



## Interim Results Statement for the 6 Month Period Ended 31 December 2005

**Oxford, UK 31 March 2006:** The Board of Physiomics plc (AIM:PYC), a European systems biology simulation company, today announces the financial results for the six months ending 31<sup>st</sup> December 2005. Physiomics plc is a computational systems biology services company, developing computer simulations aimed at reducing the high cost and attrition rates of clinical trials, particularly for cancer therapies.

### Highlights of the period

- Turnover of £91,000
- Losses after tax of £188,000, a reduction of 20% over the comparable period
- Cash at 31<sup>st</sup> December was £137,000
- Significant technical progress made in developing virtual tumour models
- Appointment of Mr David Evans as Chairman

### Mr David Evans, Chairman of Physiomics commented:

Turnover for the six month period was £91,000 (2004: £96,000). The operating loss for the period was reduced to £188,000 (2004: £236,000) and the loss both before and after taxation was £184,000 (2004: £236,000). The loss per Ordinary Share was 0.08 p (2004: 0.13p).

The cash position on 31<sup>st</sup> December was £137,000 (£437,000 in December 2004 immediately post IPO and £294,908 as of 30<sup>th</sup> June 2005). The Company is negotiating with both Billam plc and Billam AG funding to enable the Board to continue to develop the business both organically and via potential external opportunities identified through a strategic review process. These funding arrangements will replace the Put and Call Option based financing arrangements put in place at time of flotation. This funding started in March 2006, although legal documents have still to be finalised.

The Company maintains an active dialog with a variety of major pharmaceutical and leading biotechnology companies about fee-for-service consultancy. In an extension of its business activities, the company is also exploring options to partner with or acquire cancer projects.

In this area, the integrated systems approach developed with Bayer Technology Services GmbH can deliver added value to drug development. Some 25% of all pharmaceutical projects entering the clinic are cancer related yet 95% of these fail to complete development. The revaluation and revitalisation of projects offers a major commercial opportunity for the integrated technologies and services being developed by Physiomics.

As part of the marketing process, Physiomics obtained a trademark for its SystemCell® software and applied for a trademark on Clinicophore® as a brand for integrated systems biology services targeted at clinical development. This trademark was subsequently granted in February 2006. The Company's website was also redesigned to provide a more informed interface for investors, customers and to promote the Company's public image.

Physiomics plc

Registered in England and Wales Number 4225086

Registered Office: The Magdalen Centre, Oxford Science Park, Oxford OX4 4GA, UK

Physiomics operates in the area of systems biology which is a technically demanding and research intensive new area of post-genomic science. On 25<sup>th</sup> October the Company announced the achievement of an important technical milestone in developing a sophisticated addition to its core cell growth model.

The technical innovation shows, using Physiomics' SystemCell® software, complex virtual cells "growing" in the computer to mimic the experimental behaviour of many cancer cells and their responses to drugs. This important development paves the way for realistic and predictive models of tumour drug responses. After the year end, Physiomics filed a patent to protect this invention.

### **Outlook**

The interim financing made available to the Company by Billam plc and Billam AG is very welcome but the Board needs to secure a long term future for the Company on a basis different from the current business model which is generating insufficient revenues for its overhead base.

Whilst the Board has evaluated a number of opportunities the ability to pursue these to a conclusion is wholly dependent upon shareholder support and allied future fund-raising. This by definition has a limiting effect on the opportunities that are likely to gain shareholders' support given the continuing 75% EiRx Pharma Ltd shareholding.

**Physiomics Plc**

**Unaudited Profit and Loss Account for the six months ended 31 December 2005**

	<b>6 months to 31.12.2005</b>	<b>6 months to 31.12.2004</b>	<b>12 months to 30.6.2005 (audited)</b>
	<b>£ 000</b>	<b>£ 000</b>	<b>£ 000</b>
<b>Turnover</b>	91	96	205
Operating loss	(188)	(236)	(440)
<b>Loss on ordinary activities before finance costs</b>	(188)	(236)	(440)
Net finance income	<u>4</u>	<u>-</u>	<u>9</u>
<b>Loss on ordinary activities before taxation</b>	(184)	(236)	(432)
Taxation	<u>-</u>	<u>-</u>	<u>50</u>
<b>Loss on ordinary activities after taxation</b>	(184)	(236)	(382)
Dividends	<u>-</u>	<u>-</u>	<u>-</u>
<b>Retained loss</b>	<u><u>(184)</u></u>	<u><u>(236)</u></u>	<u><u>(382)</u></u>
Loss per share in pence	(0.08)	(0.13)	(0.19)

Copies of these interim statements are available from the company's offices at The Magdalen Centre, Robert Robinson Avenue, Oxford Science Park, Oxford OX4 4GA.

