,510
Profit and loss account		(7,486,409)	(7,972,566)	(7,408,330)
Total equity		5,708,548	3,419,266	5,715,077

Consolidated interim statement of changes in equity
six months to 30 June 2011

	Share capital	Share premium account	Other reserve	Share based payment reserve	Profit and loss account	Total equity
	£	£	£	£	£	£
Balance at 1 January 2011	223,687	12,210,140	128,070	561,510	(7,408,330)	5,715,077
Share based payments	-	-	-	71,550	-	71,550
Issue of share capital	-	-	-	-	-	-
Transactions with owners	223,687	12,210,140	128,070	633,060	(7,408,330)	5,786,627
Profit for the period	-	-	-	-	658	658
Other comprehensive income	-	-	-	-	-	-
Exchange differences on translation	-	-	-	-	(78,737)	(78,737)
Total comprehensive income for the period	-	-	-	-	(78,079)	(78,079)
Balance at 30 June 2011	223,687	12,210,140	128,070	633,060	(7,486,409)	5,708,548
	£	£	£	£	£	£
Balance at 1 January 2010	178,957	10,594,395	128,070	418,410	(8,023,047)	3,296,785
Share based payments	-	-	-	72,000	-	72,000
Issue of share capital	-	-	-	-	-	-
Transactions with owners	178,957	10,594,395	128,070	490,410	(8,023,047)	3,368,785
Profit for the period	-	-	-	-	50,481	50,481
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	50,481	50,481
Balance at 30 June 2010	178,957	10,594,395	128,070	490,410	(7,972,566)	3,419,266
	£	£	£	£	£	£
Balance at 1 January 2010	178,957	10,594,395	128,070	418,410	(8,023,047)	3,296,785
Share based payments	-	-	-	143,100	-	143,100
Issue of share capital	44,730	1,632,656	-	-	-	1,677,386
Share issue costs	-	(16,911)	-	-	-	(16,911)
Transactions with owners	223,687	12,210,140	128,070	561,510	(8,023,047)	5,100,360
Profit for the period	-	-	-	-	616,640	616,640
Other comprehensive income	-	-	-	-	-	-
Exchange differences on translation	-	-	-	-	(1,923)	(1,923)
Total comprehensive income for the period	-	-	-	-	614,717	614,717
Balance at 31 December 2010	223,687	12,210,140	128,070	561,510	(7,408,330)	5,715,077

Consolidated statement of cash flows
six months to 30 June 2011

	Unaudited 6 months to 30 June 2011 £	Unaudited 6 months to 30 June 2010 £	Audited Year to 31 December 2010 £
Cash flows from operating activities			
Profit after taxation	658	50,481	616,640
Adjustments for:			
Depreciation	171,328	111,737	269,686
Amortisation	66,800	-	53,959
Share based payment charge	71,550	72,000	143,100
Investment income	(220)	(4,006)	(6,337)
Interest expense	22,087	7,964	26,855
Taxation recognised in the income statement	-	-	(415,300)
(Increase)/decrease in trade and other receivables	(353,333)	(126,452)	(190,527)
Decrease/(increase) in inventories	17,592	5,772	(80,499)
Increase/(decrease) in trade and other payables	113,278	127,426	(85,957)
Movement in provisions	(9,851)	-	(10,900)
Cash generated from operations	99,889	244,922	320,720
Interest paid	(8,838)	(7,964)	(19,506)
Net cash generated from operating activities	91,051	236,958	301,214
Cash flows from investing activities			
Purchase of property, plant and equipment	(132,490)	(312,272)	(640,075)
Acquisition (net cash paid)	-	-	(339,482)
Expenditure on intangible	(170,932)	-	-
Interest received	220	4,006	6,337
Net cash used in investing activities	(303,202)	(308,266)	(973,220)
Cash flows from financing activities			
Costs of issuing share capital	-	-	(16,911)
Proceeds from long-term borrowings	200,000	-	-
Repayment of long-term borrowings	(19,934)	(14,500)	(34,700)
Payment of finance lease liabilities	(60,607)	(10,729)	(108,823)
Payment of short-term borrowings	(406,061)	-	(205,738)
Net cash used in financing activities	(286,602)	(25,229)	(366,172)
Net decrease in cash and cash equivalents	(498,753)	(96,537)	(1,038,178)
Exchange differences on cash and cash equivalents	(3,168)	-	934
Cash and cash equivalents at beginning of period	1,036,888	2,074,132	2,074,132
Cash and cash equivalents at end of period	534,967	1,977,595	1,036,888

