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07 December 2006

Notice of AGM and prelims

PHYSIOMICS PLC

Results for the year ended 30th June 2006

Physiomics plc ("the Company"), a company principally engaged in providing services to pharmaceutical companies in the areas of outsourced systems and computational biology is pleased to announce its audited preliminary results for the year ended 30 June 2006.

Chairman's Statement

Physiomics has been through an eventful year in which there has been good progress in the continuing development of our patented System Cell TM technology and software. We believe that the enhancement of virtual cancer cell and its ability to predict the nature of drug interactions will prove attractive to a number of companies that have oncology programmes including several global players in this sector. We are also negotiating a deal to provide access to the High Performance Computer, at a UK University in order to assist in the process of developing our model.

During the year we have continued to advance our collaboration with Cyclacel Ltd and continue to provide support to their drug discovery activities. We also hope to renew our contract with Cronos (now ValiRX plc) to facilitate the delivery of products from their unique GenelCE technology. In addition, we were recently selected to join a multi-disciplinary major European research programme called "TEMPO", which is to be co-ordinated by the Nationale Institut de la Sante et de la Recherche Medicale. (This contract has since been finalised and work began on the project in November). The research will examine the impact of circadian rythems on the effective delivery of anti-cancer drugs to patients. This is a matched funding programme over three years worth some Euro 252,500

Physiomics plc

Registered in England and Wales Number 4225086

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

to the Company. Physiomics technology was selected as the modelling solution of choice, establishing our credibility within the drug discovery/analysis field. We are consequently optimistic that the attention that we receive from being party to such a prestigious programme will lead to more collaborations in the future.

We continue to have discussions with a number of pharmaceutical companies to assess how the Physiomics cell modelling technology can be used to enhance and accelerate their discovery programmes. Despite this, actual sales achieved in the past 12 months have been disappointing. Following a detailed strategic review, the Company identified the need to secure a long term future for the Company on a basis different from the current business model. One consequence was the departure of our former Chief Executive Officer, Dr John Savin announced in June.

On 1 September, we announced that our Chairman, David Evans, our Financial Director, David Collins and David Fell a non-executive Director had stepped down from their respective posts. The Board expressed it's gratitude for their dedication and professionalism and wish them well. Professor David Fell continues to lead the research team. John Pool has temporarily taken on the role of Chairman. Edward Oliver has been appointed as our new Finance Director and Duncan Lipscombe joins Paul Harper as a non-Executive Director. These board changes were conditional on further funding being made available to the Company and we announced at that time a placing to raise £428,841 as well as the appointment of Seymour Pierce Ellis Limited as the Company's broker.

The new funds are being used to hire additional staff to accelerate the development programme, to support our commercial activities and to progress M&A opportunities which we consider to be an important part of the Company's strategy.

The Directors believe that these changes have the potential to transform the Company's prospects for the future and I look forward to announcing further progress next year.

John Pool
Chairman
30th November 2006

Profit and Loss Account For the year ended
30th June 2006

	2006	2005
	£	£
Turnover	113,110	204,695
Other operating expenses	(599,318)	(645,140)
Other operating income	-	-
	<hr/>	<hr/>
Operating loss	(486,208)	(440,445)
Interest receivable	6,562	8,528
	<hr/>	<hr/>
Loss before tax	(479,646)	(431,917)

Tax on loss on ordinary activities	(100)	50,074
	_____	_____
Loss transferred from reserves	(£479,746)	(381,843)
	=====	=====
Basic and diluted loss per share (pence)	(0.21p)	(0.19p)

All of the activities of the Company are classed as continuing.

The Company has no recognised gains or losses other than the results for the year as set out above.

The accompanying accounting policies and notes form an integral part of these financial statements.

Balance Sheet
As at 30th June 2006

	2006	2005
	£	£
Fixed Assets		
Intangible assets	48,820	53,463
Tangible assets	15,081	24,924
Investments	1	1
	_____	_____
	63,902	78,388
Current Assets		
Debtors	56,168	154,505
Cash at bank	26,336	294,908
	_____	_____
	82,504	449,413
Creditors: amounts falling due within one year		
	(212,652)	(114,302)
	_____	_____
Net current assets / (liabilities)	(130,148)	335,111
	_____	_____
Total assets / (liabilities)	(66,246)	413,499
	=====	=====
Capital and reserves		
Called up share capital	92,810	92,810
Share premium account	1,329,022	1,329,022
Profit and loss account	(1,488,078)	(1,008,333)
	_____	_____
Shareholders' funds	(66,246)	413,499

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Cash Flow Statement
For the year ended 30th June 2006

	Note	2006 £	2005 £
Net cash flow from operating activities		(309,204)	(447,066)
Returns on investments and servicing of finance			
Interest received		6,562	8,528
		<hr/>	<hr/>
Net cash inflow from returns on investments and servicing of finance		<u>6,562</u>	<u>8,528</u>
Taxation		36,197	18,777
Capital expenditure			
Purchase of tangible fixed assets		(2,127)	(18,503)
		<hr/>	<hr/>
Net cash outflow from capital expenditure		<u>(2,127)</u>	<u>(18,503)</u>