**Physiomics Plc**  
**Unaudited Balance Sheet as at 31 December 2005**

	<b>6 months to 31.12.2005</b>	<b>6 months to 31.12.2004</b>	<b>12 months to 30.6.2005 (audited)</b>
	<b>£ 000</b>	<b>£ 000</b>	<b>£ 000</b>
<b>Fixed assets</b>			
Tangible fixed assets	19	12	25
Intangible fixed assets	51	56	53
<b>Current assets</b>			
Debtors	78	384	154
Cash at bank	137	437	295
	<u>215</u>	<u>821</u>	<u>449</u>
<b>Current liabilities</b>			
Creditors falling due within one year	(56)	(349)	(114)
<b>Net current assets</b>	<u>159</u>	<u>472</u>	<u>335</u>
<b>Net assets</b>	<u><b>229</b></u>	<u><b>540</b></u>	<u><b>413</b></u>
<b>Capital and reserves</b>			
Called up share capital	93	92	93
Share premium account	1,329	1,310	1,329
Profit and loss account	<u>(1,193)</u>	<u>(862)</u>	<u>(1,009)</u>
<b>Total shareholders' funds</b>	<u><b>229</b></u>	<u><b>540</b></u>	<u><b>413</b></u>

**Physiomics Plc**  
**Unaudited Cash Flow Statement for the six months ended 31 December 2005**

	<b>6 months to 31.12.2005</b>	<b>6 months to 31.12.2004</b>	<b>12 months to 30.6.2005 (audited)</b>
	<b>£ 000</b>	<b>£ 000</b>	<b>£ 000</b>
<b>Cash outflow from operating activities</b>	<b>(198)</b>	<b>(700)</b>	<b>(447)</b>
<b>Return on investments and servicing of finance</b>			
Interest received	4		9
<b>Taxation</b>	36	-	19
<b>Purchase of tangible fixed assets</b>	(0)	(1)	(19)
<b>Management of liquid resources</b>			
Cash held on short term deposit	-	(400)	-
<b>Cash outflow before financing</b>	<b>(158)</b>	<b>(1,101)</b>	<b>(438)</b>
<b>Financing</b>			
funding	-	1,129	724
<b>(Decrease) / increase in cash in the period</b>	<b>(158)</b>	<b>28</b>	<b>286</b>

- ENDS -

## Notes to Editors

### Physiomics plc

Physiomics plc (AIM:PYC) is a computational systems biology services company applying simulations of cell behaviour to drug development to reduce the high attrition rates of clinical trials. As 80-90 per cent of all clinical drug candidates fail to reach the market, estimates show that an overall ten per cent. improvement in success rates could reduce the cost of one drug's development by as much as \$242 million, from the current estimate of around \$800 million.

Physiomics is currently focused on optimising the design of cancer clinical trials as a service to major pharmaceutical companies. In addition, it has secured an option to in-license two innovative molecules in the cancer area from Cronos Therapeutics. Physiomics has a major collaboration with Bayer Technology Services GmbH to develop globally clinical response prediction services using both companies' proprietary technologies and mathematical cell models, including the SystemCell® technology developed by Physiomics. In June 2005, Physiomics became a distributor of Bayer's PK-Sim® product for understanding the way pharmaceuticals are distributed round the body. Physiomics, based in Oxford, UK, was founded in 2001, and floated on AIM in 2004.

For further information, please visit [www.physiomics-plc.com](http://www.physiomics-plc.com)

SystemCell and Clinicophore are registered trademarks of Physiomics plc.

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