Press Release 17 March 2010

Cyprotex PLC

(“Cyprotex” or the “Company” or the “Group”)

Final results for the year ended 31 December 2009

Resilient performance in difficult market for pre-clinical CRO’s

Cyprotex PLC (AIM:CRX), the drug discovery technology and information company, today reports its final results for the year ended 31 December 2009. Cyprotex enables its customers to access secure, high quality Absorption, Distribution, Metabolism, Excretion / Toxicity (ADMET) data without incurring significant overheads. Its highly automated platform guarantees high throughput, reproducibility and rapid turnaround of ADMET data, setting new industry standards for this sector of the market.

Financial Highlights

- Revenues hit £5 million for second successive year at £5.00 million (2008: £5.18 million)
- Second year of profitability with operating profits at £0.46 million (2008: £0.57 million)
- Cash and cash equivalents up £0.49 million at £2.07 million
- Strong positive cash flow from operations at £0.90 million up £0.36 million

Operational Highlights

- Doubled number of strategic customers in 2009 (being customers contributing annual revenues in excess of £250,000 each) from three to six
- Won over twenty new customers
- Newly internally developed assays generated over £300,000 of revenues
- Investment in laboratory space and state of the art mass spectrometer secured new strategic customer
- Strategic alliance announced with Sygnature Chemical Services Limited, a leading provider of medicinal and computational chemistry services
- Launched Cloe® Gateway, our new web based portal for access to Cyprotex services

Steve Harris, Chairman of Cyprotex PLC, said:

“Cyprotex’s results represent an impressive performance against a very difficult market currently for the pre-clinical CRO sector. Cyprotex continues to attract new customers, expand its offerings and is investing in new laboratories to service both the ADME and pre-clinical toxicology markets”

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Chairman's and Chief Executive Officer's Report

2009 was a year that demonstrated the resilience of the Cyprotex business model, the need to strengthen our commercial team and to further invest in and expand our range of technical offerings.

Financial Resilience

Revenues in 2009 remained fairly constant with our 2008 performance with turnover at £5.00 million compared with £5.18 million. We announce an operating profit of £458,000 (This follows our maiden profit in 2008 of £567,000). Earnings before interest, taxation, depreciation and amortisation 'EBITDA' was a healthy £720,000 (2008: £810,000).

These results are impressive given the backdrop of substantial cutbacks in outsourcing to Contract Research Organisation ('CRO') companies who operate in the pre-clinical sector. Many of our competitors saw revenues fall by up to 30% and have announced job losses during the year. Several of our largest customers have been embroiled in mergers and acquisitions during 2009 and we have seen reduced revenues from these customers as a consequence. Cyprotex was not immune to the factors affecting the CRO sector as we saw revenues from our largest customer drop by c£600,000. Excluding sales to our lead customer, on a like for like basis, sales in Europe increased during 2009 by over 33%. Additionally, we saw a number of our customers whose annual spends were typically in the up to £50,000 range defer using our services in order to preserve their own financial health. On the upside we have made up the shortfall by growing new customers to significant levels. We started 2008 with three 'strategic' customers (being defined as generating annual revenues exceeding £250,000) and ended 2009 with six such customers. This was a key aim of 2009. Furthermore our investments in new assays during late 2008 and 2009 have paid dividends by recording new revenues from these sources in excess of £300,000.

Whilst we are disappointed not to have grown revenues this year the shortfall is readily explained and we feel well placed to achieve increases in revenues and profits in 2010.

Strengthening of the Commercial Team

In March 2009, we hired Simon Bury as Chief Commercial Officer. Simon brings a wealth of experience to Cyprotex from his previous employers, Shanghai ChemPartner, Scottish BioMedical and Pharmacopeia. Simon has restructured the sales team to achieve greater effectiveness and we have hired a mainland Europe based Business Development Manager to support European sales. We are in the process of restructuring our USA and Rest of World sales activities as we feel these markets have underperformed relative to the opportunity they present. We have also further increased the role of our scientific Study Managers to strengthen the relationships with our current key customers and this has been and will be central to our success in developing more 'strategic' customers. We have also been successful in securing contracts with new customers and over twenty new clients have signed Master Service Agreements during 2009 bringing the total of customer accounts to over two hundred and thirty.

New Product and Facilities Development

One of the most satisfactory outcomes of 2009 was our record of identifying, commissioning and commercialising new screening assays and predictive algorithms.