Notes to the Interim condensed consolidated financial statements

six months to 30 June 2011

1. Nature of operations and general information

Cyprotex PLC ('Cyprotex') and subsidiaries' (together 'the Group') principal activity is the provision of in vitro and in silico ADMET/PK (Absorption, Distribution, Metabolism, Excretion, Toxicity, and Pharmacokinetic) information to the pharmaceutical industry.

Cyprotex's vision is to provide, in partnership with our customers in drug discovery and development, the highest quality, fastest turnaround and most cost effective ADMET and pharmacokinetic data to those customers.

Cyprotex PLC is the Group's ultimate parent company. It is incorporated and domiciled in Great Britain. The address of Cyprotex PLC's registered office is 100 Barbirolli Square, Manchester M2 3AB. The address of its principal places of business are 15 Beech Lane, Macclesfield, Cheshire, United Kingdom, SK10 2DR and 313 Pleasant Street, Watertown, Massachusetts, MA02472 USA. It trades through its wholly owned subsidiaries, Cyprotex Discovery Limited based in Macclesfield in the UK and Apredica LLC in Watertown in the USA. Cyprotex PLC's shares are listed on the Alternative Investment Market of the London Stock Exchange.

Cyprotex's interim condensed consolidated financial statements ('the interim financial statements') are presented in Pounds Sterling (£), which is also the functional currency of the parent company.

These interim financial statements have been approved for issue by the Board of Directors on 25 August 2011.

The financial information for the year ended 31 December 2010 set out in this interim report does not constitute statutory accounts as defined in section 245 of the Companies Act 2006. The Group's statutory financial statements for the year ended 31 December 2010 have been filed with the Registrar of Companies. The auditor's report on those financial statements was unqualified and did not contain statements under section 498(2) or section 498(3) of the Companies Act 2006.

2. Basis of preparation and accounting policies

Basis of preparation

These interim financial statements are for the six months to 30 June 2011. They 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 December 2010.

Accounting policies - New standards, interpretations and amendments thereof, adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2010, except for the adoption of new standards and interpretations as of 1 January 2011, noted below:

IAS 24 Related Party Transactions (Amendment)

- The IASB has issued an amendment to IAS 24 that clarifies the definitions of a related party. The new definitions emphasise a symmetrical view of related party relationships as well as clarifying in which circumstances persons and key management personnel affect related party relationships of an entity. Secondly, the amendment introduces an exemption from the general related party disclosure requirements for transactions with a government and entities that are controlled, jointly controlled or significantly influenced by the same government as the reporting entity. The adoption of the amendment did not have any impact on the financial position or performance of the Group.

IAS 32 Financial Instruments: Presentation (Amendment)

- The amendment alters the definition of a financial liability in IAS 32 to enable entities to classify rights issues and certain options or warrants as equity instruments. The amendment is applicable if the rights are given pro rata to all of the existing owners of the same class of an entity's non-derivative equity instruments, to acquire a fixed number of the entity's own equity instruments for a fixed amount in any currency. The amendment has had no effect on the financial position or performance of the Group.

IFRIC 14 Prepayments of a Minimum Funding Requirement (Amendment)

- The amendment removes an unintended consequence when an entity is subject to minimum funding requirements (MFR) and makes an early payment of contributions to cover such requirements. The amendment permits a prepayment of future service cost by the entity to be recognised as pension asset. The Group is not subject to minimum funding requirements. The amendment to the interpretation therefore had no effect on the financial position or performance of the Group.

Improvements to IFRSs (issued May 2010)

- In May 2010, the IASB issued its third omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. There are separate transitional provisions for each standard. The adoption of the following amendments resulted in changes to accounting policies, but did not have any impact on the financial position or performance of the Group.

