Physiomics plc

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("Physiomics" or "the Company")

Two new projects in support of Lilly's Oncology Programs

Physiomics plc (AIM: PYC), the Oxford, UK based systems biology company, is pleased to announce that it has signed a further agreement with Eli Lilly and Company ('Lilly'), the global pharmaceutical company, to perform two new projects for in silico simulations in the field of oncology. The projects involve predicting the outcomes of proposed regimens for two Lilly candidate compounds in combination with other drugs.

The projects will be performed on a fee-for-service basis.

Dr Mark Chadwick, CEO of Physiomics, commented:
"We are very pleased to receive repeat business and develop our relationship with Lilly. In addition to some incremental revenue, the award of this contract further demonstrates the value of Virtual Tumour™ in pre-clinical research. The Directors believe that the award of this contract will act as a springboard to attract additional business."

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Information on Physiomics plc

Physiomics (AIM:PYC) is a computational systems biology services company applying simulations of cell behavior to drug development to reduce the high attrition rates of clinical trials. 80-90 per cent of all clinical drug candidates fail to reach the market and 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[1].

Physiomics develops computational systems biology models to predict and understand cancer drug efficacy from pre-clinical research to clinical development. Physiomics has created detailed mathematical models incorporating the most important molecular events taking place during the human cell cycle and apoptosis processes. The company's SystemCell® technology enables the simulation of populations of "virtual cells". The company has also developed a "Virtual Tumour" model to simulate the effect of anti-cancer drugs on tumour growth. The models are used to optimise compound design and to design drug schedules and combination therapies.

Physiomics, based in Oxford, UK, was founded in 2001, and floated on AIM in 2004. For further information, please visit www.physiomics-plc.com

[1]Tufts Centre Impact Report 2002