Physiomics plc
The Magdalen Centre
The Oxford Science Park
Robert Robinson Avenue
Oxford
OX4 4GA
UK

Tel 01865 784980
Fax 08701 671931

Physiomics plc

("Physiomics" or "the Company")

Interim Results Statement
for the six month period ended 31 December 2008

Oxford, UK, 10 February 2009: The Board of Physiomics plc (AIM:PYC), a European systems biology company, today announces the financial results for the six months ended 31 December 2008. Physiomics plc is a computational systems biology services company, applying simulations supporting pharmaceutical decision making throughout the entire drug discovery process, particularly for cancer therapies.

Highlights during the period from 1 July 2008 to 31 December 2008 (and comparative period to 31 December 2007):

- Total revenue of £210,624, (2007: £55,271), a near-fourfold increase
- Profit after tax of £2,922 (2007: loss after tax £194,160)
- July 2008: Major extension of collaborations with Eli Lilly, a global pharmaceutical company, with two new projects
- December 2008: Placing of shares for a consideration of £249,666
- TEMPO programme progressing well with the potential to provide an important new service to client companies
- Development of a stand-alone simulation platform ("Model Player") to allow out-licensing of Physiomics' technology

Dr Paul Harper, Chairman of Physiomics commented:

The six months to December has been commercially successful, with a near-fourfold increase in revenues to £210,624, in line with the trading statement published at the beginning of the period. I am also pleased to announce the first profit after tax in Physiomics' history of £2,922 in the half year. The Company also successfully completed a share placement in December 2008 to the value of £249,666 through conversion of debt and loans and some subscription for cash. Taken together, this has lead to a significant improvement of the financial position of Physiomics.

In July 2008, Physiomics announced a major extension to its collaboration with Eli Lilly and Company ("Lilly") following the successful completion of a first project. The initial project demonstrated the effectiveness of our SystemCell® technology to simulate the performance of cancer drugs. This triggered the placing of two new projects that should also show the usefulness of Physiomics' approach in two areas of primary importance in cancer drug development: patient stratification and drug combination. This validation of the Physiomics technology has been of vital importance as we speak to new potential client companies.

During this period, as part of the TEMPO project, Physiomics has continued to extend its technology to enable the design of optimal cancer drug dosing schedules by taking into account circadian rhythms. Recent progress includes modelling the effect of circadian rhythms on the apoptosis processes (programmed cell death). We believe that this is the first mathematical circadian clock coupled to a model of apoptosis ever built. The TEMPO concept has the potential to improve the efficacy of existing anti-cancer drugs perhaps offering a new lease of life to long established drugs. It is therefore not surprising that this work has attracted the attention of various local and international media, including the New Scientist, trade journals, local TV and press including the Sun newspaper. We have received expression of interest from a number of bio-pharmaceutical companies seeking to develop such new chronotherapeutic schedules for their existing drugs.

As a part of our relationship with the Institute of Life Science at Swansea University, the experimental part of the collaboration with the team lead by Dr Shareen Doak has now been completed. The experimental data will provide valuable insight into the validation process of some parts of our model and we expect to present these results to the scientific community at some point during the coming year.

We have continued the development of our sophisticated simulation software environments. This includes a stand-alone simulation platform ("Model Player") incorporating a reference database to allow in-house use of Physiomics' technology by third parties.

We have observed recently an increasing trend for even the largest of the drug development companies to use smarter technologies to shorten the discovery and development process, to reduce associated costs and to maximise useable patent life by shortening the process. Similarly, we are seeing a shift in the regulatory agencies like the US Food and Drug Administration towards active promotion of technologies like SystemCell® to give greater insights into drug mechanism of action and to reduce dependence on animal data. We have seen, in the last month, a significant increase in expression of interest from pharmaceutical and biotechnology companies in our fee-for-service consultancy and to in-license our technology. We are looking forward to securing additional contracts and repeat business from existing partners and to adding new customers to our portfolio.

Dr Paul Harper

Non-executive Chairman

10 February 2009

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Unaudited Income Statement for the half year ended 31 December 2008

	Unaudited Half year to 31-Dec-08 £'000		Unaudited Half year to 31-Dec-07 £'000		Audited Year ended 30-Jun-08 £'000	
Revenue	211		55		91	
Net operating expenses	-208		-262		-526	
Other operating income	-		6		-	
Operating profit (loss)	3		-201		-435	
Finance income	-		1		-	
Finance costs	-2		-4		-9	
Profit (loss) before taxation	1		-204		-444	
UK corporation tax	2		10		10	
Profit (loss) for the period attributable to equity shareholders	3		-194		-434	
Earnings (loss) per share (pence)						
Basic and diluted	0.0007	p	(0.05)	p	(0.116)	p

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Unaudited Balance Sheet as at 31 December 2008

	Unaudited As at 31-Dec-08 £'000	Unaudited As at 31-Dec-07 £'000	Audited As at 30-Jun-08 £'000
Non current assets			
Intangible assets	37	43	39
Property, plant and equipment	3	4	4
	40	47	43
Current assets			
Trade and other receivables	72	156	62
Cash and cash equivalents	103	3	9
	175	159	71
Total assets	215	206	114
Current liabilities			
Trade and other payables	-199	-188	-310
Loans	-63	-5	-8
Deferred income	-55	-	-
	-317	-193	-318
Non current liabilities			
Other non-current liabilities	-	-107	-150
Total liabilities	-317	-300	-468
Net (liabilities) assets	-102	-94	-354
Capital and reserves			
Share capital	249	150	150
Share premium account	1,761	1,611	1,611
Other reserves	-	20	-
Profit & loss account	-2,112	-1,875	-2,115
Equity shareholders' funds	-102	-94	-354

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Statement of changes in equity for the half year ended 31 December 2008

	Share capital £'000	Share premium account £'000	Other reserves £'000	Retained earnings £'000	Total shareholders' funds £'000
At 30 June 2007	150	1,611	18	-1,681	98
Loss for the year	-	-	-	-434	-434
Equity element of loan notes	-	-	-18	-	-18
At 30 June 2008	150	1,611	-	-2,115	-354
Share issue	99	150	-	-	249
Profit for the period	-	-	-	3	3
At 31 December 2008	249	1,761	-	-2,112	-102

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Unaudited Cash Flow Statement for the half year ended 31 December 2008

	Unaudited Half year to 31-Dec-08 £'000	Unaudited Half year to 31-Dec-07 £'000	Audited Year ended 30-Jun-08 £'000
Cash flows from operating activities:			
Operating profit (loss)	3	-201	-435
Amortisation and depreciation	3	6	11
(Increase) decrease in receivables	-10	-	62
Increase (decrease) in payables	-111	71	180
Increase in deferred income	55	-	-
Cash generated from operations	-60	-124	-182
UK corporation tax received	-	27	59
Interest paid	-	-	-
Net cash generated from operating activities	-60	-97	-123
Cash flows from investing activities:			
Interest received	-	-	-
Purchase of non-current assets	-	-	-1
Net cash used by investing activities	-	-	-1
Cash (outflow) before financing	-60	-97	-124
Cash flows from financing activities:			
(Reduction) receipt of loans	-8	-	8
Issue of ordinary share capital	249	-	-
(Repayment) receipt (to)/from related parties	-87	25	50
Net cash from financing activities	154	25	58
Net increase in cash and cash equivalents	94	-72	-66
Cash and cash equivalents at beginning of period	9	75	75
Cash and cash equivalents at end of period	103	3	9

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Notes to the Interim Financial Statements

1. General information

   Physiomics plc is a public limited company ("the Company") incorporated in England & Wales under the Companies Act 1985 (registration number 4225086). The Company is domiciled in the United Kingdom and its registered address is The Magdalen Centre, Oxford Science Park, Oxford, OX4 4GA. The Company's ordinary shares are traded on the AIM Market of the London Stock Exchange ("AIM"). Copies of the interim report are available from the Companies website, www.physiomics-plc.com. Further copies of the Interim Report and Annual Report and Accounts may be obtained from the address above.

   The Company's principal activity is the provision of services to pharmaceutical companies in the area of outsourced systems and computational biology.

2. Basis of preparation

   The interim financial statements of the Company for the six months ended 31 December 2008, which are unaudited, have been prepared in accordance with the accounting policies set out in the annual report and accounts for the year ended 30 June 2008, which were prepared under International Financial Reporting Standards ("IFRS").

   The financial information contained in the interim report does not constitute statutory accounts as defined in Section 240 of the Companies Act 1985. The financial information for the full preceding year is based on the statutory accounts for the year ended 30 June 2008. Those accounts, upon which the auditors, Shipleys LLP, issued an unqualified audit opinion, have been delivered to the Registrar of Companies.

   As permitted, this interim report has been prepared in accordance with the AIM Rules for Companies and not in accordance with IAS 34 "Interim Financial Reporting" therefore it is not fully compliant with IFRS.

   The interim financial statements are presented in sterling and all values are rounded to the nearest thousand pounds (£'000) except when otherwise indicated.