IFRS 3 Business Combinations:

- The measurement options available for non-controlling interest non-controlling interest (NCI) have been amended. Only components of NCI that constitute a present ownership interest that entitles their holder to a proportionate share of the entity's net assets in the event of liquidation shall be measured at either fair value or at the present ownership instruments' proportionate share of the acquiree's identifiable net assets. All other components are to be measured at their acquisition date fair value.

IFRS 7 Financial Instruments — Disclosures:

- The amendment was intended to simplify the disclosures provided by reducing the volume of disclosures around collateral held and improving disclosures by requiring qualitative information to put the quantitative information in context.

IAS 1 Presentation of Financial Statements:

- The amendment clarifies that an option to present an analysis of each component of other comprehensive income may be included either in the statement of changes in equity or in the notes to the financial statements.

IAS 34 Interim Financial Statements:

- The amendment requires additional disclosures for fair values and changes in classification of financial assets, as well as changes to contingent assets and liabilities in interim condensed financial statements.

Other amendments resulting from Improvements to IFRSs to the following standards did not have any impact on the accounting policies, financial position or performance of the Group:

- IFRS 3 Business Combinations — Clarification that contingent consideration arising from business combination prior to adoption of IFRS 3 (as revised in 2008) are accounted for in accordance with IFRS 3 (2005)
- IFRS 3 Business Combinations — Unreplaced and voluntarily replaced share-based payment awards and its accounting treatment within a business combination
- IAS 27 Consolidated and Separate Financial Statements — applying the IAS 27 (as revised in 2008) transition requirements to consequentially amended standards
- IFRIC 13 Customer Loyalty Programmes — in determining the fair value of award credits, an entity shall consider discounts and incentives that would otherwise be offered to customers not participating in the loyalty programme)

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The accounting policies have been applied consistently throughout the Group for the purposes of preparation of these condensed consolidated interim financial statements.

3. Seasonal fluctuations

Historically revenues are strongest in the second half of the year. Revenues slow following the Christmas and New Year holidays, and again during the summer holidays, particularly from European clients.

	Year ended 31 December 2010*	Year ended 31 December 2009	Year ended 31 December 2008
Revenue	%	%	%
First half year	41.8	48.9	43.3
Second half year	58.2	51.1	56.7

* excluding acquisition

The provision of ADMET services is subject to seasonal fluctuations, historically with peak demand in the second half of each year. For the six months ended 30 June 2011, revenues represented 65.8% of the annual level of revenues in the year ended 31 December 2010.

4. Segmental information

The Group has a single operating and reporting segment, that of providing *in vitro* and *in silico* ADMET/PK (Absorption, Distribution, Metabolism, Excretion, Toxicity, and Pharmacokinetic) information to the pharmaceutical and biotechnology industries. The revenue and operating profit or loss for the periods are derived from the Group's single operating and reportable segment. This has been determined by reference to the information that the Chief Operating Decision Maker receives about the Group.

The Group gives a geographic analysis of revenue by destination. Key markets for the Group are identified as North America, Mainland Europe and the United Kingdom.

	Unaudited 6 months ended 30 June 2011	Unaudited 6 months ended 30 June 2010	Audited year ended 31 December 2010
Geographical analysis of revenue by destination	£	£	£
United Kingdom	761,581	509,558	1,422,935
Rest of Europe	810,855	1,121,076	2,319,184
USA and Canada	1,915,472	822,507	2,099,855
Rest of the World	52,350	23,458	82,413
	3,540,258	2,476,599	5,924,387

5. Earnings per share

The calculation of the basic earnings per share is based on the earnings attributable to ordinary shareholders divided by the weighted average number of shares in issue during the period.

The calculation of diluted earnings per share is based on the basic earnings per share, adjusted to allow for the issue of shares and the post tax effect of dividends and/or interest, on the assumed conversion of all dilutive options and other dilutive potential ordinary shares.

Reconciliations of the earnings and weighted average number of shares used in the calculations are set out below.