These included:

Enhanced metabolite profiling service (February 2009)
Cloe® Select - UGT1A1 inhibition service (April 2009)

Cloe® Gateway web portal (May 2009)
Cloe® Predict HIA (July 2009)
Enhanced Cloe® Select CYP induction (September 2009)
Cloe® Select - Ki (September 2009)
Cloe® Select - blood to plasma ratio (October 2009)
Cloe® PK sensitivity analysis (October 2009)

We expect these new assays and services to yield significant new revenues in 2010 although experience has shown that there is often a lag phase in timing before customers adopt these new assays on a regular basis.

We have completed a Research Plan for new ADME assays to be delivered during 2010 which will help diversify our services, offer some scientific novelty and refresh of our existing offerings.

New assays being currently developed and planned for launch in 2010 are:

<u>Cloe® Screen</u>

CYP2B6 Inhibition and CYP2B6 Isoform Identification
Plasma Protein Binding using RED device
BCRP and MRP2 Efflux Transporter Assays
Enhanced Hepatocyte Stability assay
CYP2C8 Mechanism based Inhibition

<u>Cloe® Select</u>

Bioanalytical method Development and Validation
Brain Binding assay
CYP Induction using mRNA
Blood to plasma ratio
Reaction phenotyping Studies

The Group recognises the need to renew and refresh its service offerings to meet customer requirements and achieve growth targets.

Expansion into *in vitro* Toxicology assays

In addition to expanding our ADME screening assays, we have made the decision to expand into a new area for Cyprotex, offering high quality *in vitro* toxicology assays. We plan to invest £300,000 in new facilities and equipment, including doubling the main laboratory space, to accommodate these new assays and are currently developing them for launch around mid year. Further announcements will be made closer to the planned launch. The expansion into toxicology assays marks a significant move for Cyprotex into a new area. These new assays offer an opportunity to expand the business in both revenue and profit beyond the expansion potential offered by ADME services alone. However, in this initiative we will not deviate from our core competencies of providing high quality data, in a rapid turnaround time and in a cost effective manner for our customers.

Financial Highlights

Given the general economic conditions that the CRO market had to contend with in 2009 and in relation to Cyprotex's leading customers own issues, the Company recorded flat revenue and slightly reduced profits in 2009. In contrast to our major competitors our 'flat' performance can be judged a good result against their significant falls in both revenues and profitability experienced across the CRO sector.

	2009 £m	2008 £m	2007 £m	**Year on year increase/(decrease)**
Revenue	**5.00**	5.18	3.63	**(3.5)%**
Operating profit	**0.46**	0.57	(0.50)	**(0.11) million**
Cash inflow/(outflow) from operations	**0.90**	0.54	(0.04)	**0.36 million**
Cash	**2.07**	1.58	0.30	**0.49 million**
Earnings per share – basic (pence)	**0.26p**	0.36p	(0.35)p	**(0.10)p**

After sales growth of 43% achieved in the previous year, revenues held firm in 2009 down 3.5% in the year. The Group recorded a second successive year of profitability with strong cash flows from operations giving rise to cash balances rising by £0.5 million in the year to £2.1 million.

Summary and Outlook

The basic underlying business of the Company in providing high quality ADME services for our customers remains positive and is growing, especially in Europe. We are addressing our short fall of business development opportunities in the USA by the restructuring of the sales force in that territory.

We are pleased to announce our second, consecutive profitable year for the business. We will invest some of our cash in the development of new ADME assays and most notably in an expansion of new offerings in the area of preclinical *in vitro* toxicology.

We look forward to 2010, despite the current economic gloom, confident that our service offerings are appreciated and valued by our customers in their drive to improve their own efficiency in identifying sustainable clinical candidates and in the knowledge that our new offerings will find a welcome response. In 2009 we doubled the number of strategic customers from three to six and our aim is to match this increase in 2010. We would like to thank our staff for all their hard work, our customers and our investors for their continuing support.

