



Physiomics plc
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16 March 2007

Interim Results

Results for the period ended 31st December 2006

Chairman's Statement

The six months to December has been one of re-structuring our business, consolidating the changes, pressing ahead with development of our cell cycle technology and pursuing a number of commercial opportunities that presented themselves before and during this period. Our business development programme has regained momentum and Physiomics has now come to the attention of global pharmaceutical industry companies. We have signed new contracts and a major EU research collaboration has begun. In addition, we have filed a new patent application in respect of new developments in the Company's SystemCell[®] technology under patent application number 0602031.7.

The programme with Cyclacel, Inc. continued through this period. The EU sponsored TEMPO grant aided programme began in October and the first tranche of funding has been received. The Company signed a seven month contract with ValiRx plc to use our SystemCell[®] technology to help optimise the process for discovery of anti cancer drugs using their proprietary technology. We also entered into discussions with a number of global drug companies that have shown an interest in our SystemCell[®] technology as a means of optimising their oncology drug discovery programmes. These discussions are at a very early stage and it is not possible to assess likely outcomes at this point in time.

Physiomics has continued to develop its technology to the point where more powerful computer facilities are required. The Company is currently working with the University of Swansea Institute of Life Sciences (the Institute") to access their newly installed supercomputer. This will be one of the UKs most powerful computers and is the result of a

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collaboration between the University and computer giant IBM. The Centre is partly funded through the Welsh Assembly Government and EU funding, its purpose is to facilitate innovative research from the University's new School of Medicine. The team has already run some pilot studies using the supercomputer and have demonstrated its potential to reduce tasks that would take many weeks to complete, to just a few hours. We are in discussion with the Institute to establish collaborative programmes.

This increased business activity has led to a series of new appointments. Dr Christophe Chassagnole now leads the team under the direction of Professor David Fell. We have recently appointed three new research scientists to the team to help develop further the Company's technology platform. Dr Eric Fernandez who trained in Molecular Biology at Paris University and in Computing Sciences at Imperial College. Eric comes to us from the European Bioinformatics Institute and his particular combination of skills means that he is well suited to work on the development of our technology platform. Eric is mainly involved in the TEMPO project. Dr Adam Hardy joins from Bristol University with a strong background in pharmacokinetics and expertise in signal transduction pathways. Adam established a company to market the products of his own research prior to joining Physiomics. Adam, due to his combination of skills, has been assigned to the Cronos project since his arrival at Physiomics. Dr David Orrell takes up his post in March. David is an Oxford-trained applied mathematician who has specialised in mathematical modelling physical and biological systems and software development. His book, "Apollo's Arrow: the Science of Prediction and the Future of Everything" was in Amazon Canada's top twenty best-sellers list. David will develop new mathematical algorithms and will coordinate our virtual tumour project.

We have now put together the nucleus of a balanced, experienced, and highly capable team which will be augmented as new contract programmes are introduced. We are now looking forward to a period of growth and development during which we develop and exploit our cell cycle technology platform.

John Pool

Chairman

15th March 2007

Unaudited Profit and Loss Account for the six months ended 31 December 2006

	6 Months to 31 December 2006	6 Months to 31 December 2005	Year to 30 June 2006 (Audited)
	£'000s	£'000s	£'000s
Turnover	48	91	113
Administrative Expenses	(202)	(279)	(599)
	_____	_____	_____

Operating Loss	(154)	(188)	(486)
Net Finance income	-	4	6
	<hr/>	<hr/>	<hr/>
Loss on Ordinary activities before taxation	(154)	(184)	(480)
Taxation	-	-	-
	<hr/>	<hr/>	<hr/>
Loss on Ordinary activities after taxation	(154)	(184)	(480)
Dividends	-	-	-
	<hr/>	<hr/>	<hr/>
Retained Loss	(154)	(184)	(480)
	=====	=====	=====
Earnings(loss)per share in pence	(0.04p)	(0.08p)	(0.21p)
	=====	=====	=====