	Unaudited 6 months ended 30 June 2011	Unaudited 6 months ended 30 June 2010	Audited year ended 31 December 2010
Continuing operations			
Profit after tax and earnings attributable to ordinary shareholders (£)	658	50,481	616,640
Weighted average number of ordinary shares in issue (number used for basic earnings per share)	223,687,485	178,957,188	197,216,953
Dilutive effect of options (number)	463,108	410,985	449,491
Weighted average number of ordinary shares in issue (number used for diluted earnings per share)	224,150,593	179,368,173	197,666,444
Basic earnings per share (pence)	0.00p	0.03p	0.31p
Diluted earnings per share (pence)	0.00p	0.03p	0.31p

6. Share issues

During the period to 30 June 2011 no shares were issued. Shares issued and authorised may be summarised as follows:

	Number	£
6 months to 30 June 2011		
At 1 January 2011	223,687,485	223,687
At 30 June 2011	223,687,485	223,687
6 months to 30 June 2010		
At 1 January 2010	178,957,188	178,957
At 30 June 2010	178,957,188	178,957
Year to 31 December 2010		
At 1 January 2010	178,957,188	178,698
Issue of shares	44,730,297	44,730
At 31 December 2010	223,687,485	223,687

The authorised share capital of the Company was increased by 100,000,000 ordinary shares of 0.1p each to 300,000,000 on 14 July 2008. The Company has only one class of shares.

7. Additions and disposals of property, plant and equipment

The following tables show the significant additions and disposals of property, plant and equipment:

6 months to 30 June 2011	Long leasehold and buildings	Office equipment	Computer equipment	Laboratory equipment	Total
	£	£	£	£	£
Carrying amount					
At 1 January 2011	971,375	19,543	85,940	1,071,155	2,148,013
Additions	-	123	101,726	30,641	132,490
Exchange	-	-	(2,162)	(20,225)	(22,387)
Depreciation	(10,778)	(2,889)	(22,312)	(135,349)	(171,328)
At 30 June 2011	960,597	16,777	163,192	946,222	2,086,788

6 months to 30 June 2010	Long leasehold and buildings	Office equipment	Computer equipment	Laboratory equipment	Total
	£	£	£	£	£
Carrying amount					
At 1 January 2010	809,471	20,322	38,388	365,968	1,234,149
Additions	86,576	1,989	25,790	327,917	442,272
Depreciation	(9,198)	(2,858)	(14,429)	(85,252)	(111,737)
At 30 June 2010	886,849	19,453	49,749	608,633	1,564,684

Year to 31 December 2010	Long leasehold and buildings	Office equipment	Computer equipment	Laboratory equipment	Total
	£	£	£	£	£
Carrying amount					
At 1 January 2010	809,471	20,322	38,388	365,968	1,234,149
Acquisitions	-	-	28,340	508,603	536,943
Additions	181,661	5,052	52,065	401,297	640,075
Exchange	-	-	328	6,204	6,532
Depreciation	(19,757)	(5,831)	(33,181)	(210,917)	(269,686)
At 31 December 2010	971,375	19,543	85,940	1,071,155	2,148,013

8. Taxation

At 30 June 2011, the Group has tax losses of approximately £4.4 million that are available for offset against future profits arising from the same trade.

9. Intangible fixed assets

The following tables show the movement on intangible fixed assets:

6 months to 30 June 2011	Goodwill	Trade names	Customer relationships	Technology & knowhow	Total
	£	£	£	£	£
Carrying amount					
At 1 January 2011	2,562,302	180,286	291,615	451,015	3,485,218
Additions	-	-	-	170,932	170,932
Exchange	(77,645)	(5,294)	(8,266)	(13,243)	(104,448)
Amortisation	-	(9,290)	(31,420)	(26,090)	(66,800)
At 30 June 2011	2,484,657	165,702	251,929	582,614	3,484,902

6 months to 30 June 2010	Goodwill	Trade names	Customer relationships	Technology & knowhow	Total
	£	£	£	£	£
Carrying amount					
At 1 January 2010	-	-	-	-	-
At 30 June 2010	-	-	-	-	-

Year to 31 December 2010	Goodwill	Trade names	Customer relationships	Technology & knowhow	Total
	£	£	£	£	£
Carrying amount					
At 1 January 2010	-	-	-	-	-
Acquisitions	2,562,302	188,125	318,125	470,625	3,539,177
Amortisation	-	(7,839)	(26,510)	(19,610)	(53,959)
At 31 December 2010	2,562,302	180,286	291,615	451,015	3,485,218

Additions in the period to 30 June 2011 relate to development work associated with Cellciphr™ technology.