Steve Harris
Non-Executive Chairman

Dr Anthony D Baxter
Chief Executive Officer

17 March 2010

Consolidated income statement
year to 31 December 2009

	Note	**2009**	2008	2007
		£	£	£
Continuing operations				
Revenue	4	**5,001,042**	5,181,396	3,626,118
Cost of sales		**(649,319)**	(703,473)	(621,717)
Gross profit		**4,351,723**	4,477,923	3,004,401
Administrative costs		**(3,893,074)**	(3,910,900)	(3,500,028)
Operating profit / (loss)		**458,649**	567,023	(495,627)
Finance income		**19,632**	16,234	8,591
Finance cost		**(17,868)**	(40,995)	(56,066)
Profit before tax		**460,413**	542,262	(543,102)
Income tax		**-**	-	64,367
Profit for the period		**460,413**	542,262	(478,735)
Attributable to				
the owners of the parent		**460,413**	542,262	(478,735)
Earnings / (loss) per share				
Basic earnings / (loss) per share	5	**0.26p**	0.36p	(0.35)p
Diluted earnings / (loss) per share	5	**0.26p**	0.35p	(0.35)p

Consolidated statement of comprehensive income
year to 31 December 2009

	2009	2008	2007
	£	£	£
Continuing operations			
Profit for the period	**460,413**	542,262	(478,735)
Other comprehensive income	**-**	-	-
Total comprehensive income for the period	**460,413**	542,262	(478,735)
Attributable to			
the owners of the parent	**460,413**	542,262	(478,735)

Consolidated statement of financial position
at 31 December 2009

	Note	**2009**	2008	2007
		£	£	£
ASSETS				
Non current assets				
Property, plant and equipment	7	**1,234,149**	1,181,662	1,365,661
		1,234,149	1,181,662	1,365,661
Current assets				
Inventories		**166,714**	118,557	113,694
Trade receivables		**605,706**	989,205	467,105
Other receivables		**168,827**	232,208	192,911
Current tax assets		**-**	-	68,986
Cash and cash equivalents		**2,074,132**	1,584,882	300,854
		3,015,379	2,924,852	1,143,550
Total assets		**4,249,528**	4,106,514	2,509,211
LIABILITIES				
Current liabilities				
Trade payables		**144,998**	153,330	166,334
Other payables		**225,916**	478,575	275,768
Obligations under finance leases		**10,729**	61,670	92,556
Current portion of long term borrowings		**30,000**	25,000	22,500
		411,643	718,575	557,158
Non current liabilities				
Long term borrowings		**541,100**	580,500	611,500
Obligations under finance leases		**-**	10,729	72,399
		541,100	591,229	683,899
Total liabilities		**952,743**	1,309,804	1,241,057
Net Assets		**3,296,785**	2,796,710	1,268,154
EQUITY				
Equity attributable to equity holders of the parent				
Share capital	6	**178,957**	178,698	138,648
Share premium account		**10,594,395**	10,594,200	9,663,685
Other reserve		**128,070**	128,070	128,070
Share based payment reserve		**418,410**	379,202	363,473
Profit and loss account		**(8,023,047)**	(8,483,460)	(9,025,722)
Total equity		**3,296,785**	2,796,710	1,268,154

Consolidated interim statement of changes in equity
year to 31 December 2009

	Share capital	Share premium account	Other reserve	Share based payment reserve	Profit and loss account	Total equity
	£	£	£	£	£	£
Balance at 1 January 2009	178,698	10,594,200	128,070	379,202	(8,483,460)	2,796,710
Share based payments	-	-	-	39,208	-	39,208
Issue of share capital	259	195	-	-	-	454
Transactions with owners	178,957	10,594,395	128,070	418,410	(8,483,460)	2,836,372
Profit for the period	-	-	-	-	460,413	460,413
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	460,413	460,413
Balance at 31 December 2009	**178,957**	**10,594,395**	**128,070**	**418,410**	**(8,023,047)**	**3,296,785**

	£	£	£	£	£	£
Balance at 1 January 2008	138,648	9,663,685	128,070	363,473	(9,025,722)	1,268,154
Share based payments	-	-	-	15,729	-	15,729
Issue of share capital	40,050	930,515	-	-	-	970,565
Transactions with owners	178,698	10,594,200	128,070	379,202	(9,025,722)	2,254,448
Profit for the period	-	-	-	-	542,262	542,262
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	542,262	542,262
Balance at 31 December 2008	178,698	10,594,200	128,070	379,202	(8,483,460)	2,796,710

	£	£	£	£	£	£
Balance at 1 January 2007	138,573	9,662,913	128,070	299,984	(8,546,987)	1,682,553
Share based payments	-	-	-	63,489	-	63,489
Issue of share capital	75	772	-	-	-	847
Transactions with owners	138,648	9,663,685	128,070	363,473	(8,546,987)	1,746,889
Loss for the period	-	-	-	-	(478,735)	(478,735)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	(478,735)	(478,735)
Balance at 31 December 2007	138,648	9,663,685	128,070	363,473	(9,025,722)	1,268,154