Unaudited Balance Sheet as at 31 December 2006

	31 December 2006 £'000s	31 December 2005 £'000s	30 June 2006 (Audited) £'000s
FIXED ASSETS			
Tangible Fixed Assets	10	19	15
Intangible Fixed Assets	<hr/> 46	<hr/> 51	<hr/> 49
	56	70	64

	_____	_____	_____
CURRENT ASSETS			
Debtors	56	78	56
Cash at Bank	<u>263</u>	<u>137</u>	<u>26</u>
	319	215	82
CURRENT LIABILITIES			
Creditors falling due within one year	<u>(149)</u>	<u>(56)</u>	<u>(212)</u>
NET CURRENT ASSETS	<u>170</u>	<u>159</u>	<u>(130)</u>
NET ASSETS before long term liabilities	226	229	(66)
LIABILITIES falling due after one year	<u>(100)</u>	<u>-</u>	<u>-</u>
NET ASSETS	126	229	(66)
	=====	=====	=====
CAPITAL AND RESERVES			
Called up Share Capital	151	93	93
Share Premium Account	1,617	1,329	1,329
Profit and Loss Account	<u>(1,642)</u>	<u>(1,193)</u>	<u>(1,488)</u>
TOTAL SHAREHOLDERS'			
FUNDS/(DEFICIT)	126	229	(66)
	=====	=====	=====

Unaudited Cash Flow Statement for the six months ended 31 December 2006

**Six Months
ended 31
December
2006
£'000s**

**Six Months
ended 31
December
2005
£'000s**

Net Cash Flow from

Operating Activities	(210)	(198)
Returns on Investment Servicing Finance		
Interest Received	-	4
Taxation	<u>-</u>	<u>36</u>
Net Cash Flow from Operating Activities and Returns on Investment and Servicing of Finance	(210)	(158)
Capital Expenditure		
Disposal of fixed assets	<u>1</u>	<u>-</u>
Net Cash flow from Capital Equipment	1	-
Net Cash Flow before financing	(209)	(158)
Financing		
Issue of equity share capital	57	-
Share premium received on share capital issued	372	-
Less Expenses	<u>(83)</u>	<u>-</u>
	289	-
Long term loan	<u>100</u>	<u>-</u>
Net Cash Inflow from financing	<u>446</u>	<u>-</u>
Increase/(Decrease) in Cash	237	(158)
	=====	=====

**Unaudited Cash Flow Statement for the six months ended 31 December 2006
continued**

Reconciliation of Operating Loss to Net Cash Flow from Operating Activities

Six Months ended 31 December	Six Months ended 31 December
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	2006	2005
	£'000s	£'000s
Operating Loss for the period	(154)	(188)
Depreciation	5	6
Amortisation of Intangible Fixed Assets	2	2
(Increase)Decrease in debtors	-	40
Increase(Decrease) in creditors	(63)	(58)
	_____	_____
Net Cash (Outflow) from Operating Activities	(210)	(198)
	=====	=====

Notes to the Unaudited Results for the six months ended 31 December 2006

1. Financial Information

The results for the six months ended 31 December 2006 are unaudited and do not constitute statutory accounts within the meaning of section 240 of the Companies Act 1985. The 30 June 2006 Annual Report and Accounts are available from the Physiomics plc web site, www.Physiomics-plc.net.

2. Basis of Accounting

They have been drawn up using the same accounting policies and principles as are detailed in the Company's 30 June 2006 Annual report and Accounts.

3. Taxation

No liability arises for Corporation Tax for the period ended 31 December 2006.

4. Dividends

The directors do not propose the payment of a dividend in respect of the six months ended 31 December 2006.

5. Loss per Share

Basic and diluted loss per share 0.04p (2005: 0.08p)

The basic loss per ordinary share is based on the Group's loss for the six months of £154,000 (2005: £184,000) divided by the weighted average number of shares in

issue. The weighted average number of shares in issue during the period was 374,972,639 (2005: 232,025,599).

6. Deferred Income

Deferred income has increased during the half year. Deferred income arises when sales invoices have been issued to clients but the work covered by the invoices has not been completed at the end of the accounting period. Deferred income will be credited to turnover once the invoiced work is complete.

7. Share Issues

During the half year 142,947,040 ordinary shares of 0.04 pence were issued in September 2006.