Consolidated statement of cash flows
Year to 31 December 2009

	2009	2008	2007
Cash flows from operating activities	**£**	£	£
Profit / (loss) after taxation	**460,413**	542,262	(478,735)
Adjustments for:			
Depreciation	**261,259**	243,392	264,225
Share based payment charge	**39,208**	15,729	63,489
Investment income	**(19,632)**	(16,234)	(8,591)
Interest expense	**17,868**	40,995	56,066
Taxation recognised in the income statement	**-**	-	(64,367)
Decrease/(increase) in trade and other receivables	**446,880**	(473,277)	98,408
Increase in inventories	**(48,157)**	(4,863)	(28,058)
(Decrease)/increase in trade and other payables	**(260,991)**	189,803	54,207
Cash generated from/(utilised in) operations	**896,848**	537,807	(43,356)
Interest paid	**(17,868)**	(40,995)	(56,066)
Income tax received	**-**	68,986	95,448
Net cash from/(utilised in) operating activities	**878,980**	565,798	(3,974)
Cash flows from investing activities			
Purchase of property, plant and equipment	**(313,746)**	(147,630)	(33,338)
Sale of property, plant and equipment	**-**	117	-
Interest received	**19,632**	16,234	8,591
Net cash used in investing activities	**(294,114)**	(131,279)	(24,747)
Cash flows from financing activities			
Proceeds from issue of share capital	**454**	970,565	847
Repayment of long-term borrowings	**(34,400)**	(28,500)	(24,300)
Payment of finance lease liabilities	**(61,670)**	(92,556)	(102,251)
Net cash (used)/generated in financing activities	**(95,616)**	849,509	(125,704)
Net increase/(decrease) in cash and cash equivalents	**489,250**	1,284,028	(154,425)
Cash and cash equivalents at beginning of year	**1,584,882**	300,854	455,279
Cash and cash equivalents at end of year	**2,074,132**	1,584,882	300,854

Notes to the final results
year to 31 December 2009

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/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 ADME 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 place of business is 15 Beech Lane, Macclesfield, Cheshire, United Kingdom, SK10 2DR. Cyprotex PLC's shares are listed on the Alternative Investment Market of the London Stock Exchange.

The consolidated financial information set out in this announcement are presented in Pounds Sterling (£), which is also the functional currency of the parent. The consolidated financial information has been approved for issue by the Board of Directors on 17 March 2010.

The information in this preliminary announcement does not constitute statutory accounts within the meaning of sections 434 to 436 of the Companies Act 2006 and no statutory accounts have yet been filed with the Registrar of Companies for the year ended 31 December 2009. Statutory accounts for the year ended 31 December 2008 have been filed with the Registrar of Companies. The auditors report on these accounts was unqualified and did not contain an emphasis of matter, nor did it contain a statement under section 498 of the Companies Act 2006. The statutory accounts for the year ended 31 December 2009 will be delivered to the registrar of Companies following the Company's Annual General Meeting.

The Group's statutory financial statements for the year ended 31 December 2008 and 31 December 2007, prepared under International Financial Reporting Standards (IFRS) have been filed with the Registrar of Companies.

Whilst the financial information included in this final results announcement has been computed in accordance with IFRS, this announcement in itself does not contain sufficient information to comply with IFRS.

2. Basis of preparation

The consolidated final results are for the year ended 31 December 2009 They have been prepared in accordance with the requirements of International Financial Reporting Standards (IFRS) as adopted by the European Union (EU), including international Accounting Standards (IAS) and interpretations issued by the international Financial Reporting Committee (IFRIC).

The consolidated final results have been prepared in accordance with the accounting policies set out in the group's statutory financial statements for the year ended 31 December 2008.

The accounting policies have been applied consistently throughout the Group for the purposes of preparation of this consolidated financial information.

3. Going concern

The group recorded a profit after taxation of £460,413 in the year ended 31 December 2009 and cash and deposits rose by £489,250 to £2,074,132. The Directors have reviewed the budget, financial forecasts including cash flow forecasts and other relevant information and believe that the Group has adequate resources to continue in operation for the foreseeable future

4. Segmental information

The group's principal area of activity (and its primary business segment) is the provision of in vitro and in silico ADMET/PK (Absorption, Distribution, Metabolism, Excretion, Toxicity/Pharmacokinetic) information to the pharmaceutical and biotechnology industries. The revenue and operating profit for the periods are derived from the Group's principal activity and primary segmental information is given in the income statement.

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.

	2009	2008	2007
Geographical analysis of revenue by destination	**£**	£	£
United Kingdom	**1,407,293**	1,245,124	753,468
Rest of Europe	**2,319,428**	2,368,687	1,072,586
USA and Canada	**1,191,308**	1,519,488	1,730,468
Rest of the World	**83,013**	48,097	69,596
	5,001,042	5,181,396	3,626,118

5. Earnings / (loss) per share

The calculation of the basic earnings / (loss) 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.

	2009	2008	2007
Continuing operations			
Profit / (loss) after tax and earnings attributable to ordinary shareholders (£)	**460,413**	542,262	(478,735)
Weighted average number of ordinary shares in issue (number used for basic earnings per share)	**178,725,641**	152,554,545	138,604,307
Dilutive effect of options (number)	**623,287**	931,478	-
Weighted average number of ordinary shares in issue (number used for diluted earnings per share)	**179,348,928**	153,486,023	138,604,307
Basic earnings / (loss) per share (pence)	**0.26p**	0.36p	(0.35)p
Diluted earnings / (loss) per share (pence)	**0.26p**	0.35p	(0.35)p

6. Taxation

At 31 December 2009, the group has tax losses of approximately £5.1 million that are available for offset against future profits arising from the same trade.

7. Share issues

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 2009. The Company has only one class of shares. During the year to 31 December 2009, 259,200 ordinary shares were issued. Shares issued may be summarised as follows:

	Number	£
Year to 31 December 2009		
At 1 January 2009	178,697,988	178,698
Issues of shares	259,200	259
At 31 December 2009	**178,957,188**	**178,957**
Year to 31 December 2008		
At 1 January 2008	138,647,988	138,648
Issues of shares	40,050,000	40,050
At 31 December 2008	178,697,988	178,698
Year to 31 December 2007		
At 1 January 2007	138,573,016	138,573
Issues of shares	74,972	75
At 31 December 2007	138,647,988	138,648

8. Additions and disposals of property, plant and equipment

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

Year to 31 December 2009	**Long leasehold and buildings**	**Office equipment**	**Computer equipment**	**Laboratory equipment**	**Total**
	£	£	£	£	£
Carrying amount					
at 1 January 2009	809,705	22,511	41,957	307,489	1,181,662
Additions	17,665	3,373	28,576	264,132	313,746
Disposals	-	-	-	-	-
Depreciation	(17,899)	(5,562)	(32,145)	(205,653)	(261,259)
at 31 December 2009	**809,471**	**20,322**	**38,388**	**365,968**	**1,234,149**

Year to 31 December 2008	**Long leasehold and buildings**	**Office equipment**	**Computer equipment**	**Laboratory equipment**	**Total**
	£	£	£	£	£
Carrying amount					
at 1 January 2008	817,606	21,343	52,492	474,220	1,365,661
Additions	9,500	6,089	20,927	22,994	59,510
Disposals	-	-	(117)	-	(117)
Depreciation	(17,401)	(4,921)	(31,345)	(189,725)	(243,392)
at 31 December 2008	809,705	22,511	41,957	307,489	1,181,662

Year to 31 December 2007	Long leasehold and buildings	Office equipment	Computer equipment	Laboratory equipment	Total
	£	£	£	£	£
Carrying amount					
at 1 January 2007	834,991	24,028	67,219	495,788	1,422,026
Additions	-	1,945	19,876	186,039	207,860
Depreciation	(17,385)	(4,630)	(34,603)	(207,607)	(264,225)
at 31 December 2007	817,606	21,343	52,492	474,220	1,365,661

9. The Annual Report

The 2009 Annual Report & Accounts of the Group will be posted to shareholders on the 11 June 2010. Further copies will be available on request from the Company Secretary, Cyprotex PLC, 15 Beech Lane, Macclesfield, Cheshire, SK10 2DR.

10. Annual General Meeting

The Annual General meeting will be held at 10:00am on Wednesday, 14 July 2010 at The Royal Society of Medicine, 1 Wimpole Street, London, W10 